

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ENTERS INTO DEFINITIVE AGREEMENT TO ACQUIRE MAJORITY STAKE IN NOVUS MEDIACORP CO., LTD.

- *Novus Mediacorp Co., Ltd. is a renowned movie investor, presenter, and ancillary distributor of Korean theatrical films*
- *Total purchase consideration to be satisfied in cash and shares priced at SGD 0.34 per share*
- *Group's current lineup of productions to increase to ten films, of which seven or more are aimed for release in 2015*

Singapore, 8 December 2014 – 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, pursuant to the memorandum of understanding (“**MOU**”) dated 14 November 2014, it has entered into a definitive share sale and purchase agreement (the “**Agreement**”) to acquire 1,020 common voting shares, or 51.0%, of Novus Mediacorp Co., Ltd. (“**Novus**”) from Suk Young Jung for a total purchase consideration of SGD 2.53 million, of which SGD 1.35 million will be paid in cash and the balance in 3,460,209 newly issued common shares of the Company, with a moratorium period of one year from the date of issuance, priced at SGD 0.34 per share (the “**Consideration**”). The issue price of SGD 0.34 per consideration share represents a premium of 42.92% to the volume weighted average price of S\$0.2379 for each share, based on trades done on the shares on the Catalist of the SGX-ST on 5 December 2014, being the last full market day prior to the signing of the Agreement. Closing of the transaction, which is expected in January 2015, is conditional upon, *inter alia*, completing final satisfactory due diligence by the Company and obtaining relevant regulatory approvals.

The Consideration as at the date of the Agreement was arrived at between the Company and Suk Young Jung after arm’s length negotiations and on a “willing buyer, willing seller” basis, taking into account, amongst others, the revenues of KRW 4.61 billion (SGD 5.39 million based on the exchange rate of KRW1:SGD0.00117) and net profit of KRW 1.08 billion (SGD 1.26 million based on the exchange rate of KRW1:SGD0.00117) based on the unaudited pro-forma consolidated financial statements of Novus for the financial year ended 31 December 2013.

Novus is an investor and presenter of Korean theatrical films, specializing in ancillary distribution. Since 2009, Novus was the investor, presenter, and/or ancillary distributor for a total of 54 films (35 Korean and 19 foreign) including *SECRETLY, GREATLY*, which was one of the biggest box office hits of 2013, starring Kim Soo-hyun, as well as *FRIEND 2: THE GREAT LEGACY*, featuring Kim Woo-bin. In 2012, Novus was also the ancillary distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by the Group.

Novus also has a wholly-owned subsidiary, Novus Entertainment Co., Ltd. (“**Novus Entertainment**”), which was recently established in 2013 and is currently co-producing three major theatrical films for release in 2015, namely, *LIFE RISKING LOVE*, *CHONG HEE – THE EMPEROR’S LOVE*, and *KOREAN GANGSTER*. With this additional pipeline of productions from Novus Entertainment, the Group’s current production slate will reach 10 films, of which 7 or more are aimed for release in 2015, positioning the Group as one of Korea’s largest theatrical film production companies in terms of the number of productions released per year.

Charles Spackman, Executive Chairman of Spackman Entertainment Group said, “We are pleased to have finalized terms for the acquisition of Novus. The ancillary market is the fastest growing segment of the film industry in recent years with post-theatrical revenues amounting to a significant portion of the overall income from a film. Through Novus, we will be well-positioned to capitalize on this rapidly growing segment substantially more than we have in the past. Also, the additional slate of productions of Novus will help us diversify our financial exposure over a more extensive lineup of movies from next year.” Mr. Spackman also added, “Mr. Suk Young Jung, the CEO of Novus, is highly-regarded as one of the early-movers to exploit the ancillary market of the Korean film industry. Mr. Jung will undoubtedly be a valuable member of our team of top industry professionals. Deals like Novus demonstrate our continued commitment to grow the Group through accretive acquisitions with the objective of seeking new talent and diversifying our income stream to various segments of the industry.”

The Korean ancillary market now predominantly consists of IPTV, digital cable, and internet VOD services (including mobile services) due to Korea’s advanced internet infrastructure allowing the world’s fastest download speeds. In 2013, the Korean ancillary market totaled KRW267.6 billion (equivalent to SGD314 million based on the exchange rate of KRW1:SGD0.00117), over three times that of the KRW88.8 billion (equivalent to SGD104 million based on the exchange rate of KRW1:SGD0.00117) recorded in 2009. Meanwhile, the packaged segment (which includes DVD and Blu-Ray) has almost halved in the same period.¹

¹ Sourced from the Korean Film Council, a special organisation entrusted to the Ministry of Culture, Sports and Tourism of the Republic of Korea.

About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited (“**SEGL**”, 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. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

Our two motion picture production subsidiaries, namely, Zip Cinema Co., Ltd. (“**Zip Cinema**”) and Opus Pictures Limited Liability Company (“**Opus Pictures**”), are two of the most recognized film production labels in Korea, and have originated and produced some of Korea’s most commercially successful theatrical films for the past 7 years. 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 television, broadcast television, IPTV, video-on-demand, and home video/DVD, etc. We release most of our motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

Zip Cinema and Opus Pictures have, collectively, produced and released a total of 17 theatrical motion pictures since their incorporation, some of which were among the top grossing films in Korea. Recent theatrical releases of our motion pictures include notable box office successes such as *SNOWPIERCER* (2013), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012).

The Group also owns a 51% majority stake in Breakfastfilm Co., Ltd. (“**Breakfastfilm**”), a leading marketing and media company that specializes in the production of TV/new media commercials and K-pop music videos in Korea. Founded in 2004, Breakfastfilm has produced some of Korea’s most well-known TV commercials for major multinational clients such as Samsung, Hyundai Motors, LG, Coca-Cola, McDonald, Adidas as well as other major Korean corporate brands. Moreover, as a leading producer of K-pop music videos, Breakfastfilm has produced many of Korea's most popular music videos including Wonder Girls' *Nobody*, Girls Generation's *Genie*, 2PM's *Without You*, Miss A's *Breathe*, Rain's *I'm Coming*, Super Junior's *Bonamana*, Shinee's *Everybody*, and JYP's *No Love No More*. (www.breakfastfilm.com)

Secondarily to our core production business, we also make investments into entertainment companies and film funds that can financially and strategically complement our existing core operations: we operate a café-lounge called Upper West in the Gangnam district of Seoul; own a professional photography studio; and produce documentary programmes for broadcast and cable television.

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

Important Notice

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 22 July 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This press release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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