

spackmanentertainmentgroup

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SPACKMAN ENTERTAINMENT GROUP TO ACQUIRE MAJORITY STAKE IN BREAKFASTFILM

- *Set to provide a more consistent flow of income to complement the Group's existing core film production operations*
- *Leverage each other's complementary expertise and capabilities*
- *Position the Group to capitalize on the growing popularity of Korean-made content and products in the China market*

Singapore, October 17, 2014 – Spackman Entertainment Group Limited (“**Spackman Entertainment Group**” or the “**Company**” and together with its subsidiaries, the “**Group**”), one of Korea’s leading theatrical film production groups, announced today that it has entered into a subscription agreement (the “**Agreement**”) to acquire 34,630 newly issued common shares, or 46.4%, of Breakfastfilm Co., Ltd. (“**Breakfastfilm**”) for a total cash consideration of KRW 1,300,000,000 (\$1.55 million) (the “**Subscription**”).

The Company's indirect wholly owned subsidiary, Opus Pictures Limited Liability Company (“**Opus**”), currently owns convertible notes, which represent 7,059 common shares of Breakfastfilm if converted in full. Upon the completion of the Subscription, Opus will transfer the note to the Company, and the Company will convert the note into shares of Breakfastfilm (the “**Conversion**”). After the Subscription and the Conversion (the “**Acquisition**”), the Company will hold 51.0% of the total outstanding and issued shares of Breakfastfilm.

Breakfastfilm is 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 by Mi Ra Park, a highly regarded veteran of Korea's media industry, Breakfastfilm has produced some of Korea’s most well-known TV/new media commercials for major multinational clients such as Samsung, Hyundai Motors, LG, Coca-Cola, McDonald, Adidas as well as other major Korean corporate brands. As a leading producer of K-pop music videos, Breakfastfilm’s notable productions include 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*. Breakfastfilm also provides marketing strategies and solutions for various new media platforms to its clients. (www.breakfastfilm.com)

On 1 March 2014, Breakfastfilm established a wholly-owned subsidiary in China, Breakfast Film Shanghai Co., Ltd. ("**BFF Shanghai**") with USD150,000 of paid up capital. BFF Shanghai already has secured contracts with Ogilvy Guangzhou, Saatchi & Saatchi Guangzhou, and Cheil Worldwide Beijing to provide its services for such brands as Bedook, Hanhoo, Samsung Electronics (Galaxy Note 4) and Naver Line.

Mr. Charles Spackman, Executive Chairman of Spackman Entertainment Group, said: "We are pleased to announce our maiden acquisition following the Group's initial public offering on 22 July 2014. From the outset, Spackman Entertainment Group was built with acquisitions as core strategy for growth, and Breakfastfilm has the characteristics we look for in our M&A initiatives. First, this acquisition is a clear strategic fit for the Group as we believe we will benefit from their knowledge of latest trends and expertise in marketing, and, conversely, they will benefit from our film production know-how and access to creative talent.

Second, our acquisition of Breakfastfilm helps us diversify our revenue stream, and is expected to provide more stability and consistency in the flow of income throughout the course of a fiscal year, as the revenue stream from our film production business can be concentrated in certain periods throughout the year.

Finally, with the additional capital from our investment, Breakfastfilm will be expanding their recently formed China operation, which is in line with our efforts to commence building our business presence in China. We expect Breakfastfilm to be a direct beneficiary of the rising popularity of Korean-made content and products in the China market."

Currently, Breakfastfilm has 27 full-time employees in Seoul and 7 employees at BFF Shanghai. According to its unaudited financial statements, Breakfastfilm earned a revenue of KRW5.93 billion (S\$7.1 million) and made a profit after tax of KRW98.69 million (S\$118,428) for the financial year ending 31 December 2013.

The consideration of KRW 1.3 billion will be paid entirely in cash and will be funded by the proceeds from the Group's initial public offering.

About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited (“SEGL”) 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 under the ticker 40E.

Our two motion picture production subsidiaries, namely, [Zip Cinema Co., Ltd.](#) (“**Zip Cinema**”) and [Opus Pictures Limited Liability Company](#) (“**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 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, collectively, produced and released a total of 17 theatrical motion pictures since their incorporation, the majority of which were profitable and some of which were among the top grossing films in Korea. Recent theatrical releases of our motion pictures include some of Korea’s highest grossing and award-winning films such as SNOWPIERCER (2013), COLD EYES (2013), and ALL ABOUT MY WIFE (2012).

Secondarily to our core film business, we also make investments into entertainment companies and film funds that can financially and strategically complement our existing core operations; operate a café-lounge called Upper West, in the Gangnam district of Seoul; 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 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 announcement 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 Singapore Exchange Securities Trading Limited (the “SGX-ST”). 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

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

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-01 Equity Plaza Singapore 049750, telephone (65) 6229 8088.

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