

Unaudited interim consolidated financial statements of

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

For the quarter ended March 31, 2013

(In Canadian Dollars)

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

For the quarter ended March 31, 2013

Table of contents

	<u>Page</u>
Interim Consolidated Statements of Financial Position	4
Interim Consolidated Statements of Operations	5
Interim Consolidated Statements of Comprehensive Loss	6
Interim Consolidated Statements of Changes in Equity	7
Interim Consolidated Statements of Cash Flows	8
Notes to the Interim Consolidated Financial Statements	9 - 19

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under the National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Charles Spackman
Chief Executive Officer

Jenifer Cho
Director of Finance

May 29, 2013

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

Interim Consolidated Statements of Financial Position - Unaudited

(In Canadian Dollars)

	As at March 31, 2013	As at December 31, 2012
ASSETS		
CURRENT		
Cash and cash equivalents (Note 5)	\$ 3,046,132	\$ 4,951,651
Marketable securities (Note 6)	1,400,762	1,792,857
Trade and other receivables (Note 7)	442,634	1,808,398
Prepaid expenses and sundry assets	99,521	63,044
Other current assets (Note 8)	3,169,932	266,967
	8,158,981	8,882,917
NON-CURRENT		
Loan receivable (Note 10)	2,378,094	1,781,870
Long-term investment	47,180	47,566
Other long-term assets (Note 11)	477,210	603,304
Notes receivable (Note 9)	644,774	617,712
Property and equipment (Note 12)	818,129	851,760
Intangible assets (Note 13)	3,353,823	4,477,353
Goodwill	1,700,730	1,700,730
	9,419,940	10,080,295
	\$ 17,578,921	\$ 18,963,212
LIABILITIES		
CURRENT		
Short-term borrowings (Note 15)	\$ 484,299	\$ 492,642
Accounts payable and accrued liabilities (Note 14)	493,613	662,643
Deferred revenue	730,974	752,750
Advances on production and distribution	6,181,119	6,241,113
Income taxes payable	166,021	240,499
Loans and advances	516,543	525,366
	8,572,569	8,915,013
NON-CURRENT		
Deferred tax liabilities	-	11,081
	8,572,569	8,926,094
SHAREHOLDERS' EQUITY		
Share Capital (Note 16)	11,595,769	11,595,769
Contributed surplus	400,427	400,427
Deficit	(3,810,514)	(3,041,688)
Accumulated other comprehensive loss	(6,408)	8,855
Total equity attributable to shareholders' of the Company	8,179,274	8,963,363
Non-controlling interest	827,078	1,073,755
	9,006,352	10,037,118
	\$ 17,578,921	\$ 18,963,212

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

Interim Consolidated Statements of Operations - Unaudited

(In Canadian Dollars)

	Three Months Ended	
	March 31, 2013	March 31, 2012
Revenues		
Film production and distribution	\$ 124,052	\$ 178,910
Realized gain on sale of marketable securities	123,128	-
Other income	178,435	5,279
	<u>425,615</u>	<u>184,189</u>
Expenses		
Direct film production costs	199,745	234,631
General and administrative	410,835	199,677
Selling expenses	554,937	332,938
Depreciation and amortization	155,104	240,990
Unrealized loss on fair value of marketable securities	129,011	5,300
Impairment loss	-	300,367
	<u>1,449,632</u>	<u>1,313,903</u>
Loss from operation	(1,024,017)	(1,129,714)
Loss on acquisition of controlling interest	-	(473,802)
Loss before income tax	(1,024,017)	(1,603,516)
Income tax recovery	12,890	-
Net loss for the period	<u>\$(1,011,127)</u>	<u>\$ (1,603,516)</u>
Attributable to:		
Shareholders' of the Company	\$ (768,826)	\$ (1,210,746)
Non-controlling interests	(242,301)	(392,770)
	<u>\$ (1,011,127)</u>	<u>\$ (1,603,516)</u>
Net loss per share (basic and fully diluted) (Note 17)	<u>\$ (0.007)</u>	<u>\$ (0.018)</u>
Weighted average number of shares	<u>148,829,183</u>	<u>85,256,194</u>

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

Interim Consolidated Statements of Comprehensive Loss - Unaudited

(In Canadian Dollars)

