

spackmanentertainmentgroup

NEWS RELEASE

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

- *Fireworks Co., Ltd. is a renowned Korean TV commercial post-production house*

Singapore, 2 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 it has entered into a non-binding memorandum of understanding with an independent third party, Hyun Duk Shin, which sets forth general terms and conditions for the proposed acquisition of 51% or more of the issued and outstanding share capital of Fireworks Co., Ltd. (“**Fireworks**”) (the “**Proposed Acquisition**”).

Fireworks is a post-production house that creates high-end visual effects for TV commercials, music videos, films and digital media. It specializes in post-production TV commercial picture editing services including 2D composites, 3D computer graphics, and art editing, and has worked on some of the most distinctive commercials in Korea featuring Korea's biggest brands and most famous stars. For example, Fireworks was responsible for the post-production of commercials such as Reebok’s *Rolling In Front of the Chair* with Ahn So-hee of the Wondergirls, SK Telecom’s *Good Looking* with Jun Ji-hyun and Lee Jung-Jae, Wellmade’s *The People’s Clothing Store* starring Jung Woo-sung, tvN’s company public relations film featuring Psy rising a horse, and Northface’s ad starring Hyun Bin.

Mr. Richard Lee, Head of Business Development, Spackman Entertainment Group said, “As a post-production company specializing in TV commercials, Fireworks has collaborated closely with our subsidiary, Breakfastfilm Co., Ltd. for almost a decade and the Proposed Acquisition should enhance their mutual benefits. Moreover, we expect synergies with our theatrical film business as Fireworks has the potential to expand its scope to post-production for movies.”

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 51.03% 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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