The unaudited condensed consolidated financial statements of

SPACKMAN EQUITIES GROUP INC.

For the three and six months ended June 30, 2012

(In Canadian Dollars)

SPACKMAN EQUITIES GROUP INC.

For the three and six months ended June 30, 2012

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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 condensed 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

August 28, 2012

SPACKMAN EQUITIES GROUP INC.

Condensed Consolidated Statements of Financial Position (Unaudited)

(In Canadian Dollars)

	As at June 30, 2012	As at December 31, 2011	As at June 30, 2011
ASSETS			
CURRENT			
Cash and cash equivalents	$ 4,595,170	$ 1,056,203	$ 99,577
Marketable securities	61,544	-	471,774
Loan receivable	149,160	-	-
Accounts receivable	1,116,019	-	48,455
HST Recoverable	28,918	4,121	-
Deposit on land	356,335	-	-
Prepaid expense and sundry assets	516,652	-	33,915
	6,823,798	1,060,324	653,721
NON-CURRENT			
Investments	1,525,385	1,775,000	1,898,890
Long-term loans (Note 7)	1,813,594	-	-
Note receivable	609,512	582,591	-
Sundry deposits	262,065	-	-
Property and equipment (Note 5)	214,976	-	2,800
Intangible assets (Note 6)	2,312,537	-	-
Goodwill (Note 4)	3,678,535	-	-
	10,416,604	2,357,591	1,901,690
	$ 17,240,402	$ 3,417,915	$ 2,555,411
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	$ 372,907	$ 48,534	$ 26,640
Loans payable (Note 8)	2,488,303	-	-
Foreign withholding and taxes payable	239,607	-	-
Deferred revenue and customers' deposits	388,648	-	-
Provision	-	85,000	11,431
	3,489,465	133,534	38,071
NON-CURRENT			
Defined benefits liabilities (Note 9)	347,331	-	-
	3,836,796	133,534	38,071
SHAREHOLDERS' EQUITY			
Share Capital (Note 10)	12,675,597	3,966,772	3,514,327
Contributed surplus	315,853	315,853	291,264
Deficit	(1,014,536)	(998,244)	(1,018,362)
Accumulated other comprehensive income	24,208	-	(269,889)
Total equity attributable to shareholders of the Company	12,001,122	3,284,381	2,517,340
Non-controlling interest	1,402,484	-	-
	13,403,606	3,284,381	2,517,340
	$ 17,240,402	$ 3,417,915	$ 2,555,411

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

Condensed Consolidated Statements of Operations (Unaudited)

(In Canadian Dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenues				
Sales revenue	$ 2,377,557	$ 110,194	$ 2,556,467	$ 265,362
Interest and other income	52,698	4,542	58,802	7,949
Unrealized gain on fair value of marketable securities	-	-	-	1,492
Realized gain on sale of marketable securities	-	1,853	-	1,088
Accretion on notes receivable	13,460	-	26,921	-
	2,443,715	116,589	2,642,190	275,891
Expenses				
Direct production costs	210,996	-	923,447	-
Selling expenses	433,618	89,199	766,556	185,092
General and administrative	167,304	87,510	357,929	192,336
Loss on sale of capital assets	-	-	822	-
Unrealized loss on fair value of marketable securities	45,433	22,162	50,733	-
Depreciation and amortization	17,323	632	80,860	1,264
Financing charges	15,668	-	24,723	-
	890,342	199,503	2,205,070	378,692
Net income (loss) before income tax	1,553,373	(82,914)	437,120	(102,801)
Income tax	214,667	-	214,667	-
Net income for the period	$ 1,338,706	$ (82,914)	$ 222,453	$ (102,801)
Attributable to:				
Shareholders of the Company	$ 707,191	$ (82,914)	$ (16,292)	$ (102,801)
Non-controlling interests	631,515	-	238,745	-
	$ 1,338,706	$ (82,914)	$ 222,453	$ (102,801)
Net income (loss) per share (basic and fully diluted)	$ 0.015	$ (0.005)	$ 0.002	$ (0.006)
Weighted average number of shares	118,887,170	16,856,632	118,887,170	16,856,632

