

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

ASX Announcement

ASX AND MEDIA RELEASE – ENTITLEMENT OFFER AND GENERAL OFFER



9 May 2018

Entitlement Offer and General Offer

BKI Investment Company Limited (“BKI” or “Company”) is pleased to announce that it has lodged a Prospectus with the Australian Securities & Investments Commission today for:

- raising up to approximately \$62.2 million via a non-renounceable pro-rata entitlement offer of 1 new fully paid ordinary BKI share (“**New Shares**”) for every 15 existing fully paid ordinary shares in BKI (“**Existing Shares**”) held by Eligible Shareholders at 7.00pm (AEST) on Monday 14 May 2018 (“**Record Date**”) at an offer price of \$1.50 per New Share (“**Offer Price**”) (“**Entitlement Offer**”);
- offering any shortfall under the Entitlement Offer to Eligible Shareholders who wish to apply for additional New Shares in excess of their pro-rata entitlement under the Entitlement Offer and to the general public at the Offer Price (“**Shortfall Offer**”); and
- raising up to approximately \$140.0 million via an offer of 93,351,184 New Shares at the Offer Price to both existing and new shareholders (“**General Offer**”),

(collectively, the “**Offers**”).

Details of the Offers are contained in the attached Prospectus. The Prospectus and Application Forms will be mailed to eligible BKI shareholders on Tuesday 15 May 2018.

Applications for New Shares under the General Offer open 9.00am (AEST) on Wednesday 9 May 2018.

Applications for New Shares under the Entitlement Offer and Shortfall Offer open 9.00am (AEST) on Tuesday 15 May 2018.

If you have any questions after reading the Prospectus you should contact BKI’s Share Registry on: (08) 6500 2112 (in Australia) or +61 8 6500 2112 (outside of Australia) between 9.00am to 5.00pm (AEST), Monday to Friday.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jaime Pinto'. The signature is stylized with a large, sweeping flourish that extends to the left and then loops back up and over the name.

Jaime Pinto
Company Secretary



**BKI INVESTMENT
COMPANY LIMITED**

BKI Investment Company Limited
ACN 106 719 868

Prospectus

Entitlement Offer

Pro-rata non-renounceable Entitlement Offer to existing Eligible Shareholders of 1 New Share for every 15 Existing Shares at an Offer Price of \$1.50 per New Share

Shortfall Offer

An offer to the general public, including Eligible Shareholders, to subscribe for the shortfall to the Entitlement Offer at an Offer Price of \$1.50 per New Share

General Offer

An offer to the general public, including Eligible Shareholders, to subscribe for New Shares at an Offer Price of \$1.50 per New Share

NEW SHARES ISSUED UNDER THE OFFERS WILL RANK EQUALLY WITH ALL ORDINARY SHARES OF THE COMPANY ALREADY ON ISSUE. PARTICIPANTS IN THE OFFERS WILL BE ELIGIBLE FOR THE FINAL ORDINARY DIVIDEND IN RESPECT TO THE 2018 FINANCIAL YEAR.

LAST DAY FOR ACCEPTANCE AND PAYMENT

The Entitlement Offer closes at
5:00pm (AEST) on Tuesday, 12 June 2018

The Shortfall Offer and the General Offer close at
5:00pm (AEST) on Thursday, 14 June 2018

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.



BKI INVESTMENT
COMPANY LIMITED

IMPORTANT NOTICES

Lodgement and Listing

This Prospectus (**Prospectus**) is issued by BKI Investment Company Limited ACN 106 719 868 (**BKI** or the **Company**) and is dated 9 May 2018. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC, and ASX or any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares will be issued on the basis of this Prospectus which is no later than 13 months after the date of this Prospectus.

The New Shares offered under this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

The Company will apply for admission of the New Shares to quotation by ASX in accordance with the dates in this Prospectus.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial circumstances or particular needs of any prospective investor.

This Prospectus is important and should be read in its entirety before you decide to participate in the Offers. In particular, you should consider the risk factors

that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from an independent and appropriately licensed or authorised professional adviser before deciding whether to participate in the Offers or invest in New Shares. Some of the key risk factors that should be considered by prospective investors are set out in section 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Transaction specific prospectus

The New Shares that will be issued under this Prospectus are continuously quoted securities (as defined in the Corporations Act). This Prospectus is a "transaction specific prospectus" which has been prepared in accordance with section 713 of the Corporations Act.

In providing information in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors with whom potential investors may consult. This Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company

which has been disclosed to ASX. This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. This Prospectus does not contain the same level of disclosure as a prospectus for an initial public offering.

The Company may make additional announcements after the date of this Prospectus and throughout the period that the Offers are open that may be relevant to your consideration about whether you should participate in the Offers. You can access these announcements at www.asx.com.au under the stock code BKI or at <https://bkilimited.com.au/asx-announcements/>.

Authorised Intermediary

The issuer of this Prospectus is the Company. The Company does not hold an Australian Financial Services Licence (**AFSL**) under the Corporations Act. Accordingly, offers of Shares under this Prospectus will be made under an arrangement between the Company and Taylor Collison Limited ACN 008 172 450 (**Authorised Intermediary**), as a holder of an AFSL, under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediary to make offers to arrange for the issue of Shares under this Prospectus and the Company will only issue the Shares in accordance with those offers and no others.

Joint Lead Managers

Evans Dixon Corporate Advisory, a division of Walsh & Company Asset Management Pty Limited ACN 159 902 708 and Taylor Collison Limited ACN 008 172 450 (each a **Joint Lead Manager** and together, the **Joint Lead Managers**) are Joint Lead Managers to the Offers.

The Joint Lead Managers will manage the Offers on behalf of the Company. The Joint Lead Managers' functions should not be considered as an endorsement of the Offers, nor a recommendation of the suitability of the Offers for any Shareholder or potential new investor. The Joint Lead Managers do not guarantee the success or performance of the Company or the returns (if any) to be received by participants of the Offers. The Joint Lead Managers are not responsible for, nor have the Joint Lead Managers caused the issue of this Prospectus.

Obtaining a copy of this Prospectus

This Prospectus is available in electronic form to Australian or New Zealand residents on the Company's website, www.bkilimited.com.au or www.advancedshare.com.au. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Offers constituted by this

Prospectus in electronic form are available only to Australian and New Zealand residents accessing the website within Australia and New Zealand. Hard copy and electronic versions of this Prospectus are not available to persons in other jurisdictions, including the United States.

Applications for New Shares may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form or in its electronic form which must be downloaded in its entirety from www.bkilimited.com.au or at www.advancedshare.com.au, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form and you have acted in accordance with, and agree to the terms of the Offers detailed in this Prospectus. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. Refer to section 7.3 for further information.

Cooling off rights do not apply to an investment in New Shares pursuant to the Offers. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

A hard copy of this Prospectus is available free of charge during the Offer Period to any person in Australia by calling the Company's Offer Information

Line on: **(08) 6500 2112 (in Australia) or +618 6500 2112 (outside of Australia)** between 9.00am to 5.00pm (AEST), Monday to Friday.

Restrictions on the distribution of this Prospectus

This Prospectus contains offers to Eligible Shareholders and Eligible Investors in Australia and New Zealand.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make an offer or invitation.

No action has been taken to:

- register or qualify the New Shares or the Offers, or to otherwise permit an offering of the New Shares, in any jurisdiction other than as set out in this section; and
- lodge this Prospectus in any jurisdiction outside of Australia or New Zealand or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia or New Zealand.

This Prospectus is not to be distributed in, and no offer of New Shares is to be made in, countries other than Australia and New Zealand.

It is the responsibility of Applicants to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Application Form will be taken by BKI as a



representation by the Applicant that there has been no breach of such laws, that the Applicant is an Eligible Shareholder or Eligible Investor (as applicable) and that the Applicant is physically present in Australia or New Zealand.

No public offering of Shares is being made in the United States.

Information for New Zealand investors

These Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under the Corporations Act set out how the Offers must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offers. If you need to make a complaint about the Offers, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian

financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Disclaimer and Forward looking statements

No person is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Company's Directors, the Joint Lead Managers or any person in connection with the Offers. Except as required by law, and only to the extent so required, neither the Company nor the Joint Lead Managers, nor any other person warrants the future performance of or any return on any investment made

under this Prospectus.

This Prospectus may contain certain forward looking statements. Forward looking statements should or can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Prospectus (if any) involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecasted and these differences may be material. These statements may assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control (including uncertainties described in the "Key Risks" section of the Prospectus), and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and, except as required by law, the Company assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of the forward looking statements in this Prospectus should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the

accuracy of the underlying assumptions or that the Company will achieve, or is likely to achieve, any particular results.

Investors should note that the past share price performance of the Company provides no guarantee or guidance as to future share price performance.

Privacy

By completing an Application Form to apply for New Shares, you are providing personal information to the Company through the Share Registry that may be personal information for the purposes of the *Privacy Act 1988 (Cth)* (as amended). The Company and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application. The Company may also collect, hold and use that personal information in order to service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and/or the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share Register. In accordance with the requirements of the Corporations Act, information on the Share Register will be accessible by members of the public. The information must continue to be included on the Share Register if you cease to be a Shareholder. Under the *Privacy Act 1988 (Cth)* (as amended), you may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information or obtain further information about the Company's privacy practices

by contacting the Share Registry or the Company.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with their respective privacy policies. These agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

The Company will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law.

Definitions

In this Prospectus, unless a contrary intention is clearly indicated or the context requires, defined terms have the meaning attributed to them in the Glossary in section 8.