	Three Months Ended	
	March 31, 2013	March 31, 2012
Statement of Comprehensive Loss		
Net loss for the period	\$ (1,011,127)	\$ (1,603,516)
Other comprehensive loss for the period		
Disposal of investment	-	(47,816)
Foreign exchange translation	(19,639)	-
Net comprehensive loss for the period	\$ (1,030,766)	\$ (1,651,332)
Attributable to:		
Shareholders' of the Company	(783,759)	\$ (1,238,816)
Non-controlling interests	(247,007)	(412,516)
	\$ (1,030,766)	\$ (1,651,332)

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

Interim Consolidated Statements of Changes in Equity - Unaudited

For the three months ended March 31, 2013 and March 31, 2012

(In Canadian Dollars)

	Common Shares	Capital stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Non- Controlling Interest	Total Shareholder s' Equity
Balance-Dec. 31, 2012	148,829,183	\$11,595,769	\$ 400,427	\$ (3,041,688)	\$ 8,855	\$ 1,073,755	\$ 10,037,118
Loss for the period	-	--	-	(768,826)	-	(242,301)	(1,011,127)
Foreign currency translation	-	-	-	-	(15,263)	(4,376)	(19,639)
Balance-Mar. 31, 2013	148,829,183	\$11,595,769	\$ 400,427	\$ (3,810,514)	\$ (6,408)	\$ 827,078	\$ 9,006,352
Balance-Dec. 31, 2011	78,576,632	\$ 4,082,713	\$ 315,853	\$ (1,643,776)	\$ -	\$ -	\$ 2,754,790
Share issued on business combination	30,475,500	3,352,305	-	-	-	-	3,352,305
Non-controlling interest at acquisition- SEGL	-	-	-	-	-	1,351,288	1,351,288
Loss for the period	-	--	-	(1,210,746)	-	(392,770)	(1,603,516)
Other comprehensive loss	-	--	-	-	(28,070)	(19,746)	(47,816)
Balance-Mar. 31, 2012	109,052,132	\$ 7,435,018	\$ 315,853	\$ (2,854,522)	\$ (28,070)	\$ 938,772	\$ 5,807,051

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

(formerly Centiva Capital Inc.)

Interim Consolidated Statements of Cash Flows - Unaudited

(In Canadian Dollars)

	Three Months Ended	
	March 31, 2013	March 31, 2012
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Operating		
Net loss from operations	\$ (1,011,127)	\$ (1,603,516)
Items not affecting cash:		
Loss on acquisition of controlling interest	-	473,802
Loss on sale of capital assets	-	825
Unrealized loss (gain) on value of marketable securities	129,011	5,300
Gain on sale of marketable securities	(123,128)	-
Depreciation and amortization	155,104	240,990
Impairment of intangible assets	-	300,367
Defined benefits and other non-cash charges	-	38,800
Income tax recoverable	(12,890)	-
	(863,030)	(543,432)
Net changes in non-cash working capital balances:		
Trade and other receivables	1,365,764	(2,368)
Prepaid expenses and sundry assets	14,358	114,090
Accounts payable and accrued liabilities	(169,030)	104,597
Deferred revenue and customers' deposits	(21,776)	337,428
Other current assets	(1,509,950)	-
Advances on production and distribution	(59,994)	-
Foreign withholding and taxes payable	(71,644)	19,224
Cash inflow (outflow) from operating activities	(1,315,302)	29,539
Investing		
Property and other equipment acquired	(120,367)	(227,030)
Proceeds from sale of equipment	-	12,774
Proceeds from sale, net of purchases, of short-term investments	395,030	104,176
Loans and notes receivable granted	(623,286)	(130,604)
Disposal of investment in project	53,085	-
Intangible assets acquired	-	(594,256)
Loans and Advances	(243,636)	-
Proceeds from disposal of leasehold deposits	-	97,713
Cash acquired on acquisition of controlling interest	-	342,698
	(539,174)	(394,529)
Financing activities		
Proceeds from short-term loans, net of repayment	(51,043)	415,070
Proceeds from film obligation and production loan	-	61,438
	(51,043)	476,508
Increase in cash position during the period	(1,905,519)	111,518
Cash and cash equivalents, beginning of period	4,951,651	1,056,203
Cash and cash equivalents, end of period	\$ 3,046,132	\$ 1,167,721

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

Notes to the interim consolidated financial statements - Unaudited

March 31, 2013 and March 31, 2012

(In Canadian Dollars)

1. INCORPORATION AND NATURE OF OPERATIONS

Spackman Equities Group Inc. (the "Company" or "SEGI") formerly Centiva Capital Inc. ("Centiva") was incorporated on May 18, 2006. The registered head office is located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, M5J 2Z4, Canada.

