

# spackmanequitiesgroup

**Spackman Equities Group Inc.**  
TSX Venture Exchange: SQG

**FOR IMMEDIATE RELEASE**

## **NEWS RELEASE**

### **SPACKMAN EQUITIES GROUP INC. ENTERS INTO NON-BINDING MEMORANDUM OF UNDERSTANDING WITH SPACKMAN ENTERTAINMENT GROUP TO ACQUIRE SHARES OF SPACKMAN MEDIA GROUP**

- Spackman Equities Group Inc. (the “**Company**” or “**SQG**”) has entered into a non-binding memorandum of understanding (“**MOU**”) with Spackman Entertainment Group Limited, a company listed on the Catalist Board of the Singapore Stock Exchange, to acquire Spackman Entertainment Group’s entire interest in Spackman Media Group Limited (“**Proposed Acquisition**”)
- Under the MOU, the Company will acquire all of Spackman Entertainment Group’s 13,968,038 common voting shares of Spackman Media Group, representing a 43.88% interest in Spackman Media Group Limited, to be fully paid by newly issued common shares of the Company
- Upon completion of the Proposed Acquisition, the Company and Spackman Entertainment Group plan to develop, produce and finance motion pictures and entertainment content targeted for the North American market, as well as develop other entertainment-related businesses in North America

**Toronto, 18 August 2020** – Spackman Equities Group Inc. (“**SQG**” or the “**Company**”), an investment holding company listed on the TSX Venture Exchange in Canada, wishes to announce that the Company (the “**Purchaser**”) has today entered into a non-binding memorandum of understanding (“**MOU**”) with Spackman Entertainment Group Limited, a company listed on the Catalist Board of the Singapore Stock Exchange (“**SEG**” or the “**Seller**”), to acquire SEG’s entire interest in Spackman Media Group Limited (“**Spackman Media Group**”) (the “**Proposed Acquisition**”).

Under the MOU, the Purchaser intends to acquire all of the Seller’s 13,968,038 common voting shares of Spackman Media Group (the “**Sale Shares**”), representing a 43.88% interest in Spackman Media Group. The purchase consideration will be fully satisfied by newly issued common shares of the Purchaser (“**Consideration**”). Accordingly, following the completion of the Proposed Acquisition, SQG will be a subsidiary of SEG.

John D. Pennal, Director & Vice President of SQG, said, “We are pleased to have the opportunity to revitalize Spackman Equities Group through the acquisition of Spackman Media Group, one of Korea’s leading and most renowned talent agencies. Through this acquisition, we plan to actively engage in the development, production and financing of major U.S. film projects and expand the talent representation business into North America.”

Spackman Media Group is collectively one of the largest entertainment talent agencies in Korea in terms of the number of artists under management. It operates its talent management business through renowned agencies such as MSteam Entertainment Co., Ltd. (Son Ye-jin, Lee Min-jung, Ko Sung-hee), UAA&CO Inc. (Song Hye-kyo, Yoo Ah-in, Park Hyung-sik), Fiftyone K Inc. (So Ji Sub, Ok Taec-yeon), SBD Entertainment Inc. (Bae Doo-na, Son Suk-ku), and Kook Entertainment Co., Ltd. (Kim Sang-kyung, Kim Ji- young).

### **Rationale**

Upon the completion of the Proposed Acquisition, the Company and Spackman Entertainment Group plan to develop, produce and finance motion pictures and entertainment content targeted for the North American market, as well as develop other entertainment-related businesses in North America.

### **Consideration**

The Consideration for the Proposed Acquisition is as follows:

(1) The price per share of the Sale Shares shall be no less than KRW 2,000 (equivalent to S\$2.30 or CAD\$2.25) which is equivalent to the most recent significant transaction of the shares of Spackman Media Group that has been documented in public records. According, the Consideration shall be no less than KRW 27,936,076,000 (equivalent to S\$32,126,487 or CAD\$31,428,086).

(2) The issue price of the shares of the Purchaser to satisfy the Consideration will be negotiated and agreed upon by the Parties, in accordance with TSX Venture Exchange regulations.

The Consideration shall be further negotiated and agreed upon between the Purchaser and the Seller.

