

spackmanentertainmentgroup

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ENTERS INTO MEMORANDUM OF UNDERSTANDING WITH KOREAN STRATEGIC PARTNER FOR THE PROPOSED PARTNERSHIP IN ENTERTAINMENT-RELATED BUSINESS AND INVESTMENT

- Under the Proposed Partnership, the Group's Korean strategic partner, Sunwoo Produce which shall be the single largest shareholder of ESA, an entertainment company listed on the KOSDAQ, intends to collaborate with the Group to penetrate new overseas market in entertainment-related content and businesses, and strategically invest into the Group and/or its affiliates
- The Proposed Partnership can enable both parties to utilize their respective networks and resources to expand their foothold in entertainment-related sectors across multiple regions

Singapore, 5 November 2019 – Spackman Entertainment Group Limited (“**Spackman Entertainment Group**” or the “**Company**” and together with its subsidiaries, the “**Group**”), wishes to announce that yesterday it has entered into a non-binding memorandum of understanding with a strategic partner, Sunwoo Produce Inc. (“**Sunwoo Produce**”), a company incorporated in the Republic of Korea, to collaborate in entertainment-related business and investment (the “**Proposed Partnership**”).

Sunwoo Produce has signed a definitive share purchase agreement (the “**Share Purchase**”) on 18 October 2019 to acquire 15.68% of ESA Co. Ltd. (“**ESA**”), an entertainment company listed on the KOSDAQ. Following the completion of the Share Purchase, which is expected to be in the second half of this month, Sunwoo Produce will become the single largest shareholder of ESA.

Under the Proposed Partnership, Sunwoo Produce and the Group shall collaborate in opportunities for overseas production, investment and distribution of various entertainment-related content and businesses by utilizing the Group's global networks. Sunwoo Produce and its affiliates, including but not limited to ESA, shall seek opportunities to strategically invest into the Group and/or its affiliates.

In addition, Sunwoo Produce and the Group intend to partner in other entertainment-related businesses and projects such as film/TV production, talent management, and other media businesses in the markets of Korea, Southeast Asia, and U.S. The Group shall also arrange foreign investors for Sunwoo Produce, as well as advise and assist in the management of the overseas business of ESA.

Sunwoo Produce and the Group shall also cooperate to establish a fund focusing on investments in entertainment and technology, which is to be co-managed by the Group and Sunwoo Produce.

The Proposed Partnership can allow both parties to utilize their respective networks and resources in order to venture and expand their foothold in entertainment-related sectors across multiple regions.

The memorandum of understanding of the Proposed Partnership shall be terminated if a definitive agreement is not executed by 31 December 2019, unless extended by mutual written agreement.

The Company will update its shareholders as and when there are any material developments and/or upon execution of definitive agreements in relation to the Proposed Partnership.

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About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited (“**SEGL**” or the “**Company**”), and together with its subsidiaries, (the “**Group**”), one of Korea’s leading entertainment production groups founded by Mr. Charles Spackman, is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea. In order to diversify our revenue streams, we have expanded our business portfolio to include the production of Korean television dramas. In addition to our content business, we also make investments into entertainment companies and film funds that can financially and strategically complement our existing core operations. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

SEGL's Zip Cinema Co., Ltd. (“**Zip Cinema**”) is one of the most recognised film production labels in Korea and has originated and produced some of Korea’s most commercially successful theatrical films, consecutively producing 9 profitable movies since 2009 representing an industry leading track record. Recent theatrical releases of Zip Cinema’s motion pictures include some of Korea’s highest grossing and award-winning films such as *DEFAULT* (2018), *MASTER* (2016), *THE PRIESTS* (2015), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012). For more information on Zip Cinema, do visit <http://zipcine.com>

SEGL also owns Novus Mediacorp Co., Ltd. (“**Novus Mediacorp**”), an investor, presenter, and/or post-theatrical distributor for a total of 79 films (58 Korean and 21 foreign) including *ROSE OF BETRAYAL*, *THE OUTLAWS* and *SECRETLY, GREATLY*, which was one of the biggest box office hits of 2013 starring Kim Soo-hyun of *MY LOVE FROM THE STARS* fame, as well as *FRIEND 2: THE GREAT LEGACY*. In 2012, Novus Mediacorp was also the post-theatrical rights distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by Zip Cinema. In 2018, *THE OUTLAWS*, co-presented by Novus Mediacorp broke the all-time highest Video On Demand (“**VOD**”) sales records in Korea. For more information on Novus Mediacorp, do visit <http://novusmediacorp.com>

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 TV, broadcast TV, IPTV, video-on-demand, and home video/DVD, etc. We release all of our motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

We also operate a café-lounge called Upper West, in the Gangnam district of Seoul and own a professional photography studio, noon pictures Co., Ltd..