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

Condensed Consolidated Statements of Comprehensive Income and Accumulated Other Comprehensive Income (Unaudited)

(In Canadian Dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Statement of Comprehensive Income				
Net income (loss) for the period	$ 1,338,706	$ (82,914)	$ 222,453	$ (102,801)
Other comprehensive income (loss) for the period	89,447	(8,000)	41,631	(26,000)
Net comprehensive income (loss) for the period	$ 1,428,153	$ (90,914)	$ 264,084	$ (128,801)
Attributable to:				
Shareholders of the Company	$ 759,469	$ (90,914)	$ 7,916	$ (128,801)
Non-controlling interests	668,684	-	256,168	-
	$ 1,428,153	$ (90,914)	$ 264,084	$ (128,801)
Statement of Accumulated Other Comprehensive Income				
Balance - beginning	$ -	$ (261,889)	$ -	$ (243,889)
Other comprehensive income (loss) for the period	89,447	(8,000)	41,631	(26,000)
Balance - end	$ 89,447	$ (269,889)	$ 41,631	$ (269,889)

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

Condensed Consolidated Statements of Changes in Equity

For the six months ended June 30, 2012 and June 30, 2011 (Unaudited)

(In Canadian Dollars)

	Capital stock	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total Shareholders' Equity
Balance-Dec. 31, 2011	$ 3,966,772	$ 315,853	$ (998,244)	$ -	$ -	$ 3,284,381
Income (loss) for the period	-	-	(16,292)	-	238,745	222,453
Other comprehensive income	-	-	-	24,208	17,423	41,631
Shares issued on acquisition of subsidiary	4,571,325	-	-	-	-	4,571,325
Non controlling interest on acquisition of subsidiary	-	-	-	-	1,146,316	1,146,316
New shares issued	4,137,500	-	-	-	-	4,137,500
Balance-June 30, 2012	$12,675,597	$ 315,853	$(1,014,536)	$ 24,208	$ 1,402,484	$ 13,403,606
Balance-Dec. 31, 2010	$ 3,514,327	$ 291,264	$ (915,561)	$ (243,889)	$ -	$ 2,646,141
Loss for the period	-	-	(102,801)	-	-	(102,801)
Other comprehensive loss	-	-	-	(26,000)	-	(26,000)
Balance-June 30, 2011	$ 3,514,327	$ 291,264	$(1,018,362)	$ (269,889)	$ -	$ 2,517,340

The accompanying notes form an integral part of these financial statements

SPACKMAN EQUITIES GROUP INC.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In Canadian Dollars)

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Net Inflow (Outflow) of Cash Related to the Following Activities:				
Operating				
Net income (loss) from operations	$ 1,338,706	$ (82,914)	$ 222,453	$ (102,801)
Items not affecting cash:				
Income tax	214,667	-	214,667	-
Loss on sale of property and equipment	-	-	822	-
Realized loss on sale of marketable securities	-	(1,852)	-	(1,088)
Unrealized loss (gain) on value of marketable securities	45,433	22,162	50,733	(1,492)
Depreciation and amortization	17,323	632	80,860	1,264
Accretion on notes receivable	(13,460)	-	(26,921)	-
Other non-cash charges	(35,342)	-	3,461	-
	1,567,327	(61,972)	546,075	(104,117)
Net changes in non-cash working capital balances:				
Trade and other receivables	(1,116,019)	(5,024)	(1,116,019)	(38,021)
Prepaid expenses and sundry assets	(316,432)	(30,000)	(202,342)	(25,323)
Accounts payable and accrued liabilities	(437,089)	(2,749)	(247,492)	(18,400)
Deferred revenue and customers' deposits	43,776	-	381,204	-
HST Recoverable	(22,429)	-	(24,797)	-
Foreign withholding and taxes payable	220,383	-	239,607	-
Provision	-	-	(85,000)	-
Cash inflow (outflow) from operating activities	(60,483)	(99,745)	(508,764)	(185,861)
Investing				
Property and other equipment acquired	(329)	-	(214,585)	-
Investment in projects	(352,330)		(352,330)	
Proceeds from sale, net of purchases, of short-term investments	60,463	93,806	164,639	92,484
Long-term loans collected	299,148	-	168,544	-
Intangible assets acquired	(730,612)	-	(821,269)	-
Proceeds from disposal of leasehold deposits	346	-	98,059	-
Cash acquired from subsidiary	-	-	316,919	-
	(723,314)	93,806	(640,023)	92,484
Financing activities				
Proceeds from short-term loans, net of repayment	(85,022)	-	330,048	-
Proceeds from film obligation and production loan	158,768		220,206	-
Proceeds from new shares issued	4,137,500		4,137,500	
	4,211,246	-	4,687,754	-
Increase (decrease) in cash position during the period	3,427,449	(5,939)	3,538,967	(93,377)
Cash and cash equivalents, beginning of period	1,167,721	105,516	1,056,203	192,954
Cash and cash equivalents, end of period	$ 4,595,170	$ 99,577	$ 4,595,170	$ 99,577

