

28 November 2018

The Manager
Company Announcements
Australian Stock Exchange Ltd
20 Bridge Street
Sydney 2000
via: www.asxonline.com

Dear Sir/Madam

Non-renounceable 1 for 2 Rights Issue to Eligible Shareholders

Chapmans Limited (ASX: CHP) (**Company**) is pleased to announce a non-renounceable one (1) for two (2) rights issue of fully paid ordinary shares in the capital of the Company (**Offer**).

Shareholders holding shares in the Company as at 7.00pm (Sydney time) on 3 December 2018 (**Record Date**) will be entitled to participate in the Offer. The Company will offer Eligible Shareholders one (1) share for every two (2) shares held as at the record date of 3 December 2018 at \$0.005 per share (**Entitlement**).

Compared to the weighted average price of the Company's shares on the ASX in the five trading days up to and including 27 November 2018, of \$0.0066 (rounded to four decimal places), the offer price represents a discount of approximately 24%.

The Rights Issue is not underwritten.

Offer is non-renounceable

The Offer is non-renounceable meaning that Eligible Shareholders who do not take up their Entitlement will not be able to transfer or receive any value for those Entitlements, and their equity interest in the Company will be diluted.

Eligible Shareholders may choose to accept all or part of their Entitlement or none at all. Entitlements of Eligible Shareholders which are not taken up will form part of the Shortfall.

The Offer is being conducted in accordance with section 713 of the *Corporations Act 2001* (Cth) (the **Act**). Accordingly, the Company is required to lodge a prospectus with the ASX and ASIC (**Prospectus**). The Prospectus was lodged with the ASX and ASIC on 28 November 2018 and will be sent to Eligible Shareholders on or before Thursday, 6 December 2018, together with a personalised Entitlement and Acceptance Form. The Prospectus is available on the Company's website at <http://www.chapmanslimited.com/> and from the Company's registered office at Level 12, 87-95 Pitt Street, Sydney NSW 2000.

The closing date for the Offer will be 17 December 2018 (**Closing Date**).

Effect on Capital Structure

The Company currently has 271,406,124 shares on issue. The maximum number of securities that may be issued under the Offer is 135,703,062 shares. Shares issued under the rights issue will rank equally with existing shares. The Company will apply for official quotation on ASX of the new shares issued under the Offer.

The maximum amount raised by the Offer would be \$678,515.31 if every Eligible Shareholder exercised its rights to purchase New Shares, before expenses.

Shortfall

There is no minimum acceptance amount and Eligible Shareholders are also invited to apply for additional New Shares which will be allocated from any Shortfall. The Company's shortfall allocation policy will be set out in the Prospectus. The Directors may at their discretion place any Shortfall to third parties, at not less than the issue price within 3 months of the Closing Date.

Purpose of the Offer

The Company will use the proceeds raised under the Rights Issue to fund general working capital.

Any person considering acquiring shares under the Offer should read the Prospectus carefully. Applications for shares under the Offer may only be made using the Application Form to be attached to, or accompanying the Prospectus. Shares will only be issued on the basis of an Application Form issued together with the Prospectus.

Timetable

The following timetable is indicative only. All dates are subject to change and accordingly are indicative only. The Company has the right to vary the dates of the Offer, without prior notice, subject to the Corporations Act and the ASX Listing Rules.

Event	Date
Announcement of Offer, lodgment of Appendix 3B and Prospectus lodged with the ASX	28 November 2018
Notice to Shareholders containing information required by Listing Rules	29 November 2018
"Ex" Date	30 November 2018
Record Date to determine Entitlement to New Shares	3 December 2018
Despatch of Prospectus and Entitlement and Acceptance Form and announcement that despatch completed	6 December 2018
Last day to extend Closing Date	12 December 2018
Closing Date	17 December 2018
Securities quoted on a deferred settlement basis	18 December 2018
ASX notified of Shortfall	20 December 2018
Issue of New Shares, despatch date of holding statements, deferred settlement trading ends	24 December 2018
Trading commences for New Shares on a normal settlement basis	27 December 2018

*The above dates are indicative only and may change without notice. The Directors reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and ASX Listing Rules), to extend the Closing Date or to cancel the Offer without prior notice in its absolute discretion. The commencement of quotation of new securities is subject to confirmation from the ASX.

Shareholders should consult their professional advisors in regards to the definition of 'Ex' Date and Record Date to ensure that their entitlement to participate in the Offer is assured. Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number.

Read Prospectus Carefully

Any person considering acquiring shares under the Offer should read the Prospectus carefully. Applications for shares under the Offer may only be made using the Application Form to be attached to, or accompanying the Prospectus. Shares will only be issued on the basis of an Application Form issued together with the Prospectus.



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