



Friday, 13 March 2009

MARKET ANNOUNCEMENT

Completion of Merger into Bentley Capital Limited

We are pleased to advise of the completion of the merger via a scheme of arrangement (Scheme) between Bentley Capital Limited¹ (Bentley) and Scarborough Equities Limited (Scarborough).

31,350,322 new Bentley shares have been issued to eligible Scarborough shareholders (on the basis of 1.588329 new Bentley shares for each Scarborough share held) and Scarborough shares have been transferred to Bentley; Scarborough is now a wholly owned subsidiary of Bentley.

Scheme Entitlements Statements and Bentley and Scarborough holding statements/notices are being despatched to Scarborough shareholders today. A covering letter to Scarborough shareholders and a sample Scheme Entitlements Statement is attached.

Trading of the new Bentley shares issued to eligible Scarborough shareholders on a normal settlement basis will commence on Monday, 16 March 2009.

It is also expected that Scarborough will be delisted from the ASX at such time. ASX will lodge a market announcement confirming the removal of Scarborough from the Official List of the ASX later today.

For further information:

Victor Ho
Company Secretary
T | (08) 9214 9717 or 1300 762 678
E | vho@scarboroughequities.com.au

¹ Bentley's change of name from Bentley International to Bentley Capital Limited approved by Bentley shareholders on 25 February was confirmed by ASIC on 4 March 2009.

SCARBOROUGH EQUITIES LIMITED
A.B.N. 58 061 287 045

REGISTERED OFFICE:
Suite 202, Angela House
30-36 Bay Street
Double Bay New South Wales 2028
T | (02) 9363 5088
F | (02) 9363 5488
E | info@scarboroughequities.com.au
W | www.scarboroughequities.com.au

ADVANCED SHARE REGISTRY SERVICES:
150 Stirling Highway
Nedlands Western Australia 6009
T | (08) 9389 8033
F | (08) 9389 7871
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

COMPANY SECRETARIAL OFFICE:
Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000
Local T | 1300 762 678
T | (08) 9214 9717
F | (08) 9322 1515
E | vho@scarboroughequities.com.au



13 March 2009

SAMPLE ONLY

{NA1}
{NA2}
{NA3}
{NA4}
{NA5}
{NA6}

Holder ID: {HOLDER_ID}
Sub-register: {REGISTER}

SCHEME ENTITLEMENTS STATEMENT

for a Scheme of Arrangement between Scarborough Equities Limited ABN 58 061 287 045 (ASX Code: SCB) and the holders of ordinary shares in Scarborough Equities Limited in relation to a net asset for net asset value scrip merger with Bentley Capital Limited ABN 87 008 108 218 (ASX Code: BEL)

SCB Share Class	Ordinary fully paid shares
Record Date	6 March 2008
SCB shares held at Record Date	{BAL} shares
Scheme consideration ratio (the number of new BEL shares issued in exchange for one SCB share transferred to BEL)	1.588329
Date of transfer of BEL shares	13 March 2009
Number of BEL shares issued	{BEL_Shares}

IMPORTANT: PLEASE RETAIN THIS STATEMENT FOR TAXATION PURPOSES

Background Information:

On 28 November 2008, Scarborough and Bentley entered into a merger implementation agreement (Merger Agreement) for the acquisition by Bentley of all the issued share capital of Scarborough (Merger). Bentley is an ASX-listed investment company.

The Merger involves Scarborough shareholders exchanging their Scarborough shares for shares in Bentley on a net tangible asset (NTA) for NTA valuation basis. The Merger is implemented via a Court-approved scheme of arrangement (Scheme).

On 20 February 2009, Scarborough shareholders approved the Scheme¹ and on 27 February 2009, Scarborough obtained Court approval for the Scheme.

