



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP19/75

Friday, 6 December 2019

Keybridge Capital Limited 03 – Panel Receives Application

The Panel has received an application from Mr John Patton in relation to the affairs of Keybridge Capital Limited (**Keybridge**).

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 19 October 2017, Bentley Capital Limited (**Bentley**) lodged a notice of change of interests of substantial holder disclosing a relevant interest in Keybridge of 20.002%.

On 6 June 2019, Wilson Asset Management (International) Limited and associated entities (the **WAM Group**) lodged a notice of change of interests of substantial holder disclosing a relevant interest in Keybridge of 22.32%.

According to substantial holder notices lodged by Mr Geoff Wilson, Mr Wilson and associated entities have substantial holdings of 16.05% and 5.90% in Queste Communications Limited and Orion Equities Limited, respectively. These two companies are said to be part of the Bentley corporate group.

On 28 June 2019, WAM Active Limited, a member of the WAM Group (**WAA**) announced its intention to make a takeover bid in respect of Keybridge. It withdrew that intention on 22 August 2019.

On Sunday 13 October 2019, Keybridge received a notice of intention from WAA to make another takeover bid in respect of Keybridge, which was released publicly on ASX on Monday 14 October 2019 at 8.51am. The proposed bid is subject to a number of defeating conditions.

On Monday 14 October 2019 at 10.11am, Bentley announced on ASX its intention to accept the WAA proposed bid, subject to there not being a superior proposal. This announcement was made during an extraordinary general meeting of Keybridge

convened by Australian Style Group Pty Limited (**ASG**) to remove Bentley's representatives on the Keybridge board, Messrs Simon Cato and William Johnson.

Mr Patton submits that at that meeting certain proxies directing the proxy to vote in favour of the resolutions to remove Messrs Cato and Johnson were incorrectly ruled invalid and the resolutions were lost by a margin less than the number of votes excluded. Members of the WAM Group and Bentley voted against the resolutions to remove Messrs Cato and Johnson.

A second extraordinary general meeting of Keybridge convened by Bentley to remove ASG's representatives on the Keybridge board, Messrs Patton and Jeremy Kriewaldt, scheduled to be held immediately after the meeting convened by ASG, was adjourned.

Mr Patton submits (among other things) that:

- a bidder's statement has not been lodged with ASIC, sent to Keybridge and given to ASX at least 14 days before the end of the two month period specified in section 631¹ and therefore, it is inevitable that WAA will contravene section 631 and
- members of the WAM Group and Bentley have been acting in concert in a way that confers on each of them a relevant interest in the other's Keybridge shares in relation to the composition of the Keybridge board and the WAA proposed bid in breach of sections 606 and 671B.

Mr Patton seeks interim orders in effect to restrain members of the WAM Group and Bentley disposing of or voting any of their Keybridge shares.

Mr Patton seeks final orders to vest in ASIC for sale Keybridge shares held by members of the WAM Group and Bentley such that their combined holding does not exceed 19.99% of Keybridge and to restrain members of the WAM Group, Bentley and their associates from acquiring any Keybridge shares for a period of 6 months after the sale of the vested shares.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au

¹ as required by step 6 in section 633. Unless otherwise indicated, all statutory references are to the *Corporations Act 2001* (Cth) and all terms defined in Chapter 6 or 6C have the meaning given in the relevant chapter (as modified by ASIC)