

ASX Release | Chapmans Limited (ASX:CHP)

CHAPMANS RE-WEIGHTS INVESTMENT IN GPU.ONE

31 October 2018

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to provide the following update on its investment in crypto currency and data processing business GPU.One (GPU).

Chapmans previously held 19.99% direct equity in GPU.One (on a fully diluted basis) as a result of a strategic investment of CAD\$2.5 million (approximately AUD\$2.55 million) in April this year (ASX announcement, 26 April 2018).

The Company now advises that as part of a re-weighting of its investment portfolio, it has divested some of its position in GPU. Chapmans has divested approximately AUD\$420,000 (CAD\$400,000) of its GPU holding, equating to 26.66% of its total equity holding in GPU (based on a revised valuation of GPU of CAD\$10.5 million).

Chapmans further advises that GPU has undertaken a restructuring of its shareholder debt position, which involved retiring all of the founding shareholders debt by converting this debt to equity.

The net, end result is that Chapmans now holds a 10.88% direct equity interest in GPU at the conclusion of its divestment and GPU's conversion of debt to equity.

Chapmans' re-weighting of its position in GPU takes into account its assessment of what it views as a potentially challenging outlook and market environment for the crypto currency sector, especially for smaller merging industry participants, and the Company's desire to re-allocate investment funds for other investment opportunities it is currently assessing.

Chapmans is actively reviewing a number of new investment opportunities in established fast growth and revenue generating businesses and will provide further information to the market as and when any material progress is achieved.

About GPU.One

GPU.One is an established data processing and crypto currency company focused on mining leading crypto currencies including Bitcoin, Ethereum, and Litecoin.

GPU.One has facilities in Canada, providing it with a stable and well regulated operating environment with access to sustainable low-cost power. GPU.One has strong fundamentals and access to low-cost hydroelectric power with existing substation infrastructure located near its facilities. It also benefits from a naturally low-temperature environment and access to long-term low-cost properties well suited for data processing and crypto currency operations.

GPU.One uses proprietary hardware and software technologies that give it a unique competitive advantage and has strong partnerships with the world's largest ASIC and GPU technology providers.

In the event of a significant long-term reduction in crypto currency values rendering crypto currency mining uncommercial, its facilities may be used as a strictly data processing only centre, mitigating much of the risk commonly associated with crypto currency investments.

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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

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