

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP'S ASSOCIATED COMPANY ACQUIRES MAJORITY STAKE IN LEADING KOREAN VARIETY SHOW PRODUCTION COMPANY

- *Delmedia is one of Korea's leading producers of variety shows*
- *Korean variety shows are highly popular internationally, in particular the PRC*

Singapore, 8 June 2015 – Spackman Entertainment Group Limited (“**Spackman Entertainment Group**” or the “**Company**” and together with its subsidiaries, the “**Group**”), announced that its associated company, Spackman Media Group Pte. Ltd. (“**SMG**”), has on 5 June 2015 entered into a share subscription agreement (the “**Agreement**”) with Delmedia Co., Ltd. (“**Delmedia**”) to subscribe to 320,000 common shares of Delmedia (“**Subscription**”), representing 88.89% of the enlarged issued and outstanding shares of Delmedia after the completion of the Subscription, for a total cash consideration of KRW1.60 billion (or US\$1.48 million based on the exchange rate of KRW1:US\$0.00093) (“**Consideration**”).

The Consideration was arrived at following arm’s length negotiations on a willing buyer, willing seller basis, and taking into account, *inter alia*, the unaudited net asset value of Delmedia of KRW60 million (or US\$0.06 million based on the exchange rate of KRW1:US\$0.00093) as at 31 December 2014, and the growth potential of Delmedia. The Consideration has been paid in full upon completion of the Subscription and was funded by proceeds received from the share subscription as announced on 11 May 2015 and 29 May 2015. Upon completion of the Subscription, the Company has an effective interest of 44.45% in Delmedia.

Delmedia is one of Korea’s leading producers of variety shows. It is well-known and widely recognized by major Korean broadcasting networks for producing some of Korea’s most popular variety show series, including MBC *I AM A SINGER*, MBC *EVERY1 INFINITE GIRLS* and MBC *STAR AUDITION: THE GREAT BIRTH*. Since its founding in November 2003, Delmedia has produced more than 120 variety shows, entertainment dramas and reality shows.

Delmedia is also engaged in the talent management business, and manages actors Lee Jae-yong (*DETECTIVE K; EMPRESS KI; MASTERS SUN*) and Hong Kyung-in (*YOUR NOIR; MOTHER’S ISLAND; FANTASTIC TOWER*), and television personalities Sam Hammington (*HAPPY TOGETHER; REAL MEN; TRUE JUSTICE*) and Sam Okyere (*NON-SUMMIT; TRUE JUSTICE; LAW OF THE JUNGLE*).

Tapping on the growing demand for Korean entertainment content in the PRC, Delmedia’s strategic focus from this year has been to seek collaboration opportunities with key Chinese industry players to leverage on this demand.

In this regard, Delmedia has collaborated with several major Chinese broadcasting networks to produce Chinese variety shows. Delmedia currently has two such Chinese productions at various stages of development, which are expected to be released in 2015.

More specifically, Starmedia Co., Ltd., a subsidiary of widely circulated publication Beijing Youth Daily, has agreed to fund the production cost of KRW 700 million (or US\$0.65 million) into Delmedia's production of a 24-episode music talk show series scheduled to be released in mid-July 2015 in return for, amongst others, exclusive broadcasting rights in the PRC. In addition, Delmedia also entered into a memorandum of understanding with another Chinese media company, YL Sports & Entertainment, to form a strategic partnership in the areas of talent management and production of entertainment content (including films, television dramas, music and variety shows). Both companies will also provide mutual assistance in their respective domestic markets in relation to cross-border projects.

Richard Lee, Head of Business Development of Spackman Entertainment Group said, "The inclusion of Delmedia will allow the Group to expand and diversify into the production of television variety shows, a segment which has seen rapid growth not only in Korea but throughout Asia, in particular the PRC, as evident from the increasing number of Korean variety shows being aired overseas and even being remade into local versions. The collaboration between Delmedia and key Chinese industry players will also serve as an additional platform for the Group to further penetrate the Chinese market." Mr. Lee also added, "With variety shows becoming increasingly important channels through which Korean artistes gain recognition and exposure in Korea and internationally, we see obvious synergies with the Group's talent management business endeavors."

About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited ("**SEGL**"), and together with its subsidiaries, the "**Group**") is a leading entertainment production company that 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: we own one of Korea's leading talent management agencies, UAA Korea Co., Ltd., which represents Hallyu stars Song Hye-kyo (*THE CROSSING; MY BRILLIANT LIFE; THE GRANDMASTER; HWANG JIN YI; THE QUEENS*), Gang Dong-won (*MY BRILLIANT LIFE; KUNDO; HAUNTERS*), and Yoo Ah-in (*ELEGANT LIES; PUNCH*); operate a café-lounge called Upper West, in the Gangnam district of Seoul; own a professional photography studio, noon pictures Co., Ltd.; and produce documentary programmes for broadcast and cable television through Film Auteur Co., Ltd. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

Our three motion picture production and financing subsidiaries, namely, Zip Cinema Co., Ltd. ("**Zip Cinema**"), Opus Pictures Limited Liability Company ("**Opus Pictures**"), and Novus Mediacorp Co., Ltd. ("**Novus Mediacorp**") are three of the most recognized film production labels in Korea, and have originated, produced, and financed some of Korea's most commercially successful theatrical films for the past 7 years. 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 television, broadcast television, 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.

Zip Cinema and Opus Pictures have produced/presented and released a total of 18 theatrical motion pictures since their incorporation, the majority of which were profitable and some of which were among the top grossing films in Korea in recent years. Recent theatrical releases of our motion pictures include some of Korea's highest grossing and award-winning films such as *SNOWPIERCER* (2013-2014), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012). In addition, for the past 5 years, Novus Mediacorp was the investor, presenter, and/or ancillary distributor for a total of 54 films (35 Korean and 19 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 was also the ancillary distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by Zip Cinema.

The Group holds its peripheral assets under Spackman Media Group Pte. Ltd. ("**Spackman Media Group**"), an associated company of SEGL. Spackman Media Group owns an 88.89% interest in Delmedia, a leading variety show production company, which has produced some of Korea's most popular variety shows such as MBC *I AM A SINGER*, MBC *EVERY1 INFINITE GIRLS* and MBC *STAR AUDITION: THE GREAT BIRTH*. Since its founding in November 2003, Delmedia has produced more than 120 variety shows, television dramas and documentaries.

On 11 May 2015, the Company entered into a novation and share transfer agreement with Spackman Media Group for the transfer of the definitive agreement to acquire a 51.0% majority stake in Breakfastfilm Co., Ltd. ("**Breakfastfilm**"), a leading marketing and media company that specializes in the production of TV/new media commercials and K-pop music videos in Korea, in favour of Spackman Media Group. Founded in 2004, Breakfastfilm has produced some of Korea's most well-known TV commercials for major multinational clients such as Samsung, Hyundai Motors, LG, Coca-Cola, McDonald's, Adidas as well as other major Korean corporate brands. Moreover, as a leading producer of K-pop music videos, Breakfastfilm has produced many of Korea's most popular music videos including Wonder Girls' *Nobody*, Girls Generation's *Genie*, 2PM's *Without You*, Miss A's *Breathe*, Rain's *I'm Coming*, Super Junior's *Bonamana*, Shinee's *Everybody*, and JYP's *No Love No More*. (www.breakfastfilm.com)

For more details, do visit <http://www.spackmanentertainmentgroup.com/>

Important Notice

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 22 July 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This news release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this news release.

This news release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this news release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this news release.

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