

# SPACKMAN EQUITIES GROUP

Spackman Equities Group Inc.  
TSX VENTURE EXCHANGE: SQG

FOR IMMEDIATE RELEASE

## SPACKMAN EQUITIES GROUP REPORTS SECOND QUARTER 2014 RESULTS

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***Company has record revenues for the three and six month periods ended June 30, 2014***

**TORONTO and HONG KONG, August 29, 2014** – Spackman Equities Group Inc. (“**SEGI**” or the “**Company**”) (TSXV: SQG) today announced its financial results for the second quarter and the six months ended June 30, 2014.

For the second quarter ended June 30, 2014, revenue was \$6.9 million and for the six months ended June 30, 2014, revenue was \$10.0 million. The revenues for both the three and six month periods ended June 30, 2014, are records for the Company.

For the second quarter ended June 30, 2014, the Company recorded a loss of \$894,000 or \$0.006 per share and for the six months ended June 30, 2014, the Company recorded a loss of \$1.6 million or \$0.01 per share. After accounting for foreign exchange gains, the comprehensive loss for the second quarter ended June 30, 2014, was \$210,000 or \$0.001 per share and for the six months ended June 30, 2014, the comprehensive loss was \$955,000 or \$0.006 per share. The Company’s subsidiaries, Zip Cinema Co., Ltd. and Opus Pictures Limited Liability Company, have a number of films under production, and the costs associated with the production of these films negatively impact the Company’s earnings until the films are released. For the second quarter ended June 30, 2014, direct production costs were \$6.2 million and for the six months ended June 30, 2014, direct production costs were \$8.8 million.

At June 30, 2014, SEGI had \$9.6 million, or \$0.06 per share in cash or cash equivalents and marketable securities.

Commenting on the second quarter results, Charles Spackman, the Chairman and Chief Executive Officer of SEGI said, *“I am very pleased with the resounding success of the listing of our subsidiary, Spackman Entertainment Group Limited, on the Catalist of the Singapore Exchange in July. The IPO financing was fully placed and raised gross proceeds of SGD 18.1 million (CAD \$15.8 million) and the shares of SEGL have actively traded on the Catalist at a significant premium to the IPO price of SGD \$0.26 (CAD \$0.22) per share. The Company owns 39.1% of SEGL and based on the most recent closing price of SEGL’s shares of SGD 0.40 (CAD \$.35), the market value of the Company’s stake in SEGL is SGD \$61.8 million (CAD \$53.8 million) or CAD \$0.36 per SEGI share. The Company is exploring various options through which it can optimally reflect the value of its holdings in SEGL on the Company’s share price for the benefit of shareholders, and to reduce or eliminate the discrepancy between the value of the Company’s shares relative to the underlying value of its stake in SEGL.”*

The complete financial statements for the three and six months ended June 30, 2014, including Management’s Discussion and Analysis of the results, are posted on SEGI’s website, [www.spackmanequities.com](http://www.spackmanequities.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Selected Highlights of the Second Quarter and Subsequent Events**

- On May 13, 2014, UAA Korea Co., Ltd. repaid USD 1,019,159 (CAD \$1,109,146) of convertible notes issued on January 17, 2014 with all accrued interest to the Company.
- On June 12, 2014, all shareholders of Spackman Entertainment Group Limited ("SEGHK"), including the Company, exchanged all of their shares of SEGHK for a corresponding number of new shares of Spackman Entertainment Group Pte. Ltd., a Singapore entity formed for the purpose of listing, as part of the restructuring exercise for the initial public offering in Singapore, resulting in SEGHK becoming a wholly-owned subsidiary of Spackman Entertainment Group Pte. Ltd. Prior to this share exchange, on April 25, 2014, SEGHK converted all its outstanding convertible notes in the amount of CAD \$1,385,421 (USD 1,500,000) at the conversion price of USD 1,000 resulting in the issuance of 1,500 new common shares of SEGHK, and SEGHK closed another round of pre-IPO financing by raising a total of USD 4,596,288 (CAD \$5,068,786) by way of a private placement to three investors by issuing 1,776 common shares at USD 2,588 per share.
- On June 24, 2014, Spackman Entertainment Group Pte. Ltd. changed its name to "Spackman Entertainment Group Limited" ("SEGL") as required by Singaporean regulations governing the conversion of a private company into a public company.
- On June 24, 2014, the Company appointed Alex Falconer as Chief Financial Officer. Mr. Falconer succeeds Kyoungwon Na who continues to serve as the Chief Financial Officer of SEGL. This restructuring of management was undertaken in advance of the planned listing of SEGL on the Catalyst of the Singapore Exchange to avoid any potential conflicts of interest between the Company and SEGL.
- On July 3, 2014, SEGHK changed its name to "Spackman Entertainment Group (HK) Limited" in order to avoid confusion with SEGL, its parent company.
- On July 11, 2014, SEGL registered its Offer Document and launched its initial public offering ("IPO") in Singapore.
- On July 14, 2014, the Company announced that Anthony Wei Kit Wong, who was elected a director of the Company at the Annual General Meeting held June 12, 2014 and who is also a director of SEGL, had decided not to serve on the board of the Company to avoid any potential conflicts of interest between the Company and SEGL. The Company intends to appoint a new independent director in the near future.
- On July 18, 2014, the IPO placement was fully placed and closed, and SEGL sold 69,440,000 shares, comprised of 50,000,000 new shares and 19,440,000 existing shares at SGD \$0.26 (CAD \$0.22) per share, raising gross proceeds of SGD 18.1 million (CAD \$15.8 million).
- On July 22, 2014 the shares of SEGL commenced trading on the Catalyst of the Singapore Exchange under the symbol "40E". The Company owns 154,620,000 shares or 39.1% of SEGL.
- On July 30, 2014, the Company granted stock options to five directors of the Company to acquire up to an aggregate of 8,745,000 common shares of SEGL under the Company's stock option plan. The stock options are exercisable at a price of \$0.135 per share and expire five years from the date of grant or earlier in accordance with the Plan.

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

SEGI is an investment holding company that invests into and develops small/medium-sized growth companies that possess industry-specific know-how or proprietary technologies, primarily in Asia. SEGI also makes investments in selected publicly-traded companies that SEGI believes are attractive investment propositions. The objectives of SEGI are to (i) invest into or acquire businesses with compelling growth potential at attractive valuations, (ii) build a diversified and balanced portfolio of investments, and (iii) deliver the collective value derived from the performance of its portfolio of investments to the shareholders of SEGI. SEGI's holdings include:

- 39.1% ownership of Singapore-incorporated Spackman Entertainment Group Limited, which is listed on the Catalist of the Singapore Exchange (ticker: 40E) and is a leading Korean film and entertainment company that wholly-owns Zip Cinema Co., Ltd., Opus Pictures Limited Liability Company, and Spackman Entertainment Korea Inc.;
- 100% of SEGI Investments Limited, an investment company that invests into public equities; and
- marketable securities.

Visit [www.spackmanequities.com](http://www.spackmanequities.com) for further information.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Forward-Looking Statements**

*Included in this news release are 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.*

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