

CIRCULAR DATED 28 JULY 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS CIRCULAR OR THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the issued share capital of Spackman Entertainment Group Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular 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 Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

spackmanentertainmentgroup

SPACKMAN ENTERTAINMENT GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Reg. No. 201401201N)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL OF THE COMPANY’S ENTIRE EQUITY INTEREST IN ITS INDIRECT WHOLLY-OWNED SUBSIDIARY, OPUS PICTURES LIMITED LIABILITY COMPANY, AND INDIRECT 51.50% SUBSIDIARY, UAA KOREA CO., LTD. (“PROPOSED DISPOSAL”)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	10 August 2016 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	12 August 2016 at 2.00 p.m.
Place of Extraordinary General Meeting	:	390 Orchard Road, #04-01 Palais Renaissance, Singapore 238871

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

“Amendment Agreement”	:	The amendment agreement entered into between the Company, the Vendors and the Purchaser on 8 July 2016
“Board” or “Board of Directors”	:	The board of Directors of the Company as at the date of this Circular, unless the context otherwise requires
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified, or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 28 July 2016
“Closing”	:	Has the meaning ascribed to it in paragraph 2.3.3 of this Circular
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore as amended, modified or supplemented from time to time
“Company”	:	Spackman Entertainment Group Limited
“Consideration Shares”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 12 August 2016, notice of which is set out on pages 16 and 17 of this Circular
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company, its subsidiaries and associated companies collectively
“KRW”	:	Korean Won
“Latest Practicable Date”	:	18 July 2016, being the latest practicable date prior to the printing of this Circular
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for securities trading

DEFINITIONS

“NAV”	:	Net asset value
“Notice of EGM”	:	The notice of the EGM as set out on pages 16 to 17 of this Circular
“NTA”	:	Net tangible assets
“Opus Pictures”	:	Opus Pictures Limited Liability Company
“Original Agreement”	:	The conditional share sale and purchase agreement entered into between the Company, the Vendors and the Purchaser on 19 April 2016
“Proposed UAA Disposal”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“Proposed Disposal”	:	The proposed disposal of the Company’s entire equity interest in Opus Pictures and UAA to the Purchaser, details of which are set out in this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchaser”	:	Tae Hun Lee
“Q1 FY2016”	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
“Revised Purchase Consideration”	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Sale Shares”	:	The Vendors’ entire shareholding interest in Opus Pictures and UAA, details of which are set out in paragraph 2.2 of this Circular
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore as amended, modified or supplemented from time to time
“SEGHK”	:	Spackman Entertainment Group (HK) Limited
“SEL”	:	Spackman Equities Limited
“SG&A”	:	Has the meaning ascribed to it in paragraph 2.1.1 of this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“ Shares ”	:	Ordinary shares in the capital of the Company
“ Shareholders ”	:	Persons who are registered as holders of the Shares in the register of members of the Company, or where CDP is the registered holder, the term “ Shareholders ” shall, in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
“ Sponsor ”	:	PrimePartners Corporate Finance Pte. Ltd., the continuing sponsor of the Company
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers
“ UAA ”	:	UAA Korea Co., Ltd.
“ Vendors ”	:	SEGHK and SEL, collectively
“ VWAP ”	:	Volume weighted average price
“ US\$ ” and “ cents ”	:	United States dollars and cents, respectively
“ Zip Cinema ”	:	Zip Cinema Co., Ltd.
“ % ” or “ per cent ”	:	Percentage or per centum

Unless otherwise specifically provided, the following exchange rate is used throughout this Circular:

US\$1.00	:	S\$1.349 KRW 1,153.50
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The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The expressions “**associate**”, “**associated company**”, “**related corporation**”, “**subsidiary**”, “**Controlling Shareholder**” and “**Substantial Shareholder**” shall have the meanings ascribed to them respectively in the Companies Act and the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Take-over Code, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the Securities and Future Act, the Take-over Code, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date respectively, unless otherwise stated.