The accompanying notes form an integral part of these financial statements

1. INCORPORATION AND NATURE OF OPERATIONS

Spackman Equities Group Inc. (the "Company" or "SEGI") formerly Centiva Capital Inc. ("Centiva") is a Canadian public company incorporated in 2006. Its shares are publicly traded on the TSX Venture Exchange under the symbol "SQG". The registered head office is located at Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, M5J 2Z4, Canada.

The Company's business consists of (I) the production and distribution of theatrical motion pictures through its subsidiaries Opus Pictures Co. Ltd. and Zip Cinema Co. Ltd. and (ii) identifying and investing into or acquiring small/medium-sized growth companies. The Company focuses on investing into or acquiring growth companies in Asia (principally in China and 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, 2011.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 28 , 2012.

(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 June 30, 2012 are as follows:

(1) Registered Name: Spackman Entertainment Group Limited
Percent of Equity Interest: 55%
Principal Business Activity: Film production and entertainment

(2) Registered Name: Spackman Equities Limited
Percent of Equity Interest: 100%
Principal Business Activity: Investments

(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

(a) Foreign exchange – foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars and exchange rates at the dates of the transaction.

Foreign currency differences are recognized in other comprehensive income in the cumulative translation account.

(b) Intangible assets

(i) Product inventory is carried at cost less accumulated amortization. The carrying amount represents the unamortized costs of completed films which have been produced by the Company or for which the Company has acquired distribution rights, films in progress and development. Costs capitalized to intangible assets include production costs, production overhead, development costs, and acquired production costs. Capitalized costs are amortized over their estimated useful lives. The carrying amount is stated at the lower of cost of cost less accumulated amortization or fair value at the balance sheet date. Management reviews the product inventory on a periodic basis for impairment.

(ii) Publication rights are carried at cost and are not amortized until filming begins.

(c) Defined benefit plan

A defined benefit plan is a post-employment benefit plan that is not a deferred contribution plan. The Company's net obligation in respect of deferred benefit pension plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior period. The liability recognized in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past-service costs. The defined benefit liability is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is discounted using the yield rate on high-quality corporate bonds that have terms of maturity approximating the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Past-service costs are recognized in the income statement over the vesting periods.

(d) Revenues

(i) Production of feature films income

Revenue from the release of theatrical feature films is recognized at the time of exhibition based on participation in box office receipts. Revenue from the sale of DVDs in the retail market, net of an estimate for returns and other allowances, is recognized on the later of receipt by the customer or availability for sale to the customer. Under revenue sharing arrangements, rental revenue is recognized when the Company is entitled to receipts and the amount of receipts is determinable. Revenues from television licensing are recognized when the feature film is available to the licensee for telecast. For television licenses that include separate availability "windows" within the licence period, revenue is allocated over the "windows" period. Revenue from international sales is recognized when access to the feature film has been granted or delivery has occurred, as required under the sales contract, and the right to exploit the feature film or television program contractual rights has commenced.

(ii) Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

(e) Goodwill

Goodwill is initially measured as described in the Company's significant accounting policies regarding business combinations. Goodwill impairment tests are performed annually or more frequently if events or changes in circumstances indicate a potential impairment. Impairment losses reduce the carrying value of goodwill and are recognized as expenses in current operations. Impairment losses on goodwill are not reversed.

