



21 May 2015

Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

**CREDITOR DISPUTE – FURTHER UPDATE**

Dear Shareholders

On 20 May 2015, Justice Brereton in the Supreme Court of NSW heard the application of Peter Koadlow referred to in our announcement 5 May 2015.

Shareholders will recall that on 4 May 2015 Justice Brereton ordered on an interlocutory basis that we give members an amended meeting notice which states that the business at the forthcoming Annual General Meeting include considering and if thought fit passing the following resolution as an ordinary resolution (the Resolution):

"That for the purposes of ASX Listing Rule 7.1, s 611, item 7 of the Corporations Act 2001 and for all other purposes, approval is given for the Company to issue a Convertible Note to Peter Koadlow as executor of the estate of the late Elsie Koadlow on the terms and conditions set out in the Explanatory memorandum and to issue Shares in accordance with the terms of that Convertible Note in the event that the Noteholder exercises the option to convert the Note into Shares."

On 20 May 2015 the final hearing of Mr Koadlow's application occurred in the Supreme Court of New South Wales. In addition to the orders obtained by Mr Koadlow on 4 May 2015, Mr Koadlow was seeking the following orders:

1. An order that the directors Peter Dykes and Anthony Dunlop recommend that the members of the Chapmans Limited vote in favour of the resolution for the Convertible Note at the Annual General Meeting to be held on 29 May 2015; and
2. An order that the directors Peter Dykes and Anthony Dunlop causes all votes attaching to shares in the capital of the Company that they or their associates (within the meaning of section 9 of the Corporations Act 2001) control to be voted at the Annual General Meeting of the members of the Company convened to be held on 29 May 2015 in favour of the Resolution.

**The Court refused to make the orders sought by Mr Koadlow.**

**Apart from confirming the orders made on 4 May 2015, the court dismissed Mr Koadlow's application.**



# CHAPMANS

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Yours Faithfully

CHAPMANS LIMITED

Peter Dykes  
Chairman