



# CHAPMANS

HIGH CONVICTION INVESTMENT & FINANCE

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ASX/Media Release  
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## BUSINESS UPDATE

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to provide the following update on its investments and activities.

### INVESTMENT PORTFOLIO OVERVIEW

#### Syn Dynamics Australia Pty Ltd – 80% Chapmans Opportunities

Syn Dynamics Australia Pty Ltd (SDA) has developed and patented a breakthrough, next generation plasma gasification technology with significant application in the global hazardous waste remediation and renewable energy industries.

SDA's proprietary technology converts a wide range of carbon-based waste material into synthetic gas called 'syngas'. Syngas is a global commodity with a wide range of uses including various forms of renewable energy and as a fuel or feedstock for chemical manufacturers.

The technology has been developed over a 10 year period and solves the issues of chronic storage and insurance costs for hazardous and toxic waste generating heavy industries, while addressing large balance sheet liabilities associated with environmental and public health risks for large waste producers such as oil refineries, petrochemical manufacturers, mining, metals and pharmaceutical companies.

Compared to other clean tech or brown-to-green technologies, SDA's technology has breakthrough cost, performance and implementation advantages presenting mass scale adoption opportunities in huge addressable global markets.

#### Highlights

- **Commercial** - SDA is at an advanced stage of completing shareholder and licencing agreements with its first large scale commercial customer which is structured on a 50:50 joint venture basis. The joint venture is anticipated to see SDA's first commercial plant in operation in late 2018 processing volumes of up to 10,000 tonnes of hazardous waste materials per year.
- **Expanded global best practices R&D facilities** - SDA has successfully completed its 12 month R&D and Commercialisation Project with the Commonwealth Scientific and Industrial Research Organization (CSIRO) and extended the testing and other R&D activities for a further 3 months ahead of specifying and finalising a longer term R&D and technology optimisation program.
- **Global specialist engineering firm engaged** - SDA has engaged global design and process engineering specialist Advisian Pty Limited (Advisian) for its reactor design and process requirements with a management and supervisory role for SDA's plant procurement and fabrication requirements. Advisian is a wholly owned subsidiary of market leading global consulting engineer firm Worley Parsons Limited (ASX:WOR).
- **New Commercial Scale Pilot Plant** – SDA has commenced a new design and construction project with Advisian for a new commercial scale processing plant to be installed at CSIRO's Queensland Centre for Advanced Technology (QCAT). The plant will cost approximately \$1 million and is scheduled to be installed in December. With throughput capacity of 40kg per hour and continuous injection feed improvements in SDA's processing capabilities the pilot plant represents a necessary and important milestone in progressing from its current laboratory scale batch processing prototype to its first commercial plant scheduled for late 2018.



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## 20FOUR Media Holdings Pty Ltd – Chapmans 39%

20FOUR is a sports-focused digital media business whose business model provides fans with exclusive behind the scenes stories in the form of curated athlete feeds and content categories personalising fan access to their favourite sports stars. The content consists of athlete generated stories and studio produced content delivered via 20FOUR's App-based platform and mobile website as well as its social media platforms. Chapmans has a strategic 39% direct equity interest in 20FOUR.

As a one stop talent, creative, production and media distribution house, the business solves a number of critical problems faced by media agencies and brands when looking to engage professional athletes for commercial purposes including speed to access and secure talent, speed to create and produce content, costs and access to large and highly engaged audiences and distribution channels.

The platform provides sports stars with access to a legitimate new form of income and gives advertisers and brands an entirely new means of reaching millions of fans, quickly and efficiently.

The 20FOUR app is available on the Apple and Google Play stores.

**Highlights** since the Company's last ASX Update on 20FOUR of 20 July 2017:-

- The business now has a combined audience of over 15 million social accounts - up more than 1m since last report on 20 July.
- The business has logged a total of 7.5 million video views across the 20FOUR App, website and social channels since its launch on 21 April with month on month growth of more than 80% - up from 4.5 million since last reported on 20 July.
- The business has completed a number of large scale commercial campaigns involving 20FOUR athletes with athlete generated content and studio produced content for high profile big brands generating significant revenues with a commercial pipeline that continues to reflect fast growth and engagement with more than 45 global and local media agencies and big brand advertisers.