Data

All data contained in charts, graphs and tables is based on information available as at the date of this Prospectus, unless otherwise stated.

Dates and times

Unless otherwise stated or implied, references to times and dates in this Prospectus are references to Australian Eastern Standard Time (AEST) indicative only and subject to change.

Currency and figures

Unless otherwise stated, all dollar values in this Prospectus are in Australian dollars (\$ or AUD).

Rounding of figures provided in this Prospectus may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Further Information

If you have any questions in relation to the Offers or the New Shares, please call the Company's Offer Information Line on: **(08) 6500 2112 (in Australia) or +618 6500 2112 (outside of Australia)** between 9.00am to 5.00pm (AEST), Monday to Friday during the Offer Period.

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9 May 2018

Chairman's letter

Dear Shareholder,

On behalf of my fellow Directors, it is my pleasure to invite you to participate in a capital raising of BKI Investment Company Limited (**BKI** or the **Company**) via the Entitlement Offer, Shortfall Offer and General Offer (collectively, the **Offers**).

BKI is a listed investment company, which provides a simple and transparent way to invest in a portfolio of ASX listed companies. BKI has a long track record of delivering positive returns to shareholders. The Company has a history of paying steadily increasing fully Franked dividends over time and as at 30 April 2018, BKI's fully Franked Dividend Yield was 4.9% while the Grossed Up Dividend Yield was 7.0% (based on the Offer Price of \$1.50 and a tax rate of 30%). All New Shares issued under the Offers will rank equally with all ordinary shares of the Company already on issue. Participants in the Offer will be eligible for the final ordinary dividend in respect to the 2018 financial year (payable in August 2018).

The Offers comprise of:

- (a) **Entitlement Offer** – Non-Renounceable Pro-rata Entitlement Offer to all Eligible Shareholders of 1 New Share for every 15 Existing Shares held at 7:00pm on the Record Date at \$1.50 (the **Offer Price**) to raise approximately \$62.2 million; and
- (b) **Shortfall Offer** – if the Entitlement Offer is not fully taken up, an offer of the shortfall to:
 - (i) Eligible Shareholders who wish to apply for additional New Shares in excess of their pro-rata Entitlement under the Entitlement Offer; and
 - (ii) the general public,
at the Offer Price; and
- (c) **General Offer** – an offer to the general public for up to 93,351,184 New Shares at the Offer Price to raise up to approximately \$140.0 million.

The Offer Price of \$1.50 per share is a discount of:

- approximately 6.0% to the closing share price on 4 May 2018 of \$1.595;
- approximately 4.5% to the 30 April 2018 pre-tax NTA of \$1.57; and
- approximately 9.4% to 6-month VWAP price of \$1.66.

The net proceeds from the Offers will be used by the Company to expand its investment portfolio in accordance with its Investment Strategy. Our aim is to create wealth for BKI shareholders, through an increasing fully Franked dividend and capital growth. The Directors and Investment Manager consider that an expanded portfolio will increase the size and liquidity of the Company whilst also enabling it to capitalise on opportunities presently available in the market.

The Entitlement Offer is non-renounceable which means that the Entitlement is not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately. Eligible Shareholders who do not take up their Entitlements under the Entitlement Offer in full or in part will not receive any value in respect of those Entitlements that they do not take up.

Eligible Shareholders who wish to take up their Entitlement under the Entitlement Offer in full may also apply for additional New Shares under the Shortfall Offer in excess of their pro-rata Entitlement¹. To participate in the Shortfall Offer, Shareholders must apply at the same time as they apply for their Entitlements under the Entitlement Offer. Applications under the Shortfall Offer will only be satisfied to the extent there is a shortfall under the Entitlement Offer and are subject to the terms and conditions to be outlined in section 4.3. The Board reserves the right to allocate New Shares under the Shortfall Offer in its absolute discretion.

BKI's major shareholder, Washington H. Soul Pattinson & Company Limited, which currently holds 9.40% of the Company's issued capital, has indicated its intention to take up all of its Entitlements under the Entitlement Offer.

BKI's directors, except for Ian Huntley, have indicated their intention to participate in the Entitlement Offer. Also, each of the Investment Manager's directors (being Tom Millner and Will Culbert) have indicated their intention to participate in the Entitlement Offer.

The General Offer invites both existing and new retail and institutional investors to participate in the capital raise. The General Offer is being conducted at the same price as both the Entitlement Offer and Shortfall Offer, being \$1.50 per New Share.

New Shares issued under the Offers will rank equally with all ordinary shares of the Company already on issue.

Participants in the Offers will be eligible for BKI's final ordinary dividend in August 2018. As at 30 April 2018, BKI's Grossed Up Dividend Yield was 7.0%.²

Your Entitlements in respect of the Entitlement Offer are set out in the accompanying Entitlement and Acceptance Form. **The Closing Date for acceptance and payment of the Entitlement Offer is 5:00pm (AEST) on Tuesday, 12 June 2018 (unless extended).**

The Closing Date for acceptance and payment of the Shortfall Offer and General Offer is 5:00pm (AEST) on Thursday, 14 June 2018 (unless extended).

You should consult your stockbroker, accountant or other professional adviser for advice in relation to the Offers.

If you have any questions in relation to the Offers or the New Shares, please call the Company's Offer Information Line on: **(08) 6500 2112 (in Australia) or +618 6500 2112 (outside of Australia)** between 9.00am to 5.00pm (AEST), Monday to Friday during the Offer Period or visit www.bkilimited.com.au.

On behalf of the Board of the Company, I invite you to consider the Offers and thank you for your support of the Company.

Yours sincerely



Robert Millner

Chairman

¹ Provided that the issue of those New Shares will not result in a breach of the Corporations Act, ASX Listing Rules or other applicable law.

² Includes FY2017 Final Dividend of 3.70cps and FY2018 Interim Dividend of 3.625cps and is based on the Offer Price of \$1.50 and a tax rate of 30%.

Key dates for the offers

Simultaneous announcement of Entitlement Offer, Shortfall Offer and General Offer	Wednesday, 9 May 2018
Opening of General Offer	Wednesday, 9 May 2018
Ex-Date for the Entitlement Offer	Friday, 11 May 2018
Record Date for the Entitlement Offer (7.00pm AEST)	Monday, 14 May 2018
Opening of the Entitlement Offer and Shortfall Offer	Tuesday, 15 May 2018
Closing date of the Entitlement Offer (5.00pm AEST)	Tuesday, 12 June 2018
New Shares under the Entitlement Offer quoted on a deferred settlement basis	Wednesday, 13 June 2018
Closing date of the Shortfall Offer and General Offer (5.00pm AEST)	Thursday, 14 June 2018
Shortfall Notification	Friday, 15 June 2018
Settlement of the Entitlement Offer	Monday, 18 June 2018
Allotment of New Shares under the Entitlement Offer	Tuesday, 19 June 2018
Settlement of the Shortfall Offer and General Offer	Friday, 22 June 2018
Allotment of New Shares issued under the Shortfall Offer and General Offer	Monday, 25 June 2018

This timetable is indicative only and may change. Unless otherwise indicated, all times are AEST. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offers early, to extend the Closing Dates, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offers before Settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offers are cancelled or withdrawn before the allocation of New Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as early as possible after the Offers open.

Enquiries

If you have any questions in relation to the Offers or the New Shares, please call the Company's Offer Information Line on: **(08) 6500 2112 (in Australia) or +618 6500 2112 (outside of Australia)** between 9.00am to 5.00pm (AEST), Monday to Friday during the Offer Period or consult your stockbroker, accountant or other professional adviser.

1. Investment summary

1.1 Key highlights of the Company and Offers

- ✓ **Fully Franked Dividends:** Consistent fully Franked income stream
 - New Shares under the Offers are entitled to the 2018 Final Ordinary Dividend payable in August
 - 30% tax rate already paid on dividend income, dividends are fully Franked so all tax credits are passed on directly to shareholders. Grossed Up Dividend Yield of 7.0% (as at 30 April 2018, based on a share price of \$1.50)
 - In the last 10 financial years, the Company has increased ordinary dividends by 21.7%³
 - The Company has also paid four special dividends in the past 11 years⁴
- ✓ **ASX Listed Company:**
 - High levels of transparency and compliance
 - An investment in the Company provides administration simplicity
 - Easy monitoring of one shareholding with exposure to a portfolio of ASX listed stocks
- ✓ **Low Fee Structure:** Opportunity to invest in an active, high conviction portfolio that is managed for 0.10% of the Company's total assets per annum with no performance fees and a Management Expense Ratio or MER of 0.17%⁵
- ✓ **Positive Historical Performance:** Delivering consistent returns to Shareholders over the short, medium and long term. Over 14 years, BKI's TSR is 10.8% p.a.⁶
- ✓ **High Conviction Portfolio:** Exposure to most sectors of the market through well managed, dividend paying companies
 - the Company currently holds 46 companies within the portfolio
- ✓ **Size, Scale and Liquidity:** Access to a large-scale investment opportunity that is regularly traded
 - the Company currently has over 15,000 shareholders and has a market capitalisation of ~\$992.6m⁷
 - On average, over 200,000 of the Company Shares are traded daily⁸
- ✓ **Experienced Investment Team:** The BKI Board and Investment Manager have over 170 years of collective industry experience, with an average of 29 years' experience each.

3 Full year dividends from FY2008 to FY2017

4 Special dividends paid in FY2006, FY2010, FY2011 and FY2013

5 Management Expense Ratio calculated as at 31 December 2017

6 Total Shareholder Returns (fully Franked) as at 30 April 2018

7 As at 4 May 2018

8 Average daily trading volume over the past two years prior to 4 May 2018

1.2 Key risks of the Offers

The Company's investment activities will expose Shareholders (existing and new) to a variety of risks. A non-exhaustive summary of some key risks identified by the Company is set out below. Please see section 6 for more details on the risks associated with the Offers.