The Company holds an effective shareholding interest of 43.88% in Spackman Media Group Limited (“**SMGL**”). SMGL, a company incorporated in Hong Kong, together with its subsidiaries, is collectively one of the largest entertainment talent agencies in Korea in terms of the number of artists under management, including some of the top names in the Korean entertainment industry. SMGL operates its talent management business through renowned agencies such as MS Team Entertainment Co., Ltd., UAA & Co Inc., Fiftyone K Inc., SBD Entertainment Inc., and Kook Entertainment Co., Ltd. Through these full-service talent agencies in Korea, SMGL represents and guides the professional careers of a leading roster of award-winning actors/actresses in the practice areas of motion pictures, television, commercial endorsements, and branded entertainment. SMGL leverages its unparalleled portfolio of artists as a platform to develop, produce, finance and own the highest quality of entertainment content projects, including theatrical motion pictures, variety shows, and TV dramas. This platform also creates and derives opportunities for SMGL to make strategic investments in development stage businesses that can collaborate with SMGL artists. SMGL is an associated company of the Company.

The Group owns a 100% equity interest in Frame Pictures Co., Ltd. (“**Frame Pictures**”). Frame Pictures is a leader in the movie/drama equipment leasing business in Korea. Established in 2014, Frame Pictures has worked with over 25 top directors and provided the camera and lighting equipment for some of Korea’s most notable drama and movie projects including the upcoming Korean film *GIRL COPS* (2018) featuring Wi Ha-jun of SMGL and *THE GREATEST DIVORCE* (2018) starring Bae Doona of SMGL. In 2018, Frame Pictures has also won contracts to supply equipment to *FOUR MEN* (2019), *ASADAL CHRONICLES* (2019), *THE CROWNED CLOWN* (2019), *THE BEAUTY INSIDE* (2018), *HUNDRED MILLION STARS FROM THE SKY* (2018), *LOVELY HORRIBLY* (2018), *THE GUEST* (2018), historical Korean movie *MALMOI, SUITS* (2018) featuring Park Hyung-sik of SMGL, *MISTRESS* (2018), *LIFE* (2018), *LIVE* (2018) starring Lee Kwang-soo of *RUNNING MAN*, *MY MISTER* (2018) and Netflix’s first Korean original production *LOVE ALARM* (2018).

The Company owns a 100% equity interest Take Pictures Pte. Ltd. (“**Take Pictures**”) which has an upcoming film *STONE SKIPPING* and a line-up of other films such as the co-production with Zip Cinema for *THE PRIESTS 2*.

The Company owns a 100% equity interest in Constellation Agency Pte. Ltd. (“**Constellation Agency**”). Constellation Agency, which owns The P Factory Co., Ltd.

("The P Factory") and Platform Media Group Co., Ltd. ("PMG"), is primarily involved in the business of overseas agency for Korean artists venturing into the overseas market. The P Factory is an innovative marketing solutions provider specializing in event and branded content production. PMG is a talent management agency which represents and manages the careers of major artists in film, television, commercial endorsements, and branded entertainment.

The Company owns a 100% equity interest in Greenlight Content Limited which is mainly involved in the business of investing into dramas and movies, as well as providing consulting services for the production of Korean content.

The Company owns a 100% equity interest in Simplex Films Limited ("**Simplex Films**") which is an early stage film production firm. Simplex Films has several films in the pipeline including, *A BOLT FROM THE BLUE*, *IRREVOCABLE PROMISE* and *OUR SUPERSTAR K*.

For more details, do visit <http://www.spackmanentertainmentgroup.com/>
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*This press release 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 Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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