

MARKET ANNOUNCEMENT

Update on Shareholding in Keybridge Capital Limited

Bentley Capital Limited (ASX:BEL) (**Bentley**) refers to its previous announcement on 12 March 2020¹ where it stated that:

- its Broker had made an administrative error in the process of accepting into the WAM Active Limited (ASX:WAA) (**WAM**) takeover bid² for Keybridge Capital Limited (ASX:KBC) (**Keybridge**) via CHESS and had inadvertently accepted into the Aurora Dividend Income Trust (**ADIT**) takeover bid³ for Keybridge instead; and
- it did not, and never had any intention to, accept into the ADIT takeover bid.

Aurora Funds Management Limited (**Aurora**) as Responsible Entity of the Aurora Dividend Income Trust (**ADIT**) refused to correct this administrative error and on 16 March 2020, Bentley applied to the Takeovers Panel (in the matter of *Keybridge 07*) seeking, amongst other matters, orders that its inadvertent acceptance into the ADIT takeover bid be reversed.⁴

The *Keybridge 07* proceeding was suspended⁵ pending the outcomes of other Takeovers Panel proceedings in relation to, amongst other matters, the ADIT takeover bid – in the matter of *Keybridge Capital Limited 08R, 09R and 10R*⁶, which involved the Review Panel dealing with a review of the Initial Panel's decisions in *Keybridge Capital Limited 04, 05 and 06*⁷.

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- 1 Refer BEL ASX Announcement dated 3 March 2020: Update on Investment in Keybridge Capital Limited
 - 2 Refer WAA ASX Announcement dated 3 January 2020: Off-Market Takeover Bid for Keybridge Capital Limited
 - 3 Refer ADIT's Bidder's Statement (dated 7 February 2020) released on ASX on 9 March 2020
 - 4 Refer Takeovers Panel Media Release No. TP 20/16 dated 17 March 2020: Keybridge Capital Limited 07 – Panel Receives Application (*Keybridge 07*)
 - 5 Refer also Takeovers Panel Media No. 20/32 dated 14 May 2020: Keybridge Capital Limited 07 - Panel Makes Interim Orders
 - 6 Refer Takeovers Panel Media Release No. TP20/25 dated 14 April 2020: , Keybridge Capital Limited 08R - Panel Receives Review Application and Acting President Makes Interim Orders and No. TP20/26 dated 16 April 2020: Keybridge Capital Limited 09R & 10R - Panel Receives Review Applications (collectively, *Keybridge 08R, 09R and 10R*)
 - 7 Refer Takeovers Panel Media Release No. TP20/08 dated 18 February 2020: Keybridge Capital Limited 04 - Panel Receives Application, No. TP20/09 dated 28 February 2020: Keybridge Capital Limited 05 - Panel Receives Application and No. TP20/14 dated 12 March 2020: Keybridge Capital Limited 06 - Panel Receives Application (collectively, *Keybridge 04, 05 and 06*) and the Takeovers Panel Reasons for Decision published on 8 May 2020: Keybridge Capital Limited 04, 05 & 06 [2020] ATP 6



By way of background to the Review Panel proceedings:

- On 8 April 2020, the Initial Panel made a declaration of unacceptable circumstances in the matter of *Keybridge Capital Limited 04, 05 and 06*, including, amongst other matters, against Aurora/ADIT that *“Keybridge shareholders were not given enough information to enable them to assess the merits of ADIT’s bid causing the market for control in Keybridge not to be efficient, competitive and informed.”*⁸
- On 9 April 2020, the Initial Panel made orders including, amongst other matters, that (in effect) *“Any person that has accepted into the bid made by Aurora Funds Management Limited as responsible entity for Aurora Dividend Income Trust has the right for a period of time to withdraw that acceptance.”*⁹

On 20 May 2020, the Review Panel affirmed the Initial Panel’s declaration of unacceptable circumstances and orders allowing for withdrawal rights to shareholders under the ADIT bid.¹⁰

Accordingly, on 21 May 2020, Bentley successfully withdrew its inadvertent acceptance into the ADIT takeover bid.

Bentley also sought to withdraw its application to the Takeovers Panel in *Keybridge 07* as this was now moot, which was confirmed by the Panel on 1 June 2020.¹¹

Subsequent to Bentley’s withdrawal from the ADIT bid, on 29 May 2020, John Patton (the Managing Director of Aurora, former Chairman of Keybridge and current Company Secretary of Keybridge) advised Bentley that *“Aurora understands that Bentley and Scarborough wish to withdraw their respective acceptances into the ADIT bid. Having considered this matter, Aurora hereby advises...that it declines these requests. In doing so, the Aurora board had regard to Bentley’s previous market statements in light [of] (sic) the Truth in Takeovers provisions contained in ASIC Regulatory Guide 25”*.

Bentley is unable to comprehend any sensible basis for Mr Patton’s statement on behalf of Aurora/ADIT given:

- The fact that Bentley has already withdrawn its inadvertent acceptance into the ADIT takeover bid under the CHESSE settlement system;
- Bentley’s withdrawal is in accordance with specific, unambiguous and clear Takeovers Panel’s Orders which, because of the declaration of unacceptable circumstances in relation to the ADIT bid, clearly and plainly have granted withdrawal rights to any party that accepted into the ADIT bid; and
- Bentley’s actions and public pronouncements on the matter as outlined in its ASX announcement dated 3 March 2020: Update on Investment in Keybridge Capital Limited and also as summarised in the Takeovers Panel Media Release No. TP 20/16 dated 17 March 2020: Keybridge Capital Limited 07 – Panel Receives Application.

8 Refer Takeovers Panel Media No. TP 20/23 dated 7 April 2020: Keybridge Capital Limited 04, 05 & 06 - Declaration of Unacceptable Circumstances

9 Refer Takeovers Panel Media No. TP 20/24 dated 9 April 2020: Keybridge Capital Limited 04, 05 & 06 - Orders and also, Takeovers Panel Media Release No. TP20/15 dated 13 March 2020: Keybridge Capital Limited 07 - Acting President Makes Interim Orders

10 Refer Takeovers Panel Media Release No. TP20/34 dated 20 May 2020: Keybridge Capital Limited 08R, 09R and 10R - Review Panel Affirms Initial Panel’s Declaration and Orders

11 Refer Takeovers Panel Media Release No. TP20/36 dated 1 June 2020: Keybridge Capital Limited 07 – Panel Application Withdrawn

It appears Mr Patton's statement has failed to understand the Takeovers Panel's Orders or is otherwise lacking in understanding of the operation of Australian corporations and contract law.

Bentley advises that (for avoidance of doubt):

- Bentley (and wholly owned subsidiary, Scarborough Equities Pty Ltd) are the legal and beneficial owners of a total of 31.7 million Keybridge shares;
- To the extent that there was any 'contract' between Bentley/Scarborough and ADIT arising on Bentley/Scarborough's inadvertent acceptance into the ADIT bid (which is denied), this 'contract' has now ceased to exist upon Bentley/Scarborough's withdrawal of their acceptance from the ADIT bid (in accordance with the terms of the Panel's Orders in relation to the ADIT bid);
- Aurora/ADIT has no power over, or interest in, Bentley/Scarborough's Keybridge shares; and
- Aurora/ADIT has no beneficial or equitable interest in Bentley/Scarborough's Keybridge shares.

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