(a) General Risks

- Economic conditions impacting the value of the investments of the Company
- Market and listed securities risk causing both the Shares and the Company's investments to fluctuate
- Regulatory risk associated with changes to law, tax and accounting policy

(b) Risks specific to the Company and the Offers

- The Investment Manager's performance risk
- Risk of decline in the value of the investment portfolio associated with the investment decisions of the Company and the Investment Manager
- Liquidity risk with respect to both the Shares and the Company's investments
- Risk that Shares trade at a discount to the Offer Price
- Dilution risk for existing Shareholders associated with not taking up Entitlements and the issue of New Shares under the General Offer
- Timing risks associated with investing in the New Shares and the potential for the trading price of Shares to change during the Offer Period

2. Overview of the Company

2.1 Company Overview

The Company was formed in 2003 to manage the investment portfolio of Brickworks Limited, which was initially established with the aim of generating a steady income stream via long-term investments.

Brickworks Limited then listed BKI Investment Company Limited on the ASX on 12 December 2003. Since inception BKI has grown its market capitalisation from \$173 million to approximately \$993 million, and in that period has paid over \$500 million of dividends and Franking credits to BKI shareholders (refer to section 2.3).

The Company is externally managed by Contact Asset Management Pty Limited AFSL 494045 (**Contact or Investment Manager**).

The Company's Investment Strategy is based on active equities management that is grounded in research, selecting profitable companies with a history of attractive dividend yields to invest in for the long-term. The Investment Strategy, implemented by Contact, incorporates bottom up stock selection, focusing on the merits of individual companies rather than market and economic trends. The Company aims to generate an increasing income stream for Shareholders in the form of fully Franked dividends and deliver capital growth through long-term investment in a portfolio of stable assets.

2.2 Key Facts

Market Cap ⁹	\$993 million
Mandate	Australian Listed Equities
Investment sectors	Diversified
No. of Holdings	46
Benchmark	S&P/ASX300 Accumulation Index
Investment Manager fee structure	0.10% of the Company's total assets p.a. No performance fees
Management Expense Ratio ¹⁰	0.17%
Rolling 12-month dividend ¹¹	7.325cps
Percentage Franked	100%
Offer Price Dividend Yield ¹²	4.9%
Annual Grossed Up Dividend Yield ¹³	7.0%
Dividend Distribution Frequency	Half-yearly
DRP	Active
Size, scale and liquidity	Over 15,000 shareholders and over 200,000 shares are traded daily on average ¹⁴

9 As at 4 May 2018

10 MER as at 30 December 2017

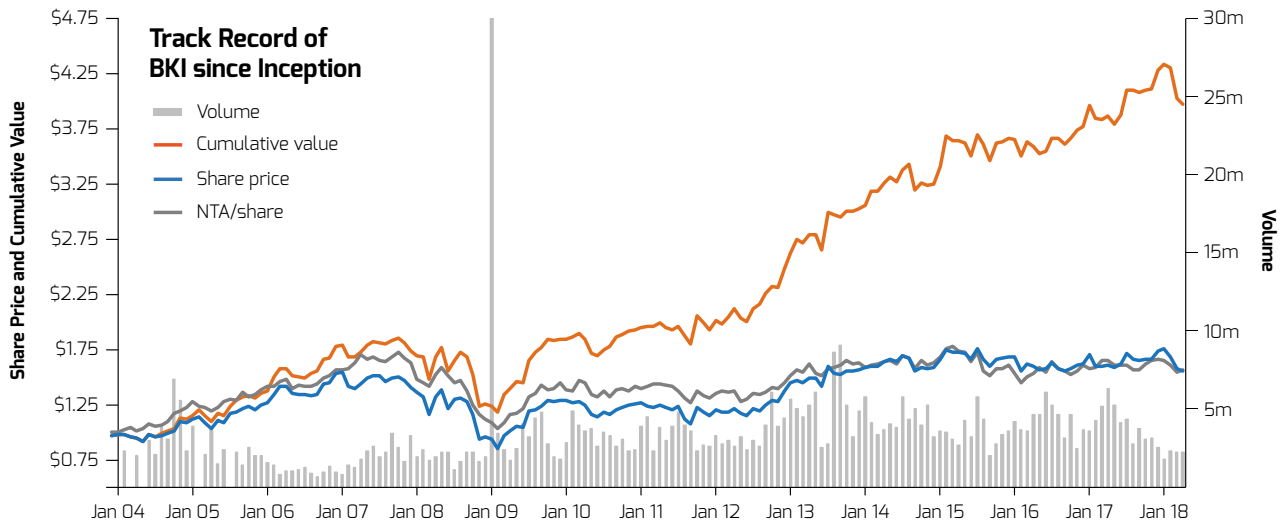
11 Includes FY2017 final dividend of 3.70cps and FY2018 Interim Dividend of 3.625cps

12 Based on the Offer Price of \$1.50 and a rolling 12-month dividend of 7.325cps

13 Based on the Offer Price of \$1.50, rolling 12-month dividend of 7.325cps and a tax rate of 30%

14 Average daily trading volume over the past two years prior to 4 May 2018

2.3 History and Track Record of BKI



Since 31 December 2003, the Cumulative Value per share of BKI has grown to \$3.97¹⁵.

2.4 Overview of the Investment Manager

Contact is an established investment management company, which aims to create shareholder value through the implementation of a set of proven investment principles, in line with the Investment Strategy. The directors of Contact have an average of 22 years of experience primarily in the listed company sector and have a proven track record of delivering returns to shareholders.

The BKI Board and the BKI Investment Committee meet regularly with the Investment Manager to review the portfolio and set the Investment Strategy of BKI.

Under the Investment Management Agreement in place between the Company and Contact, Contact currently manages BKI's investment portfolio for a management fee of 0.10% of the Company's total assets per annum. The key terms of the Investment Management Agreement can be found on the BKI website www.bkilimited.com.au.

2.5 Investment Strategy

Contact and the BKI Investment Committee are focused on investing in stocks using a stock selection process incorporating the following five fundamental criteria:

Fundamentals	Criteria
Income	dividend yields, franking credits, pay-out ratio, dividend growth
Principal Activity	sustainable business model, competitive advantage
Balance Sheet	debt levels, gearing ratios, net interest coverage
Management and Board	share ownership, board meeting attendance, history of creating shareholder wealth
Earnings and Valuations	earnings profiles, PE multiples, EV/EBITDA multiples

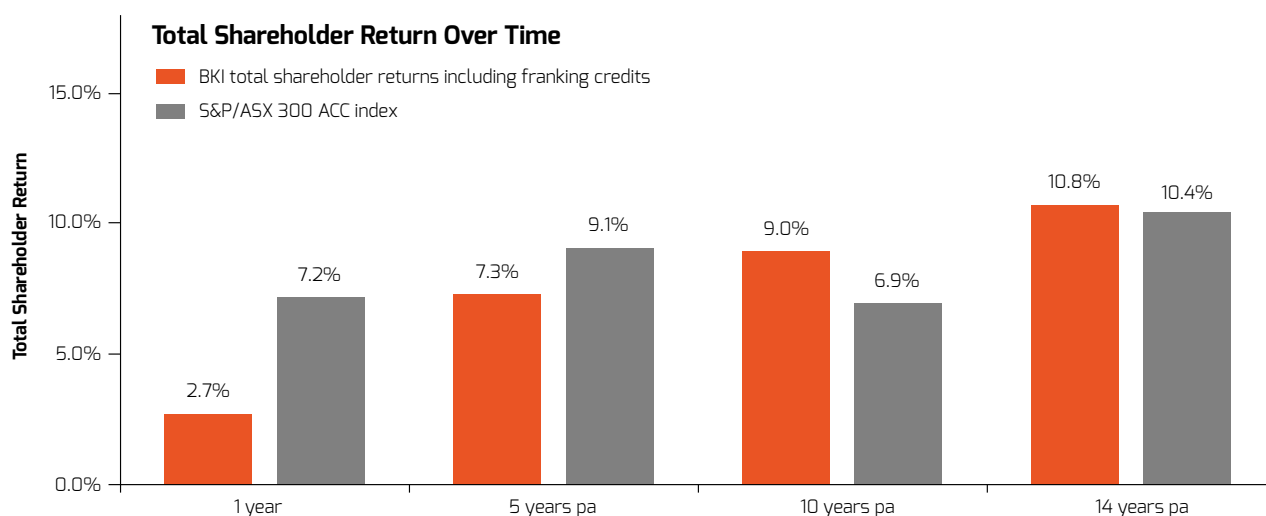
Contact and the BKI Investment Committee take an active approach to stock selection and constantly assess the market to decide if there is a buying (or selling) opportunity.

¹⁵ Cumulative Value per share from 31 December 2003 to 30 April 2018 includes Franking Credits and assumes the reinvestment of dividends

2.6 Total Shareholder Return ¹⁶

The Company has a demonstrated long term-track record of positive performance and generating consistent returns over the long term.

The graph below details the Company's performance compared to the S&P/ASX 300 Accumulation Index¹⁷ over various time frames since listing in 2003.



2.7 Dividend History

The Company has a history of paying steadily increasing ordinary dividends over time. Also, when possible, the Company has paid special dividends to shareholders¹⁸.

