



# Bentley International Limited

31 May 2005

Dear BEL Shareholders,

I am pleased to attach to this letter a Notice of General Meeting and Explanatory Statement of BEL shareholders relating to a proposed transfer between two existing shareholders of 5.91% of the issued capital of BEL.

This transaction does not directly involve the Company or its affairs save for the application of the Corporations Act to the proposed transfer of such shares. As the Corporations Act applies, the Company is required to call this meeting. In such circumstances, BEL has sought and received agreement from these shareholders that they will bear all costs involved in the preparation and calling of this meeting.

The independent director of BEL, Mr Christopher Ryan recommends that shareholders approve this transaction. The independent expert, BDO Consultants (WA) Pty Ltd, has formed the opinion that the transaction is also fair and reasonable.

The meeting is scheduled to be held at 4:00 pm on Friday, 1 July at the offices of White Funds Management at Level 5, CML Building, 14 Martin Place, Sydney. The Company encourages shareholder attendance either in person or by proxy.

Given the forwarding of these documents to you, I think it would be appropriate to give you an update on the performance of Constellation Capital Management (the fund manager of BEL) and their HomeGlobal™ Investment Strategy. As shareholders will be aware, Constellation as fund manager of BEL implemented their HomeGlobal™ Investment Strategy in September 2004.

Attached is a summary of the NTA backing of the Company as at 30 April 2005 together with details of the asset classes and regional weightings of such investment portfolio. An outline of the top 20 holdings of BEL is also provided.

Shareholders are also advised that further details of BEL, Constellation and the performance of BEL and its investments can be obtained from BEL's website: [www.bel.com.au](http://www.bel.com.au).

Shareholders are also encouraged to contact the Company on its toll free telephone number 1300 762 678 if they have any questions on the enclosed documents or the Company generally.

Yours sincerely,

Farooq Khan  
Chairman

[www.bel.com.au](http://www.bel.com.au)

A.B.N. 87 008 108 218

**Registered Office:**

C/- White Funds Management Pty Ltd  
Level 5  
14 Martin Place  
Sydney New South Wales 2000

T | (02) 8236 7700  
F | (02) 9221 1194



**Company Secretarial Office:**

Level 14, The Forrest Centre  
221 St Georges Terrace  
Perth Western Australia 6000

**Local T |** 1300 762 678

**T |** (08) 9214 9757

**F |** (08) 9322 1515

**E |** [info@bel.com.au](mailto:info@bel.com.au)



Friday, 13 April 2005

## MARKET ANNOUNCEMENT

### NTA Backing and Portfolio Details as at 30 April 2005

#### NTA Backing

	% Change	Current Month 30 April 2005	Previous Month 31 March 2005
NTA Backing for Month Ending:			
Pre-Tax NTA Backing per share	(2.7%)	\$0.4275	\$0.4394
Post-Tax NTA Backing per share	(2.7%)	\$0.4275	\$0.4394
Based on total issued share capital		<b>38,942,213</b>	38,942,213

Notes:

- (1) The Company's investments are valued at net realisable market values.
- (2) The post-tax NTA backing per share figure is reported net of provision for tax liabilities on realised and unrealised gains on investments.

#### About Bentley International Limited (BEL)

BEL is an investment company which listed on ASX in October 1986 with the objective of achieving medium to long term capital appreciation together with fully franked dividends through investment in securities listed on the world's sharemarkets. BEL's investment portfolio is managed by Constellation Capital Management Limited, whose mandate is to implement the International equities component of Constellation's HomeGlobal™ investment strategy.

Please refer to [www.bel.com.au](http://www.bel.com.au) for further information.

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#### For further information:

Victor Ho  
Company Secretary

T | 1300 762 678 or (08) 9214 9757  
E | vho@bel.com.au

[www.bel.com.au](http://www.bel.com.au)

**Registered Office:**  
C/- White Funds Management Pty Ltd  
Level 5  
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Sydney New South Wales 2000

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Perth Western Australia 6000  
**Local T** | 1300 762 678  
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F | (08) 9322 1515  
E | info@bel.com.au

## Portfolio Details

### Asset Weighting

	% of Net Assets
International Equities	96.5%
Net Cash/Other Assets	3.5%
<b>TOTAL</b>	<b>100.0%</b>

### Regional Weighting

	% of Net Assets
North America	57.2%
Europe (ex UK)	16.5%
Japan	11.1%
United Kingdom	9.1%
Asia (ex Japan)	2.7%
Net Cash/Other Assets	3.5%
<b>TOTAL</b>	<b>100.0%</b>

### Top 20 Holdings

Company	% of Net Assets	Sector Exposures	Country
1. MICROSOFT	2.9%	Software & Computer Services	United States
2. EXXON MOBIL	2.3%	Oil & Gas	United States
3. JOHNSON & JOHNSON	1.8%	Pharmaceuticals & Biotechnology	United States
4. INTEL	1.5%	Information Technology Hardware	United States
5. BP PLC	1.5%	Oil & Gas	United Kingdom
6. ALTRIA GROUP	1.5%	Tobacco	United States
7. INTL.BUS.MACH.	1.4%	Software & Computer Services	United States
8. PROCTER & GAMBLE	1.4%	Personal Care & Household Products	United States
9. NOVARTIS R	1.4%	Pharmaceuticals & Biotechnology	Switzerland
10. GLAXOSMITHKLINE	1.3%	Pharmaceuticals & Biotechnology	United Kingdom
11. VODAFONE GROUP	1.3%	Telecommunication Services	United Kingdom
12. CISCO SYSTEMS	1.2%	Information Technology Hardware	United States
13. ENCANA	1.1%	Oil & Gas	Canada
14. TOTAL	1.0%	Oil & Gas	France
15. TOYOTA MOTOR	1.0%	Automobiles & Parts	Japan
16. ROCHE HOLDING GSH.	0.9%	Pharmaceuticals & Biotechnology	Switzerland
17. ERICSSON B	0.9%	Information Technology Hardware	Sweden
18. DELL	0.9%	Information Technology Hardware	United States
19. NESTLE R	0.9%	Food Producers & Processors	Switzerland
20. ROYAL DUTCH PTL.	0.8%	Oil & Gas	Netherlands
<b>TOTAL</b>	<b>27.0%</b>		

## Industry Sector Weighting

<b>Sector Exposures</b>	<b>% of Net Assets</b>
Aerospace & Defence	3.0%
Automobiles & Parts	4.0%
Chemicals	2.6%
Diversified Industrials	0.9%
Electronic & Electrical Equipment	5.0%
Electricity	5.7%
Engineering & Machinery	2.4%
Food Producers & Processors	2.7%
General Retailers	2.9%
Household Goods & Textiles	1.6%
Health	4.2%
Information Technology Hardware	12.6%
Insurance	2.1%
Oil & Gas	10.6%
Personal Care & Household Products	3.7%
Pharmaceuticals & Biotechnology	12.2%
Software & Computer Services	7.4%
Speciality & Other Finance	4.2%
Tobacco	2.2%
Telecommunication Services	6.5%
<b>Sub-Total International Equities</b>	<b>96.5%</b>
<b>Net Cash/Other Assets</b>	<b>3.5%</b>
<b>TOTAL</b>	<b>100%</b>

# BENTLEY INTERNATIONAL LIMITED

A.B.N. 87 008 108 218

## NOTICE OF GENERAL MEETING & EXPLANATORY STATEMENT

**Time and:  
Date of Meeting** 4:00pm  
on Friday, 1 July 2005

**Place of Meeting:** Boardroom  
White Funds Management Pty Ltd  
Level 5  
CML Building  
14 Martin Place  
Sydney, New South Wales

### IMPORTANT NOTICE

It is recommended that Shareholders read this Notice of Meeting and Explanatory Statement in full and if there is any matter that you do not understand, you should contact your financial adviser, stockbroker or solicitor for advice.

The accompanying Independent Expert's Report prepared by BDO Consultants (WA) Pty Ltd has concluded that the transaction proposed in Resolution 1 is both fair and reasonable to the non-associated existing shareholders of the Company.

Director, Mr Christopher Ryan recommends that Shareholders approve Resolution 1. Messrs Farooq Khan and Simon Cato make no recommendation to Shareholders as they are directors of Sofcom Limited (being one of the parties to the transaction the subject of Resolution 1).

