Spackman Equities Group Inc.

Management's Discussion and Analysis
For the year ended December 31, 2014

OVERVIEW

The following Management's Discussion and Analysis ("MD&A") provides additional analysis of the operations, financial position and financial performance of Spackman Equities Group Inc. ("SEGI" or the "Company") for the year ended December 31, 2014. It is supplementary information and should be read in conjunction with the Company's financial statements and accompanying notes for the year ended December 31, 2014. Reference should also be made to the Company's filings with the Canadian securities regulatory authorities that are available at www.sedar.com.

This MD&A is the responsibility of the management. The Board of Directors carries out its responsibility for the review of this disclosure principally through its audit committee which is comprised of a majority of independent directors. The audit committee reviews and, prior to its publication and pursuant to the authority delegated to it by the Board of Directors, approves this disclosure.

The effective date of this MD&A is April 30, 2015. Additional information relating to the Company is available on SEDAR at www.sedar.com.

SEGI is a publicly-traded company listed on the TSX Venture Exchange under the symbol "SQG".

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:

- 38.77% ownership of Singapore-incorporated Spackman Entertainment Group Limited ("SEGL"), 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.

CHANGES IN ACCOUNTING TREATMENT

The Company's financial statements for the year ended December 31, 2014 reflect the following changes in accounting treatment from the financial statements for previous years.

As described in Note 17 of the Notes to the Company's financial statements for the year ended December 31, 2014, the Company has adopted the Investment Entity Amendment to IFRS 10 effective for annual periods on or after January 1, 2014, and accordingly the Company is now presented as an Investment Entity in accordance with IFRS 10. As a result, the Company does not consolidate subsidiaries unless they provide investment related services that are related to the management of the Company's investment objectives. Subsidiaries, which are incorporated for the purpose of holding and/or managing the Company's portfolio holdings, are consolidated, as they qualify as providing investment related services. These companies have very narrow objectives and operations, and are primarily set up to hold the Company's investments and providing a vehicle for the onward acquisition or sale of the Company's investments. Currently, the Company has one such investment, SEGI Investments Limited, a BVI company, and there are no minorities, as it is wholly owned.

No portfolio investments are consolidated regardless of the Company's extent of holdings and exercise of control in these companies, since the Company meets the definition of an Investment Entity, and instead fair values these investments, with the resultant fair value changes recognized in profit or loss. These amendments have changed the presentation of the Company's financial statements (no longer prepared on a consolidated basis, except for consolidating SEGI Investments Limited, BVI), and have significantly increased the disclosures around the investments held by the Company.

The Company has prepared a third statement of financial position as at January 1, 2013, as the adoption of the Amendment to IFRS 10 has a significant impact on the presentation of the financial statements on the earliest statement of financial position, as required by IAS 1, Presentation of Financial Statements.

Reconciliations of the statements of financial position, operations and comprehensive loss, before and after the adoption of the Amendment to IFRS 10, are set out in Note 17 to the financial statements for the year ended December 31, 2014.

The difference between the carrying value of the derecognized net assets and the fair value of the recognized investment was recorded to deficit as at January 1, 2013.

FORWARD-LOOKING STATEMENTS

Matters may be included in this MD&A 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.

HIGHLIGHTS OF 2014

- Effective January 1, 2014, Kyoungwon Na was appointed Chief Financial Officer of the Company replacing Jenifer Cho who resigned as of December 31, 2013.
- On April 17, 2014, the Company purchased 19,500 common shares, or 19.5%, of Pravala (Asia) Limited, an early stage Hong Kong company that is the exclusive Asia distributor of the mobile solutions of Waterloo-based Pravala Networks Inc., for a purchase consideration of CAD $150,000 in cash.
- 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 which is equivalent to a pre-money valuation for SEGL of USD 40 million (CAD $44.1 million).

- 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 succeeded Kyoungwon Na who continued 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 Catalist 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.

- 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).