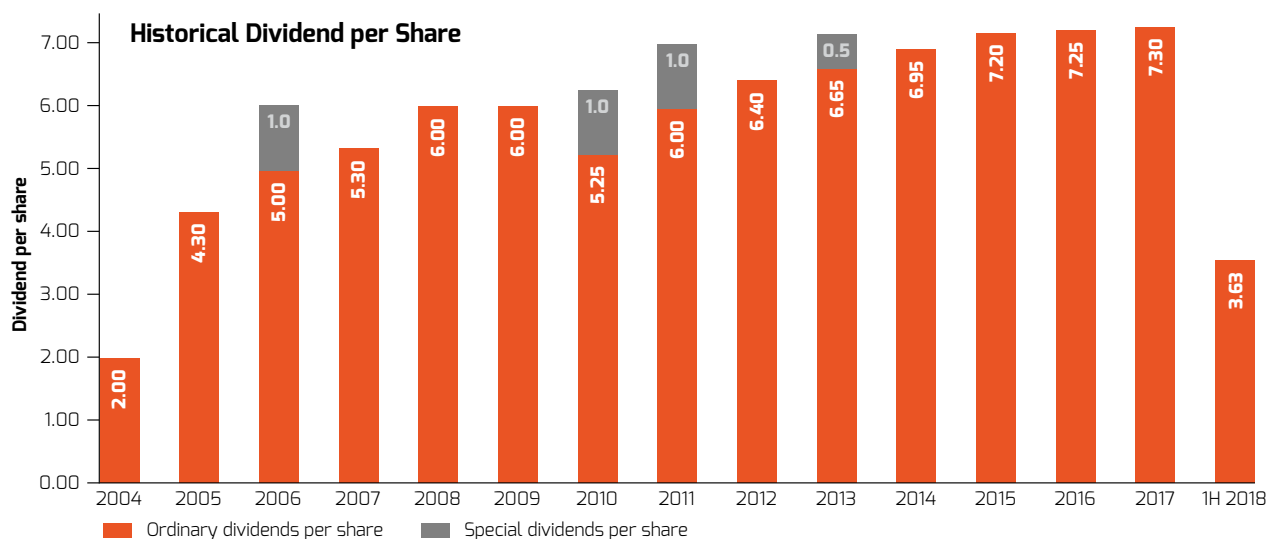
The Company pays an attractive dividend yield and as at 30 April 2018, BKI's fully Franked Dividend Yield was 4.9% while the Grossed Up Dividend Yield was 7.0% (based on Offer Price of \$1.50 and a tax rate of 30%).

All New Shares issued under the Offers will be eligible for the final dividend of the Company's 2018 financial year to be paid in August.

¹⁶ BKI TSR includes fully Franked dividends. The S&P ASX 300 Accumulation Index has been Franked at 80%

¹⁷ The S&P ASX 300 Accumulation Index has been Franked at 80%

¹⁸ Special dividends paid in FY2006, FY2010, FY2011 and FY2013



2.8 The Investment Portfolio of the Company

The Company has built a high conviction, quality portfolio of companies which are exposed to most sectors of the market. The portfolio consists of 46 companies with the top 25 companies detailed below:¹

Stock	% of Total Portfolio	Stock	% of Total Portfolio
National Australia Bank Limited	8.2%	TPG Telecom Limited	2.7%
Westpac Banking Corp Limited	6.8%	Sydney Airport Limited	2.7%
Commonwealth Bank Limited	6.8%	IAG Limited	2.5%
Wesfarmers Limited	4.6%	ASX Limited	2.3%
ANZ Banking Group Limited	4.3%	Ramsay Healthcare Limited	2.2%
APA Group Limited	3.3%	Sonic Healthcare Limited	2.2%
New Hope Corporation Limited	3.3%	ARB Corporation Limited	2.0%
Woolworths Limited	3.1%	Invocare Limited	2.0%
Transurban Group Limited	3.1%	Woodside Petroleum Limited	2.0%
Macquarie Group Limited	3.1%	Suncorp Group Limited	1.7%
BHP Billiton Limited	3.0%	Challenger Limited	1.6%
Telstra Corporation Limited	3.0%	Flight Centre Limited	1.5%
AGL Energy Limited	2.8%	Cash & Cash Equivalents	4.5%
Total		Total	85.3%

¹⁹ As at 30 April 2018

3. Effect of the Offers

3.1 Purpose of the Offers and use of funds

If the Entitlement Offer is fully subscribed, up to 41,489,415 New Shares will be issued (either by Eligible Shareholders accepting the Entitlement Offer under this Prospectus or pursuant to the Shortfall Offer to Eligible Investors (including Eligible Shareholders)).

If the General Offer is fully subscribed, up to 93,351,184 New Shares will be issued to Eligible Investors (including Eligible Shareholders). For the purposes of the pro forma balance sheet in section 3.2, we have assumed the maximum capacity raised under the General Offer within the exemption of ASX Listing Rule 7.1.²⁰

The Offer Price for the Offers is \$1.50. Assuming all Offers are fully subscribed, the maximum total proceeds of the Offers will be approximately \$202,260,899.

The proceeds from the Offers will be used to pay the expenses of the Offers (see section 3.5 below) and invested by the Company and Contact, and in accordance with the Investment Strategy. Subject to market conditions, the BKI Investment Committee will be looking to deploy new funds into the market over a period of approximately 6 months from the Closing Dates of the Offers.

3.2 Pro Forma Balance Sheet

Set out below is the Pro Forma Statement of Financial Position derived from the Company's Statement of Financial Position as at 31 December 2017 lodged with the ASX on 17 January 2018 and is prepared on the basis of the following assumptions:

- (a) adjustments for total indicative costs of the Offer;
- (b) future tax benefits arise from the total indicative costs of the Offer;
- (c) no further Shares are issued other than all the New Shares offered under this Prospectus; and
- (d) the Offers are all fully subscribed raising approximately \$202 million.

The Pro Forma Statement of Financial Position set out below has been prepared to illustrate the financial position of the Company following completion of the Offers. The Pro Forma Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus and may not reflect the actual position and balances at the completion of the Offers.

²⁰ ASX Listing Rule 7.1 exemption allows an entity to issue up to 15% of its ordinary securities in a General Offer without the approval of shareholders, less any equity securities issued in the 12 months before the General offer under the exemption.

Balance Sheet A\$m	31-Dec-17	Adjustments		Offer Costs	Pro Forma
		Entitlement	General		
Cash and cash equivalents	48.0	62.2	140.0	(5.7)	244.6
Trade receivables	2.6				2.6
Trading portfolio	1.6				1.6
Current tax assets	0.0				0.0
Prepayments	0.0				0.0
Total Current Assets	52.3	62.2	140.0	(5.7)	248.8
Investment portfolio	982.2				982.2
Deferred tax assets	14.8			1.7	16.5
Total Non-Current Assets	997.0	0.0	0.0	1.7	998.7
Total Assets	1,049.2	62.2	140.0	(4.0)	1,247.5
Trade payables	0.3				0.3
Current tax liabilities					
Total Current Liabilities	0.3	0.0	0.0		0.3
Deferred tax liabilities	82.6				82.6
Total Non-Current Liabilities	82.6	0.0	0.0		82.6
Total Liabilities	83.0	0.0	0.0	0.0	83.0
Net Assets	966.3	62.2	140.0	(4.0)	1,164.6
Share Capital	753.1	62.2	140.0	(4.0)	951.4
Revaluation reserve	189.0				189.0
Realised capital gains reserve	(23.4)				(23.4)
Retained Profits	47.6				47.6
Total Equity	966.3	62.2	140.0	(4.0)	1,164.6

3.3 Capital Structure on Completion of the Offers

The Company does not intend to issue any further Shares prior to the Record Date. The effect of the Offers on the capital structure of the Company, assuming that the Offers are fully subscribed (subject to rounding up of fractional Entitlements) is set out below.

Event	New Shares	Total Shares
Current Shares on issue		622,341,232
Indicative numbers of New Shares to be issued*:		
Entitlement Offer and Shortfall Offer	41,489,415	
General Offer	93,351,184	
Total New Shares	134,840,599	
Total Shares on issue after completion of the Offers		757,181,831
Total New Shares as a percentage of total Shares on issue after completion of the Offers*		17.81%

* Assuming all Offers are fully subscribed.

3.4 Effect on control of the Company

The effect of the Offers on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders, the number of Shortfall Shares placed in the Shortfall Offer and the level of Applications under the General Offer.

However, having regard to the composition of the existing Shareholder base and the size of the Offers, the Directors do not expect the Offers to have an impact on the Control of the Company. In this regard, it should be noted that the Directors reserve the right to allocate New Shares under the Shortfall Offer and General Offer in their absolute discretion and that the rights issue exception to the 20% rule is not available as outlined in section 4.2(h).

3.5 Costs of the Offers

Fees associated with the Offers will be paid from the proceeds of the Offers. All proceeds less the costs of the Offers will be committed wholly to the investment function of the Company.

A summary table of the indicative costs of the Offers is shown below, assuming the **maximum subscription** under the Offers:

Costs of the Offers²¹

Advisory Fee	\$725,611
Broker and Stamping Fees ²²	\$4,345,692
Legal Fees	\$151,525
Share Registry Fee	\$177,239
ASX Costs	\$132,659
Printing and Despatch	\$127,061
Independent Accounting Fee	\$6,150
Other Costs	\$6,000
Total	\$5,671,936

Broker Fees under the Offer will be paid under the following schedule:

Broker and Stamping Fees

Joint Lead Managers (JLM)	0.75% of amount raised (less any fees payable to co-managers)
Co-Manager	0.5% Co-manager fee will be paid from the JLM fee
Stamping Fees on Existing Shareholders	1.0% on the amount raised from Existing Shareholders under the Entitlement Offer and Shortfall Offer ²³
Stamping Fees on New Shareholders	1.5% on the amount raised from New Shareholders ²⁴

In respect of the stamping fees, Brokers (including other AFSL holders) may obtain a copy of the claim form by contacting the Share Registry on (08) 6500 2112. No fees will be payable by the Company with respect to applications under the Entitlement Offer or General Offer that are not subject to a valid claim by a Broker.

