

spackmanentertainmentgroup

NEWS RELEASE

SPACKMAN ENTERTAINMENT GROUP ENTERS INTO NON-BINDING MEMORANDUM OF UNDERSTANDING FOR THE PROPOSED ACQUISITION OF TAKE PICTURES PTE. LTD.

- *Take Pictures is a motion picture production company founded by veteran movie producer, Mr. Song Dae-chan*
- *Proposed acquisition of Take Pictures shall enable Group to expand its annual movie production capacity*
- *Underscores Group's commitment to continually seek acquisitions that will strategically add accretive value to existing movie production businesses*

Singapore, 14 August 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, wishes to announce that it has entered into a non-binding memorandum of understanding with independent third parties (the “**Vendors**”), which sets forth the general terms and conditions for the proposed acquisition of 100% of the total common voting shares of Take Pictures Pte. Ltd. (the “**Target**”) (the “**Proposed Acquisition**”),

The Target is the 100% owner of Take Pictures Co., Ltd. (“**Take Pictures**”), which is a start-up motion picture production company founded by veteran movie producer, Mr. Song Dae-chan (“**Mr. Song**”) and incorporated in the Republic of Korea. Mr. Song is currently the founder and Chief Executive Officer of Take Pictures. Take Pictures currently has developed and owns a strong lineup of 10 film projects including the co-production with the Group’s indirect wholly-owned subsidiary Zip Cinema Co., Ltd. (“**Zip Cinema**”) of *THE PRIESTS 2*. *THE PRIESTS 2* is the sequel to one of Korea’s most commercially successful theatrical films of 2015, *THE PRIESTS*, which was produced by Zip Cinema.

Prior to establishing Take Pictures, Mr. Song spent 13 years working alongside the Group’s chief producer Ms. Eugene Lee (“**Ms. Lee**”), the CEO of Zip Cinema. Mr. Song began his career in 2002 apprenticing under Kang Je-kyu, director of classic hits *SIRI* (1999) and *TAEGUKKI* (2004) at the eponymous film company, Kang JEKYU Film. Mr. Song continued his career at B.O.M. Pictures working with Ms. Lee on *A BITTERSWEET LIFE* (2005), and then joined her at Zip Cinema where they collaborated on numerous projects for the next 12 years.

During his tenure at Zip Cinema, Mr. Song produced some of Korea’s most commercially successful theatrical films, including *THE PRIESTS* (2015) and *COLD EYES* (2013).

Mr. Charles Spackman, Executive Chairman & Chief Executive Officer of Spackman Entertainment Group, said, "The potential acquisition of Take Pictures is in accordance with our objective to continually seek acquisitions that will strategically add accretive value to our existing movie production business. As a 15-year veteran movie producer, Mr. Song has previously worked at Zip Cinema and closely with our chief producer, Ms. Eugene Lee, and therefore understands the discipline and values in the Group's approach to film making. As such, we believe that Take Pictures is well-equipped with the capabilities to replicate the success of Zip Cinema."

The memorandum of understanding for the Proposed Acquisition outlines that the aggregate consideration payable by the Company for the Proposed Acquisition shall be fulfilled via cash or the issuance of new shares and/or convertible bonds in the Company or a combination of the aforementioned. The value of the aggregate consideration payable will be based on a value negotiated and agreed upon between the Vendors and the Company and acceptable to the Directors and shareholders of the Company where applicable.

This transaction is at a preliminary stage and the entry of definitive agreement(s) will be subject to, inter alia, completion of the Company's due diligence exercise, receipt of approval from the shareholders of the Company if necessary, all other necessary approvals and consents from the relevant parties.

The exclusive period of the memorandum of understanding is until 31 October 2017.

The Company will update its shareholders as and when there are any material developments and/or upon execution of definition agreements in relation to the Proposed Acquisition.

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About Spackman Entertainment Group Limited

Spackman Entertainment Group Limited ("**SEGL**" or the "**Company**"), 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. 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 26.2% 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. SMGL manages over 60 artists including some of the top names in the Korean entertainment industry and 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.

The company, through its full-service talent agencies in Korea, 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. The company 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.

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.

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 Catalyst. The Sponsor has not verified the contents of this press release.

This press 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 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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