

ASX Release | Chapmans Limited (ASX:CHP)

20FOUR MEDIA HOLDINGS - UPDATE

7 September 2018

The directors of Chapmans Limited (ASX:CHP) (Chapmans, the Company) provide the following update on 20FOUR Media Holdings Pty Ltd (20FOUR).

20FOUR is a mobile digital media business. Its business model is designed to capitalise on the global market opportunity in sports media content generated by a mobile sports fan audience market. 20FOUR has a mobile App and online platform which allows fans to keep up with their favourite sport stars and access exclusive content free of charge, including personal stories and insights.

Despite strong interest and support for 20FOUR's platform, revenue growth has not met the company's expectations. The directors of 20FOUR have informed Chapmans that they are undertaking a change in the leadership team and that they will advise shareholders when suitable replacements have been appointed.

Chapmans has been informed by the directors of 20FOUR that 20FOUR is considering fund raising options to support the business from new alternative sources, as well as holding active discussions around possible merger opportunities. 20FOUR has also confirmed that it has taken significant steps to reduce operating costs while it undergoes these fund raising activities. 20FOUR has stated that it may be necessary to take the platform off-line for a period during this process, and that this may require the platform to be re-purposed to suit an adjusted or alternate revenue model.

The directors of Chapmans wish to advise that Chapmans does not intend to invest or otherwise advance any further funds to 20FOUR. Chapmans' investment in 20FOUR including funds advanced as debt and equity have been fully impaired as per the Company's Half Year Report for the period ended 30 June 2018.

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About Chapmans Limited

Chapmans Limited (ASX:CHP) is an ASX-listed diversified investment company engaged in investments across a diverse range of industries, with a focus and expertise in the mobile and advanced industrial technology sectors.

To learn more, please visit: www.chapmanslimited.com