Goodwill is recognized as the fair value of the consideration transferred less the fair value of the net identifiable assets acquired and liabilities assumed at the time of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

(f) New Accounting Standards

Deferred Taxes – Recovery of Underlying Assets

The IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12 amendment"), which introduces an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value. The IAS 12 amendment is effective for annual periods beginning on or after January 1, 2012. The IAS 12 amendment did not have an impact on the Company's results of operations, financial position or disclosures.

(g) New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year ending December 31, 2012 and, accordingly, have not been applied in preparing these condensed consolidated unaudited interim financial statements:

(In Canadian Dollars)

(i) Post-Employment Benefits

The IASB has issued amendments to IAS 19, "Employee Benefits" ("IAS 19"), which eliminates the option to defer the recognition of actuarial gains and losses through the "corridor" approach, revises the presentation of changes in assets and liabilities arising from defined benefit plans and enhances the disclosures for defined benefit plans. IAS 19 is effective for annual periods beginning on or after January 1, 2013 and must be applied retrospectively. The Company is assessing the impact of IAS 19 on its results of operations, financial position and disclosures.

4. BUSINESS ACQUISITION

On January 10, 2012 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 $4,571,325 consisting of 30,475,500 common shares at a deemed price of $0.15 per share. The purpose of the business combination was to increase the Company's holdings to obtain control of Opus Pictures Co. Ltd. ("Opus") and Zip Cinema Co. Ltd. ("Zip") which are engaged in the production and distribution of theatrical motion pictures in the Republic of Korea and international markets (individually "Korean Subsidiary" and collectively "Korean Subsidiaries"). At December 31, 2011 and June 30, 2012 the Company held 7% of the common shares of Opus and 7% of the common shares of Zip through its 100% owned subsidiary Gold China Technologies Limited. 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 are 58.15% of the common shares of Opus and 58.15% of the common shares of Zip.

On March 9, 2012 Gold China Technologies Limited changed its name to Spackman Equities Limited. On March 12, 2012 Team Vision International Limited changed its name to Spackman Entertainment Group Limited.

At June 30, 2012 the accounting for the business combination is incomplete. Provisional amounts have been recorded based on the Company's best estimates using information available at June 30, 2012. Analysis of the fair value of the net assets and the identification of gains and losses relating to the transaction is not complete. The Company anticipates that the accounting for the business combination will be completed before December 31, 2012.

Based on provisional amounts, the purchase consideration of $4,571,325 has been recorded as follows:

	January 10, 2012
Net identifiable assets acquired	$ 2,739,106
Non-controlling interest	(1,146,316)
Previous investment in Zip and Opus	(700,000)
Goodwill	3,678,535
	$ 4,571,325

(In Canadian Dollars)

5. PROPERTY AND EQUIPMENT

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

			June 30, 2012			June 30, 2011
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Computer equipment	$ 501	$ 41	$ 460	$ 7,581	$ 4,781	$ 2,800
Vehicle	72,882	43,095	29,787	-	-	-
Equipment	125,946	114,516	11,430	-	-	-
Facilities	316,225	142,926	173,299	-	-	-
	$ 515,554	$ 300,578	$ 214,976	$ 7,581	$ 4,781	$ 2,800

6. INTANGIBLE ASSETS

The Company's intangible assets consist of the following:

	June 30, 2012 Carrying value	June 30, 2011 Carrying value
Software	$ 2,732	$ -
Product Inventory	2,309,805	-
	$ 2,312,537	$ -

An impairment loss of $300,367 was recognized in the statement of operations for the quarter ended March 31, 2012. Such loss was reversed in the quarter ended June 30, 2012 as management was able to generate revenue from these projects. For the reasons described in Note 4, intangible assets are recorded at provisional amounts based on the Company's best estimates using the information available at June 30, 2012.

7. LONG-TERM LOANS

Long-term loans were granted by the Korean Subsidiaries to an unrelated movie production company. These loans are unsecured and non-interest bearing. For the reasons described in Note 4, these loans were recorded at a provisional amount based on the Company's best estimates using the information available at June 30, 2012.

