

## NEWS RELEASE

### SPACKMAN ENTERTAINMENT GROUP ACQUIRES MAJORITY STAKE IN UAA KOREA BY EXERCISING CONVERTIBLE NOTES

- *UAA is a leading talent management agency in Korea, representing artists Song Hye-kyo, Gang Dong-won, and Yoo Ah-in.*
- *UAA recently merged with United Pictures, a theatrical film presenter and distributor in Korea, on 24 December 2014.*
- *Spackman Entertainment Group (HK) Limited had converted US\$2m of convertible notes to 12,181 shares or 51.36% of UAA.*

**Singapore, 2 January 2015** – 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, announced today that its wholly-owned subsidiary Spackman Entertainment Group (HK) Limited had on 31 December 2014 exercised its convertible notes of UAA Korea Co., Ltd. (“**UAA**”) (the “**Conversion**”) following UAA’s merger with United Pictures Co., Ltd. (“**UP**”) on 24 December 2014. As a result of the Conversion, the Group owns 12,181 shares or 51.36% of UAA and UAA is now an indirect subsidiary of the Company.

The total cash consideration for the convertible notes was US\$2 million (equivalent to SGD2.64 million based on the exchange rate of USD1:SGD1.32) (the “**Consideration**”), which the Company had satisfied by paying US\$1 million in cash on each of 17 January 2014 and 12 May 2014. The Consideration was arrived at between the Company and UAA after arm’s length negotiations and on a willing buyer, willing seller basis, after taking into account, amongst others, the unaudited consolidated financial statements of UAA for the financial year ended 31 December 2013, which included revenues of KRW6.54 billion (equivalent to SGD7.85 million based on the exchange rate of KRW1: SGD0.0012) and net profit of KRW96.97 million (SGD116,364). As at 31 October 2014, the unaudited consolidated net assets of UAA was approximately KRW198 million (equivalent to SGD227,375 based on the exchange rate of KRW1:SGD:0.0012).

UAA is a leading talent management agency in Korea, representing Hallyu (Korean Wave) 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*). UP is a theatrical film presenter and distributor in Korea, and has presented and/or distributed 11

Korean motion pictures since its establishment, including some of the Group's top-grossing productions, *ALL ABOUT MY WIFE*, *WOOCHI*, and *FROZEN FLOWER*.

Charles Spackman, Executive Chairman of Spackman Entertainment Group, said, "We are pleased to welcome UAA to Spackman Entertainment Group. With anchor artists like Song Hye-kyo, Gang Dong-won, and Yoo Ah-in, and under the leadership of CEO Ellen Park, UAA is positioned to become one of the leading talent agencies in Korea, and we hope to develop UAA into a significant part of the Group. In addition, with the recent merger of UAA with UP, we will also have a well-established proprietary brand for our future film presenting and distribution 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. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

Our two motion picture production subsidiaries, namely, Zip Cinema and Opus Pictures, are two of the most recognized film production labels in Korea, and have originated and produced 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 most of our motion pictures into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

Zip Cinema and Opus Pictures have, collectively, produced and released a total of 17 theatrical motion pictures since their incorporation, some of which were among the top grossing films in Korea. Recent theatrical releases of our motion pictures include notable box office successes such as *SNOWPIERCER* (2013), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012).

The Group also owns 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. 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, 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](http://www.breakfastfilm.com))

On 8 December 2014, the Company signed a definitive agreement to acquire 51.0% of Novus Mediacorp Co., Ltd. (“**Novus**”). Novus is an investor and presenter of Korean theatrical films, specializing in ancillary distribution. Since 2009, Novus was the investor, presenter, and/or ancillary distributor for a total of 54 films (35 Korean and 19 foreign) including *SECRETLY, GREATLY*, one of the biggest box office hits of 2013, starring Kim Soo-hyun, as well as *FRIEND 2: THE GREAT LEGACY*, featuring Kim Woo-bin. In 2012, Novus was also the ancillary distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by the Group. Novus also has a wholly-owned subsidiary, Novus Entertainment Co., Ltd., which is currently co-producing three major theatrical films for release in 2015, namely, *LIFE RISKING LOVE*, *CHONG HEE – THE EMPEROR’S LOVE*, and *KOREAN GANGSTER*.

On 31 December 2014, the Company acquired the majority stake of UAA Korea Co., Ltd., (“**UAA**”) by exercising convertible notes worth US\$2 million into 12,181 shares or 51.36% of UAA. UAA is a leading talent management agency in Korea, representing 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*).

Secondarily to our core production business, we also make investments into entertainment companies and film funds that can financially and strategically complement our existing core operations: we operate a café-lounge called Upper West, in the Gangnam district of Seoul; own a professional photography studio; and produce documentary programmes for broadcast and cable television.

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

### **Important Notice**

The Company was listed on the 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 press release has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently 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

correctness of any of the statements or opinions made or reports contained in this press release.

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2 January 2015