LETTER TO SHAREHOLDERS

SPACKMAN ENTERTAINMENT GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201401201N)

Directors:

Charles Choi Spackman (*Executive Chairman*)
Yoo Jin Lee (*Executive Director and Chief Producer*)
Thong Yuen Siew Jessie (*Lead Independent Director*)
Anthony Wei Kit Wong (*Independent Director*)
Ng Hong Whee (*Independent Director*)

Registered Office:

16 Collyer Quay
#17-00
Income at Raffles
Singapore 049318

28 July 2016

To: The Shareholders of the Company

Dear Sir/Madam

1. INTRODUCTION

1.1 The Proposed Disposal

On 19 April 2016, the Company announced that:

- (a) the sale and purchase agreement dated 30 December 2015 entered into between SEGHK and Spackman Media Group Limited with regard to the proposed disposal of 51.36% of UAA ("**Proposed UAA Disposal**") had been terminated upon mutual agreement between the parties; and
- (b) the Company and the Vendors had, on 19 April 2016, entered into the Original Agreement with the Purchaser for the sale of the Vendors' entire equity interest in Opus Pictures and UAA to the Purchaser.

On 8 July 2016, the Company announced that the Company and the Vendors had, on 8 July 2016, entered into the Amendment Agreement.

Under the Original Agreement, the Purchase Consideration was US\$1.86 million, to be satisfied by way of a selective share buyback of 14,180,000 Shares ("**Consideration Shares**") from the Purchaser.

Pursuant to the Amendment Agreement, the above term shall be removed in its entirety and the Purchase Consideration for the Sale Shares shall be S\$1,347,100 (equivalent to approximately US\$998,592) in cash (the "**Revised Purchase Consideration**").

Save for the abovementioned revision to the Purchase Consideration and the deletion of all references and clauses in relation to the Consideration Shares in the Original Agreement, the other salient terms of the Original Agreement shall continue to be in full force and effect and binding on the parties.

LETTER TO SHAREHOLDERS

Upon completion of the Proposed Disposal, Opus Pictures and UAA will cease to be subsidiaries of the Company and the Company will no longer hold any equity interest in both companies.

The Proposed Disposal is a major transaction under Rule 1014 of the Catalyst Rules and, accordingly, is subject to Shareholders' approval.

Further details of the Proposed Disposal are set out in **paragraph 2** of this Circular.

1.2 Purpose of the Circular

The purpose of this Circular is to provide Shareholders with information relating to, and the reasons for, the Proposed Disposal, and to seek Shareholders' approval for the same at the EGM. The Notice of EGM is set out on pages 16 to 17 of this Circular.

2. THE PROPOSED DISPOSAL

2.1 Rationale for the Proposed Disposal¹

2.1.1 Opus Pictures

The Proposed Disposal would allow the Company to dispose of its major loss-making asset, Opus Pictures.

Since June 2014, except for *THE PRIESTS* (produced by the Company's indirect wholly-owned subsidiary, Zip Cinema), the other six (6) theatrical films presented, produced and/or invested in by Opus Pictures had performed below expectations at the Korean box office, resulting in losses incurred from the investments made into such theatrical films. The six (6) theatrical films are *FOR THE EMPEROR* (2014), *CONFESSION* (2014), *BIG MATCH* (2014), *WONDERS* (2015), *CHASING* (2016), and *MUSUDAN* (2016).

These six (6) film projects had recorded an aggregate loss of KRW 10.7 billion (or US\$9.3 million based on the exchange rate of US\$1: KRW1,153.50) with a negative 50% rate of return to investors. Please refer to **Appendix A** to this Circular for further details.

In addition, Opus Pictures had been loss making since FY2014, in which a loss before tax of US\$3.1 million, US\$2.2 million and US\$0.8 million were recorded in FY2014, FY2015 and the three (3) months ended 31 March 2016 ("**Q1 FY2016**"), respectively. Opus Pictures is also in an audited net liabilities position of US\$2.0 million as at 31 December 2015 and an unaudited net liabilities position of US\$2.8 million as at 31 March 2016. Opus Pictures incurred selling and general and administrative expenses ("**SG&A**") of US\$2.5 million and US\$0.8 million, which made up 41% and 69% of the Group's total SG&A for FY2015 and Q1 FY2016, respectively. The sale of Opus Pictures would hence enable the Company to reduce its fixed overheads and operating expenses significantly.