(In Canadian Dollars)

8. LOANS PAYABLE

The Company has the following loans payable:

	Interest Rate	Maturity date	June 30, 2012	June 30, 2011
Non-interest bearing:				
Amount owing to related party	Nil	Not specified	$ 358,395	$ -
Production loan owing to CJ Entertainment & Media	Nil	Not specified	1,367,433	-
			$ 1,725,828	$ -
Interest bearing:				
Shinhan Bank	6.25%	June 1, 2013	$ 135,308	$ -
Woori Bank	Prime + 2.73%	August 8, 2012	358,381	-
Korea Credit Guaranteed Fund	6.05%	April 29, 2013	268,786	-
			$ 762,475	$ -
			$ 2,488,303	$ -

All loans are initially recorded in South Korean Won. Interest bearing loans are measured at amortized cost. Interest bearing and non-interest bearing loans are unsecured.

9. DEFINED BENEFITS LIABILITIES

The Company's defined benefits liabilities consist of the following:

	June 30, 2012	June 30, 2011
Present value of defined benefit plan	$ -	$ -
Fair value of plan assets	347,331	-
	$ 347,331	$ -

(In Canadian Dollars)

10. SHARE CAPITAL

a) Authorized

An unlimited number of common shares

(b) Issued and outstanding

	June 30, 2012		June 30, 2011	
	Number of common shares	Amount	Number of common shares	Amount
Beginning balance	78,576,632	$ 3,966,772	16,856,632	$3,514,327
Shares issued on business acquisition (Note 4)	30,475,500	4,571,325	-	-
New shares issued	38,595,451	4,137,500	-	-
Ending balance	148,647,583	$12,675,597	16,856,632	$3,514,327

11. NET INCOME (LOSS) PER SHARE

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

12. SEGMENT AND GEOGRAPHIC INFORMATION

The Company has two operating segments: (1) theatrical motion pictures and (2) management of investments. These two operating segments operate in two geographic locations: Korea 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.

Geographic allocation:

	June 30, 2012			June 30, 2011		
	Canada	Korea	Total	Canada	Korea	Total
Revenue	$ 33,568	$ 2,608,622	$ 2,642,190	$ 275,891	$ -	$ 275,891
Net income (loss) by segment	(348,024)	570,477	222,453	(102,801)	-	(102,801)
Non-current assets	1,684,975	8,731,629	10,416,604	1,901,690	-	1,901,690

(In Canadian Dollars)

Segment allocation:

	June 30, 2012 Motion Pictures	June 30, 2012 Investments	June 30, 2011 Motion Pictures	June 30, 2011 Investments
Sales revenue	$ 2,556,467	$ -	$ -	$ 427,722
Investment revenue	-	6,647	-	3,406
Cost of sales	(923,447)	-	-	(272,554)
Gross profit margin	1,633,020	6,647	-	158,574
Selling, general and administrative	(766,556)	-	-	(201,483)
Earnings before interest, taxes and depreciation	866,464	6,647	-	(42,909)
Interest income	52,155	-	-	-
Financing costs	(24,723)	-	-	-
Depreciation and amortization	(80,818)	-	-	(632)
Impairment loss	-	-	-	-
Unrealized gain (loss) on marketable securities	(27,933)	(22,800)	-	23,654
	(81,319)	(22,800)	-	23,022
Reportable segment income (loss) before taxes	$ 785,145	$ (16,153)	$ -	$ (19,887)

Reconciliation:

	June 30, 2012	June 30, 2011
Motion Pictures	$ 785,145	$ -
Investments	(16,153)	(19,887)
Other corporate expenses	(331,872)	-
Income tax	(214,667)	-
Net income (loss) for the period	$ 222,453	$ (19,887)

13. COMMITMENTS AND CONTINGENCIES

The Korean Subsidiaries commonly enter into contractual commitments regarding the production, investment and distribution of theatrical motion pictures. As at June 30, 2012, such contractual commitments were as follows:

(a) a Korean Subsidiary has entered into a production, investment and distribution agreement with CJ E&M relating to the film "Howling." According to this agreement, CJ E&M and the Korean Subsidiary will bear 70%-85% and 15%-30% of the total production costs, respectively. All returns on investment will be shared in a 4:6 ratio between the Korean Subsidiary and CJ E&M.

