

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

UPDATE ON ENTRY INTO NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED DIVESTMENT OF THE COMPANY'S SHARES IN SPACKMAN MEDIA GROUP LIMITED TO SPACKMAN EQUITIES GROUP INC ("PROPOSED DIVESTMENT")

*Unless otherwise defined, all capitalised terms used herein shall bear the meanings ascribed to them in the Company's announcement dated 18 August 2020 and the Notice of Compliance dated 3 September 2020 ("**Notice of Compliance**") issued by SGX RegCo.*

The Board of Directors (the "**Board**") of Spackman Entertainment Group Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to its announcement dated 18 August 2020 in relation to the Proposed Divestment and announcement dated 3 September 2020 in relation to the Notice of Compliance.

The Company believes that the Proposed Divestment will be beneficial to shareholders by potentially unlocking the value of SMGL and provide the Group with the opportunity to diversify its business into the production and financing of US Hollywood movies in North America as SQG, which is listed on the TSX Venture Exchange in Canada, is better positioned to penetrate into the North America market.

However, following the issuance of the Notice of Compliance by SGX RegCo, which requires the Company to, *inter alia*, not enter into a binding agreement in relation to the Proposed Divestment prior to completion of the ARMC Review and SGX RegCo being satisfied with the findings of the ARMC Review, the Company has since put on hold any further discussions with SQG.

As such, the non-binding MOU between the Company and SQG will terminate since definitive agreement(s) were not executed by the stipulated deadline of 30 September 2020. However, the Company may consider restarting discussions and negotiations with SQG after the completion of the ARMC Review and its findings being satisfactory to the SGX RegCo.

The Company's ARMC is in the process of appointing an independent reviewer to assist with the ARMC Review. The Company will make further announcement(s) as and when there are material developments on this matter.

BY ORDER OF THE BOARD

Na Kyoungwon
Chief Operating Officer, President and Executive Director
30 September 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. 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.

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