

**Chapmans Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	Chapmans Limited
ACN:	000 012 386
Reporting period:	For the year ended 31 December 2016
Previous period:	For the year ended 31 December 2015

**2. Results for announcement to the market**

				\$
Revenues from ordinary activities	down	20%	to	4,612,217
Profit from ordinary activities after tax attributable to the owners of Chapmans Limited	up	4%	to	1,771,945
Profit for the year attributable to the owners of Chapmans Limited	up	4%	to	1,771,945
			<b>2016 Cents</b>	<b>2015 Cents</b>
Basic earnings per share			0.104	0.197
Diluted earnings per share			0.104	0.197

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,771,945 (31 December 2015: profit of \$1,703,697).

On 18 October 2016, the Company issued 250,000,000 shares at \$0.003 per share.

On 4 November 2016, the Company issued 400,000,000 shares at \$0.002 per share.

On 20 December 2016, the Company issued 560,500,000 shares at \$0.002 per share.

On 22 December 2016, the Company completed the consolidation of capital on a 1-for-10 basis.

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>5.29</u>	<u>0.37</u>

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

---

**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

---

**7. Dividend reinvestment plans**

Not applicable.

---

**8. Details of associates and joint venture entities**

Not applicable.

---

**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

---

**10. Audit qualification or review**

The financial statements are in the process of being audited.

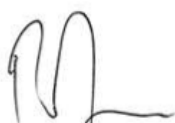
---

**11. Attachments**

The Preliminary Financial Report of Chapmans Limited for the year ended 31 December 2016 is attached.

---

**12. Signed**



Signed \_\_\_\_\_

Date: 28 February 2017

Peter Dykes  
Executive Chairman

**Chapmans Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2016**

	<b>Consolidated</b>	
	<b>31 December 2016</b>	<b>31 December 2015</b>
<b>Note</b>	<b>\$</b>	<b>(restated) \$</b>
<b>Revenue</b>	4,612,217	5801,087
<b>Expenses</b>		
Director remuneration	(269,000)	(564,529)
Consultancy fees	(969,812)	(1,889,872)
Depreciation and amortisation expense	(2,013)	(333)
Loss on disposal of assets	(55,444)	(46,500)
Other expenses	(875,985)	(1,551,801)
Finance costs	(36,232)	(44,355)
<b>Profit before income tax expense</b>	2,403,731	1,703,697
Income tax expense	-	-
<b>Profit after income tax expense for the year attributable to the owners of Chapmans Limited</b>	2,403,731	1,703,697
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year attributable to the owners of Chapmans Limited</b>	<u>2,403,731</u>	<u>1,703,697</u>
Profit for the year is attributable:		
Non-controlling interest	631,786	-
Owners of Chapmans Limited	1,771,945	1,703,697
Total comprehensive income for the year is attributable to:		
Non-controlling interest	631,786	-
Owners of Chapmans Limited	1,771,945	1,703,697
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.104	0.197
Diluted earnings per share	0.104	0.197

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Chapmans Limited**  
**Statement of financial position**  
**As at 31 December 2016**

		<b>Consolidated</b>	
		<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>Note</b>	<b>\$</b>	<b>(restated)</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		87,539	11,940
Trade and other receivables		283,410	22,500
Total current assets		<u>370,949</u>	<u>34,440</u>
<b>Non-current assets</b>			
Financial assets	2	15,768,668	7,066,260
Property, plant and equipment		-	2,013
Other receivables		82,191	-
Total non-current assets		<u>15,850,859</u>	<u>7,068,273</u>
<b>Total assets</b>		<u>16,221,808</u>	<u>7,102,713</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		161,081	610,019
Borrowings		-	754,965
Total current liabilities		<u>161,081</u>	<u>1,364,984</u>
<b>Non-current liabilities</b>			
Borrowings		<u>196,996</u>	<u>372,366</u>
Total non-current liabilities		<u>196,996</u>	<u>372,366</u>
<b>Total liabilities</b>		<u>358,077</u>	<u>1,737,350</u>
<b>Net assets</b>		<u>15,863,731</u>	<u>5,365,363</u>
<b>Equity</b>			
Issued capital	4	21,924,432	18,141,394
Accumulated losses		(10,692,487)	(12,776,031)
Equity attributable to the owners of Chapmans Limited		11,231,945	5,365,363
Non-controlling interest		4,631,786	-
<b>Total equity</b>		<u>15,863,731</u>	<u>5,365,363</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Chapmans Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2016**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Restated balance at 1 January 2015	14,556,394	(421,072)	(11,949,974)	2,185,348
Loss after income tax expense for the year	-	-	(826,057)	(826,057)
Other comprehensive income for the year, net of tax	-	421,072	-	421,072
Total comprehensive income for the year	-	421,072	(826,057)	(404,985)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	3,585,000	-	-	3,585,000
Balance at 31 December 2015	<u>18,141,394</u>	<u>-</u>	<u>(12,776,031)</u>	<u>5,365,363</u>