For the purposes of calculating the indicative costs, the Stamping Fees on New Shareholders is assumed to consist of the entire General Offer amount of \$140.0m.

21 Assumes that the Company claims 75% of the GST on Advisory Fee, Broker Fees, Share Registry Fee and Independent Accounting Fee. Full GST is payable on Legal Fees, ASX Costs, Printing and Despatch and Other Costs.

22 Stamping Fees are payable to Brokers (including other AFSL holders). Costs of the Offers assume Stamping Fees on Eligible Shareholders consist of the full Entitlement Offer and Shortfall Offer amount of \$62,234,123 and Stamping Fees on Eligible Investors consist of the full General Offer amount of \$140,026,776

23 The Company will pay Brokers a selling fee of 1.0% of the amount equal to the total number of Shares in respect of which the relevant Broker has received or procured valid Applications, multiplied by the Offer Price, under the Entitlement and Shortfall Offer (in respect of Shortfall Shares taken up by Eligible Shareholders in excess of their Entitlement).

24 The Company will pay Brokers including the Joint Lead Managers a selling fee of 1.5% of the amount equal to the total number of New Shares in respect of which the relevant Broker has received or procured valid new Applications, multiplied by the Offer Price, under the General Offer and Shortfall Offer (in respect of Shortfall Shares taken up by Eligible Investors).

4. Details of the Offers

4.1 The Offers

By this Prospectus, the Company makes the following Offers:

- (a) non-renounceable pro-rata entitlement offer to all Eligible Shareholders of 1 New Share for every 15 Existing Shares held at 7:00pm on the Record Date at \$1.50 (the **Offer Price**) to raise up to approximately \$62.2 million (the **Entitlement Offer**); and
- (b) if the Entitlement Offer is not fully taken up, an offer of the shortfall to:
 - (i) Eligible Shareholders who wish to apply for additional New Shares in excess of their pro-rata Entitlement under the Entitlement Offer; and
 - (ii) the general public,at the Offer Price (the **Shortfall Offer**); and
- (c) an offer to the general public for up to 93,351,184 New Shares at the Offer Price to raise up to approximately \$140,026,776 (**General Offer**),

(the Entitlement Offer, Shortfall Offer and General Offer collectively, the **Offers**).

The Offers are not underwritten.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make an offer or invitation. Recipients of this Prospectus must not send or otherwise distribute this Prospectus or Application Form to any person outside Australia or New Zealand.

4.2 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of New Shares to all Eligible Shareholders.

Eligible Shareholders are entitled to apply for 1 New Share for every 15 Shares held at 7:00pm on the Record Date at an Offer Price of \$1.50.

Based on the number of Shares the Company currently has on issue (622,341,232²⁵), a total of 41,489,415 New Shares are offered under the Entitlement Offer to raise up to \$62,234,123.

(a) Eligibility

The Entitlement Offer is made to all Eligible Shareholders. An Eligible Shareholder is a Shareholder that:

- is the registered holder of an Existing Share as at 7.00pm on the Record Date; and
- has a registered address in Australia or New Zealand.

The Entitlement Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

²⁵ Based on BKI's most recent Appendix 3B lodged on 28 February 2018.

(b) Minimum subscription

The Entitlement Offer is not subject to a minimum subscription.

Applications under the General Offer must be for a minimum of 2,000 New Shares (i.e. \$3,000).

(c) Non-Renounceable

The Entitlement Offer is non-renounceable which means that the entitlements to participate in the Entitlement Offer (**Entitlements**) are not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately. Eligible Shareholders who do not take up their Entitlements under the Entitlement Offer in full or in part, will not receive any value in respect of those Entitlements that they do not take up.

Eligible Shareholders who wish to take up their Entitlements under the Entitlement Offer in full may also apply for additional New Shares in excess of their pro-rata Entitlement via the Shortfall Offer. To participate in the Shortfall Offer shareholders must apply at the same time as they apply for their Entitlements under the Entitlement Offer. Applications under the Shortfall Offer will only be satisfied to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms and conditions outlined in section 5.3 below. The Board reserves the right to allocate New Shares under the Shortfall Offer in its absolute discretion.

(d) What is your Entitlement?

Your Entitlement is set out on your personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 15 Existing Shares you hold as at the Record Date, being 7:00pm (AEST) on 14 May 2018. If the result is not a whole number your Entitlement will be rounded down to the nearest whole number. If you have more than one registered holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up. For example, you are not permitted to take up an Entitlement to the extent you are holding Existing Shares for the account or benefit of a person in the United States (see definition of Eligible Shareholders in section 4.2(a)).

(e) Acceptances

The Entitlement Offer may be accepted in whole or in part prior to the Closing Date of the Entitlement Offer, subject to the right of the Company to extend the Entitlement Offer Period.

Instructions for accepting your Entitlement are set out in section 5 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

(f) Ineligible Shareholders

All Shareholders who are not Eligible Shareholders are ineligible Shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

The Company has determined that it would be unreasonable on this occasion to extend the Entitlement Offer to Ineligible Shareholders, having regard to the number of Shares held by Ineligible Shareholders, the number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of Shares to Shareholders in jurisdictions other than Australia and New Zealand.

The Prospectus will not be sent to Ineligible Shareholders. Recipients of this Prospectus must not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand.

(g) Custodians and Nominees

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

(h) Rights issue exception not available

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold). Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 of the Corporations Act as a result of acceptance of the Entitlement Offer should seek professional advice before completing and returning an Entitlement and Acceptance Form.

4.3 Shortfall Offer

A shortfall will arise if Applications received for New Shares under the Entitlement Offer are less than the number of New Shares offered under the Entitlement Offer (**Shortfall**).

The Shortfall Offer is a separate offer made pursuant to this prospectus. The number of New Shares issued under the Shortfall Offer (the **Shortfall Shares**) (if any) will be issued at the Offer Price. The Offer Price is the same in respect of all New Shares to be issued under the Offers.

The Company will permit Eligible Shareholders who take up their full Entitlement and members of the general public to apply for Shortfall Shares subject to Applications being received by the Closing Date of the Shortfall Offer.

Details on how to apply for Shortfall Shares are set out:

- (a) in respect of Eligible Shareholders – in the Entitlement and Acceptance Form; and
- (b) in respect of Eligible Investors – in the General Offer Application Form.

The Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date of the Entitlement Offer to existing or new Shareholders at their absolute discretion.

It is currently proposed that the Shortfall Shares be allocated as follows:

(c) First Shortfall – Eligible Shareholders

To the extent there is a Shortfall, each Eligible Shareholder who has validly applied for Shortfall Shares will be allocated the number of Shortfall Shares they have applied for (**First Shortfall**).

If the First Shortfall is oversubscribed by Eligible Shareholders, the Directors reserve the right to issue such Eligible Shareholders with New Shares under the General Offer.

(d) Second Shortfall – Eligible Investors

If, following allocation of the First Shortfall:

- (i) there remains a shortfall (i.e. total allocations under the First Shortfall is less than the total number of Shortfall Shares) (**Second Shortfall**); and
- (ii) the General Offer is oversubscribed,

the Directors reserve the right to issue to each Eligible Investor who has validly applied for New Shares under the General Offer, New Shares under the Second Shortfall.

4.4 General Offer

The General Offer is a separate offer of up to 93,351,184 New Shares made under this Prospectus to the general public to subscribe for New Shares at the Offer Price to raise up to approximately \$140,026,776.

(a) Minimum and maximum subscription

Applications under the General Offer must be for a minimum of 2,000 New Shares (i.e. \$3,000). Applications in excess of the minimum number of New Shares must be in multiples of 500 Shares.

There is no maximum amount that may be applied for under the General Offer. The Company reserves the right to aggregate any Applications under the Offers which it believes may be multiple Applications from the same person or that person's related parties.

(b) Eligibility

The General Offer is made to all Eligible Investors. An Eligible Investor is any member of the general public who has a registered address in Australia or New Zealand (and therefore may include an Eligible Shareholder).

The Company reserves its right to allot and issue New Shares under the General Offer at its discretion, having regard to the circumstances as at the close of the General Offer. This includes the right to allot and issue New Shares under the General Offer to Eligible Shareholders who have applied for Shortfall Shares (for example, where the Shortfall Offer is oversubscribed).

Any scaleback of applications for New Shares under the General Offer will be at the Company's discretion and the Company's decision on the number of New Shares to be allocated to Eligible Investors will be final.

(c) Oversubscription

To the extent that the General Offer is oversubscribed, the Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to issue to Eligible Investors any Shortfall Shares at their absolute discretion (see for example, the proposed allocation in section 4.3(d) above).

4.5 New Shares

(a) Rights and Liabilities attaching to New Shares

The New Shares to be issued in connection with the Offers, will be issued on a fully paid basis and will rank equally with all Existing Shares on issue, including being eligible for the final ordinary dividend in respect of the Company's 2018 financial year.

The following is a summary of the rights that attach to the Company's fully paid ordinary shares as set out in the Company's constitution. It is not intended to be an exhaustive summary of the rights and obligations of Shareholders. Investors who wish to inspect the Company's constitution may do so at the registered office of the Company during normal office hours.

