

Monday, 11 July 2016

MARKET ANNOUNCEMENT

Update on Keybridge Meeting to Remove Andrew Moffat and Appoint Bentley Nominees to Board

Bentley Capital Limited (ASX:[BEL](#)) refers to the market announcement lodged on 7 July 2016 by [Keybridge Capital](#) Limited (ASX:[KBC](#)) which purports to provide further information on Bentley and Bentley's shareholders.¹

Bentley is disappointed that the Keybridge announcement has been drafted in a manner that contains selective disclosure to Keybridge shareholders as well as omitting important information that Keybridge shareholders should be aware of in relation to Bentley prior to making a determination on how to vote at the upcoming Extraordinary Meeting of Shareholders (EGM).²

In particular, the Keybridge Board has:

- used a very selective time period to refer to the investment performance of Bentley versus Keybridge which appears to inflate Keybridge's performance. Over a longer time period the underperformance of Keybridge is significant;
- made no mention of the level and continuity of shareholder distributions made by Bentley versus Keybridge;
- made no mention of the level of share buy-backs of Keybridge versus Bentley;
- made no account of shareholder accretive actions such as shareholder asset spin-offs or the creation of new ASX listed vehicles;
- chosen to refer to shareholders of Bentley and other companies that have no relevance to the calling of the EGM and the central issue of Bentley seeking to reinvigorate the affairs of Keybridge through a Board change.

Bentley notes the following matters which Keybridge has omitted from bringing to the attention of its shareholders:

- Bentley is a profitable investment company with its most recent [31 December 2015 Half Year Report](#) indicating a net profit of \$2.5 million.
- Bentley was listed on the ASX as an investment company in 1986 and has paid a distribution to shareholders every year (save on 4 occasions) in its 31 year history.

1 Refer KBC ASX market announcement dated [7 July 2016: Shareholder Update Regarding the EGM on 29 July 2016](#)

2 Keybridge has convened an EGM for 29 July 2016 at which resolutions will be put for the removal of Andrew Moffat as a Keybridge Director and the election of Bentley Directors, Simon Cato and William Johnson, as Keybridge Directors. The Keybridge Board convened this EGM to pre-empt Bentley's notice of intent to itself call a meeting of Keybridge shareholders pursuant to a requisition under [section 249F](#) of the Corporations Act - refer KBC ASX market announcement dated [30 May 2016: Letters from Scarborough Equities Pty Ltd.](#) Bentley is the second largest shareholder in Keybridge with 31.7 million shares, being 19.99% of Keybridge's total (voting) shares on issue - refer BEL's ASX market announcement dated [8 July 2016: Change of Substantial Shareholder Notice](#).

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The table below outlines the distribution history of Bentley since 2009 (being the period that Keybridge has chosen for the purposes of its letter to shareholders):

Payment Date	Rate per share
18 March 2016	0.50 cent
25 September 2015	0.50 cent
20 March 2015	0.55 cent
26 September 2014	0.95 cent
21 March 2014	One cent
12 December 2013	One cent
18 April 2013	One cent
30 November 2012	One cent
19 April 2012	One cent
14 October 2011	5 cents
26 September 2011	2.4 cents
26 September 2011	One cent
17 March 2011	One cent
30 September 2010	One cent
15 March 2010	One cent
30 October 2009	One cent

* Refer to Bentley's website for full [distribution history](#).

- In comparison, Keybridge has only made dividend payments to shareholders in 5 out of 16 years since 2001³ and has accumulated retained losses of over \$221 million as disclosed in its [31 December 2015 Half Year Accounts](#).
- Whilst not relevant for the purposes of Keybridge's EGM, both Queste Communications Ltd and Orion Equities Limited (being major shareholders of Bentley) are profitable companies based upon their respective most recent half year financial reports.⁴

The Board of Bentley believes that these very important matters need to be brought to the attention of Keybridge shareholders and would urge shareholders to look at the facts rather than selective information in determining how to vote at the upcoming EGM of Keybridge.

