

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ENTERS INTO MEMORANDUM OF UNDERSTANDING FOR THE PROPOSED ACQUISITION OF NOVUS MEDIACORP CO., LTD.

- *Novus Mediacorp Co., Ltd. is a renowned movie investor, presenter, and ancillary distributor of Korean theatrical films.*
- *Korea's ancillary film market has tripled since 2009*

Singapore, 14 November 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 it has entered into a non-binding memorandum of understanding with an independent third party, Suk Young Jung, which sets forth general terms and conditions for the proposed acquisition of 51% or more of the issued and outstanding share capital of Novus Mediacorp Co., Ltd. (“**Novus**”) (the “**Proposed Acquisition**”).

Novus is a renowned investor, presenter, and ancillary distributor for Korean theatrical films. 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 Soohyun of *MY LOVE FROM THE STARS* fame, as well *FRIEND 2: THE GREAT LEGACY*. 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., which is currently producing three major theatrical films for release in 2015: *LIFE RISKING LOVE, CHONG HEE – THE EMPEROR’S LOVE*, and *KOREAN GANGSTER*.

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

Mr. Richard Lee, Head of Business Development, Spackman Entertainment Group said, “With the recent growth of the ancillary market, the post-theatrical revenues have become a significant portion of the overall revenues of a film. A potential deal with Novus is an example of the Group exploring ways to financially capitalize on this fast growing segment of the industry.”

This transaction is at a preliminary stage and its completion will be subject to, *inter alia*, the satisfactory completion of the due diligence and the approval of the relevant authorities and shareholders. The Company will update its shareholders as and when there are any material developments and/or upon execution of definition agreements in relation to the Proposed Acquisition.

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

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

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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14 November 2014