

SPACKMAN ENTERTAINMENT GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201401201N)
(the “**Company**”)

MINUTES OF THE ANNUAL GENERAL MEETING (“AGM” OR “MEETING”) OF THE COMPANY HELD:

- At : Tanah Merah Country Club – Garden Course, 1 Tanah Merah Coast Road, Singapore
498722, Heliconia Room, Ground Floor
- On : Tuesday, 30 April 2019 at 3:00 p.m.
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I. ATTENDANCE REGISTER

The Attendance Register for the Meeting is annexed hereto.

II. CALL TO ORDER AND QUORUM

Mr. Anthony Wong Wei Kit, Non-Executive and Independent Chairman and Chairman of the Audit and Risk Management Committee of the Company (the “**Chairman**”) informed the Meeting that Ms. Yoo Jin Lee, Executive Director, & Chief Producer, and Mr Richard Lee, Non-Executive Director, cannot be present at the AGM today.

He called the Meeting to order at 3:00 p.m. and he introduced the Board present at the Meeting to the shareholders. The Company Secretary confirmed that a quorum was present for the Meeting.

The Chairman informed the Meeting that the resolutions tabled at the AGM would be put to vote by way of a poll in a paperless manner.

III. NOTICE

The Notice of the Meeting dated 15 April 2019 was taken as read.

The Chairman informed the Meeting that 11 shareholders had appointed the Chairman of the Meeting as their proxy at the Meeting, and the Chairman of the Meeting would vote in accordance with the instructions of the said shareholders.

IV. ORDINARY BUSINESS

1. DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

- 1.1 The Audited Financial Statements for the financial year ended 31 December 2018 together with the Directors’ Statement and Auditors’ Report (the “**Reports**”) thereon were tabled for adoption.
- 1.2 Shareholder A proposed and Shareholder B seconded the motion. The shareholders present were asked whether they had any questions regarding the Audited Financial Statements and the Reports.
- 1.3 Shareholder C asked the Board to share more about the Company’s future plans.

Mr. Na Kyoungwon, Executive Director & Chief Operating Officer, (“**Mr. Na**” or the “**COO**”) shared that the Company has recently appointed Mr. John Ko, a 20-year veteran in the media and technology sector, as the Company’s Chief Executive Officer. The COO answered that the Company is continuing to diversify its revenue streams, such as leveraging on the associated company’s artiste management platform to strategically invest into collaborative businesses.

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The Chairman commented that the Company's portfolio is sufficient to grow organically as a company that provides the full spectrum of entertainment content and related services.

- 1.4 Shareholder C then asked about the Company's business revenue model for television drama production.

The COO responded that there is no fixed business model for drama production, but that there are less risks as compared to movie production. He explained that in Korea, the Company is not only investing in drama production, but is also producing these dramas. As such, the Company expects to obtain some investment profits and production fees from these drama productions. He also further commented that the Company is currently working closely with MediaCorp to discuss on the producing the first ever Korea Singapore television drama.

- 1.5 Shareholder C then asked about the Company's business revenue model for talent agencies.

The COO responded that profit sharing is usually between the Company and the artistes, and that the Company's share of profit depends on the artistes involved. He remarked that top artistes have more bargaining power and having these artistes in the associated company's talent management platform serves as an important leverage for the Company to participate into the highest quality content projects in the Korean entertainment industry.

- 1.6 Shareholder C posed a question on the losses sustained by the Company.

The COO responded that political issues in 2016 resulted in tension between Korea and China, and the China government subsequently closed the door to Korean movies and drama, leading to a slowdown in revenue. While waiting for the China market to open again, the Company focused its efforts on South-East Asian markets.

- 1.7 Shareholder C asked if the Company's small stake investments without any controlling authority, such as in Skin Inc Global Pte. Ltd. ("**Skin Inc**"), were necessary for collaboration.

The COO answered that these small stakes can be strategically utilised. For example, the Company could use these stakes to decide whether it wants to acquire these other companies as subsidiaries, or if these stakes will be beneficial to the Company in the event that these companies become listed.

- 1.8 Shareholder C asked for the update on the listing of the Company's subsidiaries, and the rationale of listing small companies in the Singapore markets.

The COO responded that the listing process is ongoing and that the Company is still seeking approval from SGX. He shared that Spackman Novus Limited intends to list in Singapore as part of its plans to expand in South-east Asia. Currently, Spackman Media Group is reviewing options to finance future growth, including listing in other markets to maximize its potential value.

