

NEWS RELEASE

Not for Release in the United States

SPACKMAN ENTERTAINMENT GROUP PRICES IPO AT S\$0.26 PER PLACEMENT SHARE

- ***First Korean entertainment company to be listed in Singapore***
- ***Placement closes on July 18, 2014 at 12.00 noon; First day of trading expected on July 22, 2014***

Singapore, July 11, 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, has launched its Initial Public Offering (“**IPO**”) in Singapore. The Group is seeking a listing on the Catalist board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). PrimePartners Corporate Finance Pte. Ltd. is the Issue Manager, Sponsor and Placement Agent in connection with the IPO.

Mr. Charles Spackman, Executive Chairman of Spackman Entertainment Group said: “We are delighted to launch our initial public offering in Singapore. Korean entertainment content has been well-received in Singapore and other markets in Southeast Asia. This is in line with the growing demand for Korean entertainment content in overseas markets in recent years, especially in Asia.

Through our listing, we are looking to establish a channel through which investors in Singapore and in the region will have a unique opportunity to invest directly in the growth of the Korean film and entertainment industries. The listing will increase our visibility in the region and benefit our international business expansion efforts.”

The Placement

The Placement is an offer of 69,440,000 Placement Shares, comprising 50,000,000 New Shares and 19,440,000 Vendor Shares at S\$0.26 for each Placement Share, payable in full on application. Post-listing, the Company's enlarged share capital will be 395,310,000 Shares and it will have a market capitalisation of S\$102.78 million.

The Offer Document was registered on July 11, 2014 and the Placement, which opens upon the registration, will close on July 18, 2014 at 12.00 noon. Listing and the first day of trading on the Catalist is expected on July 22, 2014 at 9.00 am.

Use of Proceeds

The Group intends to utilise the net proceeds of approximately S\$10.84 million from the Placement to invest into films produced by the Group or third parties; expand the Group's operations via acquisitions, joint ventures and investments; establish overseas offices; and general working capital purposes.

Overview of Spackman Entertainment Group

The Group produces, presents and invests in theatrical films through two wholly-owned film production subsidiaries, namely, Zip Cinema and Opus Pictures. Zip Cinema and Opus Pictures are two of the most recognised film production labels in Korea and have produced some of Korea's most commercially successful theatrical films for the past seven years. Zip Cinema and Opus Pictures have each produced and released eight films, making a combined total of 16 films.

Since becoming part of the Group, Zip Cinema has released *COLD EYES* (2013) and *ALL ABOUT MY WIFE*¹ (2012), both of which were among Korea's top 10 grossing films of 2012 and 2013, respectively. Opus Pictures, since becoming part of the Group, has released four films: *CONFESSION*^{2,3} (2014), *FOR THE EMPEROR*² (2014), *SNOWPIERCER*⁴ (2013) and *HOWLING*⁵ (2012). *SNOWPIERCER* was Korea's number two film of 2013, in terms of box office ticket admissions, and distribution rights have been sold in over 100 countries. With *SNOWPIERCER*, Opus Pictures became amongst the first Korean production firms to produce an English language Hollywood-style movie.

The Group also distributes foreign films in Korea.

To have a more stable, frequent and consistent flow of income, the Group also invests into companies and film investment funds involved in the entertainment industry that can financially and strategically complement the Group's existing core operations. These include UAA, a talent management agency in Korea that represents three Korean stars: Song Hye-kyo, Kang Dong-won and Yoo Ah-in; and Breakfastfilm, a marketing and media company that is a leading producer of TV/new media commercials and music videos in Korea.

The Group also operates a café-lounge called Upper West, in the Gangnam district of Seoul; and produces documentary programmes for broadcast and cable television through its subsidiary, Film Auteur.

¹ Co-produced with Soo Film,

² Currently screening in theatres

³ Co-produced with Good Choice Cut Pictures Inc.

