

**SPACKMAN ENTERTAINMENT GROUP LIMITED**  
(Company Registration No.: 201401201N)  
(Incorporated in the Republic of Singapore on 10 January 2014)

---

**PROPOSED ACQUISITION BY ASSOCIATED COMPANY**

---

The Board of Directors ("**Board**") of Spackman Entertainment Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its associated company, Spackman Media Group Limited ("**SMGL**"), and one of SMGL's wholly-owned subsidiaries, Crystal Planet Limited ("**CPL**"), entered into a share exchange agreement (the "**Agreement**") with Spackman Equities Group Inc. (a company listed on TSX VENTURE: SQG) ("**SQG**") pursuant to which SQG will acquire all of the issued and outstanding shares in the capital of CPL from SMGL in consideration of the issuance of new listed shares of SQG. SQG is a shareholder of the Company, which held approximately 7.82% of the shareholdings of the Company as at the date of the Agreement. The transaction will result in SQG becoming a subsidiary of SMGL ("**Proposed Transaction**").

The number of SQG shares to be issued to SMGL as part of the Proposed Transaction is determined based on the following formula

$$\# \text{ of SQG shares issued} = \frac{\text{US\$29,886,943} \times \text{FX}}{\text{MP}}$$

where,

FX = CAD/US\$ exchange rate as of the date of the Agreement.

MP = Price per SQG share immediately before the date of the Agreement, as determined subsequent to the completion of the consolidation of its shares on the basis of five (5) pre-consolidation SQG shares for every one (1) post-consolidation SQG share ("**Consolidation**")

Completion of the Proposed Transaction ("**Completion**") is subject to a number of conditions, including but not limited to:

- All required approvals, consents, authorisations and waivers relating to the consummation of the transactions contemplated by the Agreement shall have been obtained from the TSX VENTURE ("**TSXV**"), the securities regulatory authorities in Ontario and all other requisite governmental and regulatory authorities, including the acceptance, by the TSXV, of the transactions contemplated in the Agreement
- The TSXV shall have approved the Proposed Transaction and agreed to list the SQG shares to be issued in connection with the Proposed Transaction
- Prior or concurrent to the closing date, SQG shall have completed an equity private placement of SQG shares in a minimum amount of US\$500,000
- SQG shall have disposed of all of the shares of the Company that it owns on or prior to the closing date
- SQG shall have completed the Consolidation

The Company has been advised by its legal advisers in Hong Kong that based on the information and confirmation provided to the Company by SMGL, the Proposed Transaction does not require approval from the Company as a shareholder of SMGL.

In accordance with the formula above, and on the assumption of an equity private placement of SQG shares in a minimum amount of US\$500,000, SMGL will acquire 1,001,735,624 ordinary shares representing approximately 96.94% of the share capital of SQG, and the Company will acquire indirectly approximately 42.54% of the share capital of SQG (“**Acquired Shares**”). The diagrammatic illustration of the organisation structure of the Group before and after Completion is set out below:



Notes:

1. Based on the issuance of 1,001,735,624 SQG shares to SMGL in accordance with the formula above and on the assumption of an equity private placement of SQG shares in a minimum amount of US\$500,000.

The only significant change that SMGL is expected to record would be an increase in goodwill and its non-controlling interest (within equity) as a result of the Proposed Transaction as the market value of SQG at the time of Completion is not expected to be higher than the SQG Purchase Consideration (as defined below). Accordingly, the Proposed Transaction is not expected to have any material impact on SMGL’s financial results. In consultation with the Company’s auditors, the Company is of the view that there should not be any financial impact from the Proposed Transaction on the Company as there is no material impact on SMGL’s financial results as a result of the Proposed Transaction.

The agreed purchase consideration for the Proposed Transaction as set out in the Agreement is US\$29,886,943 (“**Agreed Purchase Consideration**”). As the Proposed Transaction only results in a dilution of SMGL’s interest in CPL and that CPL will continue to remain a subsidiary of SMGL, albeit a wholly-owned subsidiary of SQG which in turn will be a subsidiary of SMGL, SMGL considers the Proposed Transaction as an acquisition of SQG and the purchase consideration for the acquisition is calculated based on the percentage dilution of SMGL’s interest in CPL. Based on the calculations provided to the Company, SMGL’s expected dilution impact over CPL is 3.06%, assuming an equity private placement of SQG shares in a minimum amount of US\$500,000. Accordingly, the purchase consideration for the acquisition of SQG is US\$914,540 (being 3.06% multiplied by the Agreed Purchase Consideration) (“**SQG Purchase Consideration**”).

As the Proposed Transaction is entered into by the Company’s associated company, the Company, as advised by its Singapore legal counsel, is of the view that Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Catalyst Rules (“**Catalist Rules**”) is not applicable. This announcement is made pursuant to and for the purposes of compliance with (i) Rule 703 of the Catalyst Rules; and (ii) as the Proposed Acquisition results in the Company indirectly holding 10% or more of the total number of issued shares of SQG (a company listed on TSX VENTURE: SQG), Rule 704(16)(a) of the Catalyst Rules.

Mr. Na Kyoungwon, being a director of the Company, SMGL and SQG has abstained from voting on any resolution in any entity in relation to the Proposed Transaction. Save for the above, and to the best of our knowledge, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the matter other than through their shareholding interests in the Company.

From the Company's understanding from SMGL, the Proposed Transaction will allow SMGL's artists to be better positioned to enter the North American film market by leveraging on the geographical advantage of SQG being listed in Canada, and to have more opportunities to obtain financing for growth from the capital market in Canada, through its ownership of SQG.

Shareholders should note that the Proposed Transaction is subject to conditions, including conditions as set out in this announcement. There is no certainty or assurance as at the date of this announcement that the conditions to the Proposed Transaction can be fulfilled or that the Proposed Transaction will be successfully implemented at all.

The Company will make further announcements in compliance with the requirements of the Catalist Rules, when there are material developments in respect of the Proposed Transaction. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their financial, tax, legal or other professional advisers.

By Order Of The Board

Na Kyoungwon  
Chief Operating Officer, President and Executive Director  
28 February 2023

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").*

*This announcement has not been examined 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 details of the contact person for the Sponsor are:-  
Name: Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)  
Address: 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906  
Tel: (65) 6241 6626*