- 1.9 Shareholder D asked for the countries where the Company exports its movie productions, and raised concerns on the Company's distribution network.

The COO explained that as producers, the Company does not decide where to export its movie productions; it is the presenters and distributors who make this decision. Ms. Jasmine Leong, General Manager & Head of IR, elaborated that the latest movie, *DEFAULT*, produced by the Company was exported to 17 countries, and in South-East Asia, the film has been exported to Singapore, Indonesia, Malaysia, Brunei and the Philippines. The Company's crime-action film, *MASTER*, was sold to 31 countries including the US, Hong Kong, Taiwan and Singapore. The COO added that there appears to be a softening of the China ban on Korean content and that the Company is eyeing China as one of its larger markets. Further, he assured Shareholder D that the Company is slowly but surely expanding its footprints in

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Singapore, beginning with its MOU with Mediacorp, who has extensive networks and well-known presence in South-East Asia.

- 1.10 Shareholder D commented that the Company should be more aggressive in light of its loss for the financial year ended 31 December 2018 of US\$1.7 million, which is a huge reversal of its previous year's profit of US\$3 million. Shareholder D further commented that the general and administrative expenses had increased by US\$2 million between 2017 and 2018.

The COO explained that the Company's loss was partially due to the timing of the release of its latest movie *DEFAULT* in late November 2018, which allowed the Company to only recognize the share of profit up to the financial year ended 31 December 2018, using the actual box office result of *DEFAULT* as at 31 December 2018.

In terms of future pipeline of films, the Company's upcoming films in 2019 are *CRAZY ROMANCE*, a romantic comedy film produced by the Group's wholly-owned subsidiary, Zip Cinema, and *STONE SKIPPING*, a human drama film which is produced by the Group's wholly-owned subsidiary, Studio Take. Presented and distributed by Next Entertainment World, *CRAZY ROMANCE* stars well-known actor, Kim Rae-won, and popular actress, Gong Hyo-jin. The Company also owns a 20% equity interest in The Makers Studio, which plans to produce and release four upcoming films, the first of which will be *THE ISLAND OF THE GHOST'S WAIL*, a comedy horror film with a tentative budget of KRW 3 billion (or US\$2.7 million), excluding prints and advertising costs. The film is expected to be released in 2020.

The Company has also announced that it has signed a memorandum of understanding with Mediacorp for the first ever Korea Singapore drama. The cross-border co-production aims to bring together powerful storytelling, talent and mix of familiar and fresh faces from Korea and Singapore.

The COO also explained that the increase in expenses was related to the acquisition of more subsidiaries. In 2018, the Company acquired Greenlight Content, which is primarily involved in the business of investing into dramas and movies as well as providing consulting services for the production of Korean content. With the success of *TERIUS BEHIND ME*, in which Greenlight Content was one of the major investors of, the Company believes that the acquisition of Greenlight Content has enabled the Company to reinforce its foothold in the Korean drama sector.

- 1.11 Shareholder D then expressed his worry about the drop in share prices and asked when will the Company see profitability.

The Chairman explained that the whole market was very volatile for the past few months but expressed confidence that the Company will rebound if it continues to build up its platform and investments. The Chairman also expressed confidence in the management team as the Company continues to expand its production pipeline of films & dramas via acquisitions that can strategically add accretive value to its existing film production business segment.

- 1.12 Shareholder C asked about the Company's plans to enter into cryptocurrency.

The COO responded that those plans were not the Company's top priority, and are still in the preliminary stage of discussions. He elaborated that the idea was to monetize the associated company's talent management platform by issuing cryptocurrency tokens to fans, who can then utilize the tokens in exchange for access to artist and content projects. He also informed the Meeting that the Company will make an announcement if there are further developments to its plans to enter into cryptocurrency.

- 1.13 As there were no further questions on the Audited Financial Statements and the Reports, the motion was put to vote by way of a poll and it was carried unanimously.

Number of Shares

Percentage (%)

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For the Resolution	:	453,607,022	100%
Against the Resolution	:	0	0%
Total	:	453,607,022	100%

1.14 **IT WAS RESOLVED** as an Ordinary Resolution that the Audited Financial Statements for the financial year ended 31 December 2018 together with the Directors' Statement and Auditors' Report thereon, be and are hereby received and adopted.

