

# marketREPORT

## SINGAPORE

MONDAY DECEMBER 7, 2015

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2 COVER STORY

# Spackman rises, blessed by *The Priests*

SINGAPORE (Dec 4): Spackman Entertainment Group, a Korean entertainment production house, just cannot stop telling investors how successful its movie *The Priests* has been at the box office.

On Nov 5, Spackman Entertainment was quick to announce the film had come out tops at the Korean box office on its debut, raking in gross box office revenues of KRW1.4 billion (\$1.69 million), or a market share of 59.7%.

By Nov 14, on the 10th day of its release, the group announced it had registered more than 3.5 million in ticket admissions and revenues of more than KRW27.7 billion. It also set a Korean box office record for the fastest movie to reach three million tickets for November.

On Friday, Spackman Entertainment said *The Priests* on Dec 3 achieved more than 5,023,810 in ticket admissions with gross box office revenues of more than KRW39.1 billion.

Distribution rights to the movie have also been sold in both Singapore and China, added the Korean entertainment production group.

A revenue boost is just what shares in Spackman Entertainment need. *The Edge Singapore* reported in its cover story this week. The company was listed in July last year at 26 cents a share before sinking to a low of four cents in late August.

But since the debut of *The Priests*, shares of Spackman have soared more than 87% to hit 15 cents on Dec 4.

"The release of our new slate of films, post-IPO, has seen much delay since our last movie, owing to unforeseen external factors such as the Middle East respiratory syndrome outbreak in Korea. The prolonged period of time since our last release has taken a toll on the performance of our company," says Charles Spackman, executive chairman and founder of Spackman Entertainment.

For 3QFY2015, the group posted a 21% y-o-y drop in revenue to US\$2.87 million (\$4.04 million) as there were no films under production.

It posted a loss of US\$1.04 million for the quarter, although that figure is an improvement from the loss of US\$5.04 million in 3QFY2014.

Now, it seems *The Priests* has kicked off a fresh cycle of film releases.

Spackman Entertainment owns three motion picture production and financing subsidiaries: Zip Cinema Co, Opus Pictures and Novus Mediaco Corp. The company says its units are among the most recognised film production labels in Korea.

*The Priests* was produced by Zip Cinema Co and presented by Opus Pictures.

Two upcoming movies, *Chasing* and *Musudan*, presented and distributed by Opus Pictures, are expected to be released in Korean theatres by 1Q2016. The former is an action comedy, while the latter is a mystery thriller.



Spackman: The prolonged period of time since our last release has taken a toll on the performance of our company

Spackman Entertainment typically gets a share of a movie's profits as both an investor and a producer. This is on top of a fixed fee for each film it produces. For acting as a presenter, it collects administrative fees. Producers supervise the making of a film, while presenters are responsible for raising financing that is not covered by the producer, entering into agreements with distributors, administering expenses and distributing profits. If it also acts as distributor, Spackman Entertainment can earn distribution fees. Distribution can cover cinemas as well as ancillary markets such as home video and pay TV.

From next year, the company says it hopes to produce at least four films annually. It also intends to expand its portfolio of film production brands through mergers and acquisitions, and enlarge its presence internationally through partnerships, joint ventures and strategic alliances in overseas markets. Stay tuned to the stock.

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