¹ The following exchange rates are used for paragraph 2.1 of this Circular:

- Average exchange rate (KRW/USD): 1,053.22 (FY2014); 1,131.49 (FY2015); and 1,201.44 (Q1 FY2016)
- Exchange rate as at the end of each financial year or period (KRW/USD): 1,099.20 (FY2014); 1,172.00 (FY2015); and 1,153.50 (Q1 FY2016)

LETTER TO SHAREHOLDERS

2.1.2 UAA

The Group currently holds an aggregate indirect 51.50% interest in UAA, which is principally engaged in the business of talent management and presenting films under the brand name of United Pictures.

UAA had recorded an audited profit before tax of US\$0.4 million and net profit after tax of US\$0.2 million for FY2015, and an unaudited profit before tax of US\$0.02 million and net loss after tax of US\$0.04 million for Q1 FY2016. The audited and unaudited NAV of UAA as at 31 December 2015 and 31 March 2016, respectively, was US\$2.6 million. Further to the termination of the Proposed UAA Disposal as described in **paragraph 1.1** of this Circular, UAA will be disposed of to the Purchaser instead as part of the Proposed Disposal.

The Proposed Disposal will enable the Group to streamline its core operations and to better focus its resources on its profitable theatrical film business as carried out through its subsidiaries, Zip Cinema (100% owned) and Novus Mediacorp Co., Ltd. (51.0% owned). The Group believes that the Proposed Disposal will improve the future operational and financial performance of the Group.

2.2 Information on Opus Pictures, UAA and the Purchaser

The Sale Shares comprise:

- (i) 660,000 common voting shares owned by the Vendors representing 100% of the equity interest in Opus Pictures; and
- (ii) 12,181 common voting shares owned by SEGHK representing 51.36% of the equity interest in UAA.

Opus Pictures holds 0.14% of UAA directly.

The proportion of the Vendors' shareholding interest in Opus Pictures is as follows:

Name of Vendor	Number of common voting shares in Opus Pictures	Proportion of equity interest in Opus Pictures
SEGHK	658,110	99.7%
SEL	1,890	0.3%

Both Opus Pictures and UAA are incorporated in the Republic of Korea.

Opus Pictures is principally engaged in the production, importation and exportation, investment, distribution and promotion of films. Opus Pictures holds 100% equity interest in OPUS INT Co. Ltd and 51.2% equity interest in Opus Film Auteur Co., Ltd.. OPUS INT Co. Ltd is mainly involved in the business of film marketing. Opus Film Auteur Co., Ltd. is primarily in the business of distribution, importation, investment, and production of images, films and dramas. These subsidiaries of Opus Pictures will form part of the Proposed Disposal.

LETTER TO SHAREHOLDERS

UAA is principally engaged in the business of talent management and presenting films under the brand name of United Pictures.

The Purchaser is the former Executive Director and Chief Executive Officer of the Company. As at the Latest Practicable Date, he holds 14,180,000 Shares, representing approximately 3.56% of the issued and paid-up share capital of the Company. On 8 July 2016, the Group announced his cessation as a Substantial Shareholder of the Company when he sold 14,180,000 Shares, representing approximately 3.56% of the issued and paid-up share capital of the Company. None of the Directors or the Controlling Shareholders of the Company are related to the Purchaser.

2.3 Principal Terms of the Proposed Disposal

2.3.1 Consideration

The Revised Purchase Consideration is S\$1.35 million, which will be satisfied by way of cash.

The Revised Purchase Consideration was arrived at following arm's length negotiations on a willing buyer, willing seller basis, after taking into account the higher aggregated unaudited net liabilities position attributable to the Sale Shares of US\$1.44 million as at 31 March 2016 as compared to the aggregated audited net liabilities position attributable to the Sale Shares of US\$0.61 million as at 31 December 2015. The Revised Purchase Consideration is to be satisfied in full upon satisfaction of the conditions precedent in the Original Agreement save for those amended in the Amendment Agreement.

The Revised Purchase Consideration of S\$1.35 million (equivalent to approximately US\$1.00 million) represents:

- (i) an excess of approximately US\$1.61 million over the aggregated audited net liabilities value of Opus Pictures and 51.36% of UAA of US\$0.61 million as at 31 December 2015; and
- (ii) an excess of approximately US\$2.44 million over the aggregated unaudited net liabilities value of Opus Pictures and 51.36% of UAA of US\$1.44 million as at 31 March 2016,

and is expected to be recorded as a net gain on disposal upon completion of the Proposed Disposal.

