



14 August 2020

ASX Codes: KBC; KBCPA

ASX MARKET ANNOUNCEMENT

Off-Market Scrip Takeover Bid for the RNY Property Trust

In accordance with section 633(1) item 5 of the Corporations Act, please find attached a copy of Keybridge Capital Limited's bidder's statement ("Bidder's Statement") in relation to the Takeover.

The Bidder's Statement was lodged with the ASIC and sent to the RE for the RNY Property Trust earlier today.

This announcement was authorised for release by the Managing Director.

FOR FURTHER INFORMATION:

Nicholas Bolton
Managing Director
Email: nbolton@keybridge.com.au
Phone: 0412606899

Bidder's Statement

To acquire all of your units in the
RNY Property Trust
ARSN 115 585 709

14 August 2020

The Offer is 0.16 Keybridge Shares for every RNY Property Trust Unit

ACCEPT the Offer

You will be issued with your Keybridge Shares within one week of Keybridge receiving your Offer acceptance.

This Offer expires on [●] 2020 unless extended.

This is an important document and requires your immediate attention.
If you are in any doubt as to how to deal with this document, you should consult your broker or financial, legal or other professional adviser as soon as possible.

Important Information

This is a Bidder's Statement given by Keybridge under Part 6.5 of Chapter 6 of the Corporations Act in relation to the Offer. This Bidder's Statement is an important document and should be read in its entirety before deciding whether to accept the Offer.

This Bidder's Statement is dated 14 August 2020 and includes an Offer dated [●] 2020 on the terms set out in this Bidder's Statement.

ASIC and ASX

A copy of this Bidder's Statement was lodged with ASIC and ASX on 14 August 2020. ASIC and ASX (including their officers) do not take any responsibility for the contents of this Bidder's Statement.

Investment decision

The information contained in this Bidder's Statement does not constitute financial product advice and this Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Unitholder. You should seek independent financial and taxation advice before making the decision whether or not to accept the Offer and (if you accept the Offer) whether Keybridge Shares are an appropriate investment for you.

Forward looking statements

This Bidder's Statement may contain forward looking statements, which have not been based solely on historical facts, but are rather based on Keybridge's current expectations about future events. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors many of which are beyond the control of Keybridge including the risk factors set out in section 7 of this Bidder's Statement. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. Any forward-looking statement contained in this document is qualified by this cautionary statement.

None of Keybridge, its officers or any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any such statement. The forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Information on RNY Property Trust

RNY Property Trust is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on it may also be obtained from the ASX website www.asx.com.au.

The information on RNY Property Trust has been prepared by Keybridge using publicly available information as at the date of this Bidder's Statement. Keybridge has not had the opportunity to independently verify the information about RNY Property Trust contained in this Bidder's Statement. RNY Property Trust has not commented on or verified any of the information relating to RNY Property Trust in this Bidder's Statement. Keybridge does not, to the maximum extent permitted by law, make any representation or warranty (express or implied), nor assume any responsibility, as to the accuracy or completeness of such information. The information on RNY Property Trust in this Bidder's Statement should not be considered to be comprehensive.

Privacy collection statement

Personal information relating to your Units has been collected by Keybridge in accordance with its rights under the Corporations Act. Keybridge will share this information on a confidential basis with its advisers, service providers and regulators such as ASIC and the Australian Taxation Office when necessary for the purposes of the Offer. Keybridge and its advisers and service providers will use the information solely for purposes relating to the Offer. You can contact Keybridge if you have any queries about the privacy practices of Keybridge.

Notice to Foreign Unitholders

Foreign Unitholders should note that the consideration under the Offer is securities of Keybridge, an Australian public company listed on ASX. Foreign Unitholders will not be entitled to receive Keybridge Shares on acceptance of the Offer. Foreign Unitholders who accept the Offer will be paid the net cash proceeds of a nominee sale of their entitlements to Keybridge Shares as described in section 10.62 of this Bidder's Statement. Refer to sections 10.58 to 10.61 of this Bidder's Statement for further information about Foreign Unitholders.

The securities referred to in this Bidder's Statement have not been and will not be registered under the U.S. Securities Act of 1933 (**Securities Act**), as amended, or under the securities laws of any jurisdiction of the U.S., and therefore may not be offered or sold in the U.S. without registration or an applicable exemption from the registration requirements of the Securities Act. This Bidder's Statement does not constitute an offer to issue or sell or the solicitation of any offer to buy any such securities or any securities issuable in exchange for such securities in any jurisdiction in which the issue of shares under the Offer would be unlawful.

The Offer is subject to the disclosure requirements applicable in Australia which are different from those applicable in the U.S. and other countries. The financial statements included in this Bidder's Statement have been prepared in accordance with AIFRS, unless otherwise specified. This may not be directly comparable to the financial statements of the U.S. or other foreign countries. Foreign Unitholders should be aware that Keybridge may purchase Units otherwise than pursuant to the Offer, such as in the open market or privately negotiated purchases, subject to the requirements of the Corporations Act.

The distribution of this Bidder's Statement may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of and observe those restrictions. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

Time

All references to time in this Bidder's Statement are to Melbourne time.

Defined terms

A number of defined terms are used in this Bidder's Statement. The definitions are in section 11. All references to \$ refer to Australian dollars, except where otherwise stated.

Further information

If you have any questions about the Offer or how to accept the Offer, you should call Keybridge on +61 3 9686 7000.

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Chairman's letter

14 August 2020

Dear Unitholder,

Offer by Keybridge to acquire your Units

Keybridge Capital Limited is offering to acquire all of your Units through its Offer at 0.16 Keybridge Shares for every RNY Property Trust Unit you own.

You will be issued with your Keybridge Shares within one week of Keybridge receiving your Offer acceptance.

Assuming a value of Keybridge Shares of 6.9 cents per Share (based upon the current unconditional takeover bid for Keybridge at 6.9 cents cash per Share), this values Units at 1.1 cents, being a 220% of the last market trade of Units (noting that the Units are presently suspended from trading on ASX).

The Offer is unconditional.

Accepting The Offer will give you the benefit of owning shares in a more diversified entity in Keybridge Capital Limited, whilst also continuing to have exposure (albeit diluted) in the returns of the RNY Property Trust

If you choose to accept the Offer you can either direct your Broker to accept your CHESS Holding or complete, sign and return your Acceptance Form.

The Offer closes on [●] 2020 unless extended.

If you have any queries, please contact Keybridge on 03 9686 7000.

Yours sincerely



Jeremy Kriewaldt
Chairman

1 Overview

The information set out in this section is intended to provide an overview of Keybridge, the Offer and the factors that you should consider in determining whether to accept the Offer. The information in this section is not intended to be comprehensive and should be read in conjunction with the detailed information in this Bidder's Statement.

Question	Answer	Further information
What is the Offer?	Keybridge is offering to buy all of your Units on the basis of 0.16 Keybridge Shares for every Unit.	Section 10.
When does the Offer close?	The Offer is scheduled to close at 7.00pm (Melbourne time) on [●] 2020 unless it is extended.	Sections 10.43, 10.44 and 10.45
What if I am a Foreign Unitholder?	If you are a Foreign Unitholder, then you will not be entitled to receive Keybridge Shares on acceptance of the Offer. Foreign Unitholders who accept the Offer will be paid cash sale proceeds (less sales costs including brokerage) of the Keybridge Shares which they would otherwise have received.	Sections 10.58 to 10.63 (inclusive)
What is the value of the Offer?	Assuming a value of Keybridge Shares of 6.9 cents per share (based upon the current unconditional takeover bid for Keybridge at 6.9 cents cash per share), this values each Unit at 1.1 cents. If you are a Foreign Unitholder, the value you receive for your Keybridge Shares will depend on the price received for Keybridge Shares when they are sold by the Nominee.	Section 2.1
How do I accept the Offer?	To accept the Offer you should follow the instructions set out in sections 10.19 to 10.31. To be effective, your acceptance must be received by Keybridge before 7.00pm (Melbourne time) on the Closing Date.	Sections 10.19 to 10.34
Is the Offer subject to conditions?	No, the Offer is unconditional.	Section 10.37
If I accept the Offer, when will I receive the Keybridge Shares?	If you accept the Offer, you will be issued the Offer Consideration within one week of Keybridge receiving your Offer acceptance.	Section 10.47
Who is Keybridge?	Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the private equity (US), life insurance (New Zealand), property and funds management sectors and strategic holdings in HHY Fund, Molopo Energy Limited, Metgasco Limited, Yowie Group Limited and Webcentral Group Limited. Keybridge is listed on ASX although its shares are currently suspended from trading (ASX code: KBC).	Section 4

Question	Answer	Further information
Will my new Keybridge Shares be listed on ASX?	Keybridge will apply for quotation of the new Keybridge Shares issued as Offer Consideration within 7 days of the commencement of the Bid Period. However, Keybridge Shares are currently suspended from trading.	Section 4.17
What rights and liabilities will my new Keybridge Shares have?	The new Keybridge Shares issued as Offer Consideration will rank equally with existing Keybridge Shares from the time of issue.	Section 4.19
Who are the Keybridge directors	The Directors of Keybridge are: <ul style="list-style-type: none"> ▪ Jeremy Kriewaldt (Chairman) ▪ Nicholas Bolton (Managing Director) ▪ Antony Catalano (Non-executive Director) 	Section 4.3
Are there any risks in accepting the Offer?	There are risks in holding Keybridge Shares. These include market volatility risks, credit risks, asset valuation risks, regulatory and legislative risks and other risks, including industry risks, as set out in section 7.	Section 7
Why should I accept the Offer?	Accepting The Offer will give you the benefit of owning shares in a more diversified entity in Keybridge Capital Limited, whilst also continuing to have exposure (albeit diluted) in the returns of the RNY Property Trust.	Section 2
If I do not accept the Offer can I sell my Units on ASX?	Yes, if the Units resume trading. But you may incur brokerage costs if you do.	Sections 5.13 and 5.15
What are the tax consequences if I accept the Offer?	Please consult your financial, tax or other professional adviser on the tax implications of acceptance of the Offer. A general outline of the tax implications of accepting the Offer for Unitholders resident in Australia is set out in section 8.	Section 8
Can I withdraw my acceptance?	No.	Section 10.35
Will I need to pay brokerage or stamp duty if I accept the Offer?	No, but your Broker, bank, custodian or other nominee may charge you transactional fees or services charges in connection with acceptance of the Offer. If you are a Foreign Unitholder, the proceeds you will receive will be net of sale costs, including brokerage.	Section 10.53

2 Why you should accept the Offer

The Offer provides significant benefits to you as a Unitholder. The key reasons why you should accept the Offer are as follows:

2.1 Value of the Offer

Assuming a value of Keybridge Shares of 6.9 cents per Share (based upon the current unconditional takeover bid for Keybridge at 6.9 cents cash per Share), this values Units at 1.1 cents, being a 220% premium to the last market trade of Units (noting that the Units are presently suspended from trading on ASX).

2.2 Unconditional Offer

The Offer is unconditional. Aurora Funds Management Limited as responsible entity for a number of funds which are Unitholders has advised Keybridge by way of a "truth in takeovers" statement (as announced to ASX on 12 August 2020) that it will not accept into the Offer to the extent to which this may require Keybridge shareholder approval for the purposes of Listing Rule 10.1. In particular, Aurora Funds Management Limited has advised that it will not accept into the Offer more than 41,450,000 Units of the 213,264,758 Units which it holds.