- **Voting** – Subject to any rights or restrictions for the time being attached to any class of shares, at a meeting of Shareholders, every Shareholder entitled to vote may vote in person or by proxy, attorney or, being a corporation, by a duly appointed representative and has one vote on a show of hands (unless a Shareholder has appointed more than one proxy) and on a poll has one vote for each Shareholder if a Share is jointly held by more than one person, only one holder is entitled to vote at a general meeting. If more than one joint holder is present at a general meeting, the vote of the member whose name appears first in the Share Register will be accepted to the exclusion of the votes of the other joint holders.
- **Dividends** – The Directors may determine whether to pay a dividend. No dividend may be paid if there are insufficient profits out of which the Company is lawfully able to pay dividends. Subject to any rights or restrictions attached to a class of shares, dividends on Shares are payable (except in limited circumstances) in proportion to the amount of capital for the time being paid up.

- **Issue of Further Shares** – The Board may (subject to the Company's constitution, the ASX Listing Rules and the Corporations Act) allot, grant options in respect of or otherwise issue further Shares or other classes of shares in the Company on such terms and conditions as it sees fit. The Board is authorised to adopt and amend share plans such as bonus share plans, employee share plans and a dividend re-investment plan.
- **Transfer of Shares** – Subject to the Company's constitution, the Corporations Act and the ASX Listing Rules, Shares in the Company are freely transferable. Subject to the ASX Listing Rules and the Corporations Act, the Board may decline to register a transfer of share or apply a holding lock to prevent a transfer of Shares only in limited circumstances.
- **Share Buy Back** – The Company may buy back shares in itself in accordance with the provisions of the Corporations Act.
- **General meetings and notices** – General meetings may be convened in the manner provided for in the Company's constitution, Corporations Act and the ASX Listing Rules. Each Shareholder will be entitled to receive notice of, and to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to Shareholders under the Company's constitution, the ASX Listing Rules or the Corporations Act.
- **Winding up** – Subject to any special or preferential rights attaching to any class or classes of shares, Shareholders will be entitled on a winding up to participate in any surplus assets of the Company in proportion to the number of Shares held by them less any amounts which remain unpaid on their Shares at the time of distribution.
- **Variation of Rights** – The rights, privileges and restrictions attaching to fully paid ordinary Shares, or to any other class of shares which may be issued in the future, can only be varied by a special resolution passed at a general meeting of the holders of shares of the relevant class or with the written consent of the holders of at least 75% of the holders of shares of the relevant class.

(b) Issue of New Shares and Application Monies

New Shares will be issued as soon as practicable after the Closing Date subject to ASX granting permission for the New Shares to be quoted.

All Application Monies will be deposited into a separate bank account of the Company and will be held on trust for Applicants until the New Shares are issued or the Application Monies are returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

(c) Joint Lead Managers

Evans Dixon Corporate Advisory and Taylor Collison Limited are acting as Joint Lead Managers.

The Joint Lead Managers will be paid a fee for managing the Entitlement Offer and General Offer, details of which are set out in section 7.6.

(d) ASX Quotation and holding statements

The Company has applied to ASX for quotation of the New Shares offered by this Prospectus.

If ASX does not grant permission for quotation of the New Shares offered under this Prospectus within three months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, Applications will be dealt with in accordance with the Corporations Act including the return of all Application Monies without interest.

Quotation of the New Shares (if granted by ASX) will commence as soon as practicable after holding statements in respect of the New Shares are despatched.

Holding statements will be despatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise.

(e) Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below:

	3-month high	3-month low	Last market sale price as at 4 May 2018
Price	\$1.75	\$1.55	\$1.595
Date	5 February 2018	19 April 2018	4 May 2018

(f) Taxation implications of the Offers

Applicants should be aware that there may be taxation implications in participating in the Offers and subscribing for New Shares. The taxation consequences of participating in the Offers or acquiring New Shares may vary depending on the individual circumstances of each Applicant. Before making a decision whether or not to participate in the Offers, Applicants should consult their own professional taxation advisors to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

5. How to apply

5.1 How to apply under the Entitlement Offer

If you are an **Eligible Shareholder**, you may do any one of the following:

- take up all or part of your Entitlement (see section 5.1(a));
- take up all of your Entitlement and apply for additional New Shares in the Shortfall Offer and/or General Offer (see section 5.1(b)); or
- not take up your Entitlement and allow the Offers to lapse (see section 5.1(c)).

Amounts received by the Company in excess of the Offer Price multiplied by your Entitlements (**Excess Amount**) may be treated as an Application to apply for as many additional New Shares as your Excess Amount will pay for in full under the Shortfall Offer or General Offer.

(a) If you wish to take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, applications for New Shares must be made by:

- (i) completing the personalised Entitlement and Acceptance Form in accordance with the instructions on the form by following the prompts and either:
 - (A) accepting the personalised Entitlement in full; or
 - (B) indicating the number of New Shares you wish to take up (this will be less than your Entitlement as specified on the Entitlement and Acceptance Form);
- (ii) paying for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement) by cheque (see section 5.3(a) of this Prospectus) or BPAY® (see section 5.3(b) of this Prospectus); and
- (iii) return the Entitlement and Acceptance Form by and ensure payment will be received by the Share Registry by 5:00pm (AEST) on 12 June 2018.

If you choose to pay by BPAY® you are not required to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

If you take up and pay for your Entitlement before the Closing Date of the Entitlement Offer of 5:00pm (AEST), 12 June 2018, you will be allotted your New Shares on 19 June 2018. The Company's decision on the number of New Shares allotted to you will be final.

(b) If you wish to take up all of your Entitlement and apply for additional New Shares

You may apply for additional New Shares in excess of your Entitlement under the Shortfall Offer by completing the "Number of additional New Shares applied for (in excess of the entitlement shown above)" section on the Entitlement and Acceptance Form by 14 June 2018. You may only apply for additional New Shares under the Shortfall Offer if you decide to take up all of your Entitlements under the Entitlement Offer.

Your application for additional New Shares under the Shortfall Offer may not be successful (wholly or partially). The Directors reserve the right to issue Eligible Shareholders who have applied for New Shares in excess of their Entitlement with New Shares under the General Offer (including, where the Shortfall Offer is oversubscribed).

The decision by the Directors in relation to the number of additional New Shares in excess of your Entitlement to be allocated to you under the Shortfall Offer will be final.

If you are unsuccessful in the Shortfall Offer or your Application in respect of the Shortfall Offer is only part accepted, any excess Application Monies will be returned to you by cheque within five days of the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by the Company.

(c) If you do not wish to take up your Entitlement

If you do not wish to take up your Entitlement you should do nothing. If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares.

If you do not accept your Entitlements in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) will be sold under the Shortfall Offer.

The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected if you choose not to accept any of your Entitlement. However, your shareholding will be diluted as a result of the issue of New Shares under the Offers.

5.2 How to apply under the General Offer

(a) If you wish to apply for New Shares in the General Offer

The General Offer is open to the general public, including Eligible Shareholders, who have a registered address in Australia or New Zealand, or in the case of a corporate applicant, a registered office in Australia or New Zealand.

Applications for New Shares under the General Offer must be made by completing the General Offer Application Form in accordance with the instructions on the Applications Form. If using a paper General Offer Application Form, the instructions are on the reverse side of the Application Form.

Applications must be accompanied by the Application Monies in Australian Dollars by cheque (see instructions at section 5.3(a)) or BPAY® (see instructions at section 5.3(b)) in accordance with the instructions in the General Offer Application Form so that they are received at the address specified in section 5.3 by 5:00pm (AEST) on the Closing Date of the General Offer.

To the extent that the General Offer is oversubscribed, the Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to issue to Eligible Investors any Shortfall Shares at their absolute discretion.

If you are unsuccessful in the General Offer or your Application in respect of the General Offer is only part accepted, any excess Application Monies will be returned to you by cheque within five days of the Closing Date, without interest. Please note it is not practical to refund amounts of less than \$2.00 and any refunds owing for this amount will be retained by the Company.

5.3 Payment options

(a) Pay by Cheque

Cheques in respect of an Application Form should be made payable to “BKI Investment Company Limited”, drawn on an Australian financial institution and crossed “Not Negotiable” in an envelope to:

By mail:

Advanced Share Registry
PO Box 1156
Nedlands WA 6909

By hand:

Advanced Share Registry
Unit 2, 150 Stirling Hwy
Nedlands WA 6009

Shareholders in New Zealand will need to apply in Australian dollars and affix the appropriate postage to the reply paid envelope.

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's registered or corporate office.

(b) Pay via BPAY®

To pay via BPAY® you will need to:

- (i) be an account holder with an Australian financial institution; and
- (ii) if applying under the Entitlement Offer, use the Customer Reference Number (**CRN**) shown on your Entitlement and Acceptance Form which is required to identify your shareholding if subscribing under the Entitlement Offer; or
- (iii) if applying under the General Offer, complete the online Application Form accompanying the electronic version of the Prospectus, which is available at www.bkilimited.com.au and www.advancedshare.com.au and follow the instructions on the online Application Form. If you submit the online Application Form, you will receive an email confirmation from Advanced Share Registry with a Customer Reference Number (**CRN**) to pay via BPAY®.

You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

It is your responsibility to ensure that payments is received by the Share Registry received before the Closing Date. The Company accepts no responsibility for any failure to receive the Application Monies or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

You do not need to complete and return a paper Application Form, if you pay by BPAY®, however, you will be taken to have made the statements and certifications that are set out in the Application Form.