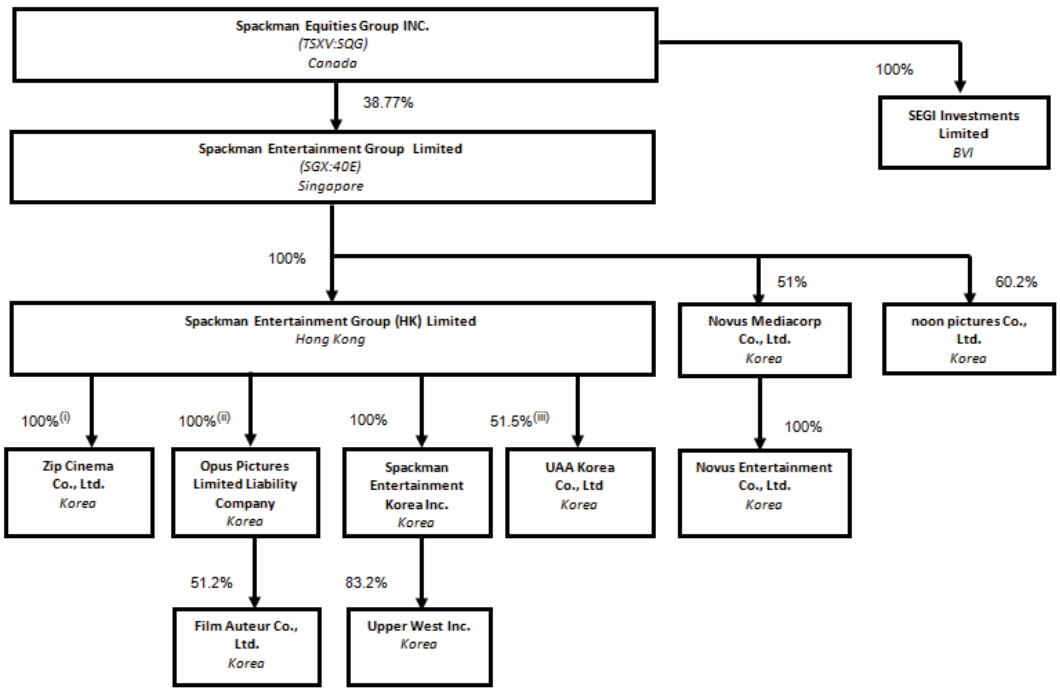
- On July 22, 2014, the shares of SEGL commenced trading on the Catalist of the Singapore Exchange under the symbol “40E”.

- 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 SEGI 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.

- On December 1, 2014 Douglas Babcook was appointed a director of the Company.

STRUCTURE AND HOLDINGS

The following chart shows the structure and holdings of the Company as of the date of this MD&A:



NOTES:

(i) Spackman Entertainment Group (HK) Limited ("SEGHK") owns 92.996% of Zip directly, and the remaining 7.004% through its wholly-owned subsidiary Spac kman Equities Limited ("SEL")

(ii) SEGHK owns 99.71% of Opus directly, and the remaining 0.29% through its wholly-owned subsidiary SEL

(iii) SEGHK owns 51.36% of UAA Korea directly, and the remaining 0.13% through Opus

Spackman Entertainment Group Limited

Spackman Entertainment Group Limited is a leading entertainment production company that is primarily engaged in the independent development, production, and financing of theatrical motion pictures in Asia, primarily in Korea. SEGL is listed on the Catalist of the Singapore Exchange under the ticker 40E (Bloomberg: SEG SP Equity). As part of the IPO of SEGL, the Company has agreed not to sell, transfer, assign or otherwise dispose of its shares of SEGI for a period of 12 months from July 22, 2014, which was the date SEGL's shares were listing for trading on the Catalist in Singapore.

SEGL's two motion picture production subsidiaries, namely, Zip Cinema Co., Ltd. ("Zip" or "Zip Cinema") and Opus Pictures Limited Liability Company ("Opus" or "Opus Pictures"), are two of the most recognized film production labels in Korea, and have originated and produced some of Korea's most commercially successful theatrical films for the past seven years. Films are theatrically distributed and released in Korea and overseas markets, as well as for subsequent post-theatrical worldwide release in other forms of media, including cable television, broadcast television, IPTV, video-on-demand, and home video/DVD, etc. All of the motion pictures are released into wide-theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

Zip and Opus have produced and released a total of 17 theatrical motion pictures since 2007, the majority of which were profitable and some were among the top grossing films in Korea in recent years. Recent theatrical releases of our motion pictures include some of Korea's highest grossing and award-winning films such as *SNOWPIERCER* (2013-2014), *COLD EYES* (2013), and *ALL ABOUT MY WIFE* (2012).

Details concerning the operations, financial results and financial standing of SEGL and its subsidiaries Zip and Opus in 2014 are contained in SEGL's Annual Report for 2014 which is available at www.spackmanentertainmentgroup.com.

RESULTS OF OPERATIONS

For the year ended December 31, 2014, the Company had revenue of $23,120,000 compared with revenue of $2,178,000 for the year ended 2013. Revenue for the year is primarily the unrealized gain of $22,917,000 on the recording at fair value of the Company's investment in SEGL, which resulted from the presentation of the Company as an Investment Entity in accordance with IFRS 10. In addition the Company had other income in the year of $154,000.

General and administrative expenses totalled $1,241,000 for the year compared with $894,000 for 2013. The increase was mainly the result of a bonus of $250,000 paid to the CEO in the year.

As a result of the foregoing, the Company recorded a net income and comprehensive income of $17,493,000 ($0.12 per share) for the 2014 year (net income of $1,315,000 ($0.01 per share) for 2013).

SUMMARY OF SELECTED QUARTERLY INFORMATION

Detailed Quarterly Results	**Fiscal 2014**				**Fiscal 2013**			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue								
Sales								-
Others	(10,092)	105,511	21,808	37,058	142,714	20,051	29,531	78,092
Gain (loss), realized and unrealized,	(15,536,409)	38,463,962	8,750	29,426	1,238,949	751,045	(30,921)	(51,340)
Net profit (Loss)								
Total	(18,839,748)	36,836,382	(300,650)	(202,624)	1,179,108	515,667	(230,902)	(148,899)
Per share	(0.13)	0.25	0.00	0.00	0.00	0.02	(0.00)	(0.01)
Per share (diluted)	(0.13)	0.25	0.00	0.00	0.00	0.02	(0.00)	(0.01)

LIQUIDITY, FINANCIAL POSITION AND CAPITAL RESOURCES

Working capital at December 31, 2014 was $33,308,000 compared with $12,414,000 at the end of 2013.
Current liabilities were $48,000 at December 31, 2014, compared to $60,000 at the end of 2013.
Cash, cash equivalents, marketable securities and public investments increased to $33,276,000 at December 31, 2014, from $11,590,000 at the end of 2013.

The increase in working capital, the decrease in liabilities and the increase in cash at December 31, 2014 compared to December 31, 2013 is mainly due to the increase in the Company's investment in SEGL from $8,222,000 at December 31, 2013 to $31,139,000 at December 31, 2014 resulting from the presentation of the Company as an Investment Entity in accordance with IFRS 10 and the consequential December 31, 2013 and December 31, 2014 recording at fair value of the Company's investment in SEGL.

The Company's capital resources consist of cash, cash equivalents and marketable securities, which are used to fund the Company's financial requirements. The company's general and administrative expenses, substantially all of which are committed and non-discretionary in nature, were $1,241,000 for the 2014 year ($894,000 for 2013).

ANALYSIS OF FINANCIAL CONDITION AND FINANCIAL PERFORMANCE

The financial condition of the Company at December 31, 2014, improved from the condition at the end of the previous year, due to the IPO and listing of the shares of the Company's subsidiary SEGL (ticker: 40E) on the Catalist of the Singapore Exchange in July 2014. At December 31, 2014, the Company had cash, cash equivalents, marketable securities and public investments of $33,276,000 (December 31, 2013 - $11,590,000) and total liabilities, current and long-term, of $48,000 (December 31, 2013 - $60,000).

ANALYSIS OF FOURTH QUARTER RESULTS

For the fourth quarter ended December 31, 2014, the Company had a loss of $18,840,000, which is primarily the recording of the write down of the SEGL shares to fair value

General and administrative expenses totalled $125,152 ($884,763 for the fourth quarter of 2013).

