

Friday, 10 January 2020

ASX Codes: KBC; KBCPA

Application of LR 10.1 regarding Bentley and WAM Active potential transaction

Keybridge makes the following disclosure in relation to any potential disposal by Bentley Capital Limited (Bentley) of Bentley's 20% holding in Keybridge to WAM Active Limited (WAM Active) by Bentley accepting WAM Active's 6.5c per share takeover bid (noting that such bid has now been overbid by Aurora Dividend Income Trust (ADIT) at 6.6c¹).

Listing Rule 10.1 requires that certain acquisition and disposal transactions by ASX listed companies involving a more than 10% shareholder do not occur without shareholder approval. Shareholder approval requires the provision of an independent expert's report on the transaction which provides an opinion as to whether the transaction is fair and reasonable to the shareholders who are not associated with the 10% shareholder.

These provisions apply to specific examples, as well as an overriding discretion on the part of ASX to determine that such approval is required in all the prevailing circumstances.

WAM Active's takeover bid raises various issues associated with the potential need for shareholder approval by one or more ASX listed companies before Bentley is permitted to accept the WAM Active takeover bid (for example, if WAM Active were to increase its offer above that of the Aurora Dividend Income Trust).

The factual position is complex and is set out in summary form in the accompanying diagram. Specifically, Mr Geoff Wilson and his associates own 16.22% of Queste Communications Ltd (Queste) and 5.90% of Orion Equities Ltd (Orion). Queste controls Orion and Orion appears to control Bentley. Bentley's Keybridge shareholding is a substantial asset of Bentley.

Keybridge has raised this issue with both Bentley and WAM Active. Keybridge considers that Keybridge shareholders need to know whether Bentley is currently precluded by ASX LR 10.1 from accepting the WAM Active takeover bid, since it will affect the likelihood of the minimum acceptance condition of the WAM Active takeover bid being satisfied.

Bentley (or one or more of the other listed companies in the diagram) should confirm to Keybridge and its shareholders whether definitive ASX advice has been obtained that Bentley is able to accept the WAM Active takeover bid without shareholder approval. Keybridge notes that WAM Active's bidder's statement, which was recently released to Keybridge shareholders, does not contain a defeating condition requiring the obtaining of such approval by Bentley or disclose the obtaining of a definitive ruling or relief from ASX on this subject.

FOR FURTHER INFORMATION:

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¹ Refer to ASX Announcement 8 January 2020 "ADIT Intention to Bid 6.6c Cash for Keybridge"

Bentley and Wilson Connected Holdings