5.4 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders and/or Eligible Investors who take up their Offer and receive New Shares issued by the Company. No stamp duty is payable for subscribing for New Shares under the Offer.

5.5 Authorised Intermediary

The Offers under this Prospectus will be made under an arrangement between the Company and the Authorised Intermediary, under section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of New Shares by the Company under the Prospectus and the Company will only issue New Shares in accordance with Applications made under such offers, if they are accepted.

5.6 Application Forms are binding

Receipt of a completed and lodged:

- Entitlement and Acceptance Form; and/or
- General Offer Application Form,

together with payment for the Application Monies, or by making a payment in respect of an Application by BPAY®, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning an Entitlement and Acceptance Form with the requisite Application Monies, or by making a payment in respect of an Application for the Entitlement Offer by BPAY®, you will be deemed to have represented that you are an Eligible Shareholder.

In addition, by completing and returning an Entitlement and Acceptance Form or General Offer Application Form, you will be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus does not prohibit you from being given the Prospectus and that you:

- (a) agree to become a member of the Company (where relevant) and be bound by the terms of the Offers (as applicable) and the constitution of the Company;
- (b) declare that:
 - (i) all details and statements made in the relevant Application Form are complete and accurate;
 - (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offers (as applicable);
 - (iii) in respect of the Entitlement Offer (if relevant), you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date; and
 - (iv) you are an Australian or New Zealand resident, and you are not in the United States of America or a US Person, or acting for the account or benefit of a US Person;
- (c) acknowledge that:
 - (i) once the Company receives the Application Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
 - (ii) you have personally received a printed or electronic version of this Prospectus (and any supplementary or replacement prospectus (if any)) included in or accompanying an Application Form and have read them all in their entirety;
 - (iii) the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
 - (iv) the New Shares have not, and will not be registered under the securities laws in any other jurisdictions outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the requirements of applicable securities laws, in particular the US Securities Act;
 - (v) in some circumstances, the Company may not pay dividends, or that any dividends paid may not be Franked; and
 - (vi) the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus;

- (d) agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Offers Price of \$1.50 per New Share;
- (e) authorise the Company and the Joint Lead Managers to:
 - (i) register you as the holder of New Shares and authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of the Share Registry by using the contact details set out in the Application Form; and
 - (ii) correct any errors in your Application Form or other form provided by you;
- (f) represent and warrant that the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Prospectus or making an application for New Shares; and
- (g) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is resident in Australia or New Zealand except with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers, and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Application Form or any information relating to the Offers to any such person.

6. Key risks

The operations, financial performance and prospects of listed investment companies such as the Company are driven by a number of factors, including, but not limited to, domestic and international economic growth, the performance of domestic and international financial markets, domestic and international political events and relevant regulation in Australia and overseas. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of the risks faced by the Company or by investors in the Company. If any of the following risks materialise, the Company's business, financial condition and operational results are likely to suffer.

Nothing in this Prospectus is financial product advice and this document has been prepared without taking into account your investment objectives, financial needs or personal circumstances. You should also consider consulting your financial or legal adviser so as to ensure you understand fully the terms of the Offers and the inherent risks.

This section describes certain risks associated with an investment in the Company. Prior to making an investment decision, you should carefully consider the following risk factors, as well as the other information contained in this Prospectus.

6.1 General Risks

(a) Economic conditions

The future earnings of the Company and the value of the investments of the Company may be influenced by various general domestic and international economic factors including, but not limited to:

- economic growth;
- interest rates;
- inflation;
- currency exchange rates;
- employment levels;
- changes in commodity prices;
- consumer and business sentiment; and
- market volatility.

(b) Market and listed securities risk

The price of the Company's Shares will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect the Company's financial performance and position.

Shareholders are exposed to these risks through their holding of Shares (including, New Shares) in the Company as well as through the Company's investment portfolio.

In addition, there are risks associated with any investment in listed securities. The market price of listed securities (such as the New Shares) is affected by numerous factors including hostilities, tension and acts of terrorism, general investor sentiment and the movement of prices on local and international share markets. As a consequence, the New Shares carry no guarantee with respect to the payments of dividends, returns of capital or the market value of those New Shares.

Share markets tend to move in cycles, and individual share prices may fluctuate and underperform other asset classes over extended periods of time. Shareholders in the Company are exposed to this risk both through their holding in the Shares (including the New Shares) as well as through the Company's investment portfolio.

(c) Regulatory risk

A change to law (including the current taxation regime) in Australia or overseas may affect the Company and its Shareholders. Personal tax liabilities are the responsibility of each individual investor. The Company is not responsible either for taxation or penalties incurred by investors. Similarly, Australian accounting standards are set by the AASB and are outside the Directors' and the Company's control. Changes to accounting standards issued by AASB could adversely affect the financial performance and position reported in the Company's financial statements.

6.2 Risks specific to the Company

Key risks relating to the Company are set out below. It is not, however, possible to describe all the risks to which the Company may become subject and which may impact adversely on the Company's prospects and performance. Specific risk factors which may have a significant impact on the future performance of the Company include the following:

(a) Contact and investment manager risk

The success and profitability of the Company depends heavily on the ability of Contact as the investment manager to construct an investment portfolio that increases in value over time and delivers income. Contact may not effectively manage the investment portfolio or may advise the Company in a manner that does not consistently meet the investment objectives over time. The past performance of portfolios managed by Contact, and persons associated with Contact, are not necessarily a guide to future performance of the Company or the investment portfolio.

If Contact, or a key employee of Contact, ceases to manage the investment portfolio or the agreement engaging Contact is terminated, the Company will need to identify and engage a suitably qualified and experienced investment manager to ensure that the investment portfolio continues to meet its investment objectives. A change to Contact may impact the success and profitability of the Company and the investment portfolio.

While Contact will seek to mitigate the risks that may adversely affect its investment performance or its investment decisions, through implementation of internal risk management policies and procedures designed to monitor and address these risks, there can be no guarantee Contact will achieve any particular investment return or yield within the investment portfolio.

(b) Investment risk

There is a risk that the investment portfolio will fall in value over the short or long term or may experience sustained periods of poor investment performance (absolute, or relative to benchmarks and/or competitors). Individual security prices may fluctuate and underperform other asset classes over time. Investors in the Company are exposed to this risk through both their holding in New Shares and through the Company's investments.

(c) Compliance with and changes to financial services legislation and regulation

The financial services industry is highly regulated in Australia. Contact operates under an AFSL and is subject to the regulatory regime associated with carrying on business pursuant to that AFSL. If Contact does not or cannot comply with the necessary laws and regulations it may be exposed to fines, penalties or loss of its AFSL authorisation, which may alone or in combination have a material adverse effect on Contact's ability to operate as a fund manager and have a material adverse effect on its financial performance and reputation. As a consequence, these factors may have a material adverse effect on the Company's financial performance and future prospects.

Legislation or regulation restricting the operations of the Company, or increasing the compliance and reporting obligations of the Company, and therefore increasing its compliance costs and its risk of non-compliance, may have a material adverse effect on the Company's financial performance and future prospects.

(d) Business risk

The profitability and success of the Company is highly dependent on the ability of the Directors and Contact to assess business risks and make appropriate investments. It cannot be expected nor is there any guarantee that an investment or investment decision of the Company will prove to be the correct decision or prove to be profitable. The Company may accordingly incur significant losses in carrying out its investment objectives and Investment Strategy. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of its investments.

(e) Liquidity Risk of Company investments and Shares

The Company is exposed to liquidity risk in relation to the investments within its investment portfolio. If a security cannot be bought or sold quickly enough (or at all) to minimise potential losses, the Company may suffer significant losses.

The Company's Shares are also exposed to liquidity risk, as the ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.

(f) Trading of shares relative to the Company's NTA

The Company's Shares may not trade in line with the underlying value of the Company's investment portfolio. As a result, the Shares may trade at a discount or a premium to its net tangible assets.

(g) Entitlement Offer – lapse of Entitlements and dilution risk

If you are an Eligible Shareholder and you allow your Entitlement to lapse, then you will not realise any value for your Entitlement. Additionally, irrespective of whether you participate in the Entitlement Offer, your shareholding will be diluted due to the New Shares being issued under the General Offer. As your percentage shareholding in the Company will be diluted, you will not be exposed to future increases or decreases in the Company's share price in respect of those New Shares which would have been issued to you had you taken up all of your Entitlement (as well as the New Shares issued under the General Offer).

6.3 Timing risks associated with investing in the New Shares

(a) Market risk

The market price of Shares may rise or fall between the date that the Offers open and the date that New Shares are issued under the Offers. This means that the Offer Price for the New Shares may be either higher or lower than the Share price at the time you apply for the New Shares under the Offers or at the time the New Shares are issued to you pursuant to the Offers.

No assurances can be given that the New Shares to be issued under the Offers will trade at or above the Offer Price under the Offers. None of the Company, its Board, Contact or any other person guarantees the market performance of the New Shares to be issued under the Offers.

7. Additional information

7.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with less rigorous disclosure requirements if:

- the securities offered by the prospectus were enhanced disclosure securities at all times in the 3 months before the date of the prospectus; and
- during the shorter of the period during which the securities were quoted and the period of 12 months before the date of the prospectus, the company was not subject to certain exemptions or declarations prescribed by the Corporations Act.

Shares are enhanced disclosure securities if:

- the company is included in the official list of ASX; and
- the ASX Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of the Offers and the information necessary to make an informed assessment of:

- the effect of the Offers on the Company; and
- the rights and liabilities attaching to the New Shares offered by this Prospectus.