Bentley has already outlined the considerable experience of its two nominees to the Board of Keybridge, being Simon Cato and William Johnson, and would commend Keybridge shareholders to vote for their appointment. Their qualifications and experience are also annexed to this announcement.

Bentley finally notes that it is not seeking the removal of current Keybridge Directors Mr Bill Brown and Mr Antony Sormann, but simply for the removal of current Chairman Andrew Moffat, whom the Board of Bentley believes is not suitable as a Director of Keybridge.

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³ Source: IRESS Market Technology

⁴ Refer [Queste's 31 December 2015 Half Year Report](#) and [Orion's December 2015 Half Year Report](#)

ANNEXURE

Qualifications and Experience of Bentley's Nominees to the Keybridge Board

SIMON CATO	
<i>Qualifications</i>	B.A. (Sydney)
<i>Experience</i>	Mr Cato has had over 30 years capital markets experience in broking, regulatory roles and as a director of listed companies. He was initially employed by the ASX in Sydney and then in Perth. From 1991 until 2006 he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he was also involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently he holds a number of non-executive roles with other listed companies in Australia.
<i>Relevant interest in KBC securities</i>	None
<i>Other current directorships in listed entities</i>	<ol style="list-style-type: none"> (1) Non-Executive Chairman of Advanced Share Registry Limited (ASX:ASW) (since 22 August 2007). (2) Non-Executive Director of Greenland Minerals and Energy Limited (ASX:GGG) (since 21 February 2006). (3) Non-Executive Director of Bentley Capital Limited (ASX:BEL) (since 7 January 2015; also February 2004 to April 2010).
<i>Former directorships in other listed entities in past 3 years</i>	(1) Transaction Solutions International Limited (ASX: TSN) (26 February 2010 to 30 August 2013).
<i>Other former directorships in Australian listed entities</i>	<ol style="list-style-type: none"> (1) Queste Communications Ltd (ASX:QUE) (2008 to 2013) (2) Convergent Minerals Limited (ASX:CVG) (2006 - 2011) (3) Scarborough Equities Limited (ASX:SCB) (2004 - 2009) (4) Sofcom Limited (ASX:SOF) (2004 - 2008) (5) Altera Capital Limited (ASX:AEA) (2004 - 2006) (6) Elemental Minerals Limited (ASX:ELM) (2004 - 2006) (7) Medusa Mining Limited (ASX:MML) (2002 - 2006)
WILLIAM JOHNSON	
<i>Qualifications</i>	MA (Oxon), MBA, MAICD
<i>Experience</i>	Mr. Johnson holds a Masters degree in engineering science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30 year business career spans multiple industries and countries, with executive/CEO experience in oil and gas exploration (North Africa and Australia), mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in business strategy, investment analysis, finance and execution.
<i>Relevant interest in KBC securities</i>	None
<i>Other current directorships in listed entities</i>	<ol style="list-style-type: none"> (1) Managing Director of Strike Resources Limited (ASX:SRK) (since 25 March 2013; Director since 14 July 2006). (2) Executive Director of Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since 13 March 2009)
<i>Former directorships in other listed entities in past 3 years</i>	<ol style="list-style-type: none"> (1) Alara Resources Limited (ASX:AUQ) (26 October 2009 to 31 October 2013). (2) Cuervo Resources Inc. (CNQ:FE) (March 2013 - December 2013).
<i>Other former directorships in Australian listed entities</i>	<ol style="list-style-type: none"> (1) Orion Equities Limited (ASX:OEO) (2003 - 2013) (2) Scarborough Equities Limited (ASX:SCB) (2004 - 2009) (3) Drillsearch Energy Limited (ASX:DLS) (2006 - 2008) (4) Sofcom Limited (ASX:SOF) (2005 - 2008) (5) Altera Capital Limited (ASX:AEA) (2005 - 2006)