⁴ Co-produced with Moho Film

⁵ Co-produced with Film Poeta

Spackman Entertainment Group is helmed by an experienced and balanced management team with significant financial discipline as well as expertise and knowledge in its approach to film-making. Mr. Tae Hun Lee, Executive Director and Chief Executive Officer of Spackman Entertainment Group, and Ms Eugene Lee, Executive Director and Chief Producer of Spackman Entertainment Group, have been involved in the film industry for more than a decade. They are supported by other management team members with background in finance, accounting, investments and M&A.

Prospects and Future Plans

2013 witnessed the highest box office revenue and ticket admissions of all time in Korea. The total number of box office admissions that year reached an all-time high of 213.4 million, equating to every person in Korea visiting the cinema 4.25 times in 2013.

Korean productions have also demonstrated the continued competitiveness and popularity in the domestic market relative to the more well-capitalised and heavily-marketed Hollywood films. In 2013, nine out of the top 10 movies in terms of box office revenue were Korean productions.

There is also a growing demand for Korean film productions and film-making expertise in overseas markets. In 2013, export revenues related to completed films accounted for US\$37.07 million, an increase of 83.8% from 2012. The substantial increase in exports of completed films was primarily driven by the export revenues from the international distribution of *SNOWPIERCER*, which was co-produced by Opus Pictures.

Mr. Spackman said: “Zip Cinema and Opus Pictures, led by Eugene Lee and Tae Hun Lee respectively, are known in the film industry for the highest quality of film-making and commercially successful productions. Both Eugene and Tae Hun are well-regarded, experienced veterans in the Korean film and entertainment industries. With more than a decade of experience each, they have established a wide network of personal relationships amongst key players. With them at the helm, Spackman Entertainment Group is well-positioned to continue to make the highest quality films at the most rational budget, and leverage on the growing appetite for Korean film productions domestically and overseas.”

The Group plans to increase investment into films produced by them and third parties. It intends to scale up business over time by increasing the number of films they develop and produce to at least four films per year in FY2016 and thereafter. The Group also plans to expand its portfolio of theatrical film production brands through mergers and acquisitions and make investments into and acquisitions of companies involved in the entertainment industry that can financially and strategically complement its core business. It also plans to establish an office in Los Angeles as a base to seek new opportunities for the Group’s film business, and in Singapore to serve as its administrative headquarters.

The Group currently has a total of six Korean film projects in development, pre-production, or production: one film is scheduled to be released by the end of 2014, while three films are currently in development and scheduled to be released in 2015. Another two films are currently in development and scheduled to be released in 2016.

Financial Highlights

The Group’s revenue surged 170.5% from US\$4.40 million for the year ended December 31, 2012 (“**FY2012**”) to US\$11.89 million for the year ended December 31, 2013 (“**FY2013**”). Gross profit more than doubled from US\$2.02 million to US\$5.54 million over the same period, and the Group achieved a profit of US\$2.61 million in FY2013 as compared to a loss of US\$0.3 million in FY2012.

Important Notice

This press release is published for informational purposes only without regard to the specific investment objectives, financial situation and particular needs of any specific person. This press release is not an offer of securities for sale in Singapore or anywhere else. Any offer of securities will be made in or accompanied by a copy of the Offer Document. Anyone wishing to acquire securities will need to make an application in the manner set out in the offer document to be accompanied as aforesaid.

This press release has been prepared for publication in Singapore and may not be released in the United States. This press release does not constitute an offer of securities for sale in any jurisdiction, including the United States, and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

ISSUED ON BEHALF OF :	Spackman Entertainment Group Limited	
BY :	Citigate Dewe Rogerson, i.MAGE Pte Ltd	
	55 Market Street	
	#02-01	
	SINGAPORE 048941	
CONTACT :	Ms Maybelline Tan / Ms Chia Hui Kheng	
	at telephone	
DURING OFFICE HOURS :	6534-5122	(Office)
AFTER OFFICE HOURS :	9770-1179 / 9690-3841	(Handphone)
EMAIL :	maybelline.tan@citigatedrimage.com /	
	huikheng.chia@citigatedrimage.com	

013/14/013/SEGL

July 11, 2014