1.15 Mrs. Jessie Ho took over the proceedings of the Meeting and chaired the Meeting as the Chairman of the Meeting.

2. RE-ELECTION OF MR. ANTHONY WONG WEI KIT AS DIRECTOR – RESOLUTION 2

2.1 Mrs. Jessie Ho, Lead Independent Director, tabled the motion to re-elect Mr. Anthony Wong Wei Kit retiring by rotation pursuant to the Constitution of the Company.

2.2 Shareholder D proposed that Mr. Anthony Wong Wei Kit be re-elected as a Director of the Company in accordance with the Company's Constitution. Shareholder E seconded the motion.

2.3 As there were no questions on the motion, the motion was put to a vote by way of a poll and it was carried unanimously.

	<u>Number of Shares</u>	<u>Percentage (%)</u>
For the Resolution	453,607,022	100.00%
Against the Resolution	0	0%
Total	453,607,022	100%

2.4 **IT WAS RESOLVED** as an Ordinary Resolution that Mr. Anthony Wong Wei Kit, retiring by rotation pursuant to the Company's Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company.

Mr. Anthony Wong Wei Kit will continue to serve as the Non-Executive and Independent Chairman of the Company, Chairman of the Audit and Risk Management Committee and a member of the Nominating Committee and Remuneration Committee.

2.5 Mrs. Jessie Ho returned the proceedings of the Meeting to the Chairman.

3. RE-ELECTION OF MR. NG HONG WHEE AS DIRECTOR – RESOLUTION 3

3.1 The Chairman tabled the motion to re-elect Mr. Ng Hong Whee, Independent Director, retiring by rotation pursuant to the Constitution of the Company.

3.2 Shareholder C proposed that Mr. Ng Hong Whee be re-elected as a Director of the Company in accordance with the Company's Constitution. Shareholder F seconded the motion.

3.3 As there were no questions on the motion, the votes were cast by way of a poll and the motion was carried unanimously.

	<u>Number of Shares</u>	<u>Percentage (%)</u>
For the Resolution	453,607,022	100%
Against the Resolution	0	0%

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Total	:	453,607,022		100%
		=====		=====

- 3.4 **IT WAS RESOLVED** as an Ordinary Resolution that Mr. Ng Hong Whee, retiring by rotation pursuant to the Company’s Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company.

Mr. Ng Hong Whee will continue to serve as the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee.

4. PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019, TO BE PAID QUARTERLY IN ARREARS – RESOLUTION 4

- 4.1 The Chairman tabled the motion to approve the Director’s fees for the financial year ending 31 December 2019, to be paid quarterly in arrears.

4.2 Shareholder G proposed and Shareholder B seconded the motion.

- 4.3 As there were no questions on the motion, the votes were cast by way of a poll and the motion was carried unanimously.

		<u>Number of Shares</u>		<u>Percentage (%)</u>
For the Resolution	:	453,607,022		100%
Against the Resolution	:	0		0%
		-----		-----
Total	:	453,607,022		100%
		=====		=====

- 4.4 **IT WAS RESOLVED** as an Ordinary Resolution that the payment of Directors’ Fees of US\$108,000 for the financial year ending 31 December 2019, to be paid quarterly in arrears, be and is hereby approved.

5. RE-APPOINTMENT OF AUDITORS - RESOLUTION 5

- 5.1 The Chairman tabled the motion on the re-appointment of Messrs Baker Tilly TFW LLP as Auditors of the Company and authorising the Directors of the Company to fix their remuneration.

5.2 Shareholder B proposed and Shareholder A seconded the motion.

- 5.3 As there were no questions on the motion, the motion was put to a vote by way of a poll and it was carried unanimously.

		<u>Number of Shares</u>		<u>Percentage (%)</u>
For the Resolution	:	453,607,022		100%
Against the Resolution	:	0		0%
		-----		-----
Total	:	453,607,022		100%
		=====		=====

- 5.4 **IT WAS RESOLVED** as an ordinary resolution that Messrs Baker Tilly TFW LLP be and are hereby appointed as the Independent Auditors of the Company until the conclusion of the next Annual General Meeting, and the Directors be and are hereby authorized to fix their remuneration.

