

**ASX Release | Chapmans Limited (ASX:CHP)****COMPANY UPDATE****24 September 2018**

The directors of Chapmans Limited (ASX:CHP) (Chapmans, the Company) provide the following update on the Company's revised investment approach and activities.

The Company has revised its investment approach and operating activities to focus on fee and revenue producing investment opportunities as a strategic pivot away from capital intensive and often pre-revenue early stage opportunities. While the latter may hold the promise of significant capital appreciation via exit pathways including IPO / RTO or trade sale, the continuation of longer term capital contributions during investee development cycles and the negative impact on Company cashflows are specific areas the Company has committed to improve. This is to be achieved through a combination of reductions in operating costs, development of fee generating advisory roles and investment in revenue producing assets and services.

In order to reduce operating costs, the executive directors have agreed to a reduction of 48% in fixed remuneration to \$250,000 per annum effective 30 September. In addition to these costs reductions, the Company intends to reduce the number of larger scale investments which have historically incurred significant upfront due diligence costs in particular legal, accounting and expert consultant costs as well as ongoing internal management and reporting costs including independent valuations and audit fees.

The Company intends to leverage the strengths of its Malaysian shareholder and board connections for the development of fee generating advisory roles and origination of new investment opportunities in line with the Company's revised focus. This is to be achieved through an expansion of the Company's existing Malaysian office located in Kuala Lumpur which is a lower cost and stable jurisdiction, centrally located to the fast growth Asian markets with a range of attractive government incentives.

Further revisions to the Company's investment approach are to include (wherever possible) an overall reduction in substantial holding limits to non-controlling positions and focus on opportunities with less active roles through participation and co-investment with well established and proven partners.

The Company is currently working with each of its investee entities to provide an update on its existing investments.

**Ends****For further information please contact:**

Peter Dykes  
Executive Chairman  
Chapmans Limited  
E: [peter.dykes@chapmanslimited.com](mailto:peter.dykes@chapmanslimited.com)  
T: 02 8079 2939

Anthony Dunlop  
Executive Director  
Chapmans Limited  
E: [anthony.dunlop@chapmanslimited.com](mailto:anthony.dunlop@chapmanslimited.com)  
T: 02 8079 2939

**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](http://www.chapmanslimited.com)