The Company will carry on the business of identifying and investing into or acquiring small/medium-sized growth companies. It will focus on investing into or acquiring growth companies in Asia, principally in the Republic of Korea ("Korea"), at attractive valuations, building a diversified portfolio of such growth companies and, ultimately, delivering the collective value derived from the performance of these businesses to the shareholders.

Through its indirect operating subsidiaries, ZIP Cinema Co. Ltd. and Opus Pictures Co. Ltd., the Company is involved in the production, development and distribution of motion pictures in Korea

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements. Accordingly, these unaudited consolidated financial statements should be read in conjunction with the Company's most recently prepared audited annual financial statements for the fiscal year ended December 31, 2012.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 29, 2013.

(b) Basis of measurement

These financial statements have been prepared on the historical cost convention, except for certain financial instruments that have been measured at fair value. The Company's functional currency is expressed in Canadian dollars.

(c) Basis of consolidation

These condensed consolidated unaudited interim financial statements include the accounts of the Company and its subsidiaries, Spackman Entertainment Group Limited (SEGL) and Spackman Equities Limited (SEQL). A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's subsidiaries at March 31, 2013 are as follows:

- (1) Registered Name: Spackman Entertainment Group Limited, Hong Kong
Percent of Equity Interest: 66%
Principal Business Activity: Holding company for film production and entertainment businesses
- (2) Registered Name: Spackman Equities Limited, Hong Kong
Percent of Equity Interest: 100%
Principal Business Activity: Investments

SPACKMAN EQUITIES GROUP INC.

Notes to the interim consolidated financial statements - Unaudited

March 31, 2013 and March 31, 2012

(In Canadian Dollars)

(3) Registered Name: Spackman Entertainment Korea Inc.
Percentage of Equities Interest: 100%
Principal Business Activity: Film and entertainment investments

(4) Registered Names: SEGI Investment Limited, BVI
Percentage of Equity Interest: 100%
Principal Business Activity: Investments

Details of the Company's indirect subsidiaries at March 31, 2013 are as follows:

Zip Cinema Co., Ltd. ("ZIP")

Percent of equity holdings (direct and indirect) = 68%
Principal business activity: motion picture production, development and distribution

Opus Pictures Co., Ltd. ("Opus")

Percent of equity holdings (direct and indirect) = 68%
Principal business activity: motion picture production, development and distribution

Upper West Inc. ("Upper West")

Percent of equity holdings (direct and indirect) = 73%
Principal business activity: operation of Martini Kitchen on entertainment lounge and cafe.

(d) Critical accounting estimates, judgment and assumptions

The preparation of the unaudited interim period condensed consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions in applying the Company's accounting policies, which have an effect on the reported amounts and disclosures made in the unaudited interim period condensed consolidated financial statements and accompanying notes. Management continually evaluates these estimates, judgments and assumptions on a periodic basis. These estimates, judgments and assumptions are based on management's historical experience, best knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances.

Material estimates and assumptions are made with respect to establishing the valuation of acquired assets, goodwill, intangible assets, financial instruments, depreciation and amortization, impairment of intangible assets and other non-financial assets, and the parameters used in the measurement of post-employment and other long term employee benefits. These estimations depend upon subjective or complex judgments about matters that may be uncertain, and changes in those estimates could materially impact the unaudited interim period condensed consolidated financial statements. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in Note 3 in our financial statements for the year ended December 31, 2012 have been applied consistently to all periods presented in these financial statements.

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

4. BUSINESS ACQUISITIONS

On December 18, 2012, the Company increased its ownership in Spackman Entertainment Group Limited from 55% to 65.8% by purchasing 1,080 shares of Spackman Entertainment Group Limited from an arm's length party for a purchase price of \$897,642, which was paid in cash.

On January 10, 2012, pursuant to a share exchange agreement, the Company acquired 5,500 common shares of Team Vision International Limited ("TVIL") representing 55% of the issued and outstanding TVIL common shares in exchange for an aggregate consideration of \$3,352,305 consisting of 30,475,500 common. The purpose of the business combination was to increase the Company's holdings to obtain control of two companies engaged in the production and distribution of theatrical motion pictures in the Republic of Korea and international markets.

