

spackmanentertainmentgroup

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP PROVIDES SEED FUNDING FOR THE MAKERS STUDIO, A STARTUP KOREAN FILM PRODUCTION COMPANY

- The Makers Studio, a startup film production firm by Ms. Kim Ok-hyun, the CEO of Mother Company Entertainment, Ms. Choi Yeon-ju, a film producer and Ms. Moon Bo-young, a marketing veteran
- Group's investment as seed financing for The Makers Studio
- Investment strategically strengthens Group's existing film production arm to value-add to revenue

Singapore, 16 November 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, wishes to announce that it has invested KRW250 million, approximately US\$225,000¹ in the seed financing round for The Makers Studio Co. Ltd. ("**The Makers Studio**"), a Korean film production company (the "**Investment**"). Pursuant to the Investment, the Company owns 20% of the equity interest in The Makers Studio.

The Makers Studio is established by three Korean entertainment industry veterans: Ms. Kim Ok-hyun, the CEO of Mother Company Entertainment Co. Ltd., a talent agency representing top actress Shin Min-a, Ms. Choi Yeon-ju, a film producer with profitable hits such as *INSANE* (2016) and *THE TRAFFICKERS* (2012), and Ms. Moon Bo-young, a marketing expert.

The Makers Studio plans to produce and release four films from 2018 to 2020, the first of which will be *THE ISLAND OF THE GHOST'S WAIL*, directed by Joo Hye-ri (*YOUNG WIDOW* 2016; *WHERE IS MY FRIEND'S HOUSE* 2014). The comedy horror film tells the story of a woman who goes to an island and unravels the stories and secrets of the village. The tentative budget is set at KRW3 billion, approximately US\$2.7 million, excluding prints and advertising costs.

The Investment was arrived at following arm's length negotiations on a willing-buyer willing-seller basis and taking into account, *inter alia*, the unaudited net asset value of KRW50 million, approximately US\$45,000¹, of this recently formed business as at 2 November 2017. The Investment will be fully funded in cash by the Group's internal resources.

Mr. Charles Spackman, Executive Chairman & Chief Executive Officer of Spackman Entertainment Group, said, "The investment into The Makers Studio follows one of

¹ Based on the exchange rate of KRW1:US\$0.0009

our new strategies of seed financing industry veterans with successful track records. We expect The Makers Studio to leverage on the Group's networks and resources to increase the visibility and distribution channels of its pipeline of upcoming films. The Group will continue to eye quality early stage Korean film production companies in its objective to strengthen its existing film production business."

The aforesaid Investment is not expected to have any material impact on the Group's earnings per share and net tangible asset value per share for the financial year ending 31 December 2017.

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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 75 films (52 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. 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 29.12% strategic shareholder of 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 associate company of the Group.

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 Group 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 the Zip Cinema of *THE PRIESTS 2*.

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, 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 Catalyst. 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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