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6. TO TRANSACT ANY OTHER ORDINARY BUSINESS WHICH MAY BE PROPERLY TRANSACTED AT AN ANNUAL GENERAL MEETING

- 6.1 The Chairman tabled the motion on the transaction of any other ordinary business which may be properly transacted at the AGM.
- 6.2 As there were no other ordinary business to be transacted, the Chairman dismissed the motion.

V. SPECIAL BUSINESS**7. AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE SPACKMAN ENTERTAINMENT GROUP LIMITED EMPLOYEE SHARE OPTION SCHEME (THE "ESOS") – RESOLUTION 6**

- 7.1 The Chairman tabled the motion on the authority to allot and issue shares under the ESOS to be approved.
- 7.2 Shareholder C proposed and Shareholder G seconded the motion.
- 7.3 The shareholders present were asked whether they had any questions regarding this resolution.
- 7.4 As there were no questions on the motion, the motion was put to a vote by way of a poll and it was carried unanimously.

	<u>Number of Shares</u>	<u>Percentage (%)</u>
For the Resolution :	453,607,022	100%
Against the Resolution :	0	0%
Total :	453,607,022 =====	100% =====

7.5 IT WAS RESOLVED as an ordinary resolution:

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Act"), approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares pursuant to the exercise of options ("Options") granted in accordance with the provisions of the ESOS, and, pursuant to the ESOS, to offer and grant Options from time to time in accordance with the provisions of the ESOS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOS, when added to the total number of Shares issued and issuable in respect of all the Options granted under the ESOS and all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15% of the total number of issued Shares including treasury shares of the Company on the day preceding that date of the relevant grant of the Option.

8. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE – RESOLUTION 7

- 8.1 The Chairman tabled the motion on the Proposed Renewal of the Share Buy Back Mandate to be approved.
- 8.2 Shareholder C proposed and Shareholder G seconded the motion.

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8.3 The shareholders present were asked whether they had any questions regarding the Proposed Renewal of Share Buy Back Mandate.

8.4 Shareholder C asked about the rationale for the share buy back mandate, and commented that the Company had performed a share buy back in the previous year but issued shares at a discount at the same time.

The COO explained that the Company performed a share buy back in the previous year because the share price was low, but the share buy back was not a significant amount. He further explained that the Company had issued shares rather than to rely on internal funds for funding of its investments.

8.5 Shareholder D questioned the circumstances in which the Company would decide to buy back its shares. Shareholder D then suggested that the Company buy back its shares now and keep them as treasury shares.

The COO explained that the Company would buy back shares if the share price is low but it cannot do this every time. Ms Jasmine Leong commented that the SGX had advised that companies refrain from buybacks shortly before the release of financial statements and as best practice, the Company shall follow the black-out period of two weeks prior to the release of the quarterly results and one month prior to the release of the year end results, after which the Company will consider the price and make the decision accordingly as and when appropriate.

8.6 As there were no further questions on the motion, the motion was put to a vote by way of a poll and it was carried unanimously.

	<u>Number of Shares</u>	<u>Percentage (%)</u>
For the Resolution :	453,527,022	100%
Against the Resolution :	0	0%
Total :	453,527,022	100
	=====	=====

8.7 **IT WAS RESOLVED** as an ordinary resolution:

(a) THAT for the purposes of Sections 76C and 76E of the Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or

(ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the Company’s Constitution, the provisions of the Act and the Catalist Rules as may for the time being be applicable (the “**Share Buy Back Mandate**”);

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- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
 - (i) the conclusion of the next AGM or the date by which such AGM is required by law to be held;
 - (ii) the date on which the buy-back of the shares is carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred in the Share Buy Back Mandate is varied or revoked by the shareholders in a general meeting;
- (d) for purposes of this Resolution:

“**Prescribed Limit**” means 10% of the issued ordinary share capital of the Company (excluding any treasury shares and subsidiary holdings) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, the date on which the buy-back of the Shares are carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Shareholders of the Company in a general meeting, whichever is the earlier; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price, where:
 - (iii) “**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period;
 - (iv) “**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

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- (v) “**market day**” means a day on which the SGX-ST is open for trading in securities; and
- (e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

VI. TERMINATION OF MEETING

There being no other business, the Meeting ended at 4.00 p.m. and the Chairman thanked those present for their attendance at the Meeting.

The Chairman then asked for the shareholders to remain seated as the Extraordinary General Meeting would commence shortly.