As a consequence of this transaction, the Company increased its holdings of Opus Pictures Co. Ltd. ("Opus") and Zip Cinema Co. Ltd. ("Zip"). At December 31, 2011 the Company held 7% of the common shares of Opus and 7% of the common shares of Zip through its 100% owned subsidiary SEQL. TVIL holds 93% of the common shares of Opus and 93% of the common shares of Zip. Following the business combination, the Company's total direct and indirect holdings of Opus and Zip (collectively "Korean Subsidiaries") are 58.15% of the common shares of Opus and 58.15% of the common shares of Zip. By a special resolution filed under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the name TVIL was changed to Spackman Entertainment Group Limited.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Amount
Assets acquired	
Current Assets	
Cash	\$ 342,698
Short-term investments	179,147
Trade receivables (all collectible)	296,698
Short-term loans	134,758
Other current assets	434,301
	\$ 1,387,602
Non-current assets	
Long-term investments	\$ 46,468
Available for sale financial instruments	26,022
Long-term loans	2,060,247
Property and equipment	81,180
Intangible assets	1,289,847
Deferred tax assets	36,853
Other non-current assets	375,302
	\$ 3,915,919
Total Assets	\$ 5,303,521
Liabilities	
Current liabilities	
Short-term borrowings	\$ 602,205

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

Film obligation and production loans	1,095,597
Other payables	366,090
Accrued expenses	2,212
Withholdings	3,485
Advances from customers	162,235
Income tax payable	178,804
	<u>\$ 2,410,628</u>
Non-current liabilities	
Defined benefits liabilities	\$ 286,555
Deferred tax liabilities	214,636
	<u>\$ 501,191</u>
Total liabilities	<u>\$ 2,911,819</u>
Net assets acquired at their carrying values	<u>\$ 2,391,702</u>
Net assets acquired at their carrying values	\$ 2,391,702
Fair value adjustments to net assets acquired:	
Deferred tax liabilities	(236,990)
Intangible assets	1,074,349
Goodwill (i)	1,700,730
Non-controlling interest (measured at fair value)	(1,351,288)
	<u>\$ 3,578,503</u>
Comprised of:	
Shares issued	\$ 3,352,305
Initial cost of 7% investment	700,000
Less: Loss on acquisition of controlling interest (ii)	(473,802)
	<u>\$ 3,578,503</u>

(i) The Company acquired goodwill in excess of the purchase price paid over the fair value of the net assets acquired and relates to expected benefit of revenue growth, future market development and the assembled work force. Amounts of revenue and loss reporting during the period comprise substantially all the entire motion picture and entertainment segment (note 28) and represent approximately a full year of activity. At March 31, 2013, the fair value of goodwill is estimated to equal its carrying value as there was no impairment during the period from the acquisition date January 10, 2012 to March 31, 2013. Goodwill is not deductible for tax purposes.

(ii) Due to the Company obtaining control of both Zip and Opus, its initial 7% interest in Zip and Opus is revalued at the acquisition date fair value, resulting in a loss of \$473,802 that is recorded in profit and loss.

	Amount
Initial cost of investment	\$ 700,000
Non-controlling interest	(226,198)
Loss on acquisition of controlling interest	<u>\$ 473,802</u>

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents consist of the following:

	March 31, 2013	December 31, 2012
Cash in banks	\$ 2,238,749	\$ 2,698,711
Cash held by broker	509,100	37,130
Cash on hand	76,343	59,992
Short-term deposits	221,940	2,155,818
	\$ 3,046,132	\$ 4,951,651

6. MARKETABLE SECURITIES

The Company has the following marketable securities:

	March 31, 2013		December 31, 2012	
	Cost	Fair Value	Cost	Fair Value
Investment in equities	\$ 325,425	\$ 294,765	\$ 583,760	\$ 650,956
Short-term investments	1,105,997	1,105,997	1,141,901	1,141,901
	\$ 1,431,422	\$ 1,400,762	\$ 1,725,661	\$ 1,792,857

Investment in equities are publicly-traded investments on a recognized securities exchange and for which no sales restrictions apply. The fair value of these securities is based on quoted closing prices at the period end date or the closing bid price on the last day the security traded if there were no trades at the period end date. Short-term investments consist of money market funds and mutual funds. The fair value of money market funds and mutual funds is determined using the net asset value per unit of each fund. The gain (loss) in the value of marketable securities was recognized in the consolidated statement of operations.

