

May 22, 2018

## ASX Release

### Amended Appendix 4C

Chapmans Ltd (**Company**) refers to its Quarterly Activities Report and Appendix 4C announced on 1 May 2018 (**Original Announcement**). The Company notes that an amended Appendix 4C is attached to this announcement. In summary, the amendments that have been made to the Appendix 4C are as follows:

- **Payment to acquire investments** line item in section 2.1(c) is reduced from \$1,658,000 to \$1,629,000 resulting in a change to **Net cash from/ (used in) investing activities** from \$(936,000) to \$(907,000).
- **Proceeds from borrowings** line item in section 3.5 has increased from \$2,539,000 to \$2,703,000, **Repayment of borrowings** line item in section 3.6 has decreased from \$883,000 to \$41,000 and **Loans to other entities** line item in section 3.9 has changed from \$(402,000) to \$(1,437,000) resulting in a change to **Net cash from/ (used in) financing activities** from \$1,615,000 to \$1,586,000.
- **Investments** line item in section 9.7 has changed from \$(2,000,000) to \$(4,000,000) resulting in a change to **Total estimated cash outflows** in section 9.8 from \$(2,760,000) to \$(4,760,000).

The amendments have been made in response to errors identified in the original Appendix 4C and due to the reclassification of funds invested in investee companies and funds advanced as loans to investee companies.

In addition to the above, the Company notes that in the Original Announcement, the Company stated that it had invested approximately a further \$2.224m across five new and existing investee companies (plus a further \$2.55m in GPU.One). For clarity, the \$2.224m amount was incorrect and the correct amount is \$3.066m, including \$1.629m (item 2.1(c) of the Appendix 4C) which was used to subscribe for equity in investee companies and \$1,437k worth of loans advanced to investee companies (item 3.9 of the Appendix 4C).

The Company also notes that following its Annual General Meeting scheduled for 31 May 2018 (**AGM**), the Company intends to convert all loans advanced to the Company into equity (subject to receipt of shareholder approval), such that shortly after the AGM the Company will be debt free. For clarity, the amount to be converted is \$2.662m (which is \$2.703m proceeds from borrowings – item 3.5 in the Appendix 4C less \$41k – item 3.6 Appendix 4C, as attached). In addition, the company wishes to confirm that notwithstanding the approval in the AGM at resolution 6 requested up to \$2.9625m of debt be converted, the company will only convert a total of \$2.662m in order to be debt free, as detailed above.

With respect to its estimated cash outflows of \$4.76m, the Company notes that \$2.55m of that amount has already been advanced to GPU.One. The Company intends to fund the remaining \$2.21m through a combination of one or more of the following:

- sell down of liquid assets currently held by the Company including \$390,000 worth of shares held in Reffind Ltd (30M shares);
- proceeds of new equity raisings conducted after the AGM noting that:
  - Resolution 5 at the AGM (if passed) would permit the Company to raise up to \$2.5m;
  - Resolutions 10 – 12 at the AGM (if passed) would permit the Company to raise up to \$750k from the directors of the Company;



- up to \$1.14M can be raised under the Company's 15% annual placement capacity (assuming that the Company's placement capacity is 'refreshed' through passing of Resolution 4 at the AGM and based on the current issued capital of 1.524B shares and the issue at \$0.005);
- up to \$760,000 could be raised under the Company's 10% annual placement capacity (assuming that the Company's placement capacity is 'refreshed' through passing of Resolution 13 at the AGM and based on the current issued capital of 1.524B shares and the issue at \$0.005); and/or
- obtaining debt funding.

Yours faithfully  
**Chapmans Limited**

.....  
**Peter Dykes**  
Chairman

Chapmans Limited  
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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

CHAPMANS LIMITED AND ITS CONSOLIDATED ENTITIES

**ABN**

34 000 012 386

**Quarter ended ("current quarter")**

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	179	179
1.2 Payments for		
(a) research and development	(164)	(164)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(236)	(236)
(f) administration and corporate costs	(188)	(188)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(409)</b>	<b>(409)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(c) investments	(1,629)	(1,629)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	722	722
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(907)</b>	<b>(907)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	375	375
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(14)	(14)
3.5	Proceeds from borrowings	2,703	2,703
3.6	Repayment of borrowings	(41)	(41)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Loans to other entities	(1,437)	(1,437)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>1,586</b>	<b>1,586</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	41	41
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(409)	(409)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(907)	(907)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,586	1,586

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>311</b>	<b>311</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	311	41
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>311</b>	<b>41</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter  
\$A'000**

236

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 includes directors' fees including superannuation, consulting and management fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter  
\$A'000**

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1	Research and development	(300)
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(267)
9.6	Administration and corporate costs	(193)
9.7	Investments	(4,000)
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(4,760)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 22 May 2018

Print name: Peter Dykes

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.