## Fantasy Sports Global Limited – 12% Chapmans Opportunities

The Company has commenced negotiations with the major shareholder of Fantasy Sports Global Limited (FSG) to affect a transaction that will result in the buyback of that shareholder's \$4M worth of shares in Chapmans Opportunities Limited (COL) the consideration for which would be the payment by transfer of \$4m worth of shares in FSG held by COL.

Subject to the successful completion of these negotiations Chapmans would return to 100% ownership of COL and COL would have a \$1m investment in FSG.

## Digital4ge – Chapmans 15%

Digital4ge Pty Ltd (Digital4ge) has two key assets consisting of 60.61% stake in social media influencer based advertising platform Visual Amplifiers Limited (Vamp) and a 17.7% holding in Reffind Limited (ASX:RFN). Chapmans has a 15% holding in Digital4ge and a \$150,000 direct investment in Vamp. Under the Digital4ge shareholder agreement Chapmans has various rights including one board position and specific rights of access to books and records.

Following the well publicised decline in the share price of Reffind Limited (ASX:RFN) and as a substantial shareholder in Digital4ge Pty Ltd, Chapmans has expressed its complete dissatisfaction with the Digital4ge board's lack of provision of books, records and reporting on the performance and activities of what is now Digital4ge's most valuable asset – Vamp. The Digital4ge board aside from Chapmans nominee Anthony Dunlop, now consists of Ben McGrath, Aaron Brooks and Simon Yik who are all directors of Vamp or intimately involved in Vamp's business. These three Vamp related directors have refused to provide Anthony Dunlop with requested information on Vamp, notwithstanding that Digital4ge holds a 60.61% majority holding in Vamp.

As a public company with continuous disclosure obligations Chapmans finds this unacceptable and will continue to push for satisfactory disclosure in order to fully realise the value of Chapmans investment.



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## Aunt Zelda's Update

The strategic investment opportunity announced by the Company on 23 June this year will not be proceeding.

## MJ Life Sciences Pty Ltd (MJLS)

Chapmans is currently in negotiations for a substantial holding in the private investment entity MJLS owned by three of the leading principals in the rapidly expanding Australian and global medicinal cannabis industries – Harry Karelis, Jason Peterson and Dr Stewart Washer – founders and directors of Auscann Group Holdings Limited (ASX:AC8) and Zelda Therapeutics Limited (ASX:ZLD).

MJLS is actively seeking strategic investment opportunities in the medicinal cannabis industry which are aligned with Chapmans' high growth investment approach.

MJLS is a direct investor in Caziwell Inc., owner of the Aunt Zelda brand and business with convertible note rights of up to 49.40% in caziwell Inc. .

**Harry Karelis (Executive Chairman of Zelda Therapeutics Limited and Executive Director of Auscann Group Holdings Limited) says** "MJLS welcomes the opportunity to join forces with Chapmans and capitalise on compelling and unique investment opportunities in the burgeoning medicinal cannabis industry".

ENDS

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## About Chapmans

Chapmans (ASX: CHP) is an ASX listed diversified investment company engaged in special situation investments across a diverse range of industries, with a focus and expertise in the mobile and advanced industrial technology sectors. It seeks to be an active strategic investor in high growth areas of the market, and to identify and work with emerging high growth companies. The Company's investment philosophy and approach are based on a unique mix of high conviction and special situation features, characterised by advisory and equity investments structured around specific events and assets for both public and large private corporates.

## About COL

Chapmans Opportunities Limited (COL) is a subsidiary of ASX-listed diversified investment company Chapmans Limited (ASX: CHP). It is an investment entity focused on making non-controlling investments in small to medium Australian companies, predominantly providing active expansion capital in the technology sector. COL plans to seek an ASX-listing in due course.