

spackmanentertainmentgroup

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ACQUIRES FRAME PICTURES

- *Frame Pictures is a leading movie/drama equipment leasing player in Korea's entertainment sector*
- *In line with strategy of making acquisitions of related firms in the entertainment sector that complements the Group's existing core business*
- *Group to continue to aggressively pursue similar strategic acquisitions to develop a more consistent revenue stream*

Singapore, 15 March 2017 – Spackman Entertainment Group Limited (“**Spackman Entertainment Group**” or the “**Company**” and together with its subsidiaries, the “**Group**”), one of Korea's leading entertainment production groups, announced today that it has entered into a sale and purchase agreement with the owner of Frame Pictures Co., Ltd. (“**Frame Pictures**”) to acquire the entire issued and paid-up share capital of Frame Pictures (the “**Proposed Acquisition**”).

Frame Pictures is a leading movie/drama equipment leasing business in Korea. The total purchase consideration to acquire Frame Pictures comprises KRW 900 million in cash and 497,250 issued and paid-up ordinary shares of the Company's 24.53% owned associated company, Spackman Media Group Limited (“**SMGL**”), representing 1.63% of the total share capital of SMGL.

The total purchase consideration was arrived at following arm's length negotiations on a willing buyer, willing seller basis and taking into account, *inter alia*, Frame Picture's net profit of KRW 875.6 million (approximately US\$ 0.79 million) for the full-year financial period ended 31 December 2016 (“**FY2016**”) and unaudited net tangible asset value of KRW 1.8 billion (approximately US\$ 1.61 million) as at 31 December 2016.

Mr. Charles C. Spackman, Executive Chairman & Chief Executive Officer of Spackman Entertainment Group, said, “**The acquisition of Frame Pictures is a strong start to our renewed initiative to develop a more consistent and stable revenue stream that is less dependent on the box office performance of our films. Frame has been consistently profitable in recent years, and was looking for opportunities to take its business to the next step. We believe the business of Frame Pictures will benefit significantly from this deal with Spackman Entertainment Group as we will be able to provide access to a wider source of projects for Frame Pictures through our network. We will continue to aggressively pursue such acquisitions that will add to the consistency of our revenue stream and strategically complement our existing businesses.**”

Assuming that the Proposed Acquisition had been completed at the beginning of FY2016, the loss attributable to the shareholders of the Company would decrease from US\$ 2.2 million to US\$ 1.5 million and the net tangible assets of the Group would increase from US\$ 11.9 million to US\$ 13.4 million as at 31 December 2016.

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About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited (“**SEGL**” or the “**Company**”), and together with its subsidiaries, (the “**Group**”) is a leading entertainment production company that is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea. In addition to our film business, we also make investments into entertainment companies and film funds that can financially and strategically complement our existing core operations. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

SEGL's Zip Cinema Co., Ltd. (“**Zip Cinema**”) is one of the most recognised film production labels in Korea and has originated and produced some of Korea’s most commercially successful theatrical films, consecutively producing 8 profitable movies since 2009 representing an industry leading track record. Recent theatrical releases of Zip Cinema’s motion pictures include some of Korea’s highest grossing and award-winning films such as *MASTER* (2016), *THE PRIESTS* (2015), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012). For more information on Zip Cinema, do visit <http://zipcine.com>

SEGL also owns Novus Mediacorp Co., Ltd. (“**Novus Mediacorp**”), an investor, presenter, and/or ancillary distributor for a total of 55 films (36 Korean and 19 foreign) including *SECRETLY, GREATLY*, which was one of the biggest box office hits of 2013 starring Kim Soo-hyun of *MY LOVE FROM THE STARS* fame, as well as *FRIEND 2: THE GREAT LEGACY*. In 2012, Novus Mediacorp was also the ancillary distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by Zip Cinema. For more information on Novus Mediacorp, do visit <http://novusmediacorp.com>

Our films are theatrically distributed and released in Korea and overseas markets, as well as for subsequent post-theatrical worldwide release in other forms of media, including cable TV, broadcast TV, IPTV, video-on-demand, and home video/DVD, etc. We release all of our motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

We also operate a café-lounge called Upper West, in the Gangnam district of Seoul and own a professional photography studio, noon pictures Co., Ltd..

The Company is a 24.53% strategic shareholder of Spackman Media Group Limited (“SMGL”). SMGL, a company incorporated in Hong Kong, together with its subsidiaries, collectively is the leading talent agency and entertainment content production company in Korea, managing over 60 artistes including some of the top names in the Korean entertainment industry. SMGL operates the talent management business through renowned agencies such as MS Team Entertainment Co., Ltd., UAA & Co., Fiftyone K Inc., SBD Entertainment Inc., Kook Entertainment Co., Ltd., and UL Entertainment Co., Ltd.

For more details, do visit <http://www.spackmanentertainmentgroup.com/>

About Spackman Media Group Limited

Spackman Media Group Limited (“SMGL”), a company incorporated in Hong Kong, together with its subsidiaries, is collectively the largest entertainment talent agency in Korea in terms of the number of artists under management. SMGL manages over 60 artists including some of the top names in the Korean entertainment industry and operates its talent management business through renowned agencies such as MS Team Entertainment Co., Ltd., UAA & Co., Fiftyone K Inc., SBD Entertainment Inc., Kook Entertainment Co., Ltd., and UL Entertainment Co., Ltd.

The company, through its full-service talent agencies in Korea, represents and guides the professional careers of a leading roster of over 60 award-winning actors/actresses in the practice areas of motion pictures, television, commercial endorsements, and branded entertainment. The company leverages its unparalleled portfolio of artists as a platform to develop, produce, finance and own the highest quality of entertainment content projects, including theatrical motion pictures, variety shows, and TV dramas.

About Frame Pictures Co., Ltd.

Established in 2014 by veteran director of photography, Mr. Kim Jun-young, Frame Pictures has worked with over 25 top directors and provided the camera and lighting equipment for some of Korea’s most notable drama and movie projects including *THE LEGEND OF THE BLUE SEA* (2016) featuring Jeon Ji-hyeon and Lee Min-ho, as well as *VETERAN* (2015), the number one movie at the Korean box office in 2015 starring Yoo Ah-in. Frame Pictures also manages a Director of Photography agency and placed its cinematographers in 12 films including *ANTIQUE* (2008), produced by Spackman Entertainment Group’s indirectly wholly-owned subsidiary, Zip Cinema Co. Ltd. In 2015, Frame Pictures became the first Korean firm to offer 4k resolution post-production services.

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Important Notice

This news release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this news release.

This news release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this news release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this news release.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.