2.3 Diversification

Accepting The Offer provides the benefit of owning shares in a more diversified entity in Keybridge Capital Limited, whilst also continuing to have exposure (albeit diluted) in the returns of the RNY Property Trust.

3 How to accept the Offer

3.1 Depending on the nature of your Unitholding, you may accept the Offer in the following ways:

Issuer Sponsored Shareholders

If there is an "I" next to your holder number on the Acceptance Form, your Units are held on RNY Property Trust's issuer sponsored sub register.

To accept the Offer, you must complete and sign the Acceptance Form and return it to the address indicated on the form before the Offer closes.

CHESS Shareholders

If there is an "X" next to your holder number on the Acceptance Form, your Units are in a CHESS Holding.

To accept the Offer either:

- instruct your broker to accept the Offer on your behalf; or
- complete and sign the Acceptance Form and return it to the address indicated on the form,

before the Offer closes.

Full details on how to accept the Offer are set out in sections 10.19 to 10.34.

Delivery and mailing addresses

Please use the reply-paid envelope enclosed with this Bidder's Statement. Alternatively, the mailing address is:

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009

When you can accept the Offer

3.2 You may accept the Offer at any time during the Offer Period, which is scheduled to close at 7:00pm on [●] 2020.

4 Information about Keybridge

Overview of Keybridge

- 4.1 Keybridge is an investment company specialising in long-term alternative investment assets focused on value driven strategic shareholdings in listed and unlisted assets.
- 4.2 Keybridge's assets comprise strategic holdings in the ASX listed entities the HHY Fund, Molopo Energy Limited, Metgasco Limited, Yowie Group Limited and Webcentral Group Limited.

Board of directors

- 4.3 The directors of Keybridge are set out below:
- (a) Jeremy Kriewaldt (Chairman) - Jeremy Kriewaldt is a lawyer in private practice, specialising in corporate and commercial law, including mergers and acquisitions, capital raisings and foreign investment, financial product development and securities markets. He started his own practice in 2018 and was previously a partner of Atanaskovic Hartnell (2004 - 2018), Blake Dawson Waldron (now Ashurst) (1990-2003) and also served as Counsel to the Takeovers Panel in 2003-2004.
 - (b) Nicholas Bolton (Managing Director) - Over the past 19 years, Nicholas has managed operational investments in the IT sector, invested in and led activist investments in a number of ASX-listed entities, as well as a number of risk arbitrage transactions focused on share class arbitrage, relative value and sum of parts analysis.
 - (c) Antony Catalano (Non-executive Director) – Antony is part owner and executive chairman of Australian Community Media, the largest independently owned regional media company in Australia. Antony has had a long and successful career as a media executive and proprietor. He founded The Weekly Review magazine in Melbourne in partnership with the city's leading agents. He was previously CEO of Domain Group. He is Chairman of The Today Business and is also on the board of Updater, the largest Relotech business in the United States.

Directors' Interests in Keybridge

- 4.4 As at the date of this Bidder's Statement, details of Keybridge Directors who have a relevant interest in Keybridge Shares are as follows:

Director	Number of Securities
Jeremy Kriewaldt	21,516 Shares
Nicholas Bolton	8,836,036 Shares
Antony Catalano	20,949,591 Shares

In addition, up to 16,057,929 Shares currently in the name of WAM Active Limited transferred to it pursuant to void transfers are presently the subject of an offer by interests associated with Mr Catalano to purchase them at 7.1 cents per Share.

Financial information of Keybridge

- 4.5 The recent financial performance of Keybridge is summarised below. The historical financial information below relates to Keybridge on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and does not contain all the disclosures usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.
- 4.6 The full financial statements for Keybridge for the financial periods described below, which include the notes to the financial statements, can be found in Keybridge's annual reports and half yearly reports for those periods.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the half year ended 31 December 2019

	Note	31 Dec 19	31 Dec 18
Revenue	2	\$	\$
Fees		-	29,071
Total revenue		-	29,071
Other Income	2		
Interest revenue		157,046	226,970
Dividend revenue		30,315	1,816
Other income		323	239,044
Total Revenue and Other Income		187,684	467,830
Other gains and losses:			
Net gain /(loss) on financial assets at fair value through profit or loss		(1,333,015)	(946,947)
Impairment expense		(333,417)	(20,141)
Excess of net assets over cost on acquisition		-	242,797
Net gain on derivative liabilities		(400,000)	35,208
Gain on revaluation of foreign currency assets		(211,597)	269,464
Share of Associate entity's profit/(loss)		1,506,778	(270,837)
Expenses			
Personnel expenses		(381,267)	(241,363)
Corporate expenses		(659,240)	(513,410)
Administration expenses		(141,716)	(148,515)
Other expenses		(6,561)	(54,904)
Results from operating activities		(1,772,351)	(1,151,747)
Finance expenses		(275,395)	(154,037)
Loss before Income Tax		(2,047,747)	(1,305,784)
Income tax benefit/(expense)		-	-
Loss after income tax for the half year		(2,047,747)	(1,305,784)
Other Comprehensive Income			
Foreign currency translation reserve		(224)	15,764
Total Comprehensive Income/(Loss) for the half year		(2,047,971)	(1,290,020)
Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the Company		(1.30)	(0.82)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2019

	Note	31 Dec 19	30 Jun 19
		\$	\$
Current Assets			
Cash and cash equivalents		3,207,516	1,549,219
Financial assets at fair value through profit or loss		3,764,515	7,056,672
Other assets		5,091,162	5,171,756
Receivables		435,582	377,036
Total Current Assets		12,498,774	14,154,683
Non-Current Assets			
Loans and receivables		4,970,915	5,022,517
Investment in Associate entity		-	1,302,483
Deferred tax asset		142,956	142,579
Total Non-Current Assets		5,113,871	6,467,579
Total Assets		17,612,645	20,622,262
Current Liabilities			
Payables		714,603	1,678,682
Financial liabilities at fair value through profit or loss		7,602,056	-
Total Current Liabilities		8,316,659	1,678,682
Non-Current Liabilities			
Financial liabilities at fair value through profit or loss		-	7,600,000
Deferred tax liability		142,956	142,579
Total Non-Current Liabilities		142,956	7,742,579
Total Liabilities		8,459,615	9,421,261
Net Assets		9,153,030	11,201,001
Equity			
Issued capital		253,577,894	253,577,894
Reserves		1,080,362	1,355,982
Accumulated losses		(245,505,226)	(243,732,875)
Total Equity		9,153,030	11,201,001

- 4.7 The 31 December 2019 accounts contain a qualification by the auditor in relation to the following aspects:
- (a) a previous \$5 million Australian Community Media investment regarding its nature and whether its recoverable amount is at least equal to its carrying value. Keybridge considers that the resolution of this investment addresses the concern raised by the auditor, as these amounts have been repaid to Keybridge; and
 - (b) whether an outstanding loan receivable in the order of \$561,000 will be recoverable. The ongoing carrying value of this is currently under consideration.
- 4.8 The 30 June 2019 accounts contained a disclaimer of opinion by the auditor in relation to various matters associated with whether certain transactions were appropriately authorised and undertaken for Keybridge's benefit. That disclaimer of opinion was superseded by the 31 December 2019 auditor qualification described above.

Net asset value

- 4.9 As at 30 June 2020, the unaudited accounting net asset value of each Keybridge Share was 5.3 cents.

Keybridge is a Disclosing Entity

- 4.10 Keybridge is a "disclosing entity" for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations imposed by the Listing Rules and the Corporations Act. Specifically, Keybridge is required to continuously disclose to ASX any information it has which a reasonable person would expect to have a material effect on the price or value of securities issued by Keybridge, subject to certain limited exceptions.
- 4.11 In general terms, because Keybridge Shares are continuously quoted securities, this Bidder's Statement is only required to contain information in relation to the effect of the Offer on Keybridge and the rights and liabilities attaching to the Keybridge Shares. It is not generally necessary for it to include information in relation to the assets and liabilities, financial position and performance, profits and losses or prospects of Keybridge, or in relation to the rights and liabilities attaching to the Keybridge Shares. An exception applies if such information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of such matters.
- 4.12 Information that is already in the public domain has not been reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. Copies of announcements made by Keybridge to ASX are available from the ASX website or from www.keybridge.com.au. Keybridge will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
- (a) its Constitution;
 - (b) Keybridge's Half Year Report for the half year ended 31 December 2019 (being the Half Year Report most recently lodged with the ASX before this Bidder's Statement was lodged with ASIC);
 - (c) any continuous disclosure notice given to the ASX by Keybridge after the lodgement with ASIC of Keybridge's Half Year Report for the period ending 31 December 2019 and before lodgement of this Bidder's Statement with ASIC. A list of those announcements made by Keybridge is provided in Annexure 1; and
 - (d) any continuous disclosure notice given to the ASX by RNY Property Trust after the lodgement with ASIC of RNY Property Trust's annual report and before lodgement of this Bidder's Statement with ASIC. A list of those announcements made by RNY Property Trust is provided in Annexure 2.
- 4.13 Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that a Unitholder or a professional adviser to a Unitholder would reasonably require for the purposes of making an informed assessment of:
- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Keybridge; or
 - (b) the rights and liabilities attaching to the Keybridge Shares.

Issued securities

- 4.14 As at the date of this Bidder's Statement, there are 195,886,338 Keybridge Shares on issue. If all Unitholders accept the Offer (but subject to the limitation stated by Aurora Funds Management Limited), the total number of Keybridge Shares on issue will increase by approximately 20 million Keybridge Shares. The total number of Keybridge Shares on issue will also increase as described in the paragraph below.
- 4.15 In addition, as at the date of this Bidder's Statement, Keybridge has 210,170 Convertible Redeemable Promissory Notes (**CRPNs**) on issue with a face value of \$1.00 each, which are due to mature on 31 July 2021. The CRPNs earn 7% per annum cash interest and are fully franked paid quarterly. All other CRPNs previously on issue have been redeemed or converted.

Substantial shareholders

- 4.16 As at the date of this Bidder's Statement, the following entities had notified Keybridge of current substantial shareholdings in Keybridge:

Substantial Shareholder	Number of Keybridge Shares held	%
Wilson Asset Management Group*	75,710,182	38.7%
Australian Style Group Pty Ltd	36,980,153	18.9%
Catalano Super Investments Pty Ltd	20,949,591	10.7%

Subject to the following, the number of Keybridge Shares held in the table above is based on the recent notice of substantial shareholder holding lodged by the substantial shareholder. The percentage of Keybridge Shares held in the table above is based on that holding divided by the total quantity of Keybridge Shares currently on issue being 195,886,338.

*In addition, Wilson Asset Management Group presently is registered as the holder of 16,057,929 Shares as a result of processing void transfers. Those void transfers are the subject of court proceedings by Keybridge seeking their vesting in ASIC for sale. In addition, those 16,057,929 Shares are presently the subject of an offer by entities associated with Catalano Super Investments Pty Ltd to purchase them at 7.1 cents per Share.

In addition, Aurora Funds Management Limited as responsible entity for the Aurora Dividend Income Trust and Aurora Global Income Trust have a relevant interest in 13,541,437 Keybridge Shares which represents a 6.91% interest in Keybridge.

Recent trading of Keybridge Shares, and Keybridge Shares suspension

- 4.17 The latest recorded sale price of Keybridge Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was 7.1 cents on 16 July 2019 when the Keybridge Shares were suspended from trading. On 2 June 2020, ASX announced that it considers that trading should remain suspended until after Keybridge lodges its FY20 full year audited accounts with a satisfactory audit opinion. It is not within Keybridge's control as to the time ASX removes the suspension. Any decision by ASX to reinstate Keybridge's Shares to trading will be conditional on ASX being satisfied at the time that the matters described in section 4.7 are resolved to its satisfaction, that Keybridge is in compliance with its obligations under the Listing Rules (including its continuous and periodic obligations in chapters 3 and 4 and its ongoing obligations in chapter 12) and that it is otherwise appropriate to do so.

- 4.18 On 12 August 2020, Keybridge responded to a further letter from ASX which was released publicly advising that shareholder approval in relating to the Offer is not required under Listing Rule 10.1, that Listing Rule 11.1 does not apply to the Offer, that Keybridge considers its financial position will be adequate to warrant its continued listing under Listing Rule 12.2, and that Keybridge is complying with the Listing Rules in particular Listing Rule 3.1.

Summary of rights and liabilities attaching to Keybridge Shares

- 4.19 The rights and liabilities attaching to the Shares are as set out in the constitution of Keybridge, and in certain circumstances, are regulated by the Corporations Act and the Listing Rules. The constitution of Keybridge has effect as a contract between Keybridge and each member and between a member of Keybridge and each other member. The new Keybridge Shares issued under the Offer will be fully paid ordinary shares and will rank equally in all respects with the existing Keybridge Shares that are currently on issue. The following provides a summary of the rights and the liabilities attaching to Keybridge Shares. This summary is not exhaustive nor a definitive statement of the rights and liabilities of shareholders of Keybridge.
- (a) **(General meeting and notice)** Subject to the Corporations Act and the Listing Rules, each member (whether or not the member is entitled to vote at the meeting) is entitled to receive at least 28 days written notice of a meeting of members.
 - (b) **(Voting)** Subject to the constitution, the Corporations Act, the Listing Rules and the terms on which share are issued, at general meetings of members:
 - (i) Each member may act and present at a meeting of members in person or by appointment of proxy, attorney or representative.
 - (ii) On a poll, every member entitled to vote who is present in person or by proxy, attorney or representative has one vote for every fully paid share held.
 - (c) **(Dividends)** Subject to the Constitution, the Corporations Act, the Listing Rules and the rights of shareholders entitled to shares with preferential, special or qualified rights as to dividends, dividends are to be apportioned and paid among the shareholders in proportion to the amounts paid up (not credited) on any shares held by them.
 - (d) **(Issue of Further Shares)** Subject to the Constitution, the Corporations Act, the Listing Rules and any special rights conferred on the holders of any Keybridge Shares or class of Keybridge Shares, Keybridge may issue Keybridge Shares to any person at any time and on any terms and conditions and having attached to them any preferred, deferred or other special rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, as they think fit.
 - (e) **(Transfer of Shares)** Subject to the Constitution, the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, Keybridge Shares are freely transferable.
 - (f) **(Unmarketable parcels)** While Keybridge is listed, the directors of Keybridge may in their discretion from time to time sell any ordinary shares held by a shareholder which comprise less than a marketable parcel (as provided in the Listing Rules) without request by the shareholder in accordance with Listing Rule requirements.

- (g) **(General Meetings and Notices)** Annual general meetings of Keybridge are to be held in accordance with the Corporations Act and the Listing Rules. Each Keybridge Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of Keybridge and to receive all information required to be sent to shareholders under the Listing Rules and the Corporations Act.
- (h) **(Winding Up)** Subject to the rights of the holders of shares issued upon special terms and conditions, the Constitution, the Corporations Act and the Listing Rules, shareholders will be entitled in a winding up to participate in the distribution of assets of Keybridge, which will be distributed amongst shareholders in returning capital paid up on their shares and distributing any surplus to the shareholder in proportion to the amount paid up on shares held by them.

Other key provisions of Keybridge's Constitution

4.20 A summary of some of the other key provisions of the Constitution is set out below. The summary below is not exhaustive:

- (a) **(Number of directors)** The Constitution provides that the number of directors of Keybridge must be not less than 3 nor more than 10.
- (b) **(Officer's indemnity)** Keybridge indemnifies each person who is or has been a director, secretary or executive officer of Keybridge against all liabilities incurred by any of them in that capacity and all legal costs incurred in connection with any proceedings in which any of them become involved because of that capacity.

5 Information about RNY Property Trust

Introduction

- 5.1 This section provides an overview of RNY Property Trust, its principal activities and recent history. RNY Property Trust is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on RNY Property Trust may also be obtained from ASX website www.asx.com.au.
- 5.2 The information on RNY Property Trust in this Bidder's Statement has been prepared by Keybridge using publicly available information and has not been independently verified. To the extent permitted by law, Keybridge does not make any representation or warranty (express or implied), nor assume any responsibility, as to the accuracy or completeness of such information. The information on RNY Property Trust in this Bidder's Statement should not be considered to be comprehensive. Further information in relation to the business of RNY Property Trust will be included in RNY Property Trust's Target's Statement.

Overview of RNY Property Trust and its business

- 5.3 RNY Property Trust is a property trust that invests in office properties in USA. RNY is listed on ASX (ASX Code: RNY). The principal activity of RNY is holding investments in the commercial office markets of the New York Tri-State area in the United States. The responsible entity of the trust is Huntley Management Limited. Aurora Funds Management Limited acts as investment manager.

Key operations and assets

- 5.4 RNY's principal assets comprise a 75% interest in RNY Australia Operating Company LLC, a Delaware Limited Liability Company that as of 31 December 2019 owned 5 office properties in the New York Tri-State area. RNY was the subject of a takeover bid from the Aurora Property Trust (AUP) in late 2017 paying 1.7 cents per Unit. The trust appears to have considerable tax losses which are of potential value.
- 5.5 The assets of RNY include a \$3.8 million loan to the US LLC which holds the 75% interest in the US properties. Of the other 25% interest in the US LLC, 24.9% is held by Aurora Funds Management Limited and 0.1% is held by US retail investors which do not form part of RNY.
- 5.6 Based on the RNY 2019 Annual Report, the fair value of the five properties at a 75% level is approximately A\$87 million. Three of the properties are held in Long Island in the state of New York and two of the properties are held in Westchester County, also in the state of New York. The properties comprise office buildings together with (in some cases) a café, car parking spaces and associated services.
- 5.7 The US LLC has a facility drawn down to US\$61 million as at 31 December 2019. It is repayable on August 22, 2020, with documentation being prepared for a longer dated loan modification. It is possible that the financier will want to reduce the debt and that further funds will be needed in order to do so.

Financial overview

- 5.8 For details of RNY Property Trust's financial status, please refer to RNY Property Trust's annual report for the year ending 31 December 2019 available on the ASX website (www.asx.com.au).

Board of directors

- 5.9 The Board of Directors of Huntley Management Limited, the Responsible Entity of RNY, and a brief description of their qualifications and other directorships are set out below:
- (a) John Knox: John is a Fellow of the Institute of Chartered Accountants in Australia & New Zealand and is the Managing Director of the Huntley Group.
 - (b) Brian Silvia: Brian is a chartered accountant and principal of BRI Ferrier, he is a registered liquidator and a registered trustee in bankruptcy.
 - (c) Peter Krejci: Peter is a registered and official liquidator and a founding principal of BRI Ferrier.
- 5.10 Aurora acts as Asset Manager for the Trust and Property Manager for the property. CBRE acts as the Property Sub-Manager.

Financial information of the RNY Property Trust

- 5.11 The recent financial performance of the RNY Property Trust is summarised below. The historical financial information below relates to the RNY Property Trust on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and does not contain all the disclosures usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.

Balance Sheet
as at 31 December 2019

	Note	Consolidated	
		2019	2018
		\$	\$
Current assets			
Cash and cash equivalents	14(b)	19,087	15,650
Trade and other receivables	4	22,363	12,826
Other financial assets – related parties	5	648,988	587,663
Other current assets		-	2,500
Total current assets		690,438	618,639
Non-current assets			
Other financial assets – related parties	5	3,166,360	2,854,988
Investment held in US LLC	6	11,188,834	2,445,607
Total non-current assets		14,355,194	5,300,595
TOTAL ASSETS		15,045,632	5,919,234
Current liabilities			
Trade and other payables	8	1,081,740	729,191
Interest bearing loans and borrowings	9	1,177,809	761,380
Total current liabilities		2,259,549	1,490,571
Non-current liabilities			
Interest bearing loans and borrowings	9	125,914	112,828
Preferred shares	10	177,819	177,375
Total non-current liabilities		303,733	290,203
TOTAL LIABILITIES		2,563,282	1,780,774
NET ASSETS		12,482,350	4,138,460
Unitholders' Equity			
Units on Issue	11	251,376,587	251,376,587
Reserves	12	2,156,501	2,147,120
Accumulated deficit		(241,050,738)	(249,385,247)
TOTAL EQUITY		12,482,350	4,138,460

Statement of Comprehensive Income
year ended 31 December 2019

	Note	Consolidated	
		2019	2018
		\$	\$
CONTINUING OPERATIONS			
Share of net profit/(loss) of US LLC	6(b)	8,714,354	(352,428)
Total share of net profit/(loss) from US LLC		8,714,354	(352,428)
Interest income		537,065	152,035
Other income		150,000	791,952
Total profit and other income		9,401,419	591,559
Expenses			
Administration expenses		(432,382)	(849,365)
Finance costs		(110,013)	(20,196)
Management fees		(360,066)	(240,983)
Expected credit losses	5	(164,449)	(975,745)
Total expenses		(1,066,910)	(2,086,289)
Profit/(loss) from continuing operations before tax expense		8,334,509	(1,494,730)
US withholding tax	3	-	-
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS AFTER TAX		8,334,509	(1,494,730)
OTHER COMPREHENSIVE INCOME – MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Foreign currency translation difference		9,381	759,562
Other comprehensive profit for the year, net of tax		9,381	759,562
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		8,343,890	(735,168)
Basic and diluted profit/(loss) per unit from continuing operations (cents)	15	3.16	(0.57)

- 5.12 The full financial statements for the RNY Property Trust for the financial periods described below, which include the notes to the financial statements, can be found in the RNY Property Trust's annual reports and half yearly reports for those periods.

RNY Property Trust securities on issue

- 5.13 As at the date of this Bidder's Statement, there are 263,413,889 Units on issue. Units are quoted on ASX but trading in Units is currently suspended.

