ASX MARKET ANNOUNCEMENT

Tuesday, 14 November 2017 ASX Codes : KBC; KBCPA

Shareholder Mailout

We enclose a copy of a mail out to shareholders containing the following letter and form:

- Letter to shareholders advising of:
  - Keybridge's upcoming 0.5 cent per share fully franked dividend payment[1];
  - Keybridge's new Dividend Policy[2];
  - The suspension of Keybridge's Dividend Reinvestment Plan (DRP) in respect of the dividend;
  - Keybridge's policy of paying dividends only via electronic funds transfer/direct credit into a shareholder's nominated Australian Financial Institution Account – which may be notified online via the Share Registry website: https://www.registrydirect.com.au/shareholders/ or via the completion and return of a Request for Direct Credit of Payments Form;
  - Shareholders' communication preferences for receipt of Keybridge's Annual Reports and Notices of General Meetings - which may be updated online via the Share Registry website: https://www.registrydirect.com.au/shareholders/;
  - Details of online voting for Keybridge's upcoming Annual General Meeting on Thursday, 23 November 2017[3] via the Share Registry website: www.registrydirect.com.au/investor/login/KBC.
- A Request for Direct Credit of Payments Form – for shareholders to notify Keybridge of their Australian Financial Institution Account details to receive dividend payments via electronic funds transfer/direct credit.

FOR FURTHER INFORMATION:

John Patton
Chairman
Tel: +61 3 9686 7000
Email: jpatton@keybridge.com.au

Victor Ho
Company Secretary
Tel: +61 8 9214 9767
Email: cosec@keybridge.com.au

ABOUT KEYBRIDGE CAPITAL LIMITED (ASX: KBC)

Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the solar sector (Spain), private equity (US), life insurance (New Zealand), property and funds management sectors and strategic holdings in HHY Fund (ASX:HHY), Molopo Energy Limited (ASX:MPO) and Metgasco Limited (ASX: MEL). Keybridge is also the Investment Manager of HHY.

1 Refer Keybridge's ASX Announcement dated 8 November 2017: Declaration of Dividend

2 Refer Keybridge's ASX Announcement dated 8 November 2017: Dividend Policy

3 Refer Keybridge's ASX Announcement dated 24 October 2017: Notice of Annual General Meeting and Explanatory Statement

13 November 2017

Holder Reference No.: {}
Shareholding as at 9 November 2017: {}
Tax File Number Notified: {}
Current Dividend Payment Method: {}
Australian Financial Institution Notified: {Bank_Notified} / {}
Current Election to Receive Annual Reports: {}
Current Election to Receive Notice of Meetings: {}
Current Email Notified: {}
Current Contact Numbers Notified {} / {} / {}

Dear Shareholders

DECLARATION OF DIVIDEND – COMMUNICATION PREFERENCES - ANNUAL GENERAL MEETING

The Directors of Keybridge Capital Limited (ASX:KBC) are pleased to advise that it has recently announced the declaration of a 0.50 cent per share fully franked dividend, as follows:

Dividend	Record Date	Expected Payment Date	Franking
0.50 cent per share	30 November 2017	8 December 2017	100% franked

New Dividend Policy

The Directors also announced the adoption of a new Dividend Policy, as follows:

> It is the objective of Keybridge to provide a regular and stable distribution to shareholders after the announcement of its 30 June year end operating results. These results are normally announced at the end of August each year and Keybridge will endeavour to announce its proposed dividend at this time.
>
> Dividends will be funded from Keybridge's Profits Reserve account, which comprises appropriations from the Company's net profits earned during relevant periods from time to time.
>
> Keybridge intends to make annual distributions to shareholders of at least 0.5 cent per share, to the extent permitted by law and subject to prudent business practice. It is envisaged that shareholder distributions will be made once per year to limit costs and administration. Dividends will be franked to the extent that available franking credits permit.
>
> Keybridge also holds a number of legacy assets (primarily loan receivables). As and when such assets are realised into cash or liquid securities by the Board in the ordinary course of business, Keybridge may also undertake further distributions of fully-franked dividends and or capital returns to shareholders. Proposed capital returns will be subject to prior shareholder approval.

The Board has determined to adopt a new Dividend Policy due to the Board reaching the view that Keybridge now has a reasonable current level of Profits Reserve ($2.466 million as at 30 June 2017) to fund regular dividend distributions, at least in the next 2-3 years, which means Keybridge is not reliant on funding dividends only from net profits generated in respect of the prevailing/current half year or full year period.

The Board also considers that having a formal Dividend Policy serves as a spur to the Company to achieve results that justify payment of dividends consistent with the policy and hence enhances shareholder value.

Suspension of Dividend Reinvestment Plan (DRP)

Keybridge's DRP will not apply to the upcoming dividend payment.

Payment of Dividends via Direct Credit to Australian Financial Institution

Keybridge advises that dividends will be paid only via electronic funds transfer/direct credit into a shareholder's nominated Australian Financial Institution Account.

As previously announced on ASX and notified to shareholders on 11 March 2015, dividends will no longer be paid by cheque to reduce costs and administration.

If you wish to receive dividends via direct credit, you should provide your Australian Financial Institution Account details to the Company's Share Registry for processing via the following methods:

- By providing details online via the Share Registry website: https://www.registrydirect.com.au/shareholders/
- By completing a Request for Direct Credit of Payments Form, a copy of which is enclosed (if you have not notified us of your Australian Financial Institution Account details).

Accumulated (unpaid) dividends will be paid out upon receipt of a shareholders' nominated Australian Financial Institution Account details.

Overseas based shareholders without an Australian Financial Institution Account will also continue to receive their dividends via cheque.

Communication Preferences

Your current communication preferences for receipt of Keybridge's Annual Reports and Notices of General Meetings are outlined at the top of this letter.

Your communication preferences may be updated online via the Share Registry website: https://www.registrydirect.com.au/shareholders/

Annual General Meeting

The 2017 Annual General Meeting of Keybridge will be held at 10:30 am (Perth time) on Thursday, 23 November at the Conference Room, The Park Business Centre, Ground Floor, 45 Ventnor Avenue, West Perth, Western Australia.

Proxy Forms are due to be lodged with Keybridge or the Share Registry by 10:30 am (Perth time) on Tuesday, 21 November.

To Vote Online - www.registrydirect.com.au/investor/login/KBC: Log on to the Share Registry website with your Holder Reference Number (Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**)) as shown at the top of this letter.

If you have any questions in relation to the matters in this letter, please contact Keybridge via email: info@keybridge.com.au or telephone: (08) 9214 9767.

Yours sincerely,

John Patton
Chairman

KEYBRIDGE®
CAPITAL LIMITED

Please return this form to the registrar of the issuer

Direct credit

Company, Trust, Warrant or Product in which investment is held

KEYBRIDGE CAPITAL LIMITED (ASX:KBC)

Full Name(s) of Registered Holding

Account Designation

Registered Address

Postcode

All registry communications to:
Online
www.registrydirect.com.au
By Mail
Registry Direct
PO Box 18366
Collins Street East VIC 8003
Telephone
1300 55 66 35 (within Australia)
+61 3 9020 7934 (outside Australia)
+61 3 9111 5652 (Facsimile)

Securityholder Reference Number (SRN) Or Holder Identification Number (HIN) or Share Certificate Number

A REQUEST FOR DIRECT CREDIT OF PAYMENTS

Please use a BLACK pen. Print CAPITAL letters inside the combed boxes below. A B C 1 2 3

Insert details of your Australian Financial Institution, Branch and Account into which you wish to have your payments made. This request will not cancel any reinvestment plan participation (if any) unless we receive specific instructions from you. A detailed payment advice will be provided for each payment.

A direct credit request form is required for each holding.

Name(s) in which your account is held

BSB Number *(must be 6 digits)*

Account Number

Name of Financial Institution

Branch Suburb/Town

B SIGNATURE(S) OF SECURITYHOLDER(S) THIS MUST BE COMPLETE

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary/Director

Director/Company Secretary

Contact mobile number

/ /

Date

Signing Instructions: This form should be signed by the securityholder. If a joint holding, all securityholders should sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth) (or for New Zealand companies, the *Companies Act 1993*).