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Visit our website for:

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- Financial Reports

Register your email with us to receive latest Company announcements and releases

EMAIL US AT:  
[info@bel.com.au](mailto:info@bel.com.au)

# CORPORATE DIRECTORY

## BOARD

Farooq Khan	<i>Chairman</i>
Christopher Ryan	<i>Director</i>
Simon Cato	<i>Director</i>

## COMPANY SECRETARY

Victor Ho

## REGISTERED OFFICE

White Funds Management Pty Ltd  
Level 5, CML Building  
14 Martin Place  
Sydney New South Wales 2000  
Telephone: (02) 8236 7700  
Facsimile: (02) 9221 1194  
Internet: [www.whitefunds.com.au](http://www.whitefunds.com.au)

## CHAIRMAN'S AND COMPANY SECRETARIAL OFFICE

Level 14, The Forrest Centre  
221 St Georges Terrace  
Perth Western Australia 6000  
Local Call: 1300 762 678  
Telephone: (08) 9214 9757  
Facsimile: (08) 9322 1515  
Email: [info@bel.com.au](mailto:info@bel.com.au)  
Internet: [www.bel.com.au](http://www.bel.com.au)

## SHARE REGISTRY

Registries Limited  
Level 2, 28 Margaret Street  
Sydney New South Wales 2000  
Telephone: (02) 9290 9600  
Facsimile: (02) 9279 0664  
Email: [registries@registriesltd.com.au](mailto:registries@registriesltd.com.au)  
Internet: [www.registriesltd.com.au](http://www.registriesltd.com.au)

## INDEPENDENT EXPERT

BDO Consultants (WA) Pty Ltd  
Level 8, 256 St Georges Terrace  
Perth Western Australia 6000  
Telephone: (08) 9360 4200  
Web: [www.bdo.com.au](http://www.bdo.com.au)

## PURPOSE OF THIS DOCUMENT

This Notice of Meeting and Explanatory Statement has been prepared for the purpose of providing Shareholders with all the information known to the Company that is material to the Shareholders' decision on how to vote on the proposed resolution at the General Meeting. Shareholders should read this Notice of Meeting and Explanatory Statement in full to make an informed decision regarding the resolution considered at this General Meeting. This Notice of Meeting and Explanatory Statement is dated 31 May 2005.

## ROLE OF ASX

A copy of this Notice of Meeting and Explanatory Statement has been lodged with ASX. Neither ASX nor any of their respective officers takes any responsibility for the contents of the Notice of Meeting and Explanatory Statement.

## ENQUIRIES

If you have any questions regarding the matters set out in this Notice of Meeting and Explanatory Statement, please contact the Company Secretary or your professional advisers.

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# NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of Bentley International Limited A.C.N. 008 108 218 (**BEL** or **Company**) will be held in the Boardroom of White Funds Management Pty Ltd, Level 5, CML Building, 14 Martin Place, Sydney, New South Wales at 4:00 pm on Friday, 1 July 2005.

## AGENDA

### ORDINARY BUSINESS

#### 1. Resolution 1 - Approval for Acquisition of Shares by Shareholder

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of section 606(1) and Item 7 of section 611 of the *Corporations Act 2001 (Cth)* and for all other purposes, approval is given for Central Exchange Limited (“**CXL**”) to acquire 2,300,000 fully paid ordinary shares in the Company from Sofcom Limited (“**SOF**”) pursuant to a share sale agreement between CXL and SOF as described in the Explanatory Statement.”

**Short Explanation:** The Corporations Act provides a general prohibition against a shareholder increasing its voting power in a company from 20% or below to more than 20%. An exception to this prohibition is where the company’s shareholders approve the increase of such voting power. CXL will increase its voting power from 19.03% to 24.93% as a consequence of the acquisition of 2.3 million shares in BEL under the Share Sale Agreement with SOF. The Company has convened this General Meeting (at CXL’s and SOF’s expense) to seek shareholder approval for CXL (and its Associates) to increase their voting power in BEL by 5.91% under such transaction. Please refer to the Explanatory Statement for further details.

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by:

- (1) Central Exchange Limited (the purchaser of BEL shares under the Share Sale Agreement);
- (2) Sofcom Limited (the seller of BEL shares under the Share Sale Agreement); and
- (3) any party who is an Associate of a party referred to in (1) and (2) above.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a Shareholder who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a Shareholder who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Dated: 31 May 2005**

**By order of the Board,**



**Victor Ho**  
**Company Secretary**

## TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

### Venue

The General Meeting of the shareholders of Bentley International Limited will be held at:

Boardroom	Commencing	4:00pm
White Funds Management Pty Ltd		Friday
Level 5, 14 Martin Place		1 July 2005
Sydney, New South Wales		

### Voting Rights

- At any meeting of the members, each member entitled to vote may vote in person or by proxy or by attorney or, in the case of a member which is a corporation, by representative.
- Every person who is present in the capacity of member or the representative of a corporate member shall, on a show of hands, have one vote.
- Every member who is present in person, by proxy, by attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by him.

### Voting in Person

To vote in person, attend the General Meeting on the date and at the venue out above.

### Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and return it to the Company's registered office, either:

- by facsimile to (02) 9221 1194; or
- by mail to White Funds Management, Level 5, 14 Martin Place, Sydney NSW 2000

so that it is received **not later than 4:00pm (AEST) on Wednesday, 29 June 2005**.

### Bodies corporate

A body corporate may appoint an individual as its authorised corporate representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. A properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the General Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.

### Powers of Attorney

A person appearing as Power of Attorney for a shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

### Voting Entitlement

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the General Meeting all Shares in the Company will be taken to be held by the persons who held them as registered Shareholders at midnight (AEST) on 29 June 2005 (**Voting Entitlement Time**). Subject to the voting exclusions noted earlier, all holders of Shares in the Company as at the Voting Entitlement Time will be entitled to vote at the General Meeting.



# EXPLANATORY STATEMENT

## 1. SUMMARY

### 1.1 Reasons for General Meeting

Central Exchange Limited (CXL) and Sofcom Limited (SOF) are existing substantial shareholders in the Company (BEL) and have entered into agreements which provide for the sale of up to 4.4 million shares in BEL from SOF to CXL.

The sale of these BEL shares does not directly involve BEL and involves no change to the issued capital of BEL or its financial affairs or position. The transaction is between two major shareholders of BEL who are altering their shareholding interest in BEL.

In particular, CXL as purchaser has advised that it proposes no changes to the financial position/performance, or future direction of BEL operations or business.

As the agreement between CXL and Sofcom involves a change in shareholding in BEL greater than 20% of the voting rights in BEL it attracts the provisions of the Corporations Act and requires the involvement of BEL shareholders as outlined below.

The Corporations Act provides a general prohibition against a shareholder increasing its voting power in a company from 20% or below to more than 20%. An exception to this prohibition is where the company's shareholders approve the increase of such voting power.

Subject to settlement of the First Tranche BEL Share Sale Agreement and the Share Sale Agreement (details of which are outlined below), CXL will increase its Shareholding (and CXL and its Associates will increase their voting power) in BEL from 19.03% to approximately 24.93% as a consequence of the acquisition of 2,300,000 Shares in BEL under the Share Sale Agreement with SOF.

Accordingly, the Company has convened this General Meeting to seek Shareholder approval for CXL (and its Associates) to increase their voting power in BEL by 5.91% under such transaction.

CXL and SOF have agreed to meet the Company's costs of convening this General Meeting.

**The Company is not directly involved in this transaction as it is between two Shareholders in BEL - CXL and SOF. Shareholders are advised that there will be no change to the issued capital, financial position/performance, or future direction of BEL as a consequence of this transaction proceeding if Shareholders approve Resolution 1.**

## 1.2 Overview of Resolution

Resolution 1 is an ordinary resolution and seeks Shareholder approval for CXL to acquire 2,300,000 Shares in the Company from SOF pursuant to the Share Sale Agreement between CXL and SOF.

## 1.3 Material Consideration for Shareholders

As this transaction is a minor one between various shareholders and does not directly involve the Company or its affairs save for the application of the Corporations Act with respect to the proposed transfer of BEL shares, BEL has sought and received agreement from these shareholders that they will bear all costs involved in the preparation and calling of this General Meeting.

## 1.4 Conclusion of Independent Expert

An Independent Expert's Report prepared by BDO Consultants (WA) Pty Ltd (**BDO Consultants**) comments on whether the transaction the subject of Resolution 1 is fair and reasonable to the non-associated Shareholders of the Company and has been prepared to comply with the requirements of section 611 Item 7 of the Corporations Act and ASIC Policy Statements 74 and 75.

BDO Consultants has formed the opinion that the transaction proposed in Resolution 1 is fair and reasonable to the non-associated shareholders of the Company.

The Independent Experts' Report accompanies this Notice of Meeting and Explanatory Statement and Shareholders are encouraged to read the full text of such report.