Substantial Unitholders

- 5.14 As at the date of this Bidder's Statement and based on the most recent public disclosures, the following entities had notified RNY Property Trust of current substantial unitholdings in RNY Property Trust:

Unitholder	Number of Units held	%
Aurora Funds Management Limited in its capacity as responsible entity of:		
(i) Aurora Property Buy-Write Income Trust ("AUP");	179,842,642	68.27%
(ii) Aurora Fortitude Absolute Return Fund ("AFARF");	4,157,045	1.58%
(iii) Aurora Global Income Trust ("AIB"); and	3,111,225	1.18%
(iv) Aurora Dividend Income Trust ("ADIT").	26,153,846	9.92%
Total	213,264,758	80.96%

Recent Unit price

- 5.15 The last recorded sale price of Units on ASX as at close of trading on ASX on 31 May 2019 prior to its suspension from trading was 0.5 cents.

6 Keybridge's intentions

General

- 6.1 This section 6 sets out Keybridge's intentions in relation to:
- (a) the continuation of the business of RNY Property Trust;
 - (b) any major changes to be made to the business of RNY Property Trust, including any redeployment of RNY Property Trust's assets;
 - (c) the future employment of the present employees of RNY Property Trust; and
 - (d) the future of the responsible entity of the RNY Property Trust, Huntley Management Limited.
- 6.2 Keybridge's intentions have been formed on the basis of facts and information publicly available to Keybridge concerning RNY Property Trust at the date of this Bidder's Statement. Keybridge has not undertaken any non-public due diligence in relation to RNY Property Trust's business and operations in connection with Keybridge's Offer.
- 6.3 Keybridge does not currently have sufficient information on the business or operations of RNY Property Trust to allow it to make any final decisions on the matters discussed in this section 6. Final decisions on these matters will only be reached in the light of all material facts and circumstances (including the commercial, operational, financial and taxation implications of any decision) at the relevant time. Accordingly, the statements set out in this section 6 are statements of Keybridge's current intentions only which may change as new information becomes available or as circumstances require. Any attempt to quantify these benefits at this time would be speculative.

Keybridge's intentions upon controlling 90% or more of Units

- 6.4 Having regard to the "truth in takeovers", by Aurora Funds Management Limited as responsible entity for various funds that it will not accept the Offer for more than 41,450,000 Units, Keybridge does not expect that it will be in a position to control more than 90% of the Units. If Keybridge controls 90% or more of the Units it will:
- (a) seek to compulsorily acquire the remaining Units in accordance with the Corporations Act provisions;
 - (b) remove the RNY Property Trust from the official list of ASX; and
 - (c) seek to implement the intentions described below upon acquiring effective control.

Keybridge's intentions upon acquiring effective control

- 6.5 Having regard to the "truth in takeovers", by Aurora Funds Management Limited as responsible entity for various funds that it will not accept the Offer for more than 41,450,000 Units, Keybridge does not expect that it will be in a position to acquire effective control of the RNY Property Trust. If Keybridge acquires effective control of the RNY Property Trust but less than 90% of the Units, it intends to:
- (a) subject to obtaining the relevant consents, replace Aurora Funds Management Limited as the investment manager of the RNY Property Trust;

- (b) recapitalise the trust as necessary;
- (c) may seek to remove the RNY Property Trust from the official list of ASX; and
- (d) may at some later time acquire further Units in a manner consistent with regulatory requirements.

Keybridge's intentions upon not acquiring effective control

6.6 If Keybridge does not acquire effective control, it intends to:

- (a) give effect to its intentions upon acquiring effective control as described above to the extent possible; and
- (b) work supportively with the current responsible entity to improve the value of the RNY Property Trust, including assisting in recapitalising the Trust as necessary.

Limitation on intentions

6.7 Keybridge's intentions as set out above are subject to legal requirements (including those relating to conflicts of interest, related party transactions, directors duties, legislative requirements and Listing Rule requirements) as well as any changes to factual circumstances which may arise.

7 Risks

Introduction

- 7.1 All Unitholders (other than Foreign Unitholders) will receive Keybridge Shares as the consideration under the Offer. The value of the Keybridge Shares, and as a result, the value of the Offer to Unitholders, will depend upon the future performance of Keybridge.
- 7.2 There are a number of factors which may have an impact on the future performance of Keybridge, many of which are common to the factors affecting the current performance of both Keybridge and RNY Property Trust. Neither the past performance of Keybridge nor RNY Property Trust is a guarantee of the future performance of Keybridge.
- 7.3 Keybridge does not currently control, or have any involvement in, the RNY Property Trust Group's operations and has relied primarily on RNY Property Trust having complied with its continuous disclosure obligations for the purposes of preparing this section. Consequently, Keybridge is not in a position to identify all of the material risks of the RNY Property Trust, nor, consequently, all of the material risks of Keybridge.
- 7.4 Despite this, Keybridge has considered the current risks of Keybridge and the current risks of the RNY Property Trust identified from Keybridge's review of publicly available information, including RNY Property Trust's announcements to ASX, to prepare this summary of the material risks of Keybridge currently known to Keybridge.
- 7.5 Additional risks and uncertainties not currently known to Keybridge may also have a material adverse effect on the businesses of Keybridge and RNY Property Trust (and consequently the business of Keybridge) and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Keybridge.
- 7.6 The key risks that may have an adverse impact upon the financial performance of Keybridge and the value of the Keybridge Shares are contained in this Bidder's Statement and include those risks set out in this section 7. The risks set out in this section 7 are not exhaustive of all the risks faced by Keybridge Shareholders.
- 7.7 This section 7 does not take into account the investment objectives, financial situation or particular needs of Unitholders and is not exhaustive. It is important that Unitholders carefully read this Bidder's Statement in its entirety (particularly the risks set out in this section), consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to accept the Offer.

Share investment

- 7.8 Unitholders should be aware that an investment in Keybridge Shares has risks which are associated with investing in listed securities. The future dividends, value of the assets of Keybridge and the market value of the Keybridge Shares quoted on ASX may be influenced by these risk factors.
- 7.9 Factors affecting the market price of securities listed on ASX include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, the announcement of new technologies and variations in general market conditions and/or market conditions which are specific to a particular industry. In addition, share

prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of Keybridge Shares.

- 7.10 In addition to the above risks associated with any investment in listed securities, the market price of listed securities such as Keybridge Shares is also affected by numerous factors such as the demand for and availability of Keybridge Shares. None of Keybridge or the Keybridge Directors or any other person makes any promises or guarantees the financial performance of Keybridge or the share price of Keybridge.

Specific business risks that affect Keybridge

- 7.11 Some of the risks described below can be mitigated using appropriate safeguards, controls and systems but others are outside the control of Keybridge and the Keybridge Directors and cannot be mitigated.
- (a) **(Share trading suspension)** As set out in section 4.17, Keybridge's shares are currently suspended. Lifting of the suspension is ultimately a matter for ASX. There is no certainty that the trading of Keybridge Shares will resume on ASX. In addition, WAM Active has indicated that it may not seek the lifting of suspension. Hence there might not be an opportunity to trade Keybridge Shares received as consideration for your RNY Property Trust Units.
 - (b) **(Change of Shareholder control risk)** WAM Active is currently offering to purchase all of Keybridge's Shares at 6.9 cents per Keybridge Share. That bid does not extend to any Keybridge Shares issued to RNY Property Trust Unitholders under this Offer. In other words, RNY Property Trust Unitholders cannot accept Keybridge Shares which they receive under this Offer into the WAM Active bid. There is a prospect that control of Keybridge will pass with the effect that Unitholders accepting the Offer will become minority shareholders in Keybridge.
 - (c) **(Change of Keybridge board control risk)** WAM Active has announced its intention to convene a shareholder meeting to replace the Keybridge directors with its own nominees. Hence Keybridge board control may pass if Shareholders support the WAM Active proposals.
 - (d) **(Market volatility risk)** Stock market conditions moving forward are likely to continue to be volatile, and remaining as a Keybridge shareholder will expose you to these risks and uncertainties.
 - (e) **(Asset valuations)** The value and income from Keybridge's assets are affected by a number of factors many of which are outside of Keybridge's control.
 - (f) **(Reliance on Key Personnel)** The responsibility of day to day management and the strategic management of Keybridge is concentrated within a small number of key persons, especially its senior management. If any one of these people ceases their engagement with Keybridge, this may have a detrimental impact on Keybridge's operations and performance. Keybridge has retention mechanisms in place but has not implemented specific retention arrangements in respect of the WAM Active Offer.
 - (g) **(Financing and Capital)** Keybridge's continued ability to implement effectively its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any equity or debt funding will be available to Keybridge on favourable terms or at all.

Specific business risks that affect RNY Property Trust

- 7.12 All the business risks which currently affect the RNY Property Trust and an investment in Units will continue to affect the RNY Property Trust, whether or not it becomes a subsidiary of Keybridge.

Industry risks that may affect Keybridge

- 7.13 All the risks outlined above which currently affect Keybridge and/or the RNY Property Trust will continue to affect Keybridge. In addition, set out below are some of the key risks attaching to an investment in Keybridge which have been identified as potentially affecting the performance of Keybridge and the value of the Keybridge Shares. Further, Keybridge Shares issued to Foreign Unitholders will be sold (refer to section 10.62).
- 7.14 Some of the risks described below can be mitigated using appropriate safeguards, controls and systems but others are outside the control of Keybridge and the Keybridge Directors and cannot be mitigated.
- (a) **(Limited due diligence)** In preparing the information in this Bidder's Statement on the RNY Property Trust, Keybridge has relied on publicly available information. Risks may exist of which Keybridge is unaware. If any material risks are known to the directors of RNY Property Trust, they should be disclosed in RNY Property Trust's Target's Statement.
 - (b) **(Taxation risks)** The taxation consequences and risks of the Offer depend upon the specific circumstances of each Unitholder. Unitholders should obtain their own taxation advice regarding the applicable law in respect of the Offer.

General risks

- 7.15 There are also a number of general risks, including general business risks not specific to the Offer that may affect the performance of Keybridge and the price and value of Keybridge Shares, regardless of Keybridge's actual operating performance. The factors raised below are not an exhaustive list, and there may be other matters which cannot now be foreseen that may, in the future, affect the performance of Keybridge and the price and value of Keybridge Shares.
- (a) **(COVID-19)** COVID-19 is having a material impact on the value of entities, investments and securities. This material impact has had an effect on the net asset value of Keybridge Shares as stated in this Bidder's Statement. It is also likely to impact on the future value of Keybridge Shares regardless of the extent of success of the Offer.
 - (b) **(Economic risk)** As Keybridge is an investment company, the market's perception of the value of Keybridge Shares can alter significantly from time to time which can cause fluctuations in price. Fluctuations may also occur as a result of factors influencing the price of shares in the companies in which Keybridge invests or share prices generally.
 - (c) **(Foreign exchange risk)** Certain of Keybridge's investments are held in the United States and Euro zone and New Zealand, respectively. Keybridge does not currently hedge its foreign exchange exposures and therefore Keybridge's incomes and asset base is subject to foreign exchange movements.

