

# MARKET ANNOUNCEMENT

## NTA Backing as at 31 December 2019

Bentley Capital Limited (ASX Code: BEL) gives notice that its unaudited after-tax Net Tangible Assets (NTA) Backing as at 31 December 2019 was \$0.0699 per share.

NTA Backing for Period Ending:	% Change	Current Month 31 December 2019	Previous Month 30 November 2019
Pre-Tax NTA Backing per share	-5.11%	\$0.0699	\$0.0737
Post-Tax NTA Backing per share	-5.11%	\$0.0699	\$0.0737
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 December 2019	Previous Month 30 November 2019
	\$'m	\$'m
Non-current asset held for sale – Strike Resources Limited	2.36	2.52
Financial assets – Keybridge Capital Limited	1.92	1.92
Managed funds	0.66	0.66
Other ASX-listed securities	0.60	0.66
Cash	0.25	0.11
Net other assets/(liabilities)	(0.47)	(0.27)
<b>Net Tangible Asset</b>	<b>5.32</b>	<b>5.61</b>

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

Security	ASX Code/ Description	Industry Sector	Value \$'m	% of NTA
Strike Resources Limited	SRK	Materials	2.36	44.4%
Keybridge Capital Limited	KBC	Diversified	1.92	36.1%
Yowie Group Ltd	YOW	Food, Beverage	0.59	11.0%
Managed funds	Unlisted	Diversified	0.66	12.4%
Other listed securities	Various	Various	0.01	0.2%



**NOTES:**

- (1) With effect on 30 June 2019, the Directors determined to change the accounting treatment/classification of its 20.17% interest (31,700,000 shares) in Keybridge Capital Limited (ASX:KBC) from being an investment in an Associate entity (accounted on an equity accounting basis under AASB 128) to being an investment in Financial Assets at Fair Value through Profit or Loss (accounted at fair value under AASB 9). This decision was made as a consequence of a dispute within the Keybridge Board (refer Bentley's ASX Announcement dated 22 July 2019: Update on Investment in Keybridge Capital Limited). Refer also Note 8 (Financial Assets at Fair Value through Profit or Loss) on pages 38 and 39 of Bentley's 2019 Annual Report for further information in this regard.

Bentley notes the following matters:

- Keybridge has been suspended from trading on the ASX since 16 July 2019<sup>1</sup>.
- Keybridge's last closing bid price on ASX was \$0.071 as at 15 July 2019 (the day prior to Keybridge's suspension from trading on ASX).
- On 14 October 2019, WAM Active Limited (ASX:WAA) (**WAM**) announced its intention to make an off-market takeover bid for all of the issued shares in Keybridge at a cash price of \$0.069 per share (**6.9c Bid**)<sup>2</sup>. The 6.9c Bid was subject to a number of defeating conditions.
- On 14 October 2019, Bentley announced that, in the absence of a superior proposal, Bentley intended to accept into the 6.9c Bid<sup>3</sup>.
- On 13 December 2019, WAM announced the withdrawal of its intention to make the 6.9c Bid citing the triggering of a number of defeating conditions relating to Keybridge.<sup>4</sup>
- On 13 December 2019, WAM released on ASX a copy of a Bidder's Statement in relation to a fresh off-market takeover bid for all of the issued shares in Keybridge at a cash price of 6.5 cents per share (**6.5c Offer**).<sup>5</sup> The 6.5c Offer is subject to WAM attaining a minimum 50.1% relevant interest in Keybridge before the end of the offer period as well as a number of other conditions relating to Keybridge. On 3 January 2020, WAM released on ASX a copy of a Bidder's Statement despatched to Keybridge shareholders – the 6.5c Offer is scheduled to close on 3 February 2020.<sup>6</sup>
- On 16 December 2019, Bentley announced that it is still desirous of exiting its 31.7 million shareholding in Keybridge at 6.9 cents per share. However, it proposed to review the final despatched version of the WAM Bidder's Statement and Keybridge's Target Statement in response before confirming its intentions in relation to the new lower 6.5c Offer.<sup>7</sup> On 6 January 2020, Keybridge announced that it anticipated its Target Statement will be released on 17 January 2020<sup>8</sup>.
- On 8 January 2020, Aurora Dividend Income Trust (**ADIT**) announced its intention to make an off-market takeover bid for all of the issued shares in Keybridge at a cash price of \$0.066 per share (**ADIT 6.6c Bid**)<sup>9</sup>. The ADIT 6.6c Bid is subject to a range of conditions.
- Keybridge's last published net asset backing was \$0.0606 per share as at 31 October 2019<sup>10</sup>. Keybridge has not yet released its net asset backing position as at 30 November and 31 December 2019.

As at 31 December 2019, Bentley's investment in Keybridge had a carrying value of \$0.0606 (based on Directors' judgement) per share (\$1.92 million).

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1 Refer Keybridge ASX Announcement dated 16 July 2019: Suspension from Official Quotation

2 Refer WAM ASX Announcement dated 13 October 2019: Proposed Off-Market Takeover Bid for Keybridge Capital Limited (ASX:KBC)

3 Refer Bentley ASX Announcement dated 14 October 2019: Response to Takeover Bid for Keybridge Capital Limited

4 Refer WAM ASX Announcement dated 13 December 2019: WAM Active announced withdrawal of intention to make a takeover bid for Keybridge Capital Limited

5 Refer WAM ASX Announcement dated 13 December 2019: Off-Market Takeover Bid for Keybridge Capital Limited

6 Refer WAM ASX Announcement dated 3 January 2020: Off-Market Takeover Bid for Keybridge Capital Limited

7 Refer Bentley ASX Announcement dated 16 December 2019: Response to Fresh Takeover Bid for Keybridge Capital Limited

8 Refer Keybridge ASX Announcement dated 8 January 2020: Take No Action in relation to WAM Active Bid

9 Refer ASX Announcement dated 8 January 2020: A Aurora Dividend Income Trust announces Off-Market Takeover Bid for Keybridge Capital Limited (ASX:KBC)

10 Refer Keybridge ASX Announcement dated 2 December 2019: Net Asset Backing – October 2019

- (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 page 39 of Bentley's 2019 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 November 2019: 52,553,493 shares; 36.16%) at a carrying value of \$2.36 million (based on the closing bid price on ASX of 4.5 cents per share) at month end on this basis (30 November 2019: \$2.52 million; 4.8 cents).

- (3) Units invested in unlisted managed funds are valued at the unit price published by the investment manager as at month end - the unit price reflects the net asset backing of the fund.
- (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) on pages 35 to 37 of Bentley's 2019 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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**FOR FURTHER INFORMATION:**

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