## 1.5 Board's Recommendations

	<b>Resolution 1 - Approval for Acquisition of Shares</b>
<b>Advantages</b>	<p>CXL (also a listed investment company) has demonstrated an interest in investing in other LIC's - accordingly, as a potential long term cornerstone investor in BEL, it is supportive of BEL's strategic objectives.</p> <p>The creation of a supportive cornerstone investor may result in the reduction in speculative trading in BEL shares and the provision of price stability to BEL shares.</p> <p>Sofcom, the current holder of such shares is not a long term shareholder of BEL having already entered into agreements to dispose of nearly the whole of its current shareholding in BEL. Sofcom may accordingly continue to seek a disposal of its shareholding should BEL shareholder approval not be received for this transaction.</p> <p>Such action by Sofcom may cause a significant parcel of shares to be either distributed in specie to its shareholders (see " <i>If Resolution Not Passed</i> " below) or sold on market. Given historical trading volumes and market liquidity in BEL shares, where Sofcom would seek to dispose of its shareholding this may lead to a reduction in the share price of BEL. Alternatively, a distribution in specie of these BEL shares to Sofcom shareholders may result in a large number of shares being sold on market by the ultimate recipients of such shares. Given historical trading volumes and market liquidity in BEL shares this may lead to the potential for a reduction in the share price of BEL as such shares are sold. Shareholders should note that as CXL does not propose any change in the future direction of the Company (refer Section 3.5 of this Explanatory Statement), the transaction is otherwise "neutral" to the non-associated Shareholders of BEL.</p>
<b>Disadvantages</b>	<p>As the holder of a 24.93% interest in BEL after the completion of the Share Sale Agreement, CXL may have the ability to exert influence over the affairs of BEL via its support for or against resolutions put to BEL shareholders at a general meeting.</p> <p>Shareholders should note that as CXL does not propose any change in the future direction of the Company (refer Section 3.5 of this Explanatory Statement), the transaction is otherwise "neutral" to the non-associated Shareholders of BEL.</p>

continued	<b>Resolution 1 - Approval for Acquisition of Shares</b>
<b>If Resolution Is Not Passed</b>	<p>If the Share Sale Agreement does not proceed in circumstances where BEL Shareholders have failed to approve the transaction the subject of <u>Resolution 1</u> (and the First Tranche BEL Share Sale Agreement and SCB Option Deed have both settled), SOF has proposed to distribute the 2.3 million shares to its shareholder under the SOF Return of Capital. That is, SOF shareholders will become shareholders of BEL in respect of such 2.3 million parcel of BEL shares.</p> <p>If BEL shareholders approve <u>Resolution 1</u> but the Share Sale Agreement fails to settle for any reason (and the First Tranche BEL Share Sale Agreement and SCB Option Deed have both settled), SOF has proposed to distribute the 2.3 million shares to its shareholders under the SOF Return of Capital.</p> <p>If BEL shareholders approve <u>Resolution 1</u> but the First Tranche BEL Share Sale Agreement and SCB Option Deed fails to settle, Sofcom will retain its shareholding in BEL and CXL will not be increasing its voting power in BEL under either the First Tranche BEL Share Sale Agreement or the Share Sale Agreement.</p>
<b>Directors' Recommendation</b>	<p>Director, Mr Christopher Ryan recommends that Shareholders approve <u>Resolution 1</u>.</p> <p>Messrs Farooq Khan and Simon Cato, makes no recommendation to Shareholders as they are directors of Sofcom Limited (being one of the parties to the transaction the subject of <u>Resolution 1</u>).</p>

## 2. RESOLUTION 1

Resolution 1 seeks Shareholder approval for CXL to acquire 2,300,000 BEL Shares from SOF pursuant to the Share Sale Agreement between CXL and SOF.

### 2.1 Share Sale Agreement

On 30 May 2005, SOF entered into the Share Sale Agreement with CXL for the sale to CXL of 2,300,000 BEL shares held by SOF for a consideration per share equal to the last reported NTA (post tax) backing value of BEL per share with the total consideration to be paid by the issue to SOF of new CXL shares priced at CXL's last reported NTA (post tax) backing. There is no cash consideration involved in the transaction.

The references to NTA backings in respect of BEL and CXL shares are references to the last reported NTA (post tax) backings of such companies prior to settlement - this is expected to be the NTA backings reported as at 31 May 2005, on the basis that the agreement will settle on 30 June 2005.

By way of illustration, based on the after tax NTA backings for BEL and CXL as at 30 April 2005, the consideration payable by CXL is as follows:

No of BEL shares sold	Value of Consideration <sup>(1)</sup>	Consideration satisfied by:		
		Cash received	No. CXL shares issued	Value of CXL shares <sup>(2)</sup>
2,300,000	\$983,250	-	973,515	\$983,250

(1) These figures may change. They have been based on BEL's last reported 30 April 2005 after tax NTA backing of \$0.4275 per share

(2) These figures may change. They have been based on CXL's last reported 30 April 2005 after tax NTA backing of \$1.01 per share

The Share Sale Agreement is conditional upon the satisfaction by 29 July 2004 (unless conditions (b) to (c) are waived by CXL) of the following conditions precedent:

- (a) SOF's shareholders approving the sale of the 2,300,000 BEL shares to CXL on the terms and conditions of the Share Sale Agreement;
- (b) BEL shareholders approving the acquisition of the 2,300,000 BEL shares by CXL on the terms and conditions of the Share Sale Agreement for the purposes of section 611 Item 11 of the Corporations Act;
- (c) SOF's shareholders approving the SOF Return of Capital insofar as it relates to the distribution of CXL shares to SOF shareholders;
- (d) CXL acquiring from SOF 3,167,152 SCB shares upon the exercise of CXL's option on the terms and conditions of the SCB Option Deed;
- (e) CXL acquiring from SOF 2,100,000 BEL shares on the terms and conditions of the First Tranche BEL Share Sale Agreement.

At settlement, CXL is required to apply to the ASX for quotation of the new CXL shares issued to SOF consideration received under the Share Sale Agreement.

SOF has convened a general meeting to be held on 30 June 2005 to seek shareholder approval in respect of the matters referred to in conditions precedent (a) and (c) to (d) above (the **SOF General Meeting**).

SOF has advised that the transactions referred to in conditions precedent (d) and (e) are expected to settle immediately after the SOF General Meeting to approve such transactions

Accordingly, SOF has advised that BEL shareholder approval of the Share Sale Agreement is expected to the last of the conditions precedent to such agreement and the agreement is expected to settle shortly after this General Meeting if BEL Shareholders approve such transaction.

## 2.2 Increase in Shareholding in the Company

CXL is currently the holder of 5,308,920 BEL shares (being 13.63% of BEL's current total issued share capital of 38,942,213 Shares).

SOF is currently the holder of 4,700,000 BEL shares (12.07%).

CXL has proposed to acquire 2,100,000 BEL Shares from SOF under the First Tranche BEL Share Sale Agreement, subject to SOF shareholder approval at the SOF General Meeting. This acquisition will increase CXL's holding in BEL to 7,408,920 Shares (19.03%).

CXL will increase its holding further to 9,708,920 BEL Shares under the Share Sale Agreement the subject of Resolution 1, being 24.93% of BEL's total issued share capital.

Accordingly, Resolution 1 seeks approval for CXL to increase its shareholding in BEL by 5.91% from 19.03% to 24.93% under the Share Sale Agreement.

## 3. Information Provided Under the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company if, as a result of the acquisition, that person's or someone else's voting power in the company increases from less than 20% to more than 20%, or from a starting point that is above 20% and below 90%.

The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's Associates have a relevant interest (under section 610 of the Corporations Act).

A person has a relevant interest in securities if they are the holder of the securities.

There are various exceptions to the prohibition in section 606, including under section 611 item 7 of the Corporations Act. Section 611 item 7 provides an exception to the prohibition in section 606, in circumstances where the shareholders of the company approve an acquisition of shares by virtue of an allotment or acquisition, at a meeting at which no votes are cast by parties involved in the proposed acquisition, including their Associates.

Please refer to Section 2.2 of this Explanatory Statement for details concerning the changes to CXL's shareholding in BEL upon completion of the Share Sale Agreement (by 5.91% from 19.03% to 24.93% of BEL's total issued share capital).

Shareholder approval under section 611 item 7 of the Corporations Act is sought pursuant to Resolution 1 because upon the settlement of the Share Sale Agreement, the voting power of CXL in BEL will increase from a starting point that is below 20% to in excess of 20%.

The following sub-sections set out the balance of information required to be provided to shareholders under section 611 Item 7 of the Corporations Act and ASIC Policy Statement 74 (Acquisitions Agreed to by Shareholders).

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### 3.1 the identity of the purchaser and any person who will have a relevant interest in the shares to be purchased

The purchaser under the Share Sale Agreement is CXL, an investment company listed on ASX (ASX Code: CXL) with net assets of approximately \$17.23 million (pre tax) (or \$1.04 per share) and \$16.73 million (post tax) (or \$1.01 per share) based on its last reported NTA backing for 30 April 2005.

CXL's website provides further relevant information about the company: [www.centralexchange.com.au](http://www.centralexchange.com.au)

No Associate of CXL currently has a Shareholding in BEL.

However, the following persons have a relevant interest in CXL's Shareholding in BEL:

- (a) Queste Communications Limited (**QUE**) is taken under section 608(3)(b) of the Corporations Act to have a relevant interest in securities in which CXL has a relevant interest by reason of having control of CXL (QUE has 50.73% voting power in CXL); Who is Queste?
- (b) A director of QUE, Farooq Khan and controlled companies (Island Australia Pty Ltd, Skin-Plex Laboratories Pty Ltd and The Essential Earth Pty Ltd) (**Farooq Khan & Associates**) are taken under section 608(3)(a) of the Corporations Act to have a relevant interest in securities in which QUE has a relevant interest by reason of having voting power above 20% in QUE (such persons have 20.77% voting power in QUE).

QUE is a public company listed on ASX (ASX Code: QUE) and is a 50% shareholder of CXL. QUE's website provides further relevant information about the company: [www.queste.com.au](http://www.queste.com.au)

Farooq Khan is Chairman of QUE and is also a member of the investment committee of CXL (at the invitation of CXL).

### 3.2 The interests of the Directors in the resolution

CXL and SOF (the seller) are public companies listed on ASX.

BEL Chairman, Mr Farooq Khan, is the Chairman of QUE (the controller of CXL) and SOF.

