

# spackmanentertainmentgroup

SPACKMAN ENTERTAINMENT GROUP LIMITED

(Company Registration No.: 201401201N)

(Incorporated in the Republic of Singapore on 10 January 2014)

## MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Directors (the “**Board**”) of Spackman Entertainment Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement on the unaudited full year financial statements for the financial year ended 31 December 2020 (“**FY2020**”) dated 1 March 2021 (“**Announcement**”).

The Board wishes to clarify the material differences between the unaudited full year financial statements in the Announcement and the audited financial statements for FY2020. Details of the material variances and reasons for such variances are set out in the explanatory notes below.

### Consolidated Statement of Financial Position of the Group as at 31 December 2020

<i>US\$'000</i>	<b>Audited</b>	<b>Unaudited</b>	<b>Variance</b>	<b>Note</b>
<b>Non-current assets</b>				
Property, plant and equipment	6,074	6,649	(575)	A
Investment in associated companies	14,832	17,488	(2,656)	B
Film production inventories	1,885	2,523	(638)	C
Intangible assets	6,651	6,929	(278)	C
<b>Current assets</b>				
Film production inventories	916	-	916	C
<b>Non-current liabilities</b>				
Borrowings	2,354	3,377	(1,023)	D
<b>Current liabilities</b>				

Notes:

- A Due to an additional impairment loss on equipment of US\$ 575,000.
- B Mainly due to an additional impairment loss on investment in associated company, Spackman Media Group Limited of US\$ 2,645,924.
- C Solely due to (1) a reclassification of US\$ 916,283 from non-current assets to current assets for costs incurred for a film under production that is set to release in 2021, and (2) a reclassification of a copyright of US\$ 278,494 from intangible assets to non-current film production inventories.

D Due to a reclassification of US\$ 1,050,790 from long-term borrowings to trade and other payables. Such decrease in the borrowings was partially offset by a reclassification of US\$ 27,574 from short-term borrowings to long-term borrowings, as it matures in more than one year from 31 December 2020.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Group for FY2020**

<i>US\$'000</i>	<b>Audited</b>	<b>Unaudited</b>	<b>Variance</b>
Other expenses	18,495	15,270	3,225

The variance to the Statement of Profit or Loss of the Group for year ended 31 December 2020 was mainly due to adjustments in other expenses of additional impairment loss on investment in SMGL of US\$ 2,645,924, an additional impairment loss on equipment of US\$ 575,000, and an additional allowance for doubtful debts of US\$ 4,421.

BY ORDER OF THE BOARD

John Ko, Jihwan  
Chief Executive Officer

14 April 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital 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 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Mah How Soon, Registered Professional, at 6 Raffles Quay #24-02, Singapore 048580, sponsor@rhtgoc.com.*