### **Conditions Precedent**

The key conditions precedent to the Proposed Acquisition include, but are not limited to, the following:

(a) Completion of due diligence by the Purchaser and the Seller ;

(b) The Purchaser shall not own any shares in the Seller prior to or at the time of the execution of the Proposed Acquisition;

(c) The Purchaser shall consolidate its common shares on a 10:1 basis;

(d) Completion of an independent valuation on Spackman Media Group commissioned by each of the Seller and Purchaser, if required;

(e) Receipt of approval from the shareholders of the Seller in relation to the Proposed Acquisition, if needed;

(f) Receipt of approval from the shareholders of the Purchaser in relation to the acquisition of the Sale Shares and the issuance of its common shares, if needed; [SEP]

(g) All other necessary approvals and consents from all relevant government, regulatory and other authorities and third parties in Singapore, Canada, and other relevant jurisdictions, including without limitation the TSX Venture Exchange, to complete the Proposed Acquisition being obtained, and where such approvals or consents are subject to conditions pertaining to and are to be complied with by the Purchaser, such conditions being reasonably acceptable to the Purchaser.

### **Further Information**

Negotiations between the Parties are ongoing, and no binding agreement has been entered into between the Parties in respect of the Proposed Acquisition. Pursuant to the MOU, the Parties agree that the MOU shall terminate if definitive agreement(s) are not executed by 30 September 2020, unless extended mutually.

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### **About Spackman Equities Group Inc**

Spackman Equities Group Inc (“**SQG**”) is an investment company that selectively invests into growth companies that possess proprietary know-how or technologies. Its objective is to originate opportunities to invest into businesses at attractive valuations, build a compelling portfolio of holdings, and deliver the collective value of its investments to its shareholders. Spackman Equities Group invests into public equities as well as privately-held companies. The common shares of SQG trade on the TSX Venture Exchange under the symbol SQG.

### **About Spackman Entertainment Group Limited**

Spackman Entertainment Group Limited (“**SEGL**”) is one of Korea’s leading entertainment production groups. SEGL is primarily engaged in the independent

development, production, presentation, and financing of theatrical motion pictures in Korea. According to Variety, Korea was the world's fourth largest box office market in 2019, behind only North America, China and Japan. SEGL also invests into and produces Korean television dramas. In addition to its content business, it also owns equity stakes in entertainment-related companies and film funds that can financially and strategically complement its existing core operations. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

### **About Spackman Media Group Limited**

Spackman Media Group Limited ("SMGL"), a company incorporated in Hong Kong, together with its subsidiaries, is collectively one of the largest entertainment talent agencies in Korea in terms of the number of artists under management, including some of the top names in the Korean entertainment industry. SMGL operates its talent management business through renowned agencies such as MSteam Entertainment Co., Ltd. (Son Ye-jin, Lee Min-jung, Ko Sung-hee), UAA&CO Inc. (Song Hye-kyo, Yoo Ah-in, Park Hyung-sik), Fiftyone K Inc. (So Ji Sub, Ok Taec-yeon), SBD Entertainment Inc. (Bae Doo-na, Son Suk-ku), and Kook Entertainment Co., Ltd. (Kim Sang-kyung, Kim Ji- young). Through these full-service talent agencies in Korea, SMGL 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. SMGL 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. This platform also creates and derives opportunities for SMGL to make strategic investments in development stage businesses that can collaborate with SMGL artists.

### **Forward-Looking Statements**

*Included in this news release may be matters that constitute "forward-looking" information within the meaning of Canadian securities law. Such forward-looking statements may be identified by words such as "plans", "proposes", "estimates", "intends", "expects", "believes", "may" or words of a similar nature. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include among others, regulatory risks, risk inherent in foreign operations, commodity prices and competition. Most of these factors are outside the control of the Company. All subsequent forward-looking statements attributable to the Company or its agents are expressly qualified in their entirety by these cautionary comments. Except as otherwise required by applicable securities statutes or regulation, the Company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) has in any way approved or disapproved of the contents of this press release.*

**For further information:**

John D Pennal, Vice President and Director  
Spackman Equities Group Inc.  
[info@spackmanequities.com](mailto:info@spackmanequities.com)  
416 587 6227