BEL director, Mr Simon Cato, is a non-executive director of SOF.

BEL Company Secretary, Mr Victor Ho, is also a director and Company Secretary of CXL and SOF and a Company Secretary of QUE.

All Directors of the Company approved:

- the proposal to put Resolution 1 to Shareholders at this General Meeting;
- the commission of BDO Consultants to prepare the Independent Expert's Report;
- the contents of this Explanatory Statement and the accompanying Independent Expert's Report.

Mr Christopher Ryan, as the independent Director, is proposed to be appointed Chairman of the General Meeting. Mr Ryan's open Chairman's proxies will be voted in favour of Resolution 1.

### **3.3 The voting power the purchaser would have as a result of the acquisition and the maximum extent of the increase in the purchaser's voting power as a result of the acquisition.**

If Resolution 1 is passed (and upon the completion of the Share Sale Agreement), CXL's voting power in BEL will increase from 19.03% to 24.93% upon completion of the Share Sale Agreement.

The maximum extent of the increase in CXL's voting power in BEL as a result of the passing of Resolution 1 (and upon the completion of the Share Sale Agreement) is 5.91%.

Please refer to Section 2.2 of this Explanatory Statement for further particulars of the BEL Shares to which CXL will be entitled immediately before and after the proposed acquisition under the Share Sale Agreement.

### **3.4 The voting power the purchaser's Associates would have as a result of the acquisition and the maximum extent of the increase in the Associates' voting power as a result of the acquisition**

No Associate of CXL currently has a Shareholding in BEL. However, the following persons have a relevant interest in CXL's Shareholding in BEL (as explained in Section 3.1 of this Explanatory Statement):

- (a) QUE;
- (b) Farooq Khan & Associates.

Accordingly:

- If Resolution 1 is passed, (and upon the completion of the Share Sale Agreement) each of QUE and Farooq Khan & Associates' voting power in BEL will increase from 19.03% to 24.93% upon completion of the Share Sale Agreement – the same as for CXL;
- The maximum extent of the increase in each of QUE and Farooq Khan & Associates' voting power in BEL as a result of the passing of Resolution 1 (and upon the completion of the Share Sale Agreement) is 5.91% – the same as for CXL.

### **3.5 The purchaser's intentions regarding the future of BEL**

CXL has no present intention to:

- change the business, Board, investment objectives/strategies of the Company;
- inject further capital into the Company;
- transfer any property between the Company and CXL (or Associates);
- otherwise redeploy the fixed assets of the Company; or



- change the financial or dividend policies of the Company,
- if Resolution 1 is approved (and upon the completion of the Share Sale Agreement).

## 4. GLOSSARY

**AEST or Sydney time** means Australian Eastern Standard Time.

**ASIC** means Australian Securities and Investments Commission.

**Associate** has the meaning given to it by sections 10 to 17 of the Corporations Act.

**ASX** means Australian Stock Exchange Limited ACN 008 624 691.

**BDO Consultants** means BDO Consultants (WA) Pty Ltd ABN 92 008 864 435.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Sydney, New South Wales.

**Central Exchange or CXL** means Central Exchange Limited ACN 000 742 843, an ASX listed company (ASX Code: CXL).

**Company or BEL** means Bentley International Limited ACN 008 108 218, an ASX listed company (ASX Code: BEL).

**Constitution** means the constitution of the Company.

**Corporations Act and Act** means the *Corporations Act 2001 (Cth)*.

**Corporations Regulations** means the *Corporations Regulations 2001 (Cth)*

**Directors** mean the directors of the Company from time to time.

**Dollars or \$** means Australian dollars unless otherwise stated.

**Farooq Khan & Associates** means Farooq Khan and controlled companies, Island Australia Pty Ltd A.C.N. 073 447 300, Skin-Plex Laboratories Pty Ltd A.C.N. 009 424 560 and The Essential Earth Pty Ltd A.C.N. 009 029 305.

**First Tranche BEL Share Sale Agreement** means the agreement dated 30 May 2005 between SOF and CXL in relation to the sale of SOF's 2,100,000 BEL shares to CXL for a consideration per share equal to the last reported after tax NTA backing value of BEL per share with the total consideration to be paid by \$575,000 cash and the issue to SOF of new CXL shares priced at CXL's last reported after tax NTA backing).

**General Meeting** means the general meeting of the Company to be held at 4:00 pm (Sydney time) on Friday, 1 July 2005.

**Glossary** means this glossary.

**Independent Expert** means BDO Consultants.

**LIC** means listed investment company, which is an investment company listed on ASX.

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**Listing Rules** means Listing Rules of the ASX.

**Notice of Meeting and Explanatory Statement** means this notice of meeting and explanatory statement document dated 31 May 2005 despatched to Shareholders of the Company in relation to the General Meeting.

**NTA** means net tangible assets.

**QUE** means Queste Communications Limited ACN 081 688 164, an ASX listed company (ASX Code: QUE).

**SCB** means Scarborough Equities Limited ABN 58 061 287 045 (formerly Rivkin Financial Services Limited), an ASX listed company (ASX Code: SCB – formerly RFS).

**SCB Option Deed** means the deed dated 2 May 2005 between SOF and CXL (as amended) in relation to the sale of SOF's 3,167,152 SCB shares to CXL for a consideration per share equal to the last reported after tax NTA backing value of SCB per share with the total consideration to be paid by \$200,000 cash and the issue to SOF of new CXL shares priced at CXL's last reported after tax NTA backing), upon the exercise of CXL's option pursuant to such deed.

**Share Sale Agreement** means the agreement dated 30 May 2005 between SOF and CXL in relation to the sale of SOF's 2,300,000 BEL shares to CXL, the material terms of which are summarised in Section 2.1 of this Explanatory Statement.

**Share(s)** means fully paid ordinary shares in the Company.

**Shareholder(s)** means holders of Shares.

**SOF or Sofcom** means Sofcom Limited ACN 087 482 602, an ASX listed company (ASX Code: SOF).

**SOF Return of Capital** means the share capital return under section 256B and 256C(1) of the Corporations Act proposed by SOF which is the subject of SOF shareholder approval at the SOF General Meeting.

**SOF General Meeting** means a general meeting of SOF to be held on 30 June 2005, pursuant to a Notice of Meeting and Explanatory Memorandum issued by SOF dated 30 May 2005.

**INDEPENDENT EXPERT'S  
REPORT  
AND  
FINANCIAL SERVICES GUIDE**

**BENTLEY INTERNATIONAL  
LIMITED**

**31 MAY 2005**



**BDO Consultants (WA) Pty Ltd**

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Tel: (61-8) 9360 4200  
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AFS Licence Number 246328  
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## **Financial Services Guide**

31 May 2005

**BDO Consultants (WA) Pty Ltd** ABN 92 008 864 435 ("**BDO Consultants**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged by Bentley International Limited ("**BEL**") to provide an independent expert's report on the proposal for Central Exchange Limited to purchase shares in BEL. You will be provided with a copy of our report as a retail client because you are a shareholder of BEL.

### **Financial Services Guide**

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our **Australian Financial Services Licence, Licence No. 246328**;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### **Information about us**

BDO Consultants (WA) Pty Ltd is ultimately owned by the Perth partnership of BDO. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services. Our directors are partners in the Perth partnership of BDO.

The Perth partnership of BDO is a member firm of BDO in Australia, a national association of separate partnerships and entities. The financial product advice in our report is provided by BDO Consultants (WA) Pty Ltd and not by the Perth partnership of BDO or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and the Perth partnership of BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### **Financial services we are licensed to provide**

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice to retail and wholesale clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues in relation to:

- ◆ derivatives limited to old law securities options contracts and warrants;
- ◆ debentures, stocks or bonds issued or proposed to be issued by a government;
- ◆ interests in managed investments schemes (excluding investor directed portfolio services);
- ◆ securities; and
- ◆ superannuation.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### **General Financial Product Advice**

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice

## **Fees, Commissions and Other Benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement will be approximately \$7,000.

Except for the fees referred to above, neither BDO Consultants, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

## **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

We have received a fee from BEL for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

## **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## **Complaints resolution**

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Consultants (WA) Pty Ltd, PO Box 7426 Cloisters Square, Perth WA 6850.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

### *Referral to External Dispute Resolution Scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Industry Complaints Service Limited ("**FICS**"). FICS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FICS will be able to advise you as to whether or not they can be of assistance in this matter. Our FICS Membership Number is F-3820.

Further details about FICS are available at the FICS website [www.fics.asn.au](http://www.fics.asn.au) or by contacting them directly via the details set out below.

Financial Industry Complaints Services Limited  
PO Box 579  
Collins Street West  
Melbourne VIC 8007  
Toll free: 1300 780 808  
Facsimile: (03) 9621 2291  
Email: [fics@fics.asn.au](mailto:fics@fics.asn.au)

## **Contact details**

You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

**BENTLEY INTERNATIONAL LIMITED**  
**INDEPENDENT EXPERT'S REPORT**  
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Our ref: SA/SK

31 May 2005

The Directors  
Bentley International Limited  
Level 14  
221 St George's Terrace  
PERTH WA 6000

Dear Sirs

**INDEPENDENT EXPERT'S REPORT**

**1. INTRODUCTION**

BDO Consultants (WA) Pty Ltd ("**BDO**") has been engaged by Bentley International Limited ("**BEL**" or "**the Company**") to prepare an Independent Expert's Report ("**our Report**") to express an opinion as to whether or not the proposal ("**the Proposal**") for Central Exchange Limited ("**CXL**") to purchase ordinary shares in BEL ("**the BEL shares**"), is fair and reasonable to non-associated shareholders ("**Shareholders**") of BEL. CXL seeks to purchase 2,300,000 ordinary shares in BEL which will increase its interest in BEL.

