



13 October 2019

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Proposed Off-Market Takeover Bid for Keybridge Capital Limited (ASX: KBC)

WAM Active Limited (ACN 126 420 719) (**WAM Active**) is intending to make an off-market takeover bid under Part 6.5 of Chapter 6 of the *Corporations Act 2001*(Cth) (**Corporations Act**) for all the issued fully paid ordinary shares in Keybridge Capital Limited (ACN 088 267 190) (**KBC**) at an all cash bid price of \$0.069 for each share (**Offer**).

The proposed takeover by WAM Active will be subject to the following defeating conditions:

(1) **50.1% minimum acceptance**

WAM Active has a Relevant Interest in more than 50.1% (by number) of KBC Shares on issue before the end of the Offer Period.

(2) **Regulatory actions**

(a) During the period starting on the date that the Offer was announced (**Announcement Date**) and ending at the end of the Offer Period:

- (i) no preliminary or final decision, order or decree is made or issued;
- (ii) no action, proceeding or investigation is announced, commenced or threatened; and
- (iii) no application is made (other than by WAM Active or its associates),

by or to any regulatory organisation or government agency which is likely to or threatens to restrain, prohibit, impede or otherwise materially adversely affect the making of the Offer, the acquisition of the KBC Shares by WAM Active, the rights of WAM Active in respect of KBC and the KBC Shares or the continued operation of the businesses of KBC or its subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).



- (b) Within 2 months of the Announcement Date, ASIC granting any relief required for the Offer to be made at the intended cash price (if required).

(3) **No Prescribed Occurrences**

None of the following happens during the period commencing on the Announcement Date and ending on the expiry of the Offer Period (each being a separate condition):

- (a) the shares of KBC or any of entities KBC controls are converted into a larger or smaller number of shares;
- (b) KBC or a subsidiary of KBC resolves to reduce its share capital in any way;
- (c) KBC or a subsidiary of KBC:
 - (iv) enters into a buy-back agreement; or
 - (v) resolves to approve the terms of a buy-back agreement under sections 257C or 257D of the Corporations Act;
- (d) KBC or a subsidiary of KBC makes an issue of or grants an option to subscribe for any of its securities or agrees to make such an issue or grant such an option;
- (e) KBC or a subsidiary of KBC issues or agrees to issue convertible notes;
- (f) KBC or a subsidiary of KBC disposes or agrees to dispose of the whole or a substantial part of its business or property;
- (g) KBC or a subsidiary of KBC grants or agrees to grant an encumbrance over the whole or a substantial part of its business or property;
- (h) KBC or a subsidiary of KBC resolves to be wound up;
- (i) a liquidator or provisional liquidator of KBC or a subsidiary of KBC is appointed;
- (j) a court makes an order for the winding up of KBC or a subsidiary of KBC;
- (k) an administrator of KBC or a subsidiary of KBC is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) KBC or a subsidiary of KBC execute a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part of the property of KBC or a subsidiary of KBC.



(4) No material transactions

Except for any proposed transaction reasonably full details of which are publicly announced by KBC before the Announcement Date, none of the following events occurs during the period starting on the Announcement Date and ending at the end of the Offer Period without the written consent of WAM Active:

- (a) KBC or any of its subsidiaries acquires, offers to acquire or agrees to acquire one of more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than \$500,000 or an amount in aggregate in any series of transactions of more than \$500,000, or makes an announcement about such an acquisition or acquisitions;
- (b) KBC or any of its subsidiaries disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in any single transaction of more than \$500,000 or an amount in aggregate in any series of transactions of more than \$500,000, or makes an announcement about such a disposal;
- (c) KBC or any of its subsidiaries enters into, offers to enter into or announces that it proposes to enter into any joint venture, partnership or dual listed company structure involving a commitment of greater than \$500,000 in any single transaction or an amount in aggregate in any series of transactions of more than \$500,000, or makes an announcement about such a commitment; or
- (d) KBC or any of its subsidiaries incurs or commits to, or grants to another person a right the exercise of which would involve KBC or any of its subsidiaries incurring or committing to any capital expenditure or liability for one or more related items of greater than \$500,000, or makes an announcement about such a commitment.