The number of Bentley shares that each eligible Scarborough shareholder is receiving has been determined in accordance with the following Scheme formula which is based on the post-tax NTA per share of both Bentley and Scarborough as at the Calculation Date²:

$$\begin{array}{l} \text{Number of new Bentley shares to be} \\ \text{issued to each eligible Scarborough} \\ \text{shareholder} \end{array} = \begin{array}{l} \text{Number of Scarborough shares held by the} \\ \text{eligible Scarborough shareholder as at the} \\ \text{Scheme record date} \end{array} \times \frac{\begin{array}{l} \text{Post-tax NTA backing of} \\ \text{Scarborough per share} \end{array}}{\begin{array}{l} \text{Post-tax NTA backing of Bentley} \\ \text{per Bentley share} \end{array}}$$

The applicable NTAs as at the Calculation Date (27 February 2009) have been reviewed by each of Bentley's and Scarborough's auditors and are as follows:

- Bentley - \$14,740,505 or 36.6368 cents per share³;
- Scarborough - \$11,485,743 or 58.1913 cents per share.⁴

Upon completion of the Scheme on 13 March 2009, Scarborough has become a wholly owned subsidiary of Bentley and will shortly be delisted from the ASX.

- 1 Pursuant to Scarborough's Scheme Booklet dated 16 January 2009 and released on ASX on 22 January 2009
- 2 The Calculation Date is the date on which the Scheme became effective - on Friday, 27 February 2009.
- 3 Refer Scarborough's ASX announcement dated 11 March 2009 and entitled "Net Tangible Asset Backing - 28 February 2009"
- 4 Refer also Bentley's ASX announcement dated 11 March 2009 and entitled "NTA Backing and Portfolio Details as at 28 February 2009"

SCARBOROUGH EQUITIES LIMITED
A.B.N. 58 061 287 045

REGISTERED OFFICE:
Suite 202, Angela House
30-36 Bay Street
Double Bay New South Wales 2028
T | (02) 9363 5088
F | (02) 9363 5488
E | info@scarboroughequities.com.au
W | www.scarboroughequities.com.au

ADVANCED SHARE REGISTRY SERVICES:
150 Stirling Highway
Nedlands Western Australia 6009
T | (08) 9389 8033
F | (08) 9389 7871
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

COMPANY SECRETARIAL OFFICE:
Level 14, The Forrest Centre
221 St Georges Terrace
Perth Western Australia 6000
Local T | 1300 762 678
T | (08) 9214 9717
F | (08) 9322 1515
E | who@scarboroughequities.com.au



13 March 2009

Dear Shareholders

**COMPLETION OF MERGER BETWEEN SCARBOROUGH EQUITIES LIMITED (SCB)
AND BENTLEY CAPITAL LIMITED (BEL)**

We are pleased to advise that the net asset for net asset value scrip merger between Bentley Capital Limited¹ (Bentley) and Scarborough Equities Limited (Scarborough) via a scheme of arrangement (Scheme) is now complete.

Your Scheme Entitlements Statement and Bentley and Scarborough holding statements/notices are enclosed.

Trading of your new Bentley shares on a normal settlement basis commences on Monday, 16 March 2009. Bentley's ASX code is "BEL".

It is also expected that Scarborough will be delisted from the ASX at such time.

Overwhelming Support for the Merger

The Scheme was overwhelmingly approved by Scarborough shareholders at a Scheme Meeting held on 20 February - the Scheme was supported by 95% of shareholders who voted and was passed with a 99.6% majority.

Bentley shareholders also overwhelmingly supported resolutions concerning merger related matters at a general meeting held on 25 February - for example, the adoption of a new investment mandate was supported by 97% of shareholders who voted and was passed by a 93.6% majority.

Scheme Consideration

The number of Bentley shares that each eligible Scarborough shareholder is receiving² has been determined in accordance with the following Scheme formula which is based on the post-tax net tangible asset (NTA) per share of both Bentley and Scarborough as at the Calculation Date³:

$$\begin{array}{l} \text{Number of new Bentley} \\ \text{shares to be issued to each} \\ \text{eligible Scarborough} \\ \text{shareholder} \end{array} = \begin{array}{l} \text{Number of Scarborough shares held by} \\ \text{the eligible Scarborough shareholder} \\ \text{as at the Scheme record date} \end{array} \times \frac{\begin{array}{l} \text{Post-tax NTA backing of} \\ \text{Scarborough} \\ \text{Scarborough share} \\ \text{per} \end{array}}{\begin{array}{l} \text{Post-tax NTA backing of} \\ \text{Bentley per Bentley share} \end{array}}$$

The applicable NTAs as at the Calculation Date (27 February 2009) have been reviewed by each of Bentley's and Scarborough's auditors and are as follows:

- Bentley - \$14,740,505 or 36.6368 cents per share⁴;
- Scarborough - \$11,485,743 or 58.1913 cents per share⁵.