Our Report is to be included with the Notice of Meeting and Explanatory Memorandum for BEL to be sent to all Shareholders to assist them in deciding whether to accept or reject the Proposal.

**2. SUMMARY AND OPINION**

**We have considered the terms of the Proposal as outlined in the body of this report and have concluded that the Proposal is fair and reasonable to Shareholders.**

**2.1 Fairness**

In Section 11 we determined that the proposed consideration compares to the value of the BEL shares to be acquired by CXL, as detailed below.

	Low \$	High \$
<b>Value of the of BEL shares (Section 8)</b>	<b>911,720</b>	<b>1,053,630</b>
<b>Value of the proposed consideration (Section 9) <sup>1</sup></b>	<b>943,190</b>	<b>1,061,213</b>

**Note <sup>1</sup>:** The actual value of the consideration will be based on the last reported Net Tangible Asset ("**NTA**") value of BEL prior to the transaction. For the purposes of this report we have used the NTA value as at 30 April 2005 to calculate the relevant amount of consideration to be given. The actual NTA figure to be used should the Proposal be accepted is expected to be as at 31 May 2005.

The above values indicate that the Proposal is fair for Shareholders.

## 2.2 Reasonableness

We have considered the analysis in Section 12 of this report in terms of the advantages and disadvantages of the Proposal.

In our opinion, the position of Shareholders if the Proposal proceeds is more advantageous than the position if the Proposal does not proceed. Accordingly, we believe that the Proposal is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1.1	The Proposal is fair	13.2.1	CXL's interest in BEL will increase to approximately 24.93%.
13.1.2	Share Price Stability		

## 3. DETAILS OF THE PROPOSAL

### 3.1 The Proposal

The terms of the proposal are that CXL will purchase 2,300,000 shares in BEL from Sofcom Limited ("**SOF**"). The consideration proposed to be paid by CXL is 973,515 ordinary shares in CXL, based on the NTA value of BEL and CXL as at 30 April 2005.

### 3.2 The Proposal Background

This transaction is part of a larger purchase by CXL ("**the SOF transaction**"). Subject to SOF shareholder approval SOF will sell the following investments to CXL:

- a) 4,400,000 shares in BEL (11.30% of the issued capital); and
- b) 3,167,152 shares in Scarborough Equities Limited (4.21% of the issued capital).

The proposed consideration will be based on the most recently announced NTA values of BEL, CXL and SCB, expected to be as at 31 May 2005. Based on these NTA values as at 30 April 2005, the consideration will be 1,744,159 ordinary shares in CXL, as well as a cash payment of \$775,000.

The sale of BEL shares by SOF to CXL will take place in two parts. The sale of 2,100,000 shares in BEL which requires the approval of SOF shareholders and the sale of the remaining 2,300,000 shares in BEL which will require the approval of the shareholders of both SOF and BEL.

Following the SOF transaction being approved, SOF's only remaining non cash asset will be the shares it holds in CXL and a small residual holding of 300,000 shares in BEL (which SOF proposes to dispose of for working capital purposes as required), a structure that will facilitate it being able to engage in a Return of Capital.



### 3.3 Capital Structure

After SOF shareholder approval for the SOF transaction, CXL will own 7,408,920 ordinary shares in BEL, being 5,308,920 shares currently held by CXL and 2,100,000 to be acquired from SOF not requiring the approval of BEL shareholders. This will represent 19.03% of the BEL's issued share capital.

Should the Proposal be approved by BEL Shareholders, CXL will acquire a further 2,300,000 shares in BEL and CXL's equity interest in BEL will increase to 24.93% of BEL's issued share capital. The table below shows the capital structure of BEL at present, following approval of the acquisition of 2,100,000 BEL shares by SOF shareholders and immediately after the Proposal is approved.

BEL Capital Structure	Current		Following receipt of SOF shareholder approval		Post Proposal	
	Number	%	Number	%	Number	%
CXL	5,308,920	13.63	7,408,920	19.03	9,708,920	24.93
Non-associated shareholders	33,633,293	86.37	31,533,293	80.97	29,233,293	75.07
<b>Total</b>	<b>38,942,213</b>	<b>100.0</b>	<b>38,942,213</b>	<b>100.0</b>	<b>38,942,213</b>	<b>100.0</b>

## 4. REPORT REQUIREMENTS

- 4.1** Assuming SOF shareholders approve the sale of BEL shares to CXL, CXL will have a 19.03% interest in the issued ordinary shares of BEL. Following approval of the Proposal, CXL will hold approximately 24.93% of the shares in BEL. Section 606(1) of the Corporations Act ("the Act") expressly prohibits the acquisition of further shares by a person where the acquisition increases the person's voting power from an existing position below 20% to a position greater than 20% of the issued shares of a listed entity. There is an exemption to this rule in Section 611 of the Act.
- 4.2** Section 611 permits an acquisition of shares in a listed entity by a person where that acquisition causes their interest to exceed 20%, if the shareholders of that entity have agreed to the acquisition of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in relation to any party who is associated with the party from whom the shares are to be acquired. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.
- 4.3** Policy Statement 74 issued by the Australian Securities and Investments Commission ("ASIC") deals with "Acquisitions Agreed to by Shareholders". It states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of BEL, by either:
- undertaking a detailed examination of the Proposal themselves, if they consider that they have sufficient expertise; or
  - by commissioning an Independent Expert's Report.

## **5. BASIS OF EVALUATION**

### **5.1 Regulatory Guidelines**

In determining whether the Proposal is fair and reasonable, we have had regard to the views expressed by the ASIC in their Policy Statements 74 and 75. These Policy Statements suggest that an opinion as to whether transactions are fair and reasonable should entail consideration of all the circumstances of the Proposal.

Such consideration includes a comparison of the likely advantages and disadvantages for Shareholders if the Proposal is accepted, with the advantages and disadvantages to those Shareholders if it is not.

### **5.2 Adopted Basis of Evaluation**

Having regard to both Policy Statements above, BDO has completed this comparison in two parts:

- A comparison between the value of the shares that SOF proposes to sell to CXL with the value of the consideration to be paid by CXL. (fairness – see Section 10 “Is the Proposal Fair?”); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Proposal, after reference to the value derived above (reasonableness – see Section 12 “Is the Proposal Reasonable?”).

The Proposal could be considered “reasonable” if there are valid reasons to approve the Proposal, notwithstanding that it may not be regarded as “fair” to Shareholders.

## **6. BACKGROUND OF BENTLEY INTERNATIONAL LIMITED**

### **6.1 History & Background**

Bentley International Limited has been listed on the Australian Stock Exchange (“**ASX**”) since 7 November 1986 as a Listed Investment Company.

The principal activity of BEL is to manage the investments it holds, being an investment company with the objective of achieving medium to long term capital appreciation together with fully franked dividends through investment primarily in international securities.

On 18 May 2004, the company appointed Constellation Capital Management Limited (“**Constellation**”) as investment manager to their international equities portfolio, utilising Constellation’s HomeGlobal Investment Strategy for an initial term of two years. Constellation is an experienced Investment manager, and 50% owned by Qantas Superannuation Limited.

Significantly, Constellation announced that it had formed a strategic alliance with Zurich Financial Services Australia to manage all their specialist Australian equity portfolios. Constellation currently has more than \$10 billion funds under management.

## 6.2 Capital Structure

6.2.1 The capital structure of BEL as at 19 May 2005 was as follows:

Ordinary Shares	19 May 2005
Total Ordinary Shares on Issue	38,942,213
Top Twenty Shareholders – Ordinary Shares	14,769,449
Top Twenty Shareholders - % of Ordinary Shares on Issue	37.9%

Source: Registries Limited Report as at 19 May 2005

6.2.2 The spread of BEL shareholders as at 19 May 2005 was as follows:

Range of Shares Held	No. of Shareholders
1-1,000	139
1,001-5,000	447
5,001-10,000	401
10,001-100,000	680
100,001 – and over	34
<b>TOTAL</b>	<b>1,701</b>

Source: Registries Limited Report as at 19 May 2005

6.2.3 The number of shares held by the most significant shareholders at 19 May 2005 is detailed below:

Shareholder	Ordinary Shares	% Shares Held
Central Exchange Limited	5,308,920	13.63%
Sofcom Limited	4,700,000	12.07%
Mr John Dillon	625,822	1.61%
Tothemil Pty Ltd	557,441	1.43%

Source: Registries Limited Report as at 19 May 2005

### 6.3 Historical Statements of Financial Performance

BEL	Half Year ended 31 December 2004 \$'000	Year ended 30 June 2004 \$'000	Year ended 30 June 2003 \$'000
<b>Investment Income</b>			
Dividends and Trust Distributions	301	60	217
Interest	28	164	115
Unrealised changes in the net fair value of Investments	(444)	2,461	(941)
Realised gains/ losses on sale of investments	(855)	-	(2,981)
Foreign Exchange gains/ (losses)	(108)	-	23
Other	14	37	22
<b>Total Investment income from ordinary activities</b>	<b>(1,064)</b>	<b>2,722</b>	<b>(3,545)</b>
<b>Expenses</b>			
Investment Managers fees	63	8	95
Audit fees	14	20	31
Custody fees	27	-	-
Directors fees	58	81	75
Accounting fees	38	-	-
Withholding Tax	16	-	-
Share Registry	-	27	40
ASX Listing fees	-	18	14
Other	61	192	180
<b>Total expenses from ordinary activities</b>	<b>277</b>	<b>346</b>	<b>435</b>
<b>Profit/(loss) from ordinary activities before income tax expense</b>	<b>(1,341)</b>	<b>2,376</b>	<b>(3,980)</b>
Income tax benefit/ (expense)	313	(443)	(16)
<b>Net profit/(loss) from ordinary activities after income tax expense</b>	<b>(1,028)</b>	<b>1,933</b>	<b>(3,996)</b>

Source: Annual reports for the years ended 30 June 2003 and 2004 and Half Year Report for 31 December 2004

## 6.4 Historical Statements of Financial Position

BEL	As at 31 December 2004 \$'000	As at 30 June 2004 \$'000
<b>CURRENT ASSETS</b>		
Cash assets	823	19
Investments	16,555	19,114
Receivables	19	-
Prepayments	40	-
Current Tax assets	6	-
Other	-	24
<b>TOTAL CURRENT ASSETS</b>	<b>17,443</b>	<b>19,157</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	8	9
Deferred tax assets	6	7
<b>TOTAL NON-CURRENT ASSETS</b>	<b>14</b>	<b>16</b>
<b>TOTAL ASSETS</b>	<b>17,457</b>	<b>19,173</b>
<b>CURRENT LIABILITIES</b>		
Payables	19	75
Current tax liabilities	135	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>226</b>	<b>75</b>
<b>NON CURRENT LIABILITIES</b>		
Deferred Tax Liabilities	-	450
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>-</b>	<b>450</b>
<b>TOTAL LIABILITIES</b>	<b>226</b>	<b>525</b>
<b>NET ASSETS</b>	<b>17,231</b>	<b>18,648</b>
<b>EQUITY</b>		
Contributed equity	23,004	23,004
Reserves	(444)	1,069
Accumulated losses	(5,329)	(5,425)
<b>TOTAL EQUITY</b>	<b>17,231</b>	<b>18,648</b>

Source: Annual report for the year ended 30 June 2004 and Half Year Report for 31 December 2004

## **7. VALUATION METHODOLOGIES**

**7.1** Methodologies commonly used for valuing assets and businesses are as follows:

### **7.1.1 Capitalisation of future maintainable earnings ("FME")**

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecast, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

### **7.1.2 Discounted future cash flows ("DCF")**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

### **7.1.3 Net asset value**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern

method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

#### **7.1.4 Quoted Market Price Basis**

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a "deep" market in that security.

### **7.2 Valuation methods adopted to value BEL**

We consider the method most appropriate in valuing BEL to be the Net Assets on a Going Concern valuation approach. As explained in section 7.1.3, this method is most appropriate when valuing companies when passive assets (such as the large share portfolios of investment companies) make up the majority of total assets.

We have considered the quoted market price basis as a secondary valuation method

### **7.3 Valuation methods adopted to value the consideration**

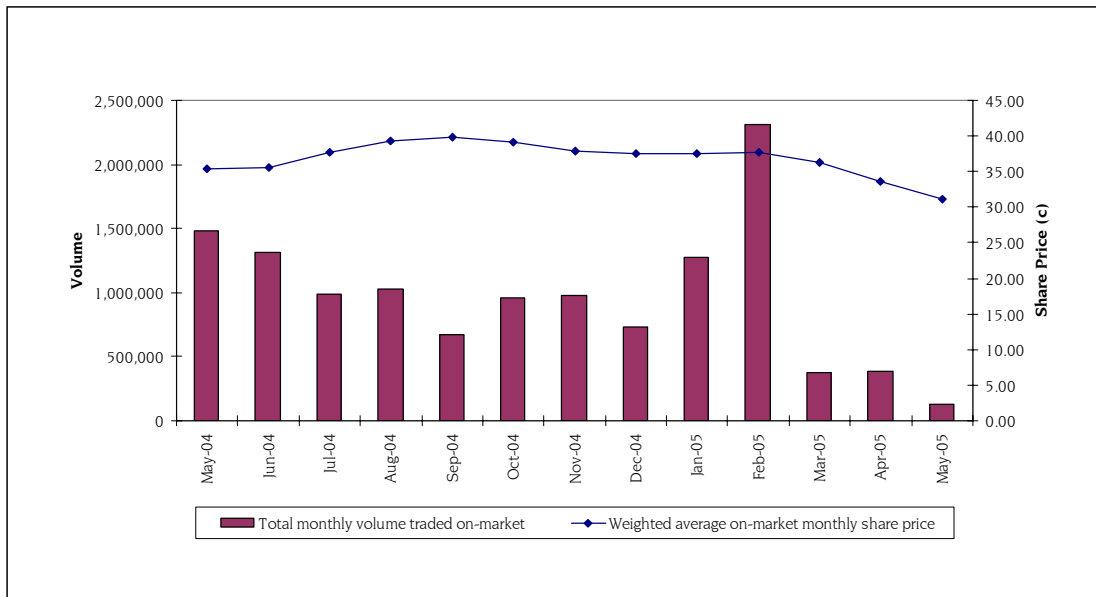
Similarly, we consider the method most appropriate in valuing CXL to be the Net Assets on a Going Concern valuation approach. As explained in section 7.1.3, this method is most appropriate when valuing companies when passive assets (such as the large share portfolios of investment companies) make up the majority of total assets.

We have considered the quoted market price basis as a secondary valuation method

## 8. VALUATION OF BEL SHARES

### 8.1 Quoted Market Price Basis Valuation of BEL

8.1.1 We have assessed the value of BEL based on the market prices for a BEL share. The following chart provides a summary of the share price movement over the past year.



Source: ASX

The daily price of BEL shares from 14 May 2004 to 13 May 2005 has ranged from a high of 41.0 cents on 27 September 2004 to a low of 26.5 cents on 5 May 2005.

8.1.2 To provide further analysis of the market prices for BEL shares, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 13 May 2005.

BEL per share	13 May 2005 ¢	10 Days ¢	30 Days ¢	60 Days ¢	90 Days ¢
Closing Price	30.0				
Weighted Average		31.6	34.0	36.9	37.1



**8.1.3** An analysis of the volume of recent trading in BEL shares is set out below:

<b>Pre announcement period</b>	<b>Share price (low)</b>	<b>Share price (high)</b>	<b>Cumulative volume traded</b>	<b>As a % of issued capital</b>
	<b>\$</b>	<b>\$</b>		
1 day	0.285	0.295	14,683	0.04%
1 week	0.265	0.320	68,362	0.18%
1 month	0.265	0.350	501,927	1.29%
3 months	0.265	0.385	4,483,913	11.51%
6 months	0.265	0.410	7,612,203	19.55%
12 months	0.265	0.410	12,632,711	32.44%

**Source:** ASX

Based on this we have assessed the value of a BEL share, based on market prices, to be in the range of 30.0 cents to 36.0 cents.

The average daily trading volume over the last 90 trading days was approximately 65,400 shares. SOF proposes to sell 2,300,000 BEL shares representing approximately 35 days trading volume. As such we consider it appropriate to discount the market price by 10% to reflect the ability of SOF to sell its shares in an orderly manner. As such our valuation of a BEL share based on market pricing is between 27.0 cents and 32.4 cents. The value of the 2,300,000 BEL shares to be sold to CXL is therefore between \$621,000 and \$745,200.

## 8.2 Net Assets on a Going Concern Basis Valuation of BEL

The value of the net assets of BEL on a going concern basis has been reflected in our valuation below.

Item	Ref	As at 30 April 2005 \$	Realisable value Low \$	Realisable value High \$
<b>Assets</b>				
Cash Assets	8.2.1	807,005	807,005	807,005
Receivables	8.2.2	33,633	33,633	33,633
Investments	8.2.3	16,007,940	14,807,344	17,208,535
Property, plant and equipment	8.2.4	7,060	7,060	7,060
Prepayments		19,825	19,825	19,825
<b>Total assets</b>		<b>16,875,463</b>	<b>15,674,867</b>	<b>18,076,058</b>
<b>Liabilities</b>				
Accruals		98,610	98,610	98,610
Sundry Creditors		6,600	6,600	6,600
Provisions		131,209	131,209	131,209
<b>Total liabilities</b>		<b>236,419</b>	<b>236,419</b>	<b>236,419</b>
<b>Net value of BEL</b>			<b>15,438,448</b>	<b>17,839,639</b>

We have assessed the value of BEL on a net asset basis to be between \$15,438,448 and \$17,839,639. BEL has 38,942,213 shares on issue. Therefore the value of a BEL share on a net asset on going concern basis is between 39.64 cents and 45.81 cents per share. The value of the 2,300,000 BEL shares to be sold to CXL is therefore between \$911,720 and \$1,053,630.