As a result of the foregoing, the Company recorded a net loss of $18,840,000 (loss of $0.13 per share) for the fourth quarter (net profit of $642,000($0.00 per share) for the fourth quarter of 2013).

DIRECTORS AND OFFICERS COMPENSATION

The following table sets out all compensation paid to directors of the Corporation for their services as directors in the fourth quarter of 2014.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Douglas Babcook	625	Nil	Nil	Nil	Nil	Nil	625
William Hale	1,875	Nil	Nil	Nil	Nil	Nil	1,875
John Pennal	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Charles Spackman	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Martin Mohabeer	1,875	Nil	Nil	Nil	Nil	Nil	1,875
Richard Lee	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Mr. Spackman received $30,000 US in the fourth quarter of 2014 as Chairman and Chief Executive officer. Mr. Pennal received $15,000 in the fourth quarter of 2014 as Vice President. Alex Falconer received $8,000 US in the fourth quarter of 2014 as Chief Financial Officer.

RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the consolidated financial statements during the year ended December 31, 2014 and 2013 as follows:

REMUNERATION OF KEY PERSONNEL

	December 31, 2014	December 31, 2013
Management salaries	$ 220,095	$ 227,543
Directors' fees	15,000	45,579
Management bonus	250,000	-
Stock options (Note 12(c))	1,161,086	-
Total	$ 1,646,181	$ 273,122

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and its subsidiary including the Company's Board of Directors. The Company considers key management to be the members of the Board of Directors and the Chief Executive Officer.

During the year, the Company received $43,795 (2013-$Nil) in rental payments from SEGL which has a common director.

During the year, the Company paid $16,687 (2013 $Nil) in consulting fees to an officer of SEGL which has a common director.

COMMITMENTS

The Company has entered into an operating lease agreement for its business premises in Hong Kong with rental payments of HKD $101,745, or CAD $14,490 per month. The lease will expire on November 15, 2015 subject to renewal. In addition to the monthly rental payment, the Company is responsible for the proportionate share of common area costs and property taxes.

The Company has an employment agreement whereby the CEO will be entitled to compensation in the form of investment proceeds resulting from the disposition of the Company's venture investments during a certain period.

SIGNIFICANT ACCOUNTING POLICIES

These annual consolidated financial statements of the Company and its subsidiary were prepared using accounting policies consistent with IFRS. A summary of significant accounting policies under IFRS is presented in Note 3 of the consolidated financial statements.

New Accounting Standards Adopted during the year

IAS 32, Financial Instruments, Presentation ('IAS 32')

Amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. At January 1, 2014, the Company adopted this pronouncement and there was no material effect on its consolidated financial statements.

IFRIC 21, Levies ('IFRIC 21')

IFRIC 21 is effective for the Company beginning on January 1, 2014. The interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as well as addressing what the obligating event is that gives rise to pay a levy and when should a liability be recognized. At January 1, 2014, the Company adopted IFRIC 21 and there was no material impact on the Company's consolidated financial statements.

IFRS 2, Share based Payment ('IFRS 2')

The amendments to IFRS 2, issued in December 2013 clarify the definition of "vesting conditions", and separately define a "performance condition" and a "service condition". A performance condition requires the counterparty to complete a specified period of service and to meet a specified performance target during the service period. A service condition solely requires the counterparty to complete a specified period of service. The amendments are effective for share based payment transactions for which the grant date is on or after July 1, 2014. The Company adopted the amendments and there was no material impact on the Company's consolidated financial statements.

Future Accounting Pronouncements

Standard issued but not yet effective up to the date of issuance of these financial statements is listed below. The Company intends to adopt this standard when it becomes effective.

IFRS 9, Financial Instruments, ("IFRS 9") was issued by the IASB in July 2014 in final form and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

RISK FACTORS AND RISK MANAGEMENT

SEGI shareholders and potential investors in SEGI should carefully consider the following risk factors and all the other information contained in this MD&A when evaluating SEGI and its common shares.