-
- 1 Bentley's change of name from Bentley International to Bentley Capital Limited approved by Bentley shareholders on 25 February was confirmed by ASIC on 4 March 2009.
- 2 Subject to the treatment of fractional entitlements and of ineligible overseas shareholders.
- 3 The Calculation Date is the date on which the Scheme became effective - on Friday, 27 February 2009.
- 4 Refer Scarborough's ASX announcement dated 11 March 2009 and entitled "Net Tangible Asset Backing - 28 February 2009".
- 5 Refer Bentley's ASX announcement dated 11 March 2009 and entitled "NTA Backing and Portfolio Details as at 28 February 2009".

SCARBOROUGH EQUITIES LIMITED
A.B.N. 58 061 287 045

REGISTERED OFFICE:
Suite 202, Angela House
30-36 Bay Street
Double Bay New South Wales 2028
T | (02) 9363 5088
F | (02) 9363 5488
E | info@scarboroughequities.com.au
W | www.scarboroughequities.com.au

ADVANCED SHARE REGISTRY SERVICES:
150 Stirling Highway
Nedlands Western Australia 6009
T | (08) 9389 8033
F | (08) 9389 7871
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

COMPANY SECRETARIAL OFFICE:
Level 14, The Forrest Centre
221 St Georges Terrace
Perth, Western Australia 6000
Local T | 1300 762 678
T | (08) 9214 9717
F | (08) 9322 1515
E | who@scarboroughequities.com.au

The Scheme has been completed based upon these NTAs and the Scheme consideration formula:

- Eligible Scarborough shareholders received 1.588329 new Bentley shares for each Scarborough share held as at the Scheme record date (6 March 2009);
- Bentley issued 31,350,322 shares to acquire all of Scarborough's shares, increasing its total issued share capital to 71,584,465 shares;
- Scarborough shareholders hold approximately 43.9% of Bentley's expanded post-merger share capital; and
- The merged group has net assets of approximately \$26.2 million (with no borrowings) and a shareholder base of approximately 2,400 holders.

The Merged Group

- The merged group will comprise Bentley with Scarborough as a wholly-owned subsidiary;
- All current Bentley directors will remain Bentley directors, and William Johnson (an Executive Director of Scarborough) will shortly be joining the Bentley Board as an Executive Director. Farooq Khan will remain Chairman of Bentley.
- Bentley will manage its investments under a new investment mandate approved by Bentley shareholders.
- The merged group's investment decisions will be carried out by Bentley's Board and/or an investment committee (in conjunction with external consultants and advisers where appropriate).
- If it believes that it is in the best interests of Bentley, the Bentley Board may choose to delegate part or all of the responsibility for making investment decisions to an investment manager, subject to the investment manager having appropriate capabilities, experience and the necessary Australian Financial Services Licences.
- Bentley and Scarborough presently share the same Chairman's and Company Secretarial office in Perth, Western Australia. This arrangement will continue post merger.

Bentley's and Scarborough's present intentions in relation to the existing investments held by Bentley and Scarborough are for:

- Bentley's investment portfolio in international securities to be maintained (A\$4.122 million as at 28 February 2009);
- Scarborough's investment manager, FSP Equities Management Limited (FSP), to continue to manage Scarborough's investment in the FSP Equities Leaders Fund (FSP Fund) (\$11.255 million as at 28 February 2009); and
- The merged group's excess cash reserves to be invested in at-call accounts and term deposits with Australian banks (~\$10.5 million as at 28 February 2009).