### 8.2.1 Cash

The cash balance that was used in the calculation of the NTA figure at 30 April 2005 for ASX disclosure was \$807,005.

### 8.2.2 Receivables

All receivables as at 30 April 2005 are net of bad debts and as such no adjustment is required to the book value in our valuation.

### 8.2.3 Investments

BEL, as a listed investment company, holds a significant shareholding in a broad portfolio of listed companies. The value of these investments is updated at the end of each month to provide shareholders with an update of performance for the period. At 30 April 2005, the portfolio was valued at \$16,007,940. To account for unpredictable movements in the prices of the shares that make up the portfolio, we have varied this figure by 7.5% to give our valuation range.

#### 8.2.4 Property, Plant and Equipment

It is reasonable to assume that on a net assets on a going concern basis the book value is reflective of their value.

### 8.3 Valuation Conclusion on SOF's shares in BEL

Our valuations of SOF's shares in BEL are summarised below:

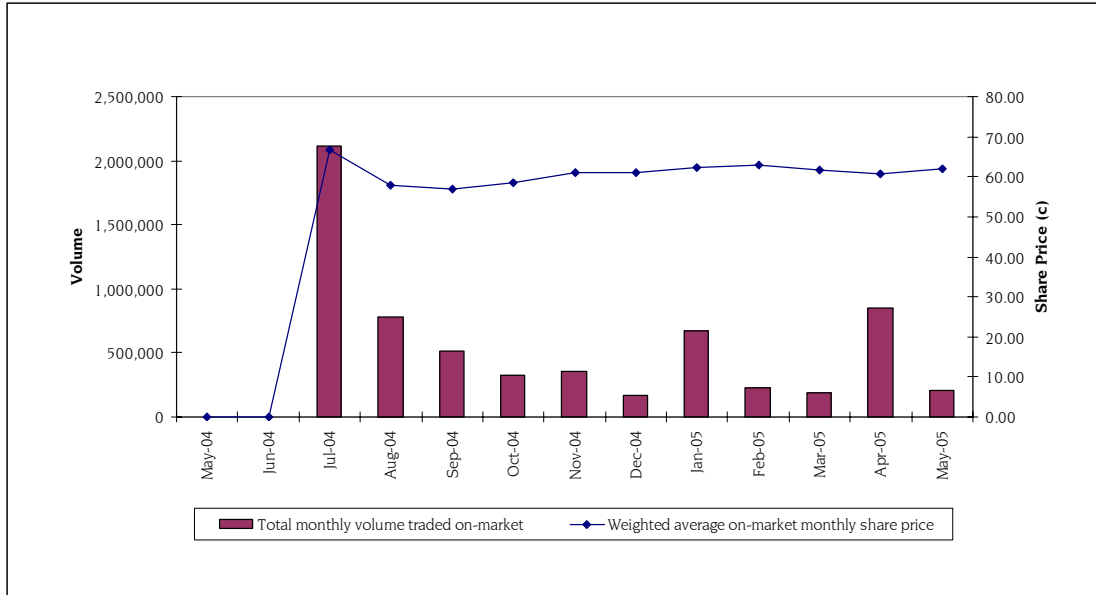
	<b>Ref</b>	<b>Low \$</b>	<b>High \$</b>
Net Asset basis	8.4	911,720	1,053,630
Quoted Market Price basis	8.5	621,000	745,200

As BEL is an investment company, we consider that the Net Assets on a going concern basis of valuation provides the best indication of the value of the shares in BEL (as discussed in section 7.2) and have therefore adopted a value range of between \$911,720 and \$1,053,630 for the purpose of this assessment.

## 9. VALUATION OF THE CONSIDERATION

### 9.1 Quoted Market Price Basis Valuation of CXL

9.1.1 We have also assessed the value of CXL based on the market prices for a CXL share. The following chart provides a summary of the share price movement over the past year.



Source: ASX

The daily price of CXL shares from 14 May 2004 to 13 May 2005 has ranged from a high of 85.0 cents on 8 July 2004 to a low of 53.0 cents on 3 August 2004. The highest volume at which the share traded was 764,500 on 8 July 2004, the day on which it re-listed after being suspended from trading pending a change of principal activity to become a listed investment company.

9.1.2 To provide further analysis of the market prices for CXL shares, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 12 May 2005.

CXL per share	24 March 2005 ¢	10 Days ¢	30 Days ¢	60 Days ¢	90 Days ¢
Closing Price	62.0				
Weighted Average		61.7	61.0	61.7	61.6

**9.1.3** An analysis of the volume of trading in CXL shares prior to the announcement of the Proposal is set out below:

<b>Pre announcement period</b>	<b>Share price (low)</b> ¢	<b>Share price (high)</b> ¢	<b>Cumulative volume traded</b>	<b>As a % of issued capital</b>
1 day	62.0	62.5	50,000	0.30%
1 week	61.5	62.5	208,378	1.27%
1 month	59.0	62.5	1,165,551	7.10%
3 months	58.0	68.0	2,263,440	13.78%
6 months	54.0	70.0	3,690,255	22.47%
12 months	53.0	85.0	6,492,162	39.53%

**Source:** ASX

The ASX share prices indicate a value for CXL shares based on market pricing of between 61.0 cents and 62.0 cents. The stability of the price of the stock over time as displayed in the graph in section 10.2.1, results in the narrow valuation range. 973,515 shares are being offered in CXL, based on the 30 April 2005 NTA value for BEL shares. The value of these shares is therefore between \$593,844 and \$603,579.

## 9.2 Net Assets on a Going Concern Basis Valuation of CXL

The value of the net assets of CXL on a going concern basis has been reflected in our valuation below.

Item	Ref	As at 30 April 2005 \$	Realisable value Low \$	Realisable value High \$
<b>Assets</b>				
Cash Assets	9.2.1	1,375,011	1,343,948	1,343,948
Receivables	9.2.2	42,014	42,014	42,014
Investments	9.2.3	13,182,599	12,199,904	14,171,294
Property, plant and equipment	9.2.4	3,825,107	3,825,107	3,825,107
Other	9.2.5	15,502	15,502	15,502
<b>Total assets</b>		<b>18,440,233</b>	<b>17,426,475</b>	<b>19,397,865</b>
<b>Liabilities</b>				
Payables		184,963	184,963	184,963
Provisions	9.2.6	31,507	31,507	31,507
Current tax liabilities		1,494,151	1,494,151	1,494,151
<b>Total liabilities</b>		<b>1,710,621</b>	<b>1,710,621</b>	<b>1,710,621</b>
<b>Net value of CXL</b>			<b>15,714,854</b>	<b>17,687,244</b>

We have assessed the value of CXL on a net asset basis to be between \$15,714,854 and \$17,687,244. CXL has 16,371,596 shares on issue. Therefore the value of a CXL share on a net asset on going concern basis is between 96 cents and 108 cents per share. The value of the proposed consideration of 973,515 shares is therefore between \$934,574 and \$1,051,396.

### 9.2.1 Cash

The cash balance that was used in the calculation of the NTA figure at 30 April 2005 for ASX disclosure was \$1,375,011. We have reduced this by the \$31,063 paid by the Company for the buy back of 50,000 shares on 20<sup>th</sup> May 2005.

### 9.2.2 Receivables

All receivables as at 30 April 2005 are net of bad debts and as such no adjustment is required to the book value in our valuation.

### 9.2.3 Investments

CXL, as a listed investment company, holds a significant shareholding in a broad portfolio of listed companies. The value of these investments is updated at the end of each month to provide shareholders with an update of performance for the period. At 30 April 2005, the portfolio was valued at \$13,182,599. To account for unpredictable movements in the prices of the contributing shares, we have varied this figure by 7.5% to create a valuation range

#### 9.2.4 Property, Plant and Equipment

The plant and equipment held by CXL includes a property recently purchased by their subsidiary, Silver Sands Pty Ltd for \$3.79million. As it has only recently been purchased, no independent valuation of the property value has been performed as yet. It is therefore reasonable to assume that on a net assets on a going concern basis the book value is reflective of the true value.

#### 9.2.5 Other Assets

The value of the other assets is immaterial and as such no adjustment is necessary.

#### 9.2.6 Provisions

This account consists of primarily of employee entitlements. It is reasonable to assume that on a net assets on a going concern basis the book value is reflective of their value.

### 9.3 Valuation Conclusion on the consideration

Our valuations of the consideration being offered are summarised below:

	Ref	Low \$	High \$
Net Asset basis	9.2	934,574	1,051,396
Quoted Market Price basis	9.1	943,190	1,061,213

As CXL is an investment company, we consider that the Net Assets on a going concern basis of valuation provides the best indication of the value of the shares in CXL (as discussed in section 7.3) and have therefore adopted a value range of between \$934,574 and \$1,051,396 for the purpose of this assessment.

## 10. IS THE PROPOSAL FAIR?

The consideration is the payment of 973,515 CXL ordinary shares. In section 9.3 we assessed the value of a CXL share to be in the range of 96 cents to 108 cents. The following table summarises our assessment of the comparison between the value of the BEL shares that are subject to Shareholder approval and the consideration being offered.

