

ASX Ref: ODIN98380

21 August 2024

Mr Jonathan Bisset
Senior Adviser
Listings Compliance
ASX Limited
525 Collins Street, Rialto
North Tower Level 4
Melbourne VIC 3000

By email:

Dear Mr Bisset

RE: KEYBRIDGE CAPITAL LIMITED – ASX AWARE LETTER

We refer to your email received at 11.59am on 20 August 2024, attaching an ASX Aware Letter, in response to the Company's Market Announcement and outstanding Net Tangible Asset reports released on the ASX on 19 August 2024, which had been the subject of dialogue with the ASX for the period of the Company's suspension from 1 March 2024 to 19 August 2024 (**Letter**).

Set out below is Keybridge's response to each of the questions in your Letter (in bold). Capitalised terms used in this letter have the meaning given in your Letter unless otherwise defined.

KEYBRIDGE RESPONSE TO ASX QUERIES

Question 1

Does KBC consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 The unsecured loan to an asset rich entity owned by Mr Bolton, described in paragraph A(i) above.

No. As outlined in the Company's July 2024 NTA, the unsecured loan advanced to Mr Bolton in July 2024 is connected to and offset by the restraint of trade liability booked in December 2023. As such, the loan advanced to Mr Bolton has no impact on the profits, net or gross assets position of the Company, as it will ultimately be offset against the restraint of trade liability which presently exists. As the impact on the Company's profit, net and gross assets position was not material, the Company did not consider a separate announcement was warranted beyond disclosure in its monthly NTA report.

1.2 The \$3.5 million debt facility offered to KBC secured by the property in Manly, Sydney, described in paragraph A(ii) above.

No. In the Company's May 2019 NTA, "Keybridge noted that it had received a non-binding offer for an asset indirectly held by the Company through a secured loan, that, if accepted, would result in a realisation gain relative to book value of approximately \$2 million (or approximately 1.27 cents per share) – this potential gain is not reflected in the reported Net Asset Backing."

Further, in the Company's Target Statement, dated 17 January 2020, in response to a takeover offer from WAM Active (released on the ASX on 20 January 2020), Keybridge advised in relation to the Manly property/debt asset "that it received and did not accept a cash offer approximately \$2m higher than book value."

Consequently, Keybridge considers that a reasonable person ought not be surprised by a management valuation increase by a similar amount more than five (5) years later.

Finally, as stated in the Company's May 2024 NTA, the offer of finance was not accepted by the Company.

1.3 The revaluation of the loan secured by the property in Manly, Sydney from \$0.815m to \$3.5m, described in paragraph A(ii) above.

No. Refer to our response in 1.2 above.

Question 2

If the answer to any part of question 1 is "no", please advise the basis for that view.

Please refer to our responses for each of the items in question 1 above.

Question 3

When did KBC first become aware of the information referred to in question 1 above?

Please refer to our responses for each of the items in question 1 above.

Question 4

If KBC first became aware of the information referred to in question 1 before the date of the Announcement, did KBC make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe KBC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps KBC took to ensure that the information was released promptly and without delay

Please refer to our responses for each of the items in question 1 above. Also, the Company's securities had been suspended since 1 March 2024, so no trading could occur until the ASX was satisfied with the form of the Announcements ultimately released by the Compamu on 19 August 2024.

Question 5

Please confirm that KBC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Keybridge confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

Question 6

Please confirm that KBC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KBC with delegated authority from the board to respond to ASX on disclosure matters.

Keybridge confirms its responses to the above questions have been authorised and approved by the directors of the Board.

Yours faithfully,



John Patton
Company Secretary



20 August 2024

Reference: ODIN98380

Mr John Patton
Company Secretary
Keybridge Capital Limited
Suite 614
370 St Kilda Road
Melbourne, Victoria 3004, Australia

By email:

Dear Mr Patton

Keybridge Capital Limited ('KBC'): ASX Aware Letter

ASX refers to the following:

A. KBC's announcement titled "ASX Market Update – Net Asset Backing – July 2024" (the 'Announcement') released on the ASX Market Announcements Platform on 19 August 2024 disclosing the following:

i. Note 6 (Other Liabilities):

'In July 2024, the Company advanced an unsecured loan to an asset rich entity owned by Mr [Nick] Bolton [Managing Director of KBC] equal to the unpaid standstill fee and bonus. The loan is on commercial terms with an interest rate of 10% p.a., capitalising yearly and the maturity date is tied to the restraint of trade liability payment date (of December 2025).'

ii. Note 5 (Loan Receivables – Property):

'In September 2014, Keybridge took direct control of loans that were held in a fund (where Keybridge was the remaining sole lender) which invested in first ranking mortgage loans over commercial properties. Keybridge has registered mortgages over strata title lots comprising Conference Facilities at a Hotel located in Manly, Sydney as security for loans, which are owed by private companies (which are in liquidation).

As at 31 December 2023, the loan was carried (based on the Directors' judgement) at a valuation of A\$0.835 million, after having regard to historical valuations conducted on the property. At month end, the loan was carried at A\$3.5 million, reflecting the value of debt that has been offered to the Company, secured by this property, which the Company did not proceed with.'

B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

D. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows:

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

F. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks KBC to respond separately to each of the following questions:

1. Does KBC consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 The unsecured loan to an asset rich entity owned by Mr Bolton, described in paragraph A(i) above.
 - 1.2 The \$3.5 million debt facility offered to KBC secured by the property in Manly, Sydney, described in paragraph A(ii) above.
 - 1.3 The revaluation of the loan secured by the property in Manly, Sydney from \$0.815m to \$3.5m, described in paragraph A(ii) above.

Please answer separately for each of the above.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view.

Please answer separately for each of the items in question 1 above.

3. When did KBC first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.

4. If KBC first became aware of the information referred to in question 1 before the date of the Announcement, did KBC make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe KBC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps KBC took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

5. Please confirm that KBC is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that KBC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KBC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEST Friday, 23 August 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KBC's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require KBC to request a trading halt immediately if trading in KBC's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceMelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in KBC's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to KBC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that KBC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance