

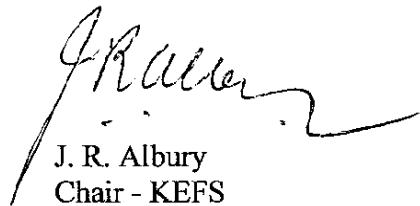
TO: BSX  
FAX: 02 4929 1556  
PAGES: 1  
DATE: 2 MARCH 2010

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RE: LETTER TO SHAREHOLDERS

THE FOLLOWING IS A LETTER TO SHAREHOLDERS ON MATTERS  
ARISING FROM THE ANNUAL GENERAL MEETING.

Yours faithfully,



J. R. Albury  
Chair - KEFS



**KEW EAST FINANCIAL SERVICES LTD**  
**A.C.N. 096 301 058**

19<sup>th</sup> February 2010

Dear Shareholder,

Since my letter of the 11<sup>th</sup> December your Board of Directors has been actively dealing with the issues raised at the Annual General Meeting held on 30 November 2009. I report that the matters have had no material impact on the business which is performing very well.

The Board is acting on legal advice where a note was omitted from the Financial Report indicating that a director, through his company, benefitted by providing a company secretary. The solution is to add a note to the Financial Report. This will then be approved by the Board, reviewed by the auditor then sent to ASIC and BSX. I am pleased to advise that Director Ken Franks is now the company secretary. We are grateful to Ken for his willingness to provide his services for this demanding task.

Issues were raised about the remuneration report. The Board has compared similar Bendigo Bank community company reports and believes it is compliant with the Corporations Act on this matter but will be providing further details of base salary and the bonus component in the 2010 Annual Report.

Questions on sponsorship and community grants requested information on processes, number, names of recipients and total allocation. Together the marketing consultant and general manager negotiate an agreement that works for both parties. A total of 26 sporting clubs, schools and organizations have been sponsored to date. Community groups submit an application which is assessed for eligibility by the Bendigo Bank's Community Foundation then reviewed by the Board's grants committee as to - relevance, benefit, need; management, capability, number of members; tangible outcomes and project feasibility, cost and partnership participation. Since 2005 a total of 74 grants averaging \$3,145 totaling \$232,749 have been distributed. In the KEFS November 2009 shareholder newsletter on page 3, 31 community clubs or groups received either sponsorships or community grants this financial year 2009. A list of all sponsorship and community grant recipients over the last 8 years is being compiled and will be published in the 2010 May Shareholders Newsletter.

Similarly, director profile will be published in that May Newsletter. Presently the board is considering new directors that fill the vacant skill set of experience and knowledge in: engagement and connection with the local community, company law, banking, strategic planning, information technology and marketing. Women would be welcomed to the Board. The Board has a rigorous process and audit procedure for the selection of your directors and welcomes shareholder nominations.

I look forward to report the results of the last 6 months to the 30<sup>th</sup> December, 2009 which will be around the 16<sup>th</sup> March, 2010.

A handwritten signature in black ink, appearing to read 'Rod Albury'.

Rod Albury  
KEFS – Chair  
0438 118 148