Risks that arise from the Offer

7.16 Set out below are some of the key risks that arise from the Offer.

- (a) **(Acquisition of less than 100% of Units)** The impact on Keybridge of Keybridge acquiring less than 100% of Units will depend on the ultimate level of ownership acquired but, in any event, the existence of a minority interest in RNY Property Trust will have an impact on Keybridge's capacity to realise synergies from the acquisition of RNY Property Trust and implement any changes to RNY Property Trust's operations (see section 6 of the Bidder's Statement for more information about these intentions).
- (b) **(CGT rollover risk)** If, after the Offer, Keybridge does not hold 80% or more of the Units, Unitholders who are Australian residents for income tax purposes and who would make a capital gain from their disposal of Units will be unable to elect a rollover of the capital gain resulting in a capital gain crystallising at the time of the sale of the Units. Scrip-for-scrip rollover relief for capital gains is discussed further in section 8 of this Bidder's Statement.
- (c) **(Issue of Keybridge Shares as consideration)** Some Unitholders who receive Keybridge Shares may not wish to retain them and may subsequently seek to sell them. Unitholders will be unable to sell any of Keybridge's Shares on ASX for so long as Keybridge's Shares continue to be suspended from trading on ASX.

8 Australian tax considerations

General

- 8.1 The following is a summary of the principal Australian tax consequences generally applicable to Unitholders who dispose of their Units under the Offer and in respect of Unitholders that hold their securities on capital account for the purposes of investment.
- 8.2 This summary reflects the current provisions of the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) and the regulations made under those Acts, taking into account currently proposed amendments and Keybridge's understanding of the current administrative practices of the Australian Taxation Office. The outline does not otherwise take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.
- 8.3 The following outline is not exhaustive of all Australian income tax considerations that could apply to particular Unitholders. In particular, the outline does not apply to Unitholders who hold their securities on revenue account or as trading stock, acquired their securities pursuant to an employee share or option plan, are a bank, insurance company, tax exempt organisation or superannuation fund that are subject to special tax rules or are non-resident shareholders whether or not they hold their securities as an asset of a permanent establishment in Australia.
- 8.4 The outline below is general in nature and does not constitute taxation advice and should not be relied upon as such. Given the general nature of the outline, each person is advised to consult with their own tax adviser regarding the consequences of acquiring, holding or disposing of Units in light of current tax laws and their particular investment circumstances.

Australian-resident Unitholders - Capital Gains Tax (CGT) – general

- 8.5 If the Offer is accepted, the disposal of the Units will be a CGT event for Unitholders. The time of the CGT event will be the time at which the Unitholders enter into a contract to dispose of their Units or when the Units are compulsorily acquired.
- 8.6 In summary, the consequences of the CGT event that takes place in respect of the Units are as follows:
- (a) have been acquired) before 20 September 1985 is disregarded;
 - (b) a capital gain (or capital loss) arising to a Unitholder is determined as the capital proceeds received less the CGT cost base (or reduced cost base) of the Units;
 - (c) the capital proceeds for the disposal of the Units will equal the market value of the Keybridge Shares that are received by the Unitholders, worked out at the time of the CGT event. Under the current Offer, this is equal to 1.1 cents for each Unit. The CGT cost base of the Units will generally include the actual (or deemed) cost of acquisition plus incidental costs associated with the acquisition and disposal;
 - (d) any capital gain made (after offsetting any capital losses) will be included in the Unitholder's assessable income. A capital loss that arises on the disposal of the Units can generally be offset against any other capital gains that arise in the same year. Any unutilised capital losses can generally be carried forward

and offset against capital gains in future years, subject to satisfying the relevant loss utilisation rules;

- (e) for certain Unitholders (for example individuals, complying superannuation funds and a trustee of a trust) a discount may apply to the amount of a capital gain that arises on the disposal of the Units. The CGT discount will only apply if the Units have been held for more than 12 months before the date on which the CGT event occurs pursuant to the acceptance of the Offer. In summary, the CGT discount is applied after offsetting any available capital losses. For example, in the case of individuals, the CGT discount will be equal to one half of the gain after the offsetting of available capital losses. Unitholders should seek their own advice on the CGT discount, if any, available to them. Broadly, the discount does not apply to Unitholders who hold their Units on revenue account or as trading stock.
- (f) for completeness, for Units that were acquired before 21 September 1999, an indexation method may be available to determine the amount of any capital gain. In summary, the cost base of the Units may be adjusted to include an indexation component. Unitholders should seek their own advice regarding these rules. If the indexation method is applied, the CGT discount method referred to in (e) above may not be applied.

8.7 Broadly, the cost base of the Keybridge Shares received by the Unitholders on the disposal of their Units will be the market value of the Units disposed to acquire the Keybridge shares. Under the current offer, this equates to 6.9 cents for each Keybridge Share.

8.8 Unitholders who are not resident in Australia for tax purposes should consider the tax consequences under the laws in their country of residence as well as under Australian law.

Stamp duty

8.9 Any stamp duty payable on the transfer of Units to Keybridge pursuant to the Offer will be paid by Keybridge.

GST

8.10 Dealings in securities are not subject to GST. Unitholders will not, therefore, be liable for (or required to pay) GST on the receipt of Keybridge Shares as part of the Offer.

9 Additional information

Details of relevant interests of Keybridge in Units and Voting Power in RNY Property Trust

9.1 Keybridge presently holds nil Units representing a 0% interest.

Consideration provided for Units during the previous four months

9.2 In the 4 months prior to the date of the Offer, Keybridge has not acquired an interest in any Units.

No collateral benefits

9.3 Neither Keybridge nor any of its Associates has, during the period of four months up to the date of the Offer, given or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an associate of that person, to accept the Offer or dispose of Units, which benefit is not offered to all Unitholders under the Offer.

Agreements or arrangements with RNY Property Trust Directors

9.4 Except as referred to above or elsewhere in this Bidder's Statement, there are no agreements or arrangements made between Keybridge with the directors or senior management of RNY Property Trust in connection with the Offer.

Interests of Keybridge directors in Units

9.5 No Keybridge Director has a Relevant Interest in any Units.

Interests of Keybridge directors in contracts entered into by RNY Property Trust

9.6 Except as set out below, no Keybridge Director has any interest in any contract entered into by RNY Property Trust. Mr Bolton has a 54.5% purely economic interest in Aurora Funds Management Limited. Aurora Funds Management Limited is a 24.9% owner of the US LLC which owns the subject properties.

Post-bid compulsory acquisition provisions

9.7 If Keybridge becomes entitled to compulsorily acquire any Units under section 661A of the Corporations Act, Keybridge will give notices under section 661B of the Corporations Act to compulsorily acquire all outstanding Units at the Offer Consideration.

9.8 Keybridge will be entitled to compulsorily acquire Units under section 661A of the Corporations Act if, during or at the end of the Offer Period Keybridge and its Associates have Relevant Interests in at least 90% of Units and Keybridge and its Associates have acquired at least 75% of the Units that Keybridge offered to acquire under the Offer.

9.9 Holders of the Units covered by a compulsory acquisition notice under section 661B of the Corporations Act of the Corporations Act may apply to the court for an order that their shares not be compulsorily acquired. The court may only make such an order if it is satisfied that the consideration is not fair value for the securities.

Compulsory buy-out of Units

- 9.10 If Keybridge is required to offer to buy-out any Units under section 662A of the Corporations Act, Keybridge will give notices to the relevant Unitholders offering to acquire their Units in accordance with section 662B of the Corporations Act.
- 9.11 Keybridge must serve a notice offering to buy out all Unitholders if, at the end of the Offer Period, Keybridge and its associates have Relevant Interests in at least 90% (by number) of Units. Unitholders who hold Units covered by the notice may, but do not have to, accept the offer in the notice. The notices must be despatched to Unitholders within one month after the end of the Offer Period and on the same day the notice is lodged with ASIC or the next Business Day. Unitholders who wish to accept the offer must do so within one month after the notice is given.

Regulatory approvals and relief

- 9.12 Except as disclosed in this Bidder's Statement, there are no regulatory approvals or other relief that Keybridge needs to obtain before acquiring further Units under the Offer.

Consents

- 9.13 The following persons have given and have not, before the date of this Bidder's Statement, withdrawn, their consent being named in this Bidder's Statement in the form and context in which its name appears:

- (a) Baker McKenzie to being named as legal adviser to Keybridge in relation to the Offer; and
- (b) Advanced Share Registry Services to being named as Keybridge's share registry.

None of the above persons or entities has caused or authorised the issue of this Bidder's Statement, makes or purports to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than the reference to its name.

- 9.14 As contemplated by ASIC Class Order 13/521, this Bidder's Statement also includes statements based on statements made by persons in the circumstances described in that Class Order. Those persons have not consented to the inclusion of statements in this Bidder's Statement based on statements made by them. Where statements in this Bidder's Statement refer to, or are based on, statements made in or announcements made by Keybridge to ASX, Keybridge will provide a copy of those announcements free of charge to any person who asks for it during the Offer Period. Any requests for copies of those announcements may be made by calling Keybridge. As permitted by ASIC Class Order 13/521, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

Fees and Benefits to Advisers

- 9.15 Baker McKenzie has acted as the Australian legal adviser to Keybridge in relation to the Offer. Keybridge anticipates that it will pay Baker McKenzie \$100,000, excluding GST and disbursements, for those services and will pay additional fees for future work on normal time-based rates.

Expiry Date

- 9.16 No Keybridge Shares will be issued on the basis of the Offer after the date that is 13 months after the date of this Offer.

No other material information

- 9.17 There is no other information which is material to the making of the decision by a person to whom an Offer is made whether or not to accept an Offer (being information that is known to Keybridge and has not previously been disclosed to Unitholders) other than as disclosed in this Bidder's Statement.

Authorisation Of Bidder's Statement

- 9.18 This Bidder's Statement was approved by a unanimous resolution of all of the Directors of Keybridge on 14 August 2020.

Signed for and on behalf of Keybridge Capital Limited



Jeremy Kriewaldt
Chairman

10 Terms and Conditions of the Offer

Identity of offeror

10.1 The Bidder is Keybridge Capital Limited.

Date

10.2 The Offer is dated [●] 2020.

Off-market takeover offer

10.3 Keybridge offers to acquire any or all of your Units on the terms of, and subject to the conditions set out in, this section 10.

10.4 Subject to sections 10.6 and 10.7, you may only accept the Offer for all of your Units.

Persons to whom the Offer is made

10.5 The Offer is made to:

- (a) each holder of Units registered in RNY Property Trust's register of Unitholders on the Register Date; and
- (b) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered, or entitled to be registered, as the holder of any Units issued on the exercise of rights attached to any other convertible securities or rights to be issued Units in existence as at the Register Date and which are exercised before the end of the Offer Period.

10.6 If at the time the Offer is made to you, or at any time during the period from the Register Date to the end of the Offer Period and before you accept the Offer, another person is, or is entitled to be, registered as the holder of some or all of your Units to which the Offer relates, then:

- (a) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Units;
- (b) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other Units you hold to which the Offer relates; and
- (c) the Offer is deemed to have been withdrawn immediately after making those corresponding offers.

10.7 If at any time during the Offer Period, you hold one or more parcels of Units as a trustee or nominee, or otherwise on account of another person, a separate and distinct offer is deemed to have been made in relation to each of those parcels and any parcel you hold in your own right. You may accept two or more such deemed separate corresponding offers at the same time as if they were a single offer for each distinct portion of Units. Your acceptance of one of the offers which is deemed to exist in respect of a distinct portion of Units is ineffective unless you have given Keybridge a notice which:

- (a) if it relates to Units in an Issuer Sponsored Holding, must be in writing; or

- (b) if it relates to Units in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Operating Rules for the purposes of part 6.8 of the Corporations Act,

stating that the relevant Units consist of a distinct portion and your acceptance specifies the number of Units in the distinct portion to which the acceptance relates. If this applies to you, you should call 03 9686 7000, for additional copies of this Bidder's Statement and the Acceptance Form, if required.