2.3.2 Conditions Precedent

Pursuant to the terms of the Original Agreement, and as amended pursuant to the Amendment Agreement, the Proposed Disposal is conditional upon, *inter alia*, the following:

- (a) at and as of the Closing (as defined below), all the warranties set forth in the Original Agreement having been true when made and being true in all respects as if all of the same were made at and then renewed/repeated as of the

LETTER TO SHAREHOLDERS

Closing and the parties having performed their individual and corporate actions and complied with all agreements as required by the Original Agreement to be performed or complied by them;

- (b) the Vendors having obtained all necessary regulatory approvals and consents, including but not limited to approvals from the Sponsor and the necessary clearance from and consultation with the SGX-ST (if necessary), as well as all other necessary approvals and consents from all relevant government, regulatory and other authorities and third parties in Singapore and other relevant jurisdictions to effect and complete the transaction being obtained, and where such approvals or consents are subject to conditions pertaining to and are to be complied with by the Purchaser, such conditions being reasonably acceptable to the Purchaser; and
- (c) the consents of the Board of Directors and Shareholders, if required.

2.3.3 Closing

Closing of the Original Agreement and the sale and purchase of the Sale Shares (“**Closing**”) shall take place on the date on which all the conditions precedent have been fulfilled.

2.4 Use of Proceeds

The Company expects to receive net proceeds of approximately S\$1.35 million from the Proposed Disposal. The Company intends to utilise the net proceeds from the Proposed Disposal for its working capital purposes and/or to fund business growth and investment opportunities as and when they arise.

2.5 Relative Figures for the Proposed Disposal

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Disposal and based on the unaudited financial statements of the Group for Q1 FY2016 are as follows:

Rule 1006	Base	Relative figure
(a)	The NAV of the assets to be disposed of, compared with the Group’s NAV.	(9.1)% ⁽¹⁾
(b)	The net loss attributable to the assets disposed of, compared with the Group’s net loss.	92.3% ⁽²⁾
(c)	The aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	3.4% ⁽³⁾
(d)	The number of equity securities issued as consideration for the acquisition, compared with the number of equity securities previously issued.	Not applicable

LETTER TO SHAREHOLDERS

Rule 1006	Base	Relative figure
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) Based on (a) the aggregated unaudited net liabilities of approximately US\$1.44 million attributable to the Company's 100% stake in Opus Pictures and the Company's 51.36% stake in UAA and (b) the unaudited NAV of the Group of approximately US\$15.93 million as at 31 March 2016.
- (2) Based on (a) the aggregated unaudited loss before income tax, non-controlling interests and extraordinary items of approximately US\$0.76 million attributable to the Company's 100% stake in Opus Pictures and the Company's 51.36% stake in UAA and (b) the Group's unaudited loss before tax from continuing and discontinued operations for Q1 FY2016 of approximately US\$0.82 million.
- (3) Based on the Revised Purchase Consideration of approximately S\$1.35 million and the Company's market capitalisation of approximately S\$40.16 million (computed based on the VWAP of S\$0.1007 on 7 July 2016 (being the last full market day preceding the date of the Amendment Agreement) and the Company's share capital of 398,770,209 ordinary shares)).

As the relative figure computed on the bases set out in Rule 1006(b) of the Catalist Rules above exceeds 50%, the Proposed Disposal constitutes a "Major Transaction" under Chapter 10 of the Catalist Rules and is subject to the approval of Shareholders.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Proposed Disposal. The financial effects of the Proposed Disposal set out below have been prepared based on the audited consolidated financial statements of the Group for FY2015.

LPS

Assuming that the Proposed Disposal had been completed at the beginning of FY2015, the effect of the Proposed Disposal on the Group's LPS for FY2015 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
(Loss)/Profit attributable to shareholders of the Company (US\$'000)	(1,114)	982
Weighted average number of ordinary shares in issue	398,694,369	398,694,369
(Loss)/Earnings per Share (US cents)	(0.28)	0.25