An investment in the Company's shares involves a number of risks, many of which are beyond its control. The risks and uncertainties set out below are all of the known risks, which are deemed to be material to the Company's business or the results of its operations. When reviewing forward-looking statements and other information contained in this prospectus, investors and others should carefully consider these factors, as well as other uncertainties, potential events and industry-specific factors that may adversely affect the Company's future results. If any of these risks should actually occur, the Company's business, financial condition, results of operations, cash flows and prospects could be harmed. Such risks and uncertainties are not the only ones the Company faces. Additional risks and uncertainties of which the Company is currently unaware or that are deemed immaterial may also adversely affect the Company's business, financial condition, results of operations, cash flows and prospects.

Liquidity and Negative Cash Flows

The Company's cash on hand, cash equivalents marketable securities and public investments at December 31, 2014 was $33,276,000. This amount should be adequate to continue to fund the Company's operations for the foreseeable future. If the Company had to raise capital to fund its operations or to make further investments in its businesses it would have to sell assets, or raise funds through the sale of additional equity or a combination of those two things. There may not be a ready market for the sale of its assets and it may not be possible to issue additional shares or other securities, or the issue of additional shares or other securities if it were to be possible may result in significant dilution to the interests of existing shareholders.

The Company's principal asset is its investment in the shares of its subsidiary SEGL which owns two film production businesses in Korea and certain other related investments. The film production businesses are at an early stage of development and will likely require additional funding to continue operations or to develop their business plans until they become self funding. Revenues from the film production businesses owned by the SEGL are very unpredictable and SEGL may experience negative cash flow from operating activities. If that is the case, SEGL would have to fund its operations with its cash on hand, cash equivalents and marketable securities.

Limited Diversification of Investments

Due to the small size of the Company and the fact that it has only a limited number of investments, the Company is subject to a greater risk of a downturn in one or more of its investments. A concentration of the Company's invested funds in a limited number of businesses –in particular in the film production business in Korea through the shares of its subsidiary SEGL - means that in the event that any such business or industry or investment is unsuccessful or experiences a downturn, this will likely have a material adverse effect on the Company's business, results from operations, and financial condition. It also means that the Company is more exposed to business cycles than it would be if it owned a larger number of investments, which were diversified over various industries with differing business cycles in different geographic areas.

Industry Risks

Each of the Company's investees is subject to the risks inherent in the industry in which it operates. In the case of SEGL, its businesses are very dependant on the strength of the Korean film industry and SEGL's ability to continue to finance and make successful, profitable movies. Illegal piracy of films and illicit internet downloads of films are also risks which will continue to threaten the Korean film industry.

Competition

The Korean film production companies owned by the Company's subsidiary SEGL face intense competition in their respective markets, including competition from other companies some of whom have greater financial and other resources, and more advanced technological development. The movie production industry is a word-wide industry and films made in Hollywood, India and many other countries compete with Korean films on the worldwide stage for viewership. There can be no assurance that they will be able to successfully compete against their respective competitors or that such competition will not have a material adverse effect on their businesses, financial condition, results of operations and cash flows.

Currency Fluctuations

The Company is exposed to fluctuations in the value of the currencies of the Republic of Korea, the Special Administrative Region of Hong Kong, Canada and the United States.
The Company does not use currency derivatives to hedge against adverse currency fluctuations.

Legal Claims and Other Contingencies

The Company and its investee companies may become parties to law suits, claims and litigation arising in the ordinary course of business. Such law suits could result in significant costs and the outcome of such law suits could have a material negative impact on the Company's financial position, operating results, or the Company's ability to continue to carry on its business activities.

Lack of Market for the Company's Shares

Although the Company's common shares are listed and traded on the TSX Venture Exchange, there may not be a liquid market for the shares and any market price for the shares may not reflect the underlying value of the Company's business and assets.

Economic Conditions in Korea

The principal asset of the Company is its investment in the shares of SEGL and the majority of SEGL's operations and assets are located in the Republic of Korea through its ownership of two film production companies based in Korea and other investments in Korea. As a result, the Company is subject to political, economic, legal and regulatory risks specific to Korea. From early 1997 until 1999, Korea experienced a significant financial and economic downturn, from which it has now recovered.

