

spackmanentertainmentgroup

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ENGAGES RHT CAPITAL FOR LISTING NOVUS MEDIACORP AND FRAME PICTURES INTO A SEPARATE ENTITY ON THE CATALIST OF THE SGX-ST

- Group owns 51% of Novus Mediacorp, a renowned post-theatrical distributor of films in Korea, and 100% of Frame Pictures, a leading movie/drama equipment leasing player in Korea
- Group has appointed and engaged RHT Capital as the financial adviser, issue manager and full sponsor for the proposed spin-off and listing of Novus Mediacorp and Frame Pictures
- Separate listing of Novus Mediacorp and Frame Pictures as a combined stand-alone entity independent of the Group to exploit growing post-theatrical and camera equipment leasing markets

Singapore, 7 May 2018 – 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 founded by investment veteran Mr. Charles Spackman, wishes to announce that its Board has approved the spin-off of the Group’s 51%-owned subsidiary, Novus Mediacorp (“**Novus Mediacorp**”) and the Group’s wholly-owned subsidiary, Frame Pictures Co., Ltd. (“**Frame Pictures**”) (“**Proposed Spin-off**”), for the combined entity to seek listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Proposed Listing**”).

The Company has appointed RHT Capital Pte. Ltd. (“**RHT Capital**”) as the financial adviser in relation to the Proposed Spin-off and the issue manager and full sponsor in relation to the Proposed Listing.

The Company believes that the Proposed Spin-off and Proposed Listing shall allow the combined entity of Novus Mediacorp and Frame Pictures to independently raise the capital necessary to unlock the full potential of its operations and projects, and to capitalize on the rapidly growing post-theatrical and camera equipment leasing markets.

Novus Mediacorp, a renowned post-theatrical distributor of films in Korea, and Frame Pictures, a leading Korean movie/drama equipment leasing player, are engaged in distinct and separate businesses from the Group’s core business of film production. These two companies were acquired after the Group’s IPO, and are managed separately and independently of the Group’s main operations.

Mr. Richard Lee, Interim Chief Executive Officer & Executive Director of Spackman Entertainment Group, said, “Despite our turnaround to profitability and accretive acquisitions, our valuation remains significantly lower than our industry peers. Therefore, we seek to restructure our Group through this Proposed Listing to unlock the value of our non-core subsidiaries, Novus Mediacorp and Frame Pictures. As

demonstrated by the record-breaking ancillary sales of Novus Mediacorp's *THE OUTLAWS*, the economic importance and increasing value of the post-theatrical market is becoming as significant as that of the theatrical market. We believe the Proposed Listing will create a financially independent entity that can directly exploit this growth and translate such value to our shareholders."

RHT Capital will be making a submission to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the Proposed Spin-off in due course.

The Company would like to highlight that the Proposed Spin-off is in its preliminary stages and is dependent on, *inter alia*, the results of preparatory work to be undertaken, the requisite approvals from the relevant regulatory authorities, approval of the shareholders (if required) and the then-prevailing market conditions. Accordingly, there is no assurance that the Proposed Spin-Off and Proposed Listing will materialise.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

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About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited ("**SEGL**" or the "**Company**"), and together with its subsidiaries, (the "**Group**"), one of Korea's leading entertainment production groups founded by investment veteran, Mr. Charles Spackman, 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 76 films (53 Korean and 23 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. In 2018, *THE OUTLAWS*, co-presented by Novus Mediacorp broke the all-time highest Video On Demand (“**VOD**”) sales records in Korea. 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 holds an effective shareholding interest of 33.76% in Spackman Media Group Limited (“**SMGL**”). 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, including some of the top names in the Korean entertainment industry. SMGL operates its talent management business through renowned agencies such as MS Team Entertainment Co., Ltd., UAA & Co Inc., Fiftyone K Inc., SBD Entertainment Inc., and Kook Entertainment Co., Ltd. Through these full-service talent agencies in Korea, SMGL represents and guides the professional careers of a leading roster of award-winning actors/actresses in the practice areas of motion pictures, television, commercial endorsements, and branded entertainment. SMGL 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. This platform also creates and derives opportunities for SMGL to make strategic investments in development stage businesses that can collaborate with SMGL artists. SMGL is an associated company of the Company.

On 31 March 2017, the Group completed the acquisition of 100% equity interest in Frame Pictures Co., Ltd. (“**Frame Pictures**”). Frame Pictures is a leader in the movie/drama equipment leasing business in Korea. Established in 2014, 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.

On 27 October 2017, the Company completed the acquisition of 100% equity interest in Take Pictures Pte. Ltd. (“**Take Pictures**”) which owns a strong lineup of 10 film projects including the co-production with Zip Cinema for *THE PRIESTS 2*.

On 26 January 2018, the Company completed the acquisition of 100% equity interest in Constellation Agency Pte. Ltd. (“**Constellation Agency**”). Constellation Agency,

which owns The P Factory Co., Ltd. (“**The P Factory**”) and Platform Media Group Co., Ltd. (“**PMG**”), is primarily involved in the business of overseas agency for Korean artists venturing into the overseas market. The P Factory is an innovative marketing solutions provider specializing in event and branded content production. PMG is a talent management agency which represents and manages the careers of major artists in film, television, commercial endorsements, and branded entertainment.

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

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*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital 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 press release.*

This press 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 press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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