

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ACQUIRES KOREAN FILM PRODUCTION COMPANY, SIMPLEX

- Simplex is an early stage film production firm headed by veteran Korean producer, Ms. Lim Ji-young
- Simplex's first film, *JESTERS: THE GAME CHANGERS*, a historical comedy film starring Cho Jin-woong of *THE SPY GONE NORTH* (2018) and Son Hyun-joo of *ORDINARY PERSON* (2017), is expected to be released in August 2019 in Korea
- Acquisition of Simplex enables the Group to expand its film production capacity annually and strengthen the performance of its film production business

Singapore, 15 July 2019 – Spackman Entertainment Group Limited (“**Spackman Entertainment Group**” or the “**Company**” and together with its subsidiaries, the “**Group**”), one of Korea’s leading entertainment production groups founded by media investor Charles Spackman, wishes to announce that the Company has entered into a sale and purchase agreement with four independent third parties to acquire the entire issued and paid-up share capital of Simplex Films Limited (the “**Target Company**” or “**Simplex**”) (the “**Proposed Acquisition**”).

The Target Company, a company incorporated in Hong Kong, owns 100% equity interest in Simplex Films Co., Ltd. which is founded on 9 May 2014 in the Republic of Korea. Simplex is an early stage film production firm headed by veteran Korean producer, Lim Ji-young. She has achieved the following accolades, namely, 2014 PGK (Producer Guild of Korea) Vice President, 2014 Winner for Best Female Producer of the 15th Annual Woman’s Film Awards, 2012 Grand Prize for Best Story for *DEMI HUMAN* from the Korean Creative Contents Agency and 2012 Grand Prize for Best Story for *DEMI HUMAN* from the Ministry of Culture, Sports and Tourism.

Simplex intends to produce top quality films to be theatrically released and distributed in Korea and overseas. Simplex shall first release its films initially in Korea and subsequently in post-theatrical markets such as cable television, broadcast television, IPTV, video-on-demand, and home video/DVD, etc.

Simplex’s upcoming film, *JESTERS: THE GAME CHANGERS*, a historical comedy film starring Cho Jin-woong of *INTIMATE STRANGERS* (2018) and *THE SPY GONE NORTH* (2018) and Son Hyun-joo of *ORDINARY PERSON* (2017), is expected to be released in August 2019 in Korea. The film, which is currently in the post-production stage, is distributed by Warner Bros. Korea and directed by Kim Joo-ho. Kim Joo-ho was nominated for the Best New Director at the 49th DAEJONG Film Awards and the 33rd Blue Dragon Film Awards. Notably, he won the Orient Express Award at the 33rd Fantasporto - Oporto International Film Festival.

John Ko, Chief Executive Officer of Spackman Entertainment Group said, “Through the acquisition of Simplex, the Group shall be able to expand its film production capacity

and look forward to positive contribution from Simplex's maiden film within this fiscal year."

JESTERS: THE GAME CHANGERS relates the story of a 'gang of clowns' that manipulates rumors throughout the country and stirs the public. The 'gang of clowns' is discovered by Han Myung-hoe (played by Son Hyun-joo), the most powerful man in Joseon, and creates legendary stories about King Sejo (played by Park Hee-soon).

Simplex also has the following tentative pipeline of films, namely, *A BOLT FROM THE BLUE, IRREVOCABLE PROMISE, OUR SUPERSTAR K, HAPPY MURDER, GIRL CRUSH* and *TEMPTATION*. Directed by Kim Ji-mok, *A BOLT FROM THE BLUE* is a remake of a 2014 Japanese comedy drama and scheduled to start production in 2019.

The total purchase consideration for the Proposed Acquisition shall be 165,000,000 newly issued ordinary shares of the Company at S\$0.02 per share, which was arrived at following arm's length negotiations on a willing buyer, willing seller basis, as well as reviewing the average of the Group's past one month's volume weighted average price of approximately S\$0.018, and taking into account, inter alia, the Target Company's unaudited net profit before tax of KRW72,288,446 (approximately S\$83,743)¹ for the period from 1 January 2019 to 31 May 2019.

The Group believes that the Proposed Acquisition can enable the Group to be better positioned to invest into Simplex's pipeline of -quality films in terms of script and casting in order to seek higher returns as both a film producer and an investor.

The Proposed Acquisition is in line with the Group's strategy of aggressively looking out for acquisitions that can add accretive value to the Group's existing film production business. The Group views that Simplex is equipped with the capability to produce top quality films based on Ms. Lim Ji-young's track record and experience in film production. The Proposed Acquisition also allows the sharing of networks and resources to bring about higher business synergy and efficiency in the Group's film production business segment.

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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 investment veteran, 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

¹ 1KRW:0.0012SGD

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. Novus Mediacorp is currently in the process of seeking a listing on the Singapore Stock Exchange. 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 rising star 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). Frame Pictures and Novus Mediacorp are currently seeking to list on the Singapore Stock Exchange.

The Company owns a 100% equity interest in Take Pictures Pte. Ltd. (“**Take Pictures**”) which has a strong lineup of 10 film projects including *STONE SKIPPING* and 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.

On 7 May 2018, the Company announced that it would spin-off Novus Mediacorp and Frame Pictures into a combined entity to seek listing on the Catalist Board of the Singapore Exchange Securities Trading Limited to exploit the growing post-theatrical and camera equipment leasing markets.

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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