

# MARKET ANNOUNCEMENT

## NTA Backing as at 31 July 2019

Bentley Capital Limited (ASX Code: BEL) gives notice that its unaudited after-tax Net Tangible Assets (NTA) Backing as at 31 July 2019 was \$0.0891 per share.

NTA Backing for Period Ending:	% Change	Current Month 31 July 2019	Previous Month 30 June 2019
Pre-Tax NTA Backing per share	+17%	\$0.0891	\$0.0762
Post-Tax NTA Backing per share	+17%	\$0.0891	\$0.0762
Based on total issued share capital		<b>76,127,918</b>	76,127,918

Bentley's NTA position comprises the following items:

NTA Components:	Current Month 31 July 2019 \$'m
Non-current asset held for sale – Strike Resources Limited	3.15
Investment in Associate Entity – Keybridge Capital Limited	1.76
Clime CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.54
Other ASX-listed securities	0.75
Other managed funds	0.43
Cash	0.18
Net other assets/(liabilities)	(0.04)
<b>Net Tangible Asset</b>	<b>6.78</b>

Bentley's major securities holdings as at 31 July 2019 were:

Security	ASX Code/ Description	Industry Sector	Value \$'m	% of NTA
Strike Resources Limited	SRK	Materials	3.15	46.5%
Keybridge Capital Limited	KBC	Diversified	1.76	26.0%
Yowie Group Ltd	YOW	Food, Beverage	0.74	10.9%
CBG Fund	Unlisted	Diversified	0.54	8.0%
Other managed funds	Unlisted	Diversified	0.43	6.4%
Other listed securities	Various	Various	0.01	0.2%



**NOTES:**

- (1) Bentley's investment in Keybridge Capital Limited (ASX: KBC) is regarded as an Associate entity (over which Bentley is considered to have significant influence) and is accounted for under the equity method in the consolidated financial statements pursuant to Accounting Standard AASB 128. Under the equity method, the carrying amount of an investment in an Associate entity is at initial cost plus a share of the Associate entity's net profit or loss (after tax) for the financial year to the relevant balance date. Refer Note 22 (Investment in Associate Entity) on page 53 of Bentley's 2018 Annual Report for further information in this regard.

Bentley notes that:

- KBC has not lodged its 30 June 2019 and 31 July 2019 month end Net Asset Backing announcements on ASX to date – in circumstances where KBC has traditionally released these results on or before the 14<sup>th</sup> of each month;
- KBC has been suspended from trading on ASX since 16 July 2019<sup>1</sup> (pending the outcome of pending enquiries by ASX and an announcement by Keybridge regarding the composition of its Board); and
- Bentley has convened a general meeting of KBC (pursuant to section 249F of the Corporations Act 2001 (Cth)) to be held on 25 September 2019 to consider resolutions for a Board spill of KBC Directors – for further information, please refer to Bentley's Section 249F Meeting Document for KBC released on ASX on 5 August 2019.

Given the above, there is a material uncertainty in relation to the current Net Asset Backing of KBC and, because of this, the carrying value of Bentley's investment in KBC. In the circumstances, Bentley considers that the most appropriate methodology to account for its investment in KBC is by reference to KBC's most recently published Net Asset Backing.

Accordingly, Bentley has accounted for its investment in KBC (31,700,000 shares being 20.13% of KBC's total issued share capital) (30 June 2019: 31,700,000 shares; 20.13%) at a carrying value of \$1.76 million (being \$0.0556 per KBC share) as at 31 July 2019 based on KBC's last published Net Asset Backing announcement as at 31 May 2019<sup>2</sup>. Bentley will update the carrying value of its investment in KBC when KBC releases its Net Asset Backing announcements on ASX.

Bentley notes that KBC's last closing bid price on ASX was \$0.071 as at 15 July 2019 (the day prior to KBC's suspension from trading on ASX<sup>1</sup>) (30 June 2019: \$0.069).

- (2) Bentley's investment in Strike Resources Limited (ASX:SRK) is regarded as an investment in a Non-Current Asset Held For Sale and is accounted for under Accounting Standard AASB 5. Refer Note 9 (Non-Current Asset Held for Sale) on pages 42 of Bentley's 2018 Annual Report for further information in this regard.

Bentley has accounted for its investment in SRK (52,553,493 shares being 36.16% of SRK's total issued share capital) (30 June 2019: 52,553,493 shares; 36.16%) at a carrying value of \$3.153 million (based on the closing bid price on ASX of 6 cents per share) at month end on this basis (30 June 2019: \$2.36 million; 4.5 cents).

- (3) Units invested in the Clime CBG Australian Equities Fund (Wholesale) (**CBG Fund**) are valued at the audited unit price published by the investment manager, CBG Asset Management Limited, as at month end – the unit price reflects the net asset backing of the fund; there is no buy/sell spread price; there is no recognition of realisation costs as there are no exit fees charged on redemption of units.
- (4) The post-tax NTA Backing per share figure is reported net of provision for tax liabilities on realised and unrealised gains on investments, in accordance with the Company's income tax accounting policy (refer Note 5 (Tax) at page 38 of Bentley's 2018 Annual Report for further information in this regard).
- (5) Bentley's current accounting policy is to recognise deferred tax assets arising from its carried forward tax losses and its unrealised loss on investments only to the extent of offsetting any deferred tax liabilities arising from its unrealised gains on investments.
- (6) Bentley's current accounting policy uses the first in-first out method of calculating gains or losses on sales of share investments.

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1 Refer ASX's Announcement in respect of KBC dated 16 July 2019: Suspension from Official Quotation

2 Refer KBC's ASX Announcement dated 13 June 2019: Net Asset Backing – May 2019