7. TRADE AND OTHER RECEIVABLES

Details of the Company's trade and other receivables are as follows:

	March 31, 2013	December 31, 2012
Trade receivables	\$ 98,531	\$ 1,363,656
Other receivables	338,129	442,446
HST Recoverable	5,974	2,296
	\$ 442,634	\$ 1,808,398

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

8. OTHER CURRENT ASSETS

	March 31, 2013	December 31, 2012
Advances from customers	\$ 3,169,932	\$ 266,967

9. NOTES RECEIVABLE

	March 31, 2013	December 31, 2012
Aylen Capital Inc. (i)	\$ 344,774	\$ 317,712
Trinity Capital Advisors Ltd. (ii)	300,000	300,000
	\$ 644,774	\$ 617,712

(i) The Company received a demand promissory note in the amount of \$842,832 from Aylen Capital Inc. ("Aylen") as part of the transfer referred to in Note 1 in the annual financial statement for December 31, 2012. The note is only repayable subject to certain assets transferred being sold by Aylen (namely marketable securities, an investment in a private company (VFM Leonardo) and operating assets of Grapevine, a software division of Aylen). The amount receivable is limited to the lesser of the face value of the note or the proceeds of the assets sold. The note is non-interest bearing.

The note is considered a contingent receivable and is only recognized when it is virtually certain that an inflow of economic benefits will arise. On the date of the transaction such virtual certainty did not exist. During the current period, \$27,062 of marketable securities were sold by Aylen (2012 – \$264,712, 2011 – \$53,000). These proceeds are eligible for repayment on demand. The amounts have been presented as long term receivable as the Company has waived the right to demand repayment until January 1, 2014.

(ii) On December 18, 2012, the Company granted a loan to Trinity Capital Advisors Ltd. ("Trinity") amounting to \$300,000 in relation to the sale of Intech as described in Note 11(c). The beneficiaries of the Trinity are the original shareholders of Intech. The loan is unsecured and bears interest at 6% and matures on December 18, 2014. Accrued interest was recorded at March 31, 2013.

10. LOAN RECEIVABLE

	March 31, 2013	December 31, 2012
	\$ 2,378,094	\$ 1,781,870

The loan was granted by an indirect Korean subsidiary to a related movie production company having a common director. The term of the loan is two years, unsecured and interest bearing at 6.9% per annum.

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

11. OTHER LONG-TERM ASSETS

	March 31, 2013	December 31, 2012
Leasehold deposits	\$ 387,487	\$ 439,750
Other deposits	89,723	163,554
	\$ 477,210	\$ 603,304

12. PROPERTY AND EQUIPMENT

The Company's property plant and equipment consist of the following:

	March 31, 2013			December 31, 2012		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
				\$		
Vehicle	\$ 66,692	\$ 49,645	\$ 17,047	32,951	\$ 22,296	\$ 10,655
Equipment	275,984	184,682	91,302	54,201	15,526	38,675
Leasehold improvement	371,920	153,354	218,566	430,173	127,279	302,894
Deposit on land	491,214	-	491,214	499,536	-	499,536
	\$ 1,205,810	\$ 387,681	\$ 818,129	\$1,016,861	\$ 165,101	\$ 851,760

The Company is a party to a purchase agreement to acquire Paju land in Korea in 2013. As part of the transaction, the Company placed a deposit of \$491,214 (KRW 537,600,000).

13. INTANGIBLE ASSETS

The Company's intangible assets consist of the following:

	March 31, 2013	December 31, 2012
	Carrying value	Carrying value
Product Inventory	\$ 3,325,061	\$ 4,447,781
Acquired Libraries	27,412	27,880
Software	1,350	1,692
	\$ 3,353,823	\$ 4,477,353

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's contractual maturities were broken down as follows:

	March 31, 2013	December 31, 2012
Trade payables	\$ 10,442	\$ 47,529
Accrued expenses	93,703	241,074
Other payables	389,468	374,040
	\$ 493,613	\$ 662,643

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

15. SHORT-TERM BORROWINGS

	Interest Rate	Maturity date	March 31, 2013	December 31, 2012
Shinhan Bank	5.31%	November 17, 2013	\$ 27,369	\$ 27,800
Shinhan Bank	4.51%	October 25, 2013	182,815	186,045
Woori Bank	5.62%	April 26, 2013	274,115	278,797
			\$ 484,229	\$ 492,642

Loans were initially recorded in Korean Won. These loans are unsecured and interest bearing as noted above and are measured at amortized cost.

16. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares

(b) Issued and outstanding

March 31, 2013		December 31, 2012	
Number of common shares	Amount	Number of common shares	Amount
148,829,183	\$11,595,769	148,829,183	\$11,595,769

(c) Warrants

There was no warrants exercised during the January to March 31, 2013

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

(d) Stock options

The Company has an incentive stock option plan for the officers and directors enabling them to purchase common shares. Each option granted under the plan is for a maximum term of 5 years. The exercise price is determined by the Company's board of directors at the time the option is granted, subject to regulatory approval, and may not be less than the most recent closing price of the common shares at the date of grant. Vesting provisions are also determined at the time of grant by the Company's board of directors.

