

SPACKMAN ENTERTAINMENT GROUP LIMITED

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

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- 1. INCREASE IN THE ISSUED AND PAID UP SHARE CAPITAL OF A SUBSIDIARY IN KOREA; AND**
 - 2. UPDATE ON USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY**
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1. INCREASE IN THE ISSUED AND PAID UP SHARE CAPITAL OF A SUBSIDIARY IN KOREA

The Board of Directors (the “**Board**”) of Spackman Entertainment Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Spackman Entertainment Group (HK) Limited (“**SEG HK**”), a Hong Kong company which owns 93% of the issued and paid up share capital of Opus Pictures Limited Liability Company (“**Opus Pictures**”) has further subscribed an additional 633,000 shares at KRW 5,000 per share in Opus Pictures for a total consideration of KRW 3,165,000,000 (“**Additional Subscription**”).

After the Additional Subscription, the issued and paid-up share capital of Opus Pictures has been increased from KRW 135,000,000 to KRW 3,300,000,000 comprising 660,000 shares. SEG HK’s percentage shareholding in Opus Pictures has increased from 93% to 99.71%. Spackman Equities Limited, an indirect wholly-owned subsidiary of the Company, owned 7% of the issued and paid up share capital of Opus Pictures before the Additional Subscription and after the Additional Subscription, its percentage shareholding in Opus Pictures has decreased from 7% to 0.29%.

The Additional Subscription will be used for investments into films produced by the Group or third parties and general working capital.

The Additional Subscription was funded through proceeds raised from the Company’s initial public offering (“**IPO**”) and SEG HK’s own internal funds, and is not expected to have any material financial impact on the consolidated net tangible assets per share or consolidated earnings per share of the Group for the current financial year ending 31 December 2014.

None of the Directors, controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect in the Additional Subscription, other than through their shareholdings in the Company (if any).

2. UPDATE ON USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY

Subsequent to the Additional Subscription as disclosed above, the status of the use of the net proceeds raised from the Company's initial public offering ("IPO") is as follows:

Use of net proceeds from IPO	Amount allocated as set out in the Offer Document (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Amount unutilised as at the date of this announcement (S\$'000)
Investment into films produced by the Group or third parties	5,500	1,200	4,300
Expansion of the Group's operations via acquisitions, joint ventures and investments	2,000	-	2,000
Establishment of overseas offices	1,000	-	1,000
General working capital	2,337	1,383 ¹	954
Total	10,837	2,583	8,254

¹ The Company has reallocated approximately S\$306,000 allocated for general working capital for the payment of IPO related expenses. The remaining S\$1,077,081 is part of the capital injection into Opus Pictures.

The Company will make further announcements via SGXNET as and when the balance of the net proceeds from the IPO are materially disbursed in accordance with Rule 704(30) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**") and will provide a status report on such use in its interim and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report.

By Order of the Board

Charles Choi Spackman
Executive Chairman
29 September 2014

*The Company was listed on 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 announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.