Tensions with North Korea

Relations between the Republic of Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase or change abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea's nuclear weapons and long-range missile programs and increased uncertainty regarding North Korea's actions, particularly in light of the recent leadership change, and possible responses from the international community. Tensions have escalated on the Korean peninsula, and there can be no assurance that the level of tension will not escalate further in the future.

Any further increase in tensions which may occur, for example, if military hostilities occur or North Korea experiences a leadership or economic crisis, could have a material adverse effect on our the Company's operations and the market value of its common shares.

Financial Instability in Other Countries

The Korean market and the Korean economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has adversely affected the Korean economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries. A loss of investor confidence in the financial systems of emerging and other markets may cause increased volatility in Korean financial markets. It is possible that the financial events of the type that occurred in emerging markets in Asia in 1997 and 1998 will happen again which would have an adverse effect on the market value of the Company's common shares.

INTERNAL CONTROLS

Disclosure controls and procedures

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

Internal controls over financial reporting

Management of the Company is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. The Company as a venture issuer is not required to certify the design and evaluation of the issuer's disclosure controls and procedures.

International Financial Reporting Standards

The Company's financial statements for the year ended December 31, 2014 and the comparative information presented in the financial statements for the year ended December 31, 2013 have been prepared in accordance with IFRS applicable to the presentation of financial statements.

STRATEGY AND FUTURE DIRECTION

The Company's strategy and focus is to (i) identify and invest into or acquire small/medium-sized growth companies in Asia, primarily in the Republic of Korea, that possess proprietary know-how or technologies and a track record of profitable operations; (ii) assist the management of each investee or acquired company to enhance its value; (iii) whenever possible, originate collaboration amongst the portfolio of investee or acquired companies to create new opportunities for one another and leverage off each others' capabilities and resources; and (iv) reflect the collective value derived from the performances of the investee or acquired businesses on the share price of the Company.

On July 22, 2014, SEGI listed the shares of its subsidiary SEGL on the Catalist of the Singapore Exchange, and SEGL completed an equity financing. The listing and the financing will enhance the ability of SEGL and its wholly owned subsidiaries, Opus and Zip, to continue to develop and to grow their businesses. Based on the IPO offering price of SGD $0.26 (CAD $0.22) per share, the Company's investment in SEGL had a market value of SGD $40.2 million (CAD $34.5 million). On the day immediately prior to the date of this MD&A, the shares closed at a price of SGD $0.133, the market value of the Company's investment in SEGL is SGD $20,410,000 (CAD $17,871,000) or CAD $0.116 per SEGI share. As part of the IPO of SEGL, the Company has agreed not to sell or otherwise dispose of its shareholding in SEGL for a period of 12 months from July 22, 2014.

Moving forward SEGI will continue to work with the management of SEGL and its other investee companies to enhance the value of their businesses.

SEGI will also opportunistically make investments in selected small-capitalization publicly-traded companies that the Company believes are attractive investment propositions, or undervalued relative to their underlying financial fundamentals and operating performance. After making an investment into such publicly-traded companies, SEGI plans to encourage and implement such measures as changes in management strategy, business diversification, cost cutting, strategic mergers & acquisitions, capital restructuring, improvements in investor relations activities, and other initiatives typically undertaken by corporate restructuring specialists, in order to seek capital appreciation. Such small-cap stocks targeted by SEGI are investment opportunities that are normally overlooked by institutional investors (i.e. private equity funds, hedge funds, special situations funds, etc.) due to their small size and relatively negligible presence in the market, making such opportunities an attractive niche for SEGI to exploit without significant competition.

The ultimate objective of the Company will be to reflect the collective value derived from the performances of SEGL and other investments in the Company's share price

OUTSTANDING SHARE DATA

The Company has authorized an unlimited number of common shares and an unlimited number of preference shares issuable in series. At December 31, 2014 and at the date of this MD&A there were outstanding 148,900,183 common shares and options to acquire an additional 8,745,000 common shares.

OTHER INFORMATION

Additional information related to the Company may be found on SEDAR at www.sedar.com.

April 30, 2015