Taxation Implications of the Merger for Shareholders

Please retain your Scheme Entitlements Statement for taxation purposes. Section 12 of the Scarborough Scheme Booklet⁶ contains a general description of the Australian capital gains tax implications for Australian resident (for tax purposes) Scarborough shareholders arising under the merger. An extract of this section is attached.

Yours Sincerely,



Victor Ho
Company Secretary

Telephone | (08) 9214 9717 or 1300 762 678

Email | vho@scarboroughequities.com.au

6 Refer Scarborough's Scheme Booklet dated 16 January 2009 and released on ASX on 22 January 2009.

Extract of Section 12 from Scarborough Scheme Booklet:**12. Taxation implications of the Merger for Scarborough Shareholders****12.1 Introduction**

The following is a general description, based on Australian law in effect as at the date of this Scheme Booklet, of the Australian capital gains tax implications for Australian-resident and non-residents (for tax purposes) Scarborough Shareholders if the Scheme is implemented. This description only applies to those Scarborough Shareholders who hold their Scarborough Shares on capital account. It does not apply to Scarborough Shareholders who hold their Scarborough Shares as trading stock or on revenue account and these persons should obtain their own independent advice concerning the taxation consequences relevant to their own particular circumstances.

The description in this section is general in nature and does not take into account the specific taxation circumstances of each individual Scarborough Shareholder and cannot be relied upon as advice in respect of specific shareholder circumstances or situations. Australian taxation laws are complex and there could be implications in addition to those mentioned in this section. As the taxation consequences may vary depending upon the particular circumstances of each individual Scarborough Shareholder, you are advised to seek your own independent professional advice in relation to your own particular circumstances.

Non-residents of Australia for tax purposes

The Australian Government passed the Tax Laws Amendment (2006 Measures No.4) Act 2006 on 12 December 2006. This Act changes the way that Australian CGT provisions apply to non-residents that invest or carry on business in Australia. The effect of the legislation is that Scarborough Shareholders who are not resident in Australia for income tax purposes will generally not be subject to CGT on the disposal of their Scarborough Shares if they, and their associates, have not held 10% or more (by value) of the issued Scarborough Shares at any time in the 5 years preceding the disposal of their Scarborough Shares at either:

- (1) the time of the disposal of their Scarborough Shares; or
- (2) throughout a 12 month period that begins no earlier than 24 months before the disposal and ends no later than the time of the disposal of their Scarborough Shares.

Scarborough Shareholders who are non-residents of Australia (for tax purposes) should seek independent advice in the jurisdiction in which they are resident for tax purposes concerning the tax consequences in that jurisdiction if the Scheme is implemented.

12.2 Taxation consequences for Australian resident Scheme Participants if the Scheme is implemented**(1) Overview**

If the Scheme is implemented, Scheme Participants will dispose of their Scarborough Shares and be issued New Bentley Shares (subject to the treatment of Ineligible Overseas Shareholders). The Australian tax consequences of disposing of your Scarborough Shares if the Scheme is implemented will depend on a number of factors, including:

- (a) how long you have held your Scarborough Shares;
- (b) the cost of acquiring your Scarborough Shares;
- (c) whether you are an individual, a company, a trustee of a trust or a complying superannuation entity; and
- (d) whether you choose to obtain scrip for scrip roll-over relief (if available) in respect of the disposal of your Scarborough Shares under the Scheme.

(2) Capital Gains & Losses

If the Scheme is implemented, you will either:

- (a) make a capital gain if the value of the New Bentley Shares issued to you exceeds the cost base of your Scarborough Shares and you do not chose scrip for scrip rollover relief; or
- (b) make a capital loss if the value of the New Bentley Shares issued to you is less than the reduced cost base of your Scarborough Shares.

For the purposes of calculating your capital gain or capital loss, the value of the New Bentley Shares issued to you under the Scheme will be their market value on the Implementation Date.

(3) Cost base of Scarborough Shares

The cost base of your Scarborough Shares will generally be their cost of acquisition (including brokerage and stamp duty).