(5) No material adverse change

Between the Announcement Date and the end of the Offer Period, there is no occurrence of any change which has or could reasonably be expected to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of KBC and/or its subsidiaries.

(6) Conduct of KBC's business

Between the Announcement Date and the end of the Offer Period, none of KBC and any body corporate which is or becomes a subsidiary of KBC, without the written consent of WAM Active:

- (a) adopts a new constitution or makes any change to its constitution or passes any special resolution or proposes to do so;



- (b) gives or agrees to give any encumbrance (including a security interest or mortgage) over any of its assets otherwise than in the ordinary course of business; or
- (c) changes its board composition, including appointing additional directors, whether to fill a casual vacancy or otherwise.

(7) **KBC Board**

Anytime between the Announcement Date and the end of the Offer Period, KBC breaches section 201A of the Corporations Act.

(8) **No conversion**

Between the Announcement Date and the end of the Offer Period:

- (a) KBC does not elect to, determine to convert, or announce an intention to elect, convert or convert any Convertible Redeemable Promissory Notes (ASX:KBCPA) (**CRPN**); or
- (b) no KBC shares are issued on conversion of any CRPNs.

(9) **No superior alternative proposal**

During the Offer Period, no alternative proposal to the Offer is announced that:

- (c) is recommended by any KBC director; or
- (d) offers consideration that is higher than the consideration offered under the bid valued, as far as practicable, in accordance with the principles applying under section 621(3) of the Corporations Act and ASIC Regulatory Guide 9: Takeover bids.

(10) **Restriction on others acquiring KBC shares**

During the period starting on the Announcement Date and ending at the end of the Offer Period, no person other than WAM Active or an associate of WAM Active gains or increases their voting power in KBC by 5% or more.

(11) **No material litigation**

Between the Announcement Date and the end of the Offer Period:

- (a) none of KBC and its subsidiaries has threatened or commenced against it any material claims or proceedings in any court or tribunal (and a claim or proceeding is taken to be material if it may reasonably result in a judgment of \$100,000 or more), other than that which has been fully and fairly publicly disclosed to the ASX prior to the Announcement Date;



- (b) the consideration under the Offer is required to be increased or WAM Active or one of its associates is required or is reasonably likely to be required to pay any amount to any one or more KBC shareholders in connection with the Offer as a result of:
 - (i) any litigation that is commenced, is threatened to be commenced, announced or is made known to KBC (whether or not becoming public); or
 - (ii) any preliminary or final decision or order of any regulator or other government agency, other than as a result of WAM Active publicly undertaking to increase the consideration under the Offer or WAM Active lodging a notice of variation under section 650D of the Corporations Act relating to an increase of the consideration under the Offer; or
 - (c) the aggregate liability of KBC and its subsidiaries under or in connection with any existing claim or proceeding in any court or tribunal is or is likely to be materially more than the provision made for the claim or proceeding in KBC's last audited annual financial statements or, if no provision has been made, is or likely to be more than \$100,000.
- (12) **No de-listing**
- (a) Between the Announcement Date and the end of the Offer Period, KBC is not removed from the official list of the ASX.
 - (b) KBC shares remain suspended from quotation pursuant to Listing Rule 17.3 and trading has not recommenced by 31 October 2019.
- (13) **No NTA fall**
- The reported after-tax NTA of KBC not declining by 5% or more below the after-tax NTA of KBC of \$0.0647 per share announced to the ASX in the Net Asset Backing – August 2019 Report on 18 September 2019.
- (14) **No fall in the market of below 10% or more**
- The S&P/ASX All Ordinaries Accumulation Index not closing at a level that is 10% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to Announcement Date and remaining at or below that level for at least two consecutive trading days.



A bidder's statement, which will contain further information about the Offer, will be prepared in due course and sent to KBC's shareholders in accordance with the requirements of the *Corporations Act 2001* (Cth). The Offer will open for acceptance around that time and will be open for at least one month (unless withdrawn during that period under section 652B of the Corporations Act).

For further information in relation to the proposed takeover, please contact me on 02 9247 6755 or Chief Financial Officer Jesse Hamilton on 0401 944 807.

Yours sincerely,

Geoff Wilson AO
Chairman