LETTER TO SHAREHOLDERS

NTA

Assuming that the Proposed Disposal had been completed at the end of FY2015, the effect of the Proposed Disposal on the Group's NTA as at 31 December 2015 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal⁽³⁾
NTA attributable to the shareholders of the Company (US\$'000) ⁽¹⁾	4,171	12,565
Number of ordinary shares in issue	398,770,209	398,770,209
NTA per share (US cents)	1.05	3.15
Adjusted NTA attributable to the shareholders of the Company (US\$'000) ⁽²⁾	12,605	15,834
Adjusted NTA per share (US cents)	3.16	3.97

Notes:

- (1) Computed based on the Group's net assets less non-controlling interests and intangible assets. The Group's intangible assets include film production inventories of US\$8.4 million.
- (2) Computed based on the Group's net assets less non-controlling interests and intangible assets but adjusted to exclude film production inventories of US\$8.4 million from intangible assets.
- (3) Taking into account the Revised Purchase Consideration of S\$1,347,100 (equivalent to approximately US\$998,592) in cash.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and Register of Shareholders respectively, maintained under the provisions of the Companies Act, as at the Latest Practicable Date, are set out below.

	Direct Interest		Deemed Interest	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
Directors				
Charles Choi Spackman	–	–	–	–
Yoo Jin Lee	23,160,000	5.81	–	–
Thong Yuen Siew Jessie	–	–	–	–
Anthony Wei Kit Wong	–	–	–	–
Ng Hong Whee	–	–	–	–
Substantial Shareholders (other than Directors)				
Spackman Equities Group Inc.	154,620,000	38.77	–	–

Notes:

- (1) Based on a total issued share capital of 398,770,209 Shares (excluding treasury Shares) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders has any direct or indirect interest in the Proposed Disposal (other than through their shareholdings in the Company, if any).

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 16 to 17 of this Circular, will be held at 390 Orchard Road, #04-01 Palais Renaissance, Singapore 238871 on 12 August 2016 at 2.00 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the resolution set out in the Notice of EGM.

6. DIRECTORS' RECOMMENDATIONS

The Directors, having considered the terms, rationale and benefits of the Proposed Disposal, are of the opinion that the Proposed Disposal is in the best interests of the Company and they recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed Disposal as set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's share registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #11-02 Singapore 068898, not less than 48 hours before the time fixed for the EGM.

The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

9. DIRECTORS' SERVICE CONTRACTS

There are no persons who are proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 16 Collyer Quay, #17-00 Income At Raffles, Singapore 049318 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Original Agreement;
- (b) the Amendment Agreement;
- (c) the Constitution of the Company; and
- (d) the Annual Report of the Company for FY2015.

Yours faithfully

For and on behalf of the Board of Directors of
SPACKMAN ENTERTAINMENT GROUP LIMITED

Charles Choi Spackman
Executive Chairman

APPENDIX A – PERFORMANCE OF THEATRICAL FILMS BY OPUS PICTURES SINCE JUNE 2014

	FOR THE EMPEROR	CONFESSION	BIG MATCH	WONDERS	CHASING	MUSUDAN	TOTAL
Producer	Opus Pictures	Opus Pictures	BK Pictures	TPS Company	The Queen D&M	Golden Tide	
Presenter	Opus Pictures	United Pictures	Opus Pictures	Opus Pictures	Opus Pictures	Opus Pictures	
Distributor	United Pictures	CJ E&M	NEW	Opus Pictures	Opus Pictures	Opus Pictures	
Date of Release	11-Jun-14	10-Jul-14	27-Nov-14	2-Apr-15	7-Jan-16	3-Mar-16	
Total Admission Tickets ⁽¹⁾	592,367	407,235	1,177,438	31,137	54,995	15,882	2,279,054
Total Box Office Revenues (KRW 'billion) ⁽²⁾	4.75	3.22	8.95	0.24	0.41	0.13	17.70
Yearly Rank	68	85	48	223	21 of 30 ⁽²⁾	27 of 30 ⁽²⁾	
Project Total Revenue (KRW 'billion) (A)	3.84	2.18	5.26	0.21	0.55	0.39	12.43
Total production costs (KRW 'billion) (B)	4.03	4.61	8.00	0.43	2.10	2.20	21.37
Total distribution expenses (KRW 'billion) (C)	0.35	0.33	0.87	0.03	0.08	0.08	1.74
Total costs (D=B+C)	4.39	4.94	8.87	0.46	2.18	2.28	23.11
(Loss) from film (KRW 'billion) (A-D)	(0.55)	(2.77)	(3.61)	(0.25)	(1.63)	(1.89)	(10.70)
Rate of return from film (KRW 'billion) (D/B)	-14%	-60%	-45%	-59%	-78%	-86%	-50%

Notes:

(1) Source: Korea Film Council (KOFIC): www.kobis.or.kr

(2) As of March 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPACKMAN ENTERTAINMENT GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201401201N)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **Extraordinary General Meeting** of Spackman Entertainment Group Limited (the “**Company**”) will be held at 390 Orchard Road, #04-01 Palais Renaissance, Singapore 238871 on 12 August 2016 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out below.

All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 28 July 2016.

ORDINARY RESOLUTION: THE PROPOSED DISPOSAL OF THE COMPANY’S ENTIRE EQUITY INTEREST IN ITS INDIRECT WHOLLY-OWNED SUBSIDIARY, OPUS PICTURES LIMITED LIABILITY COMPANY, AND INDIRECT 51.50% SUBSIDIARY, UAA KOREA CO., LTD.

That:

- (a) the Proposed Disposal be and is hereby approved on the terms and subject to the conditions set out in the Original Agreement and as amended in the Amendment Agreement; and
- (b) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Charles Choi Spackman
Executive Chairman

28 July 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. A member who is not a relevant intermediary[#] is entitled to appoint not more than two proxies to attend and vote on his/her behalf at the EGM. A proxy need not be a member of the Company.
 2. A member who is a relevant intermediary[#] is entitled to appoint more than two proxies to attend and vote at the EGM. A proxy need not be a member of the Company.
 3. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, either by hand or by post to 80 Robinson Road, #11-02 Singapore 068898, not less than forty-eight (48) hours before the time appointed for holding the EGM in accordance with the instructions stated herein and in the instrument appointing a proxy or proxies.
- [#] *Relevant intermediary means:*
- (a) *a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or*
 - (b) *a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or*
 - (c) *the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.*
4. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the EGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time appointed for holding the EGM.

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

SPACKMAN ENTERTAINMENT GROUP LIMITED

(Company Registration No. 201401201N)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 28 July 2016.

2. Relevant Intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.

I/We, _____ NRIC/Passport/Company Registration No. _____

of _____

being a member/members of Spackman Entertainment Group Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Number of Shares	Proportion of shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Number of Shares	Proportion of shareholdings (%)

or failing him/her, the Chairman of the Extraordinary General Meeting (the "**EGM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the EGM of the Company to be held at 390 Orchard Road, #04-01 Palais Renaissance, Singapore 238871 on 12 August 2016 at 2.00 p.m., and at any adjournment thereof. I/we have indicated against the resolution set out in the Notice of EGM and summarised below how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion.

Ordinary Resolution	Number of Votes For*	Number of Votes Against*
To approve the Proposed Disposal		

* Each share shall have one vote only. If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Total Number of Ordinary Shares Held	
CDP Register	
Register of Members	

Signature of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares.
2. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
3. A corporation which is a member may appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore to attend and vote for and on behalf of such corporation.
4. (a) A member of the Company who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint not more than two proxies to attend and vote in his/her behalf at the EGM. A proxy need not be a member of the Company. Where such member's instrument appointing a proxy or proxies appoints more than one proxy, the proportion of his/her total number of shares concerned to be represented by each proxy shall be specified in the instrument appointing a proxy or proxies. If no proportion of shares is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares and any second named proxy as an alternate to the first named or, at the Company's discretion, to treat this instrument appointing a proxy or proxies as invalid.
(b) A member of the Company who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore) is entitled to appoint more than two proxies to attend and vote at the EGM. A proxy need not be a member of the Company. The relevant intermediary shall specify the number and class of shares to be represented by each proxy. If the number and class of shares are not specified, the instrument will be treated as invalid.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The instrument appointing a proxy or proxies must be deposited at the office of the Company's share registrar, Tricor Barbinder Share Registration Services, either by hand or by post to 80 Robinson Road, #11-02 Singapore 068898, not less than forty-eight (48) hours before the time appointed for holding the EGM in accordance with the instructions stated.
8. An investor who buys shares using SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the EGM in person. SRS Investors who are unable to attend the EGM but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending and voting at the EGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are deposited with The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.