The following table shows the stock options held by directors as at March 31, 2013:

Number of options outstanding	Exercise Price \$	Expiry Date	Number of options exercisable
50,000	0.10	May 2, 2013	50,000
100,000	0.10	November 27, 2013	100,000
100,000	0.10	November 25, 2014	100,000
936,000	0.10	November 26, 2014	936,000
100,000	0.10	November 19, 2015	100,000
1,286,000	0.10		1,286,000

The following summarized stock options outstanding for Aylen as at March 31, 2013:

Weighted average exercise price	\$ 0.10
Options outstanding as at March 31, 2013	1,286,000
Weighted average remaining contractual life	1.07 years
Options exercisable as at March 31, 2013	1,286,000

17. NET LOSS PER SHARE

Loss per share is calculated by dividing the net loss per financial statements by weighted average number of common shares outstanding during the period. The effect of stock options was anti-dilutive and, hence, diluted loss per share equals basic loss per share.

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

18. SEGMENT AND GEOGRAPHIC INFORMATION

Geographic allocation:

The Company operates in three geographic segments: Canada, Korea and Hong Kong

	March 31, 2013			
	Canada	Korea	Hong Kong	Total
Revenue	\$ 57,172	\$ 269,973	\$ 98,470	\$ 425,615
Property and equipment	2,363	778,971	36,795	818,129
Intangible assets and goodwill	-	5,054,553	-	5,054,553

	March 31, 2012			
	Canada	Korea	Hong Kong	Total
Revenue	\$ 1,793	\$ 182,396	-	\$ 184,189
Property and equipment	32,898	818,862	-	851,760
Intangible assets and goodwill	-	6,178,083	-	6,178,083

Operating segment allocation:

The Company has two operating segments: (1) Motion pictures and entertainment and (2) Management of investments. These two operating segments operate in three geographic locations: Korea, Hong Kong and Canada. The strategic business units offer different products and strategies and are managed separately because they require different operating and management strategies. Segments results and assets include items directly attributable to a segment as well as items that can be allocated on a reasonable basis. The management evaluates segment performance on the basis of operating results on a periodic basis.

	March 31, 2013		
	Motion Pictures	Investments	Total
Revenue	\$ 124,052	\$ -	\$ 124,052
Investment and other revenue	146,006	155,557	301,563
Direct production cost	(199,745)	-	(199,745)
Income	70,313	155,557	225,870
Selling, general and administrative	(784,356)	(158,970)	(943,326)
Reportable segment profit (loss) before undernoted	(714,043)	(3,413)	(717,456)
Interest expenses	(22,446)	-	(22,446)
Depreciation and amortization	(154,943)	(161)	(155,104)
Unrealized gain (loss) on marketable securities	-	(129,011)	(129,011)

SPACKMAN EQUITIES GROUP INC.**Notes to the interim consolidated financial statements - Unaudited****March 31, 2013 and March 31, 2012**

(In Canadian Dollars)

Reportable segment loss before taxes	\$ (891,432)	\$ (132,585)	\$ 1,024,017)
--------------------------------------	--------------	--------------	---------------

	March 31, 2012		
	Motion Pictures	Investments	Total
Revenue	\$ 178,910	\$ -	\$ 178,910
Investment and other revenue		5,279	5,279
Direct production cost	(234,631)	-	(234,631)
Income (loss)	(55,721)	5,279	(50,442)
Selling, general and administrative	(335,871)	(191,167)	(527,038)
Reportable segment profit (loss) before undernoted	(391,592)	(185,888)	(577,480)
Interest expenses, net of interest income	(5,568)	-	(5,568)
Depreciation and amortization	(240,990)	-	(240,990)
Impairment loss	(300,376)	-	(300,376)
Loss on acquisition of controlling interest	-	(473,802)	(473,802)
Unrealized gain (loss) on marketable securities	-	(5,300)	(5,300)
Reportable segment loss before taxes	\$(938,526)	\$ (664,990)	\$ (1,603,516)

19. COMMITMENTS AND CONTINGENCIES

The Company has entered into an operating lease agreement for its business premises at Hong Kong for \$101,745 per month. The lease will expire on November 15, 2015 subject to renewal. In addition to the monthly lease payment, the Company is responsible for the proportionate share of common area costs.