

spackmanentertainmentgroup

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ACQUIRES KOREAN FILM PRODUCTION COMPANY, STUDIO TAKE, THROUGH PURCHASE OF TAKE PICTURES

- *Take Pictures owns 100% of the equity interest in Studio Take, a motion picture production company founded by veteran movie producer, Mr. Song Dae-chan*
- *Take Pictures well-equipped with capabilities to produce quality films based on the founder's track record and expertise*
- *Group to continue to seek acquisitions that will strategically add accretive value to its existing film production business segment*

Singapore, 11 October 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 four independent third parties (the “**Vendors**”) to acquire the entire issued and paid-up share capital of Take Pictures Pte. Ltd. (the “**Target**” or “**Take Pictures**”) (the “**Proposed Acquisition**”).

The Target owns 100% of the equity interest in Studio Take Co., Ltd. (“**Studio Take**”), which is a development motion picture production company founded by veteran movie producer, Mr. Song Dae-chan (“**Mr. Song**”) and incorporated in the Republic of Korea.

Studio Take seeks to produce top quality films that will be 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. Studio Take will release all of its motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

The total purchase consideration to acquire the Target is S\$3,928,572, which comprises S\$589,286 in cash and 25,686,816 newly issued ordinary shares of the Company at a price of S\$0.13 per share.

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*, the Target’s unaudited net profit of US\$355,937 (approximately S\$487,585) for the period of 1 January 2017 to 30 September 2017 and unaudited net asset value of US\$908,612 (approximately S\$1,244,674) as at 30 September 2017. The unaudited net tangible

asset value of the Target Company as at 30 September 2017 was US\$674,849 (approximately S\$924,451).

Mr. Charles Spackman, Executive Chairman & Chief Executive Officer of Spackman Entertainment Group, said, **“We believe that the acquisition of Take Pictures will significantly benefit our film production business as it will allow the Group to expand its annual movie production capacity. Led by a 15-year veteran movie producer who is familiar with our strategy and approach to filmmaking through his years at Zip Cinema, Take Pictures is well-positioned to deliver similar levels of success as Zip Cinema. In order to add accretive value to our existing film production business, we plan to focus on acquiring or investing into early stage production companies that can be more easily integrated with our culture of movie making.”**

Mr. Song is currently the founder and Chief Executive Officer of Studio Take. Studio Take currently has developed and owns a strong lineup of 10 film projects including the co-production with the Company’s indirect wholly-owned subsidiary, Zip Cinema Co., Ltd. (**“Zip Cinema”**), of *THE PRIESTS 2*. *THE PRIESTS 2* is the sequel to one of Korea’s most commercially successful theatrical films of 2015, *THE PRIESTS*, which was produced by Zip Cinema.

Prior to establishing Studio Take, Mr. Song spent 13 years working alongside the Company’s Executive Director and Chief Producer Ms. Eugene Lee (**“Ms. Lee”**), the CEO of Zip Cinema. Mr. Song began his career in 2002 apprenticing under Kang Je-kyu, director of classic hits *SIRI* (1999) and *TAEGUKKI* (2004) at the eponymous film company, Kang JEKYU Film. Mr. Song continued his career at B.O.M. Pictures working with Ms. Lee on *A BITTERSWEET LIFE* (2005), and then joined her at Zip Cinema where they collaborated on numerous projects for the next 12 years.

Assuming that the Proposed Acquisition had been completed at the beginning of the financial year ended 30 December 2016 (**“FY2016”**), the loss attributable to the shareholders of the Company in FY2016 would remain relatively the same at approximately US\$2.43 million. Assuming that the Proposed Acquisition had been completed at the end of FY2016, the net tangible assets of the Group would remain relatively the same at approximately US\$11.85 million as at 31 December 2016. This is mainly due to Take Pictures being a dormant company in FY2016 before acquiring Studio Take.

- End -

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..

After the completion of the proposed acquisition of an additional 900,000 common voting shares of Spackman Media Group Limited ("**SMGL**"), the Company will be a 29.12% strategic shareholder of 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.

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

Investor & Media Contact

Spackman Entertainment Group Limited

Ms Jasmine Leong

Tel: +65 6694 4175

Email: jasmine.leong@spackmangroup.com

*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 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.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).