

# spackmanentertainmentgroup

## NEWS RELEASE

### SPACKMAN ENTERTAINMENT GROUP ACQUIRES CONSTELLATION AGENCY

- Constellation Agency is primarily involved in the business of overseas agency for Korean artists venturing into the overseas market
- Constellation Agency owns The P Factory, an innovative marketing solutions provider and Platform Media Group, a talent agency which represents drama and film artists such as Wang Ji-won, Lee Ji-hun, Han Ji-an and Oh Cho-hee

**Singapore, 22 December 2017** – 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 Mr. Charles Spackman, wishes to announce that the Company has entered into a sale and purchase agreement with independent third parties to acquire the entire issued and paid-up share capital of the Constellation Agency Pte. Ltd. (“**Constellation Agency**”) (the “**Proposed Acquisition**”).

Constellation Agency is primarily involved in the business of representing and advising Korean artists in overseas markets outside of Korea. It acts as agent and advisor to a selective group of major Korean artists in entertainment content projects, events, and commercial endorsements in overseas markets, namely, in Greater China, Southeast Asia, and the U.S.

Constellation Agency owns The P Factory Co., Ltd. (“**The P Factory**”), an innovative marketing solutions provider specializing in event and branded content production. The P Factory leverages on its expertise across film, television, digital media, music, and access to key talent to originate and execute creative marketing strategies that enhance the marketing position of brands of various consumer products and services.

Constellation Agency also owns Platform Media Group Co., Ltd. (“**PMG**”), a talent management agency which represents and manages the careers of major artists in film, television, commercial endorsements, and branded entertainment. The artist roster of PMG includes drama and film artists such as Wang Ji-won (*ONE LINE* 2017, *HOSPITAL SHIP* 2017), Lee Ji-hun (*I CAN SPEAK* 2017, *THE UNIVERSE’S STAR* 2016), Han Ji-an (*MARITAL HARMONY* 2017, *THAT SUN IN THE SKY* 2016) and Oh Cho-hee (*BLACK* 2017, *VOICE* 2017).

The total purchase consideration for the Proposed Acquisition shall be 144,770,861 newly issued ordinary shares of the Company at S\$0.115 per share, which was arrived at following arm’s length negotiations on a willing buyer, willing seller basis, and taking into account, *inter alia*, the Constellation Agency’s unaudited net profit of US\$1.2 million (approximately S\$1.6 million) for the period from the date of its

incorporation to 30 November 2017 and its unaudited net asset value of US\$3.6 million (approximately S\$5.0 million) as at 30 November 2017.

The Group views that the acquisition of Constellation Agency will allow it to better leverage on the unique marketing expertise and talent management platform to deliver top quality integrated content production to its targeted audience. The Group also believes that this is a strategic fit to the Company's existing operations as it develops a more consistent and stable revenue in its business diversification efforts.

Monica HaYeon Chang is the CEO of The P Factory. She started her career in agencies of foreign models and photographers and moved to advertising agencies. Throughout her career, she has accumulated extensive experiences in the marketing of films and planning & production of advertisements for several well-known consumer brands such as Unilever, Samsung, LG, P&G, Hyundai Motors, SK Telecom, Vidal Sassoon, etc. She was previously involved in the marketing of films such as *S DIARY*, *THE ERASER IN MY HEAD* and *LET ME INTRODUCE MY GIRL FRIEND*.

Kim Suk Young is the CEO of PMG. Prior to establishing PMG, he has managed top talent since 1999, including top star Kwon Sang-woo since 2002, and Kim Hee-sun, who has won numerous Best Actress awards. Under his management, Kwon Sang-woo rose to stardom in 2003 with the romantic comedy film *MY TUTOR FRIEND* and the melodrama series *STAIRWAY TO HEAVEN*, which launched him to top tier status in Korea and turned him into a regional star all over Asia.

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### **About Spackman Entertainment Group Limited**

Spackman Entertainment Group Limited ("**SEGL**" or the "**Company**"), and together with its subsidiaries, (the "**Group**"), a leading entertainment production group founded by Mr. Charles Spackman, is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea. In addition to our film 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 8 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 *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 ancillary distributor for a total of 75 films (52 Korean and 23 foreign) including *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 ancillary distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by Zip Cinema. 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 is a 29.12% strategic shareholder of Spackman Media Group Limited (“**SMGL**”). SMGL, a company incorporated in Hong Kong, together with its subsidiaries, is collectively the largest entertainment talent agency 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.

On 31 March 2017, the Group completed the acquisition of 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 LEGEND OF THE BLUE SEA* (2016) featuring Jeon Ji-hyeon and Lee Min-ho, as well as *VETERAN* (2015), the number one movie at the Korean box office in 2015 starring Yoo Ah-in.

On 27 October 2017, the Group completed the acquisition of 100% equity interest in Take Pictures Pte. Ltd. (“**Take Pictures**”) which owns a strong lineup of 10 film projects including the co-production with the Zip Cinema of *THE PRIESTS 2*.

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, PrimePartners Corporate Finance 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.*

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