If you acquired your Scarborough Shares before 11.45am (by legal time in the Australian Capital Territory) on 21 September 1999, you may adjust the cost base of your Scarborough Shares to include indexation by reference to changes in the Consumer Price Index from the calendar quarter in which you acquired your Scarborough Shares until the calendar quarter ended 30 September 1999.

If you are an individual, the trustee of a trust or a complying superannuation entity and you choose to apply indexation to the cost base of your Scarborough Shares, you will not be entitled to the CGT discount. If you

are a company, then you may apply indexation to the cost base of your Scarborough Shares without having to choose it and you are not entitled to the CGT discount in any event.

The cost base cannot be adjusted to include indexation in working out the amount of any capital loss.

(4) Scrip for scrip roll-over relief

Scrip for scrip roll-over relief (**Roll-over Relief**) should be available to Scheme Participants who would otherwise have a capital gain as under the Scheme:

- Scheme Participants (other than Ineligible Overseas Shareholders) will receive New Bentley Shares in exchange for their Scarborough Shares;
- All Scheme Participants can (subject only to the treatment of Ineligible Overseas Shareholders) participate in the Scheme on the same terms; and
- Bentley will own 100% of the Scarborough Shares.

The effect of the Roll-over Relief (if available) is that:

- the capital gain made by Scheme Participants who choose to obtain the Roll-over Relief will be disregarded and effectively deferred until they dispose of the New Bentley Shares which they acquire under the Scheme;
- the cost base of the New Bentley Shares will be the cost base of the Scarborough Shares; and
- the acquisition date of the New Bentley Shares will be treated as the original acquisition date of the Scarborough Shares.

To obtain the Roll-over Relief, Scheme Participants will generally need to make a choice to receive the Roll-over Relief on their income tax return for the income year ending 30 June 2009. You may make this choice by excluding the portion of the capital gain for which Roll-over Relief is chosen from your tax return.

Scheme Participants who have capital losses available to offset against any capital gain they make as a result of the Scheme or have minimal other assessable income in the financial year ending 30 June 2009, may benefit from not choosing the Roll-over Relief.

Scheme Participants should seek independent professional advice if they are uncertain as to whether Roll-over Relief is available or whether they should choose to obtain Roll-over Relief.

(5) Where scrip for scrip roll-over relief is not chosen or is not available

If you do not choose to obtain Roll-over Relief, or it is not available, and:

- you make a capital gain as a result of the Scheme, subject to the availability of the CGT discount (see below) and any offsetting capital losses, the amount of the capital gain will be included in your assessable income and be subject to income tax; or
- you make a capital loss as a result of the Scheme, the capital loss can be offset against capital gains you have made (although not against other assessable income). A capital loss may be carried forward to offset future capital gains if there are insufficient capital gains to offset against in a year of income. Capital losses must however be applied first before the application of the CGT discount concession (if available).

(6) CGT discount

If you are an individual, the trustee of a trust, or a complying superannuation entity, then you may reduce any capital gain otherwise liable to Australian tax provided that:

- (a) you acquired your Scarborough Shares at least 12 months before the Implementation Date; and
- (b) you do not choose to adjust the cost base of your Scarborough Shares to include indexation (referred to in paragraph (3) above).

The CGT discount applicable to an individual or the trustee of a trust is one half. The CGT discount applicable to a complying superannuation entity is one third. That is, the capital gain you take into account in working out your taxable income is reduced by one half or one third as appropriate. Trustees should seek specific tax advice concerning the consequences of distributions to beneficiaries attributable to discounted capital gains tax.

The CGT discount is not available to companies.

Cost base of New Bentley Shares

Where the Roll-over Relief is not chosen or is not available, the cost base of the New Bentley Shares received under the Scheme is the value of the Scarborough Shares transferred to Bentley in exchange for those New Bentley Shares. The value of the Scarborough Shares should be determined as at the Implementation Date.

12.3 GST and duty

No Australian goods and services tax or duty will be payable by you as a consequence of transferring your Scarborough Shares to Bentley under the Scheme.