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Retained profits \$</b>	<b>Non-Controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2016	18,141,394	(12,776,031)	-	5,365,363
Profit after income tax expense for the year	-	1,771,945	631,786	2,403,731
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	1,771,945	631,786	2,043,731
Recognition of non-controlling interest	-	-	4,000,000	4,000,000
Derecognition of tax asset in prior period		311,599	-	311,599
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,783,038	-	-	3,783,068
Balance at 31 December 2016	<u>21,924,432</u>	<u>(10,692,487)</u>	<u>4,631,786</u>	<u>15,863,731</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Chapmans Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2016**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
<b>Note</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	2,740,390	220,506
Payments to suppliers	(2,161,004)	(2,737,518)
Interest received	732	27
Interest and other finance costs paid	(36,232)	(42,760)
Net cash used in operating activities	543,886	(2,559,745)
<b>Cash flows from investing activities</b>		
Payments for investments	(3,438,340)	(295,028)
Proceeds from disposal of investments	1,048,082	754,950
Net cash from/(used in) investing activities	(2,390,258)	459,922
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,939,008	3,585,000
Costs of issue of shares	(47,713)	-
Proceeds from / (repayment of) borrowings - unsecured	(969,324)	(418,918)
Proceeds from / (repayment of) borrowings - secured	-	(1,060,737)
Net cash from financing activities	1,921,971	2,105,345
Net increase/(decrease) in cash and cash equivalents	75,599	5,522
Cash and cash equivalents at the beginning of the financial year	11,940	6,418
Cash and cash equivalents at the end of the financial year	87,539	11,940

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Change in accounting policy

Given the evolution of the Company's operations during the year ended 31 December 2016, the directors determined that the Company should be classified as an Investment Entity on the basis that the Company's business purpose is to invest funds obtained from investors solely for returns from capital appreciation and / or investment income. Accordingly, the Company's portfolio of investments have now been accounted for at fair value through the profit or loss and classified as Financial Assets in the Statement of Financial Position.

In prior years, the portfolio of investments were classified as available-for-sale financial assets and equity accounted investments. Those investments with market prices quoted on the Australian Securities Exchange (ASX) were accounted for at fair value and unlisted investments were accounted for at cost.

## Note 2. Non-current assets - financial assets

	2016 \$	Restated 2015 \$
Investments in listed companies - at fair value	92,500	438,145
Investments in unlisted companies - at fair value	15,676,168	6,628,115
	<u>15,768,668</u>	<u>7,066,260</u>

## Note 3. Operating segments

The Company has one operating segment providing growth capital and advisory services to private and public companies. It earns revenue from gains on revaluation of financial assets held at fair value through profit or loss, fees from the provision of consulting and advisory services and other returns from investment. This operating segment is based on the internal reports that are reviewed and used by the Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

## Note 4. Equity - issued capital

	Consolidated			
	31 December 2016 Shares	31 December 2015 Shares	31 December 2016 \$	31 December 2015 \$
Ordinary shares - fully paid	<u>300,000,057</u>	<u>1,431,666,665</u>	<u>21,924,432</u>	<u>18,141,394</u>

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	31 December 2014	132,250,227		14,556,394
Issue of shares	19 February 2015	67,750,000	\$0.010	677,500
Issue of shares	19 February 2015	50,000,000	\$0.005	250,000
Issue of shares	1 May 2015	37,500,000	\$0.002	75,000
Issue of shares	29 May 2015	600,000,000	\$0.002	1,200,000
Issue of shares to directors	3 June 2015	250,000,000	\$0.002	500,000
Issue of shares - placement	20 July 2015	127,500,000	\$0.003	382,500
Issue of shares - share purchase plan	26 August 2015	<u>166,666,665</u>	<u>\$0.003</u>	<u>500,000</u>
Balance	1 January 2016	1,431,666,665		18,141,394
Issue of shares	7 June 2016	213,333,335	\$0.003	640,000
Issue of shares	27 June 2016	144,500,000	\$0.0035	505,750
Issue of shares	18 October 2016	250,000,000	\$0.003	750,000
Issue of shares	4 November 2016	400,000,000	\$0.002	800,000
Issue of shares	20 December 2016	560,500,000	\$0.002	1,121,000
Share consolidation 10:1		(2,699,999,943)	-	-
Share issue costs		-	-	(33,710)
		<u>300,000,057</u>		<u>\$21,924,432</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.