	Ref	Low \$	Midpoint \$	High \$
Value of consideration	9.2	934,574	992,985	1,051,396
Value of the BEL shares	8.1	911,720	982,675	1,053,630

As such in our opinion the Proposal is fair to Shareholders.

## **11. OTHER CONSIDERATIONS**

### **11.1 Alternative Proposal**

We are unaware of any alternative proposal that might offer the non-associated shareholders of BEL a premium over the value ascribed to that resulting from the Proposal.

### **11.2 Premium For Control**

ASIC Policy Statement 74 requires that the expert give an opinion as to whether the proposed issue of shares will result in the Company receiving any premium for control. We have estimated the amount of any premium for control being paid by CXL as the amount by which the value of the liability being settled exceeds the value of the settlement consideration.

We have assessed that the value of the 2,300,000 BEL shares to be between \$911,720 and \$1,053,630, with a midpoint of \$982,675, and the value of the consideration to be between \$934,574 and \$1,051,396, with a midpoint of \$992,985. Accordingly, the premium for control that is being paid by CXL at the valuation midpoints is \$10,310.

## **12. IS THE PROPOSAL REASONABLE?**

We have considered the position of the Shareholders if the Proposal is accepted and have taken into account the following advantages and disadvantages in this assessment.

We have assessed that in all cases the advantages and disadvantages of rejecting the Proposal are the inverse of accepting the Proposal. Thus for simplicity and ease of evaluation of the Proposal, we have set out the significant factors only in the context of accepting the Proposal.

### **12.1 Advantages of Accepting the Proposal**

#### **12.1.1 The Proposal is fair**

As shown in Section 11 we have assessed the Proposal to be fair to Shareholders. ASIC Policy Statement 75 states that "an offer is reasonable if it is fair".

#### **12.1.2 Share Price stability**

If the Proposal is approved, the shares in BEL will be held by a listed investment company, which by definition is in the business of holding shares for long terms. The reduction in speculative trading in the share will provide price stability.

### **12.2 Disadvantages of Accepting the Proposal**

#### **12.2.1 CXL's interest in BEL will Increase**

If the Proposal is approved 2,300,000 additional shares in BEL will be acquired by CXL which will increase CXL's current shareholding in BEL to approximately 24.93%. The next largest shareholder holds only 1.61% of BEL's issued capital. As the largest shareholder in BEL, CXL may have the ability to exert significant influence over the affairs of BEL.



### **13. CONCLUSION**

We have considered the terms of the Proposal as outlined in the body of this report and have concluded that the Proposal is **fair and reasonable** to Shareholders.

### **14. SOURCES OF INFORMATION**

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- BEL's Annual Report for the year ended 30 June 2004;
- BEL's Half Year Report to 31 December 2004;
- CXL's Annual Report for the year ended 30 June 2004;
- CXL's Half Year Report to 31 December 2004;
- ASX announcements and share price data for BEL and CXL;
- Discussions with Directors and Management of BEL; and
- Information available in the public domain, such as Bloomberg, brokers' reports, comparable companies' annual reports and announcements.

### **15. INDEPENDENCE**

BDO Consultants (WA) Pty Ltd is entitled to receive a fee of \$7,000 for the preparation of this report. Except for this fee, BDO Consultants (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Prior to accepting this engagement BDO Consultants (WA) Pty Ltd considered its independence with respect to BEL and any of their respective associates with reference to the ASIC Practice Note 42 entitled "Independence of Expert's Reports". In our opinion BDO Consultants (WA) Pty Ltd is independent of BEL and their associates.

Neither the two signatories to this report nor BDO Consultants (WA) Pty Ltd have had within the past two years any professional relationship with BEL, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to BEL and its advisers for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

In addition, BDO Consultants (WA) Pty Ltd has been indemnified by BEL in respect of any claim arising from BDO Consultants (WA) Pty Ltd's reliance on information provided by the BEL, including the non provision of material information, in relation to the preparation of this report.

## 16. QUALIFICATIONS

BDO Consultants (WA) Pty Ltd is wholly owned by BDO, a member of BDO International, which has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Consultants (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Matt Giles and Steve Kite of BDO Consultants (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports and valuations.

## 17. DISCLAIMERS AND CONSENTS

This report has been prepared at the request of BEL for inclusion in the Explanatory Memorandum which will be sent to all BEL Shareholders. BEL engaged BDO Consultants (WA) Pty Ltd to prepare an independent expert's report to consider the sale of shares to CXL under the Proposal.

BDO Consultants (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Consultants (WA) Pty Ltd.

BDO Consultants (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

BDO Consultants (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of BEL. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Consultants (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

**BDO CONSULTANTS (WA) PTY LTD**



**Sherif Andrawes**  
Director

**Matt Giles**  
Director

## Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
AUD	Australian Dollar
BDO	BDO Consultants (WA) Pty Ltd
BEL	Bentley International Limited
The Company	Bentley International Limited
CXL	Central Exchange Limited
Constellation	Constellation Capital Management Limited
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FMD	Future Maintainable Dividends
FME	Future Maintainable Earnings
ROC	Return of Capital
NTA	Net Tangible Assets
The BEL shares	The shares in BEL proposed to be transferred as per the Proposal
The Proposal	The Proposal to purchase 2,300,000 ordinary shares in BEL
The SOF Transaction	The proposal for SOF to sell shares in BEL and Scarborough Equities Limited in return for shares in CXL as outlined in section 3.2
Our Report	This Independent Expert's Report prepared by BDO
Shareholders	Shareholders of BEL not associated with CXL
SOF	Sofcom Limited
USD	United States Dollar



**ASX Code: BEL**

[www.bel.com.au](http://www.bel.com.au)

**Bentley International Limited**

A.B.N. 87 008 108 218

(formerly Bentley International Limited and BT Global Asset Management Limited)

**Registered Office:**

c/- White Funds Management Pty Ltd  
Level 5, CML Building  
14 Martin Place  
Sydney New South Wales 2000  
T | (02) 8236 7700  
F | (02) 9221 1194

**Share Registry:**

Registries Limited  
Level 2  
28 Margaret Street  
Sydney New South Wales 2000  
T | (02) 9290 9600  
F | (02) 9279 0664  
E | [registries@registriesltd.com.au](mailto:registries@registriesltd.com.au)  
W | [www.registriesltd.com.au](http://www.registriesltd.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 9757  
F | (08) 9322 1515  
E | [info@bel.com.au](mailto:info@bel.com.au)

# PROXY FORM

PLEASE COMPLETE AND RETURN TO:

**Bentley International Limited**  
A.B.N. 87 008 108 218

Bentley International Limited  
c/- White Funds Management  
Level 5, 14 Martin Place  
Sydney NSW 2000

Enquiries: 1300 762 678 or (08) 9214 9757  
Email: info@bel.com.au Website: www.bel.com.au

Facsimile: (02) 9221 1194

Mark this box with an 'X' if you want to make any changes to your address details (see reverse)

Holder ID: { Holder Id}  
Balance: { Shares}

## Appointment of Proxy

I/We being a member/s of Bentley International Limited and entitled to attend and vote hereby appoint

The Chairman of the  
General Meeting (mark  
with an "X")

OR

Write here the name of the person  
you are appointing if this person is  
**someone other than** the Chairman  
of the General Meeting.

or failing the person named, or if no person is named, the Chairman of the General Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Bentley International Limited to be held in the **Boardroom, White Funds Management Pty Ltd, Level 5, CML Building, 14 Martin Place, Sydney, New South Wales**, at **4:00pm on Friday, 1 July 2005** and at any adjournment of such General Meeting.

## Chairman's Open Proxies

If you do not wish to direct your proxy how to vote, please place a mark in the box. By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote all open Chairman's proxies in favour of Resolution 1.

## Voting directions to your proxy - please mark to indicate your directions

### RESOLUTIONS

For

Against

Abstain\*

1. Approval for Acquisition of Shares by  
Shareholder

If to proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions  
overleaf to enable your directions to be implemented.

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

-----  
Contact Name

-----  
Contact Daytime Telephone

-----  
Date

Email: -----

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of Bentley International Limited. If this information is incorrect, please mark the box at the top of the proxy form and make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the General Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the General Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the General Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or certified copy) of an appropriate Power of Attorney should be produced for admission to the General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

### 8. Signing Instructions

You must sign this form as follows in the spaces provided:

- |                           |   |
|---------------------------|---|
| <b>Individual:</b>        | Where the holding is in one name, the holder must sign.   |
| <b>Joint Holding:</b>     | Where the holding is in more than one name, all of the shareholders should sign.  |
| <b>Power of Attorney:</b> | If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.  |
| <b>Companies:</b>         | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.<br><br>If the company (pursuant to section 204A of the <i>Corporations Act</i> 2001) does not have a Company Secretary, a Sole Director can also sign alone.<br><br>Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

### 9. Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below **not later than 4:00pm (AEST) on Wednesday, 29 June 2005** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

#### Proxy Forms may be lodged:

- by posting, delivery or facsimile to the Company's registered office below:

Bentley International Limited  
C/- White Funds Management  
Level 5  
14 Martin Place  
Sydney NSW 2000

Facsimile: (02) 9221 1194