Offer Consideration

- 10.8 The consideration which Keybridge offers you is 0.16 Keybridge Shares for each Unit you hold.
- 10.9 Keybridge will not issue you with fractional Keybridge Shares after aggregating all of your holdings of Units.
- 10.10 If the number of Units for which you accept the Offer (after aggregating all of your holdings of Units) results in your becoming entitled to a fraction of a Keybridge Share, then the number of new Keybridge Shares to which you are entitled under the Offer will be rounded down to the nearest whole number of Keybridge Shares.
- 10.11 If, at the time the Offer is made to you, you are a Foreign Unitholder you will not receive any new Keybridge Shares for your Units. Instead, subject to section 10.62 of this Bidder's Statement, you are offered and will receive a cash amount for your Units being the amount determined in accordance with section 10.62 of this Bidder's Statement.
- 10.12 Keybridge has been admitted to the official list of ASX and Keybridge Shares are traded on ASX. As at the date of this Bidder's Statement, Keybridge Shares are suspended from trading. Keybridge Shares of the same class as those to be issued as consideration under the Offer have been granted official quotation by ASX.
- 10.13 An application will be made to ASX within 7 days after the commencement of the Bid Period for the granting of official quotation of the Keybridge Shares to be issued as consideration under the Offer.
- 10.14 The Keybridge Shares issued under the Offer will in all respects rank equally with all other Keybridge Shares on issue.

Improved Offer Consideration

- 10.15 If you have accepted the Offer and Keybridge subsequently improves the Offer Consideration, you will be entitled to the improved consideration and Keybridge will provide it to you:
 - (a) if the Offer Consideration has not yet been provided to you, the improved consideration will be provided to you at the time when the consideration under the Offer is provided to you; or
 - (b) if the Offer Consideration has been provided to you prior to the time Keybridge improves the Offer Consideration, the improved consideration will be provided to you as soon as practicable.

Rights

10.16 Keybridge will be entitled to all Rights (being those accruing after the Announcement Date) in respect of Units which it acquires under the Offer.

10.17 If Keybridge becomes entitled to any Rights in respect of your Units on your acceptance of the Offer, you must give Keybridge all documents that Keybridge needs to give Keybridge title to those Rights. If you do not give those documents to Keybridge, or if you have received or become entitled to the benefit of those Rights before Keybridge provides the consideration to you, Keybridge will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Keybridge) of those Rights in accordance with section 10.18.

10.18 If:

- (a) you have (or any previous holder of your Units has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise);
- (b) you are (or any previous holder of your Units is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (e.g. if the Right is to receive a dividend, if you are (or any previous holder of your Units is) the registered holder of the Unit at the record date for the dividend); or
- (c) your Units were issued (or otherwise came into existence) on or after the record date in respect of any Rights to Unitholders,

then:

- (d) in the case of Rights to non-cash benefits, Keybridge may deduct the value (as reasonably assessed by Keybridge) of such Rights from any consideration otherwise payable to you; or
- (e) in the case of Rights to cash benefits, Keybridge may deduct the amount of any such Rights from any consideration otherwise payable to you.

If Keybridge does not, or cannot, make such a deduction, you must pay such value or amount to Keybridge.

How to accept the Offer

General

10.19 The method by which you can accept the Offer will depend on whether your Units are in an Issuer Sponsored Holding or in a CHES Holding.

10.20 Your Units will be in an Issuer Sponsored Holding if they are sponsored directly by RNY Property Trust as issuer. Your Units will be in a CHES Holding if they are sponsored by a Controlling Participant (usually your Broker) or if you are a Participant. The enclosed Acceptance Form indicates whether you have an Issuer Sponsored Holding (indicated by an "I" next to your holder number on the Acceptance Form) or a CHES Holding (indicated by an "X" next to your holder number on the Acceptance Form).

Issuer Sponsored Holdings

10.21 If any of your Units are in an Issuer Sponsored Holding, to accept the Offer in respect of those Units you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the terms of the Offer and the instructions on the form; and
- (b) ensure that the Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is received before the expiry of the Offer Period at the address shown on the Acceptance Form.

Mailing and delivery details

- 10.22 A reply-paid envelope has been enclosed with this Bidder's Statement to enable Unitholders with Australian addresses to return their completed Acceptance Form. Overseas Unitholders should return their Acceptance Form by airmail.
- 10.23 The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting Unitholder.

CHESS Holdings

- 10.24 If any of your Units are in a CHESS Holding, to accept the Offer in respect of those Units you must:
- (a) if you are not a Participant, you must instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with the ASX Settlement Operating Rules before the expiry of the Offer Period; or
 - (b) if you are a Participant, you must initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules before the expiry of the Offer Period.
- 10.25 Alternatively, you may authorise Keybridge to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf. To effect acceptance of the Offer in this manner you must complete, sign and send the Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) in respect of your Units which are in a CHESS Holding in accordance with the instructions on the Acceptance Form. You must ensure that the Acceptance Form is received by Keybridge in time for Keybridge to give instructions to your Controlling Participant and your Controlling Participant to carry out those instructions before the expiry of the Offer Period. You will be taken to have completed acceptance of the Offer when your Controlling Participant initiates acceptance of the Offer in respect of your Units in accordance with the ASX Settlement Operating Rules.

Units held in different holdings

- 10.26 If some of your Units are held in different parcels in different forms, you may need to take the steps set out under section 10.7 in relation to the different parcels of your Units to accept the Offer.

Nominee holdings

- 10.27 If your Units are registered in the name of a Broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

Status of Acceptance Form

10.28 The personalised Acceptance Form which accompanies this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.

Power of attorney, deceased estate

10.29 When accepting the Offer you must also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; or
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Unitholder, the relevant grant of probate, letters of administration or certificates of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

10.30 If the Acceptance Form is executed under power of attorney, the attorney declares by executing the Acceptance Form that the attorney has no notice of revocation of the power of attorney.

When acceptance of the Offer is complete

10.31 Subject to sections 10.19 to 10.29, acceptance of the Offer is complete once either:

- (a) in relation to holdings which are not CHESSE Holdings, the completed Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) has been received at the address specified in the Acceptance Form and the requirements of sections 10.19 to 10.29 (inclusive) have been met; or
- (b) in relation to CHESSE Holdings, acceptance has been carried out in accordance with the ASX Settlement Operating Rules.

Validity of acceptances

10.32 Keybridge will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Keybridge is not required to communicate with you prior to making its determination as to any of the matters referred to in this section 10.32 or any determination to waive any requirement for a valid acceptance of the Offer in respect of any of your Units. The determination of such matters by Keybridge will be final and binding on you.

10.33 Keybridge may at its sole discretion waive any requirement for a valid acceptance of the Offer in respect of any of your Units. Without limiting the foregoing:

- (a) except in relation to any of your Units in a CHESSE Holding, Keybridge may treat the receipt by it of an executed Acceptance Form as a valid acceptance of the Offer even though it does not receive any other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other acceptance requirements; and

- (b) where the requirements for a valid acceptance of the Offer have been complied with for only some of your Units, Keybridge may deem your acceptance of the Offer complete in respect of all or none of your Units.

10.34 Keybridge will provide the consideration to you in accordance with sections 10.7 to 10.13 (inclusive) with respect to any of your Units in relation to which Keybridge has determined to waive any requirement for a valid acceptance of the Offer.

Effect of acceptance

10.35 By accepting the Offer in accordance with sections 10.19 to 10.29, you will, or will be deemed to have:

- (a) irrevocably accepted the Offer (and any variation of it) for all of your Units and irrevocably agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) all of your Units to Keybridge;
- (b) authorised Keybridge (and its directors, officers or agents) to complete or alter the Acceptance Form by:
 - (i) inserting correct details of your Units;
 - (ii) filling in any blanks remaining in the Acceptance Form; and
 - (iii) rectifying any errors in or omissions from the Acceptance Form,as may be necessary to make the Acceptance Form an effective acceptance of the Offer or to enable to the transfer of your Units to Keybridge to be registered;
- (c) if you signed the Acceptance Form in respect of any of your Units in a CHESS Holding, irrevocably authorised Keybridge to:
 - (i) instruct your Controlling Participant to initiate acceptance of the Offer in respect of all such Units in accordance with the ASX Settlement Operating Rules; and
 - (ii) give to your Controlling Participant any other instructions concerning those Units on your behalf which are contemplated by the sponsorship agreement between you and the Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer in respect of all such Units,

and Keybridge will be so authorised even though at the time of such transfer it has not paid the Offer Consideration due to you under the Offer.

- (d) represented and warranted to Keybridge, as a fundamental condition of the contract resulting from your acceptance that, both at the time of acceptance of the Offer and at the time you transfer your Units to Keybridge:
 - (i) the Units (including any Rights) will be fully paid and free from Encumbrances and that you have paid to RNY Property Trust all amounts which are due for payment in respect of the Units;
 - (ii) you have full power, capacity and authority to sell and to transfer the Units (including the power, capacity and authority to transfer the legal and beneficial ownership of the Units and any Rights to Keybridge);

- (iii) unless you have notified Keybridge in accordance with sections 10.5 to 10.7, the Units do not consist of several parcels of Units; and
 - (iv) you are not, and you are not acting on behalf of, a Foreign Unitholder, unless otherwise indicated on the Acceptance Form;
- (e) agreed with Keybridge that you will execute all such instruments as Keybridge may require for the purposes of vesting in it all Rights attaching to or arising from your Units;
- (f) with effect from the date that any contract resulting from your acceptance of the Offer, becomes unconditional (even where Keybridge has not yet provided the consideration due to you), irrevocably appointed Keybridge and each of its directors, secretaries and officers severally as your attorney, agent and proxy (such power of attorney, being coupled with an interest, being irrevocable) in your name and on your behalf, to:
 - (i) do all things which you could lawfully do concerning the Units or in exercise of any right derived from the holding of your Units, including powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of RNY Property Trust in respect of your Units and to request RNY Property Trust to register in the name of Keybridge or its nominee, your Units, as appropriate, with full power of substitution;
 - (ii) execute all documents, forms and notices (including an instrument appointing one of Keybridge's directors, secretaries or officers as a proxy in respect of any or all of your Units and any application to RNY Property Trust for a replacement share certificate in respect of any share certificate which has been lost or destroyed for your Units) and resolutions relating to the Units, and generally to exercise all powers and rights which you have as a registered holder of your Units; and
 - (iii) receive from RNY Property Trust or any other party, and retain, any share certificates which were held by RNY Property Trust or any other party, whether pursuant to the terms of any employee incentive scheme (including an employee share scheme) or otherwise for your Units;
- (g) agreed that in exercising the powers conferred by the power of attorney in section 10.35(f), each attorney may act in the interests of Keybridge as the intended registered holder and beneficial holder of your Units;
- (h) agreed to do all such acts, matters and things that Keybridge may require to give effect to the matters the subject of this section 10.35 (including the execution of a written form of proxy to the same effect as this section 10.35 which complies in all respects with the requirements of the constitution of RNY Property Trust) if requested by Keybridge;
- (i) irrevocably authorised and directed RNY Property Trust to pay Keybridge or to account to Keybridge for all Rights in respect of the Units it acquires under the Offer subject, however, to any such Rights received by Keybridge being accounted for by Keybridge to you if the Offer is withdrawn or the contract formed by your acceptance of the Offer is rescinded or rendered void;

- (j) except where the Rights have been paid or accounted for under clause (i) above, irrevocably authorised Keybridge and its Directors to deduct from the consideration payable to you in accordance with the terms of the Offer the amount of all Rights referred to in clause (i) above or any amount equal to the value of those Rights as reasonably assessed by Keybridge;
- (k) with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where Keybridge has not yet provided the consideration due to you), authorised Keybridge (or its agents or nominees) to do all things necessary or desirable to transfer your Units into the name of Keybridge;
- (l) if at the time of acceptance of the Offer any of your Units are in a CHESS Holding, with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where Keybridge has not yet provided the consideration due to you), authorised Keybridge (or its agents or nominees) to cause a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Operating Rules so as to transfer those Units to Keybridge's takeover transferee holding;
- (m) agreed to indemnify Keybridge and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of the Units being registered by RNY Property Trust without production of your Holder Identification Number or Securityholder Reference Number;
- (n) with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where Keybridge has not yet provided the consideration due to you), agreed not to attend or vote in person at any meeting of RNY Property Trust in respect of your Units or to exercise or purport to exercise any of the powers conferred on Keybridge or any of its directors, secretaries or officers under section 10.35(f) above;
- (o) irrevocably authorised Keybridge to apply for the issue to your account of that number of Keybridge Shares corresponding to your entitlement under the Offer at the date of application; and
- (p) irrevocably authorised Keybridge to:
 - (i) issue to you the Keybridge Shares you are entitled to receive under the Offer, if your Units are in a CHESS Holding, with the same holder identification number as affects your Units or, if your Units are held on RNY Property Trust's issuer sponsored sub-register, on Keybridge' issuer sponsored sub-register; and
 - (ii) to register your name in the register of members in respect of those Keybridge Shares,
 except where you are, or you are acting on behalf of, a Foreign Unitholder;
- (q) irrevocably agreed to become a member of Keybridge and to be bound by Keybridge's Constitution, except where you are, or you are acting on behalf of, a Foreign Unitholder;

- (r) acknowledged and agreed that if you are unable to make the representation in section 10.35(d)(iv) or if Keybridge reasonably believes that you are, or you are acting on behalf of, a Foreign Unitholder, the Nominee will sell the Keybridge Shares which would otherwise be issued to you, as described in section 10.62;
- (s) if you are a Foreign Unitholder or if Keybridge reasonably believes that you are, or you are acting on behalf of, a Foreign Unitholder, irrevocably authorised Keybridge to issue to the account of the Nominee that number of Keybridge Shares corresponding to your entitlement under the Offer at the date of application; and
- (t) acknowledged and agreed that, except as permitted by and in accordance with applicable law (including an exemption from the registration requirements of the Securities Act 1933 of the United States of America) you will not offer or resell in, or to persons in, the United States of America, any Keybridge Shares which you acquire at any time, although that does not prohibit any sale on ASX if neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been prearranged with, or that purchaser is, a person in the United States of America.

10.36 The undertakings and authorities in section 10.35 will remain in force after you receive the consideration for the Units acquired by Keybridge and after Keybridge becomes the registered holder of them.

Conditions of the Offer

10.37 The Offer is unconditional.

Official Quotation of new Keybridge Shares

10.38 Keybridge has been admitted to the official list of the ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by ASX.

10.39 The Offer and any contract that results from your acceptance of it are subject to the statutory requirement that permission for admission to official quotation by ASX of the new Keybridge Shares to be issued under the Offer is granted no later than 7 days after the end of the Offer Period.

10.40 The requirement in section 10.39 is required by section 625(3) of the Corporations Act and is not a defeating condition for the purposes of the Corporations Act. Section 625(3) of the Corporations Act provides that the Offer cannot be freed of the condition prescribed in that section, and consequently no statement made by Keybridge can be taken to be a waiver of that requirement. If this requirement is not fulfilled, all contracts resulting from acceptance of the Offer will be void automatically.

10.41 Official quotation of securities by the ASX is not granted automatically on application. However, Keybridge has no reason to believe that the Keybridge Shares to be issued under the Offer will not be admitted to quotation by the ASX.

Date for determining holders of securities

10.42 For the purposes of section 633 of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act is the Register Date.

Offer Period

- 10.43 The Offer will remain open for acceptance until 7.00pm (Melbourne time) on [●] 2020, unless it is extended in accordance with the Corporations Act.
- 10.44 Keybridge expressly reserves its right under section 650C of the Corporations Act, exercisable in its sole discretion, to extend the period during which the Offer remains open for acceptance.
- 10.45 If within the last seven days of the Offer Period the Offer is varied to improve the consideration offered or if within the last seven days of the Offer Period Keybridge's Voting Power in RNY Property Trust increases to more than 50%, then in either case the Offer Period will be automatically extended in accordance with section 624(2) of the Corporations Act, so that it ends 14 days after the relevant event.

Manner of provision of the Offer Consideration

- 10.46 The obligation of Keybridge to issue and allot any Keybridge Shares to which you are entitled as Offer Consideration will be satisfied by Keybridge:
- (a) entering your name on the register of members of Keybridge; and
 - (b) despatching or procuring the despatch to you by pre-paid post to your address recorded in RNY Property Trust's register of members on the Relevant Date, an uncertificated holding statement in your name (for Issuer Sponsored Holdings) or a confirmation of issue (for CHESS Holdings).

Timing of provision of the Offer Consideration

- 10.47 Subject to sections 10.32 and 10.49 and the Corporations Act, if you accept the Offer, Keybridge will provide the consideration for your Units to you within one week after receipt of your completed Acceptance Form.
- 10.48 Where the Acceptance Form or the Offer requires any one or more additional documents to be given to Keybridge with your acceptance (such as a power of attorney) to enable Keybridge to become the holder of your Units:
- (a) if the documents are delivered with your acceptance, Keybridge will provide the consideration in accordance with section 10.47;
 - (b) if the documents are delivered after acceptance and before the end of the Offer Period, Keybridge will provide the consideration to you by the end of whichever of the following periods ends first:
 - (i) one month after the documents are delivered to Keybridge; and
 - (i) 21 days after the end of the Offer Period;
 - (c) if the documents are delivered after the end of the Offer Period, Keybridge will provide the consideration to you within 21 days after the documents are delivered to Keybridge; or
 - (d) if you do not provide Keybridge with the required additional documents within the relevant period, Keybridge may, in its sole discretion, rescind any contract resulting from your acceptance of the Offer.
- 10.49 If Keybridge determines to waive any requirement for a valid acceptance of the Offer in respect of any of your Units, provision of the Offer Consideration in accordance

with the Offer may be delayed until any irregularity has been resolved or waived and Keybridge has received any other documents required to procure registration of the relevant Units.

10.50 No interest will be paid on the consideration payable under the Offer, regardless of any delay in paying the consideration or any extension of the Offer.

10.51 If:

- (a) the Offer is withdrawn after your Acceptance Form has been sent to Keybridge, but before it has been received; or
- (b) if you send your Acceptance Form and any accompanying documents and for any other reason Keybridge does not acquire the Units to which your Acceptance Form relates,

Keybridge will despatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance, where such address is in Australia, prepaid ordinary mail, or where such address is outside Australia, pre-paid airmail.

Clearances for offshore residents

10.52 If, at the time you accept the Offer, any of the following:

- (a) *Banking (Foreign Exchange) Regulations 1959 (Cth)*;
- (b) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*;
- (c) *Charter of the United Nations Act 1945 (Cth)* or any regulations made thereunder; or
- (d) any other applicable law,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Government Agency to be obtained before you receive any consideration for your Units, or would make it unlawful for Keybridge to provide any consideration to you for your Units, you will not be entitled to receive any consideration for the Units until all requisite authorities, clearances or approvals have been received by Keybridge.

Brokerage and other costs

10.53 No brokerage, stamp duty or goods and services tax will be payable by you if you accept the Offer.

10.54 If the Units are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Keybridge, you will not incur any brokerage in connection with your acceptance of the Offer.

10.55 If the Units are registered in a CHESS Holding, or if you are a beneficial owner whose Units are registered in the name of a Broker, bank, custodian or other nominee, no brokerage is payable by you but you should ask your Controlling Participant (usually your Broker) or that nominee whether it will charge any transactional fees or services charges in connection with acceptance of the Offer.

Variation

10.56 Keybridge may vary the Offer as permitted by the Corporations Act.

Foreign laws

10.57 The Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

Foreign Unitholders

10.58 If you are (or are acting as a nominee or trustee on behalf of) a citizen or a resident of a jurisdiction other than Australia (and its external territories) or New Zealand (Permitted Jurisdictions), then you are considered a Foreign Unitholder unless Keybridge determines, in its sole discretion:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with Keybridge Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant price outside the Permitted Jurisdictions.

10.59 If you are a Foreign Unitholder, you will not be entitled to receive Keybridge Shares if you accept the Offer. In such circumstances, the nominee sale procedures set out in section 10.62 will apply and you will be paid cash. The cash amount you will be paid will be determined by the Nominee sales process set out in section 10.62 and will depend upon a range of factors, including the prevailing share price of Keybridge Shares and the date on which the nominee sells the Keybridge Shares to which you would otherwise be entitled.

10.60 Despite anything else in this Bidder's Statement, Keybridge is not under any obligation to spend any money, or undertake any action, in order to:

- (a) satisfy itself of the eligibility of any Foreign Unitholder to be issued, and accept, Keybridge Shares issued as Offer Consideration; or
- (b) obtain an authority or clearance of the type described in section 10.52 of this Bidder's Statement for any person.

10.61 This Offer is not registered in any jurisdiction outside Australia and New Zealand (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Offer.

Nominee sale process

10.62 If you are a Foreign Unitholder or subject to the restrictions in section 10.52 and you accept the Offer, Keybridge will, subject to section 10.63 of this Bidder's Statement:

- (a) appoint a nominee approved by ASIC (**Nominee**);
- (b) procure the issue to the Nominee of all Keybridge Shares to which you and all other Foreign Unitholders would have been entitled but for sections 10.52 and 10.57 - 10.61 (**Nominee Shares**);

- (c) cause the Nominee to offer the Nominee Shares for sale as soon as practicable after the end of the Offer Period and otherwise in such manner, at such price and on such terms as are determined by the Nominee;
- (d) cause the Nominee to pay into a bank account established by the Company and held for your benefit (until payment to you as outlined below) the amount ascertained in accordance with the following formula:

Net proceeds of Sale x (Your Keybridge Shares ÷ Total Number of Keybridge Shares)

Where:

Net proceeds of Sale is the amount (if any) remaining after deducting from the proceeds of sale of all Nominee Shares the expenses of the sale including tax, brokerage and stamp duty, if any;

Your Keybridge Shares is the number of Keybridge Shares which Keybridge would otherwise be required to issue to you as a result of your acceptance of the Offer; and

Total Number of Keybridge Shares is the total number of Keybridge Shares issued to the Nominee under section 10.62.