(b) a Korean Subsidiary has entered into an investment and distribution agreement with Company SS (Distributor) relating to "Sadako 3D" and will distribute any profit according to the agreement.

(c) a Korean Subsidiary has entered into a distribution agreement with Rainbow Media & Entertainment ("Rainbow") as distributor relating to the film "Howling". The term of the license is 7 years with a minimum guarantee of 40,000 US dollars and a percentage of sales from Rainbow.

(d) on January 26, 2012, a Korean Subsidiary entered into distribution agreement with GEM entertainment Kft relating to the film "Now is Good". The term of the license is 8 years. The Korean Subsidiary paid $135,000 US for the distribution rights plus a further amount when the box-office receipts reach a certain minimum.

(e) a Korean Subsidiary entered into a distribution agreement with Kadodawa Shoten Co., Ltd. as of February 3, 2012, relating to distribution of "Sadako 3D" and the "Ring" series. According to this agreement, the Korean Subsidiary paid an annual minimum guarantee for "Sadako 3D" and the "Ring" series. In addition, the Korean Subsidiary is required to pay Kadokawa Shoten Co., Ltd. a certain percentage of sales per platform as agreed.

(f) on February 22, 2012, a Korean Subsidiary entered into a contents license agreement with KT Hitel Co. relating to the "Ring" series. According to this agreement, the Korean Subsidiary will receive a minimum guarantee and the agreed percentage of sales per platform for KT Hitel Co.

(g) on April 10, 2012, a Korean Subsidiary entered into a 10 years distribution agreement with Atrium Production Kft relating to the film "Howling" for a minimum guarantee of 98,000 US plus a percentage of sales.

(h) on April 17, 2012, a Korean Subsidiary entered into a 5 year distribution agreement with KT hitel Co. as distributor related to the film "Now is Good" and "388 Arietta Avenue". The Korean subsidiary will receive minimum guarantee of 100,000,000 Korean won and 30,000,000 Korean won for the respective film plus an agreed percentage of sales.

(g) on May 11, 2012, a Korean Subsidiary entered into a 5 year distribution agreement with KT hitel Co. relating to the theater and video edition of the film "Zuon" series. According to the agreement, the Korean Subsidiary will receive a minimum guarantee of 20,000,000 Korean won and 10,000,000 Korean won plus an agreed percentage of the sales.

(h) on June 11,2012, a Korean Subsidiary entered into a 4 year Home-video distribution agreement with Art-Service Co. related to the film "Now is Good". The Korean Subsidiary will receive a minimum guarantee of 3,300,000 Korean won and an agreed percentage of the sales.

(I) a Korean Subsidiary also entered into an investment and profit sharing agreement relating to a production of a film named "All About My Wife" with Soo Film (Production Company) and United Pictures Co. (Sponsor Company). United Pictures Co. will bear the total production costs and will get 60% of the profits. The remainder will be shared by the Korean Subsidiary and the production company.

14. SUBSEQUENT EVENTS

On August 3, 2012, Spackman Equities Group Inc. ("SEGI") established a wholly-owned subsidiary in Korea, Spackman Entertainment Korea Inc. ("SEK"). SEK was established to specifically invest into the upcoming films produced by Opus Pictures Co., Ltd. ("Opus") and Zip Cinema Co., Ltd. ("Zip"). SEGI invested and incorporated SEK with a paid-in-capital of Korean Won 990,000,000 (CAD 880,000), resulting in SEGI owning 198,000 common shares (par value KRW 5,000 per share), or 100%, of SEK.

On August 15, 2012, Spackman Equities Group Inc. ("SEGI") established a wholly-owned investment company, SEGI Investments Limited ("SIL"), in the British Virgin Islands. SIL was established to invest into and seek returns from equity securities of publicly-traded small capitalization companies in Korea. SEGI invested and established SIL with a paid-in-capital of CAD 500,000.00 by acquiring one existing share of SIL for CAD 1.00, and concurrently subscribing for an additional 499,999 shares at a price of CAD 1.00 per share. As a result, SEGI owns 500,000 common shares, or 100%, of SIL.