- 10.63 Payment will be made in Australian dollars. Any payments made by cheque will be posted to you at your risk by pre-paid ordinary mail (or, if you have an overseas address, by pre-paid airmail) to the address provided on your Acceptance Form. Under no circumstances will interest be paid on your share of the proceeds of the sale, regardless of any delay in remitting these proceeds to you.

Notices

- 10.64 Subject to the Corporations Act, any notice, nomination, or other communication to be given by Keybridge to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of Keybridge by any of its directors, secretaries or officers and is delivered to or sent by post in a pre-paid ordinary mail or by courier (or, in the case of addresses outside Australia, by prepaid airmail) to your address as recorded on the register of Unitholders or the address shown on the Acceptance Form.
- 10.65 Any notice or other communication given by you to Keybridge in connection with the Offer will be deemed to be duly given if it is in writing and received by mail at the following address:

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009

Return of documents

10.66 If you accept the Offer and:

(a) the Offer is withdrawn after your Acceptance Form has been sent to Keybridge but before it has been received; or

(b) for any other reason Keybridge does not acquire your Units,

you may request Keybridge by notice in writing to despatch (at your risk) your Acceptance Form together with all other documents forwarded by you. The documents will be despatched to your address as recorded on the register of RNY Property Trust, in accordance with clauses 10.64.

Governing law

10.67 The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in Victoria.

11 Definitions and interpretation

11.1 In this Bidder's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

Acceptance Form means the acceptance form which accompanies this Bidder's Statement.

AIFRS means Australian equivalents to International Financial Reporting Standards, which are the Accounting Standards applicable to disclosing entities at the date of this Bidder's Statement.

Announcement Date means the date on which Keybridge publicly proposed to make the Offer, being 29 June 2020.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this Bidder's Statement and RNY Property Trust is the designated body.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532) as a holder of a licence to operate a clearing and settlement facility.

ASX Settlement Operating Rules means the rules of ASX Settlement from time to time, except to the extent of any relief given by ASX Settlement.

ASX means ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires.

Bidder's Statement means this Bidder's Statement in respect of the Offer given by Keybridge under Part 6.5 of Chapter 6 of the Corporations Act and any supplementary or replacement Bidder's statement.

Broker means a person who is a share broker and a participant in CHESS.

Business Day means a day on which banks are open for business in Melbourne, Australia but not a Saturday, Sunday or public holiday.

CGT means capital gains tax.

CHESS means Clearing House Electronic Sub-register System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities.

CHESS Holding means a holding of Units on the CHESS sub-register of RNY Property Trust.

Closing Date means [●] 2020, unless extended in accordance with the Corporations Act.

Constitution means the constitution of Keybridge.

Controlling Participant means the Participant who is designated as the controlling participant for Units in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation and any security interest as defined in section 12(1) and (2) of the PPSA.

Foreign Unitholder means a Unitholder who is a citizen or a resident of a jurisdiction other than Australia whose address as shown in the register of members of RNY Property Trust is a place outside Australia or New Zealand unless Keybridge otherwise determines (being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Unitholder and issuing it with new Keybridge Shares on acceptance of the Offer, and it is not unlawful for such a Unitholder to accept the Offer by the law of that place).

Government Agency means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

Holder Identification Number has the meaning given to "HIN" in the ASX Settlement Operating Rules.

Issuer Sponsored Holding means a holding of Units on RNY Property Trust's issuer sponsored sub-register.

Keybridge means Keybridge Capital Limited ABN 16 088 267 190.

Keybridge Board or **Keybridge Directors** means the board of directors of Keybridge (and each of the directors of Keybridge as the case may be).

Keybridge Share means a fully paid ordinary share in the capital of Keybridge.

Keybridge Shareholder means a holder of a Keybridge Share.

Keybridge's Share Registry means Advanced Share Registry Limited.

Listing Rules means the official listing rules of ASX, except to the extent of any waiver granted by ASX.

Offer means the offers to acquire Units by Keybridge as set out in this Bidder's Statement.

Offer Consideration has the meaning given in section 10.8.

Offer Period means the period during which the Offer remains open.

Participant has the meaning given in the ASX Settlement Operating Rules.

Person means an incorporated or unincorporated body or association as well as a natural person.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Register Date means the date set by Keybridge under section 633(2) of the Corporations Act, being 7pm on 17 August 2020.

Related Entity means, in relation to a party, any body corporate which is related to that party within the meaning of section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of Units, whether directly or indirectly, including all rights to receive dividends, distributions or proceeds from any return or reduction of capital, to receive or subscribe for shares, units, notes, options or other securities including by way of any return or reduction of capital and to receive all other distributions or entitlements declared, paid, made or issued by RNY Property Trust (including by way of any return or reduction of capital) after the Announcement Date which may be paid or payable to Unitholders but only if the record date for any such dividend occurs before Keybridge is registered as the holder of the relevant Units.

RNY Property Trust means RNY Property Trust ARSN 115 585 709.

RNY Property Trust Board or **RNY Property Trust Directors** means the board of directors of the responsible entity of the RNY Property Trust.

Securityholder Reference Number has the same meaning as in the ASX Settlement Operating Rules.

Subsidiary has the meaning given in the Corporations Act.

Unitholder means a holder of a Unit.

Units means fully paid ordinary shares in the capital of RNY Property Trust.

Voting Power has the meaning given to that term in section 610 of the Corporations Act.

11.2 Capitalised terms used in this Bidder's Statement and not otherwise defined in this Bidder's Statement have the meaning (if any) given to them for the purposes of Chapter 6 of the Corporations Act or the ASX Settlement Operating Rules unless that meaning is inconsistent with the context in which the term is used.

11.3 In this Bidder's Statement:

(a) headings are for convenience only and do not affect the interpretation of this Bidder's Statement;

and unless the context otherwise requires;

(b) the singular includes the plural and vice versa;

(c) a gender includes all genders;

(d) references to persons include corporations;

(e) references to section are to sections in this Bidder's Statement;

(f) references to dollar or \$ are references to Australian currency;

(g) references to "you" are to a person to whom the Offer is made under sections 10.5 to 10.7;

- (h) the word “including” or “includes” means “including, but not limited to” or “includes, without limitation”;
- (i) references to legislation, rules or other documents include those instruments as amended, supplemented or replaced, and in the case of legislation includes regulations, rules and instruments made under that legislation; and
- (j) references to time are references to the prevailing time in Melbourne, Australia.

Annexure 1

Keybridge's announcements to ASX

Date	Description
13/08/2020	Change in Director's Interest Notice – Antony Catalano
13/08/2020	Becoming a substantial holder from AIB
12/08/2020	Notice of ceasing to be a Substantial Holder from QUE
12/08/2020	Notice of ceasing to be a Substantial Holder from OEQ
12/08/2020	Appendix 2A
12/08/2020	Response to ASX Query Letter
10/08/2020	Becoming a substantial holder for WCG
10/08/2020	TOV: 11, 12 & 13 Panel Decision
07/08/2020	Change of Director's Interest Notice - Antony Catalano
06/08/2020	Ceasing to be a Substantial Holder for WCG
05/08/2020	Target Statement in response to WAM Active Offer
04/08/2020	CRPN Redemption, Conversion and Extension
04/08/2020	Change of Director's Interest Notice - Antony Catalano
04/08/2020	Change in substantial holding from WAM
04/08/2020	Change in substantial holding from WAA
03/08/2020	Change in substantial holding from YOW
31/07/2020	Change of Director's Interest Notice - Antony Catalano
31/07/2020	Becoming a substantial holder for WCG
31/07/2020	TOV: 11, 12 & 13 Panel Makes Interim Orders
29/07/2020	Change in substantial holding from WAM
29/07/2020	Change in substantial holding from WAA
28/07/2020	Ceasing to be a Substantial Holder from BEL
27/07/2020	\$5 Million Received - Correction
27/07/2020	\$5 Million Received
27/07/2020	Takeovers Panel: KBC 11 & 12 – Panel Receives Applications
24/07/2020	WAA: Update on KBC legal proceedings
24/07/2020	Change in substantial holding from WAM
24/07/2020	Change in substantial holding from WAA
23/07/2020	Change of Director's Interest Notice - Antony Catalano
22/07/2020	Change of Director's Interest Notice - Antony Catalano
21/07/2020	WAA: Takeover bid for KBC now open - dispatch complete
10/07/2020	Select Catalano Offer increased to 7.1 cents
06/07/2020	WAA: Replacement Bidders Statement for Keybridge Capital

06/07/2020	Supplementary Bidders Statement for Keybridge Capital
06/07/2020	CRPN Extension and Conversion Option
06/07/2020	WAA: Takeover bid for Keybridge Capital – Update
02/07/2020	RNY: Response to Takeover Bid
29/06/2020	Keybridge intention to scrip-bid RNY Property Trust
29/06/2020	HHY: ADIT Bid Update
29/06/2020	Notice of ceasing to be a substantial shareholder from HHY
29/06/2020	Update on investment
29/06/2020	WAM Active Processed Shares Clarification
22/06/2020	Investment in Yowie – Update
16/06/2020	Appendix F – final Buy-Back Notice – KBC
16/06/2020	Appendix 3F – Final Buy-Back Notice – KBCPA – CRP Notes
16/06/2020	BEL: Further Update on Shareholding in Keybridge Capital Ltd
11/06/2020	Dividend/Distribution - KBCPA
05/06/2020	WAA: KBC litigation and deficient related party offer
04/06/2020	BEL: Update on Shareholding in Keybridge Capital Limited
02/06/2020	Suspension from Official Quotation – Continuation
02/06/2020	Update on investment
02/06/2020	Keybridge commences legal proceedings against WAM Active
02/06/2020	Select shareholders receive 7c off-market offer
01/06/2020	T/overs Panel: KBC Panel Application Withdrawn
20/05/2020	TOV: KBC-Review Panel Affirms Initial Panel's Dec and Orders
14/05/2020	TOV: KBC Panel Makes Interim Orders
08/05/2020	Half Year Report - 31 December 2019 Audit Reviewed

Annexure 2

RNY Property Trust's announcements to ASX

Date	Description
13/08/2020	KBC: Response to ASX Query Letter
07/08/2020	RNY Property Trust Market Update
02/07/2020	Response to Takeover Bid
29/06/2020	KBC: Keybridge intention to scrip-bid RNY Property Trust
12/05/2020	RNY Property Trust Market Update
22/04/2020	Market Update
08/04/2020	RNY Market Update
01/04/2020	RNY Property Trust Corporate Governance Statement
01/04/2020	RNY Property Trust - Disclaimer of Auditor Opinion
01/04/2020	RNY Full Year Accounts Appendix 4G
01/04/2020	Full Year Statutory Accounts

CORPORATE DIRECTORY

Directors

Jeremy Kriewaldt (Chairman)
Nicholas Bolton (Managing Director)
Antony Catalano (Non-executive Director)

Registered Office

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Share Registry

Advanced Share Registry Limited
110 Stirling Highway, Nedlands, WA 6009
1300 113 258