As the Company has been listed on ASX since 12 December 2003, a substantial amount of information concerning the Company has previously been notified to ASX and is therefore publicly available.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a securities exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the New Shares.

7.2 Regular reporting and disclosure obligations

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the financial market conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning the Company which a reasonable person would expect to have a material effect on the price or value of Shares in the Company.

The Company is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report, and an auditor's report for the yearly financial statements or auditor's review report for the half yearly financial statements.

All ASX announcements made by the Company are available from ASX at www.asx.com.au and the Company's website at www.bkilimited.com.au.

7.3 Your right to obtain copies of the Company's documents

Copies of any documents in relation to the Company which are lodged with ASIC may be obtained from or inspected at, an ASIC office and can also be obtained free of charge from the Company's registered office during normal office hours.

During the period that the Offers remains open, the Company will provide copies of the following to any person on request, free of charge:

- (a) the Company's annual financial report for the year ended 30 June 2017 being the last annual financial report that has been lodged with ASIC before lodgement of this Prospectus;
- (b) the Company's financial report for the half-year ended 31 December 2017 lodged with ASIC after the lodgement of the annual report referred to in paragraph (a) and before the date of lodgement of this Prospectus;
- (c) any continuous disclosure notices used to notify ASX of information relating to the Company between 18 July 2017 (being the date of lodgement of the financial report referred to in paragraph (a) with ASIC) and the date of lodgement of this Prospectus.

The following documents were lodged by the Company with ASX during this period:

Document	Lodgement Date
Annual Financial Report for the year ending 30 June 2017	18 July 2017
Dividend/Distribution – BKI	18 July 2017
BKI's 2017 FY Net Profit up 8% to \$45.6m	18 July 2017
BKI 30 June 2017 Appendix 4G	18 July 2017
BKI FY2017 Results Presentation	18 July 2017
BKI 2017 Corporate Governance Statement	20 July 2017
Net Tangible Asset Backing	4 August 2017
BKI DRP Price – 2017 FY Final Dividend	14 August 2017
Update – Dividend/Distribution – BKI	14 August 2017
Appendix 3B	23 August 2017
Change of Director's Interest Notice	29 August 2017
Response to Appendix 3Y query	31 August 2017
Net Tangible Asset Backing	8 September 2017
BKI 2017 Annual Report & Notice of Meeting	11 September 2017
Net Tangible Asset Backing	6 October 2017
BKI Quarterly Report – September 2017	9 October 2017
Net Tangible Asset Backing	10 October 2017
BKI AGM Presentation to Shareholders	10 October 2017
Results of Meeting	10 October 2017

Document	Lodgement Date
Net Tangible Asset Backing	7 November 2017
Net Tangible Asset Backing	5 December 2017
BKI December 2017 Quarterly Report	20 December 2017
Change of Director's Interest Notice	3 January 2018
Net Tangible Asset Backing	5 January 2018
Dividend/Distribution – BKI	17 January 2018
BKI's Half-Year Net Operating Result up 7% to \$22.7m	17 January 2018
BKI 1H 2018 Results Presentation	17 January 2018
Update – Dividend/Distribution – BKI	17 January 2018
Net Tangible Asset Backing	7 February 2018
Update – Dividend/Distribution – BKI	21 February 2018
Dividend Reinvestment Plan	21 February 2018
Appendix 3B	28 February 2018
Change of Director's Interest Notice	7 March 2018
Net Tangible Asset Backing	8 March 2018
Net Tangible Asset Backing	10 April 2018
BKI Quarterly Report – March 2018	10 April 2018
Net Tangible Asset Backing	1 May 2018
Change of Director's Interest Notice	8 May 2018

Publicly available information about the Company is available at www.asx.com.au or <https://bkilimited.com.au/asx-announcements/>.

7.4 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the constitution of the Company.

7.5 CHESS and issuer sponsorship

The Company participates in CHESS. All trading on ASX in Shares is, and in New Shares will be, settled through CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. The Share Registry operates an electronic issuer sponsored sub register and an electronic CHESS sub-register. Both these sub registers constitute the Company's principal register of shareholders.

Holders of New Shares will not receive a certificate but will receive a statement of their holding. If you are sponsored by a broker or other participant in CHESS, you will receive a CHESS statement which will set out the number of New Shares issued to you under this Prospectus, provide details of your HIN (holder identification number), and provide the participant identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your holding statement will contain the number of New Shares issued to you under this Prospectus and your SRN (securityholder reference number).

A CHESS statement or issuer sponsored statement will be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

7.6 Material contracts

(a) Offer Management Agreement

The Company has entered into an offer management agreement dated 9 May 2018 with the Joint Lead Managers (**Offer Management Agreement**). The obligations of the Joint Lead Managers under the Offer Management Agreement are subject to a number of conditions precedent, of which the principal condition unfulfilled as at the date of lodgement of the Prospectus with ASIC is that, on or before 9:30am on the date of settlement of the Shortfall Offer and the General Offer, ASX:

- has not indicated to the Company, the Manager or the Joint Lead Managers that it will not grant permission; or
- has indicated to the Company, the Manager or the Joint Lead Managers that it will grant permission (subject to customary pre-quotation listing conditions),
for the official quotation of the New Shares.

The Company will pay, to any broker of the Offers, the following fees:

- 1.0% of the amount equal to the total number of New Shares to be issued under the Entitlement Offer and the Shortfall Offer (in respect of Shortfall Shares taken up by Eligible Shareholders in excess of their Entitlement), in respect of which that broker has received or procured valid Applications from Eligible Shareholders, multiplied by the Offer Price (excluding GST).
- 1.5% of the amount equal to the total number of New Shares to be issued under the General Offer and the Shortfall Offer (in respect of Shortfall Shares taken up by Eligible Investors), in respect of which that broker has received or procured valid Applications from Eligible Investors, multiplied by the Offer Price (excluding GST).

The Company will pay the Joint Lead Managers a management fee of, in aggregate, 0.75% (excluding GST) of the total gross amount raised under the Offers, which will equal the total number of New Shares issued under the Offers multiplied by the Offer Price.

In addition, the Company is obliged to pay the costs and expenses of the Joint Lead Managers related to the Offers, including all reasonable legal fees of the Joint Lead Managers, capped at a maximum amount of \$25,000 (excluding GST).

In accordance with the Offer Management Agreement and as is customary with these types of arrangements:

- (i) the Company has (subject to certain usual limitations) agreed to indemnify the Joint Lead Managers, their related bodies corporate, their directors, officers, agents, advisors and employees against any claims, losses, liabilities, costs or expenses incurred in relation to Offers, this Prospectus or the Offer Management Agreement;
- (ii) the Company and the Investment Manager have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offers and content of the Prospectus;
- (iii) the Joint Lead Managers are entitled to appoint co-lead managers and brokers to the Offers; and
- (iv) the Joint Lead Managers may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Offer Management Agreement and be released from their obligations under it on the occurrence of certain events on or prior to the issue of New Shares under the Offer, including (but not limited to) where:

- (A) a statement contained in the Prospectus or other disclosure document is, or becomes, materially misleading or deceptive or likely to mislead or deceive in a material respect or where there is a material omission from the Prospectus of information required by applicable laws or requirements;
- (B) there are changes in senior management of the Investment Manager or the Board of Directors of the Company;
- (C) the S&P ASX All Ordinaries Index closes on any business day before the dates of settlement of each of the Entitlement Offer, Shortfall Offer or General Offer at a level that is 10% or more below the level of that index at the close of normal trading on ASX on the business day immediately preceding the date of entry into the Offer Management Agreement and closes at or below that level:
 - (aa) for at least two consecutive business days; or
 - (bb) on the business day before the dates of settlement of each of the Entitlement Offer, Shortfall Offer or General Offer;
- (D) subject to a materiality threshold, material adverse changes to the financial markets, political or economic conditions, currency exchange rates or controls of key countries, banking moratoriums, hostilities commence or escalate in key countries or a major terrorist act is perpetrated in key countries;
- (E) there is, in the reasonable opinion of a Joint Lead Manager a material adverse change in the general affairs, business, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, shareholder's equity or results of operations of the Company or the Manager;
- (F) ASIC issues, or threatens to issue, proceedings in relation to the Offer or threatens to commence any inquiry or investigation in relation to the Offers or any subscription for New Shares; or
- (G) subject to a materiality threshold, a breach of the Offer Management Agreement by the Company or the Manager.

Please note that the above is not an exhaustive list of the termination events in the Offer Management Agreement.

(b) Authorised Intermediary

The Offer Management Agreement also includes provisions governing the role of Taylor Collison Limited ACN 008 172 450 as the Authorised Intermediary. The Company has appointed and authorised the Authorised Intermediary to undertake all or any of the following activities:

- make offers in accordance with this Prospectus to arrange for the issue of New Shares in the Company; and
- arrange the issue of the New Shares by the Company to Applicants.

7.7 Directors' interests and benefits

- (a) Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director, and no firm in which a Director or proposed Director is a partner, holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:
 - (i) the formation or promotion of the Company;
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers, or
 - (iii) the Offers,
 and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed Director:
 - (iv) to induce them to become, or to qualify them as, a Director; or
 - (v) for services rendered by them in connection with the formation or promotion of the Company or in connection with the Offers.

(b) The table below shows the interest of each Director in Shares of the Company as at the date of this Prospectus:

Director	Direct Holdings	Held Beneficially
Robert Dobson Millner	164,064	7,793,657
Alexander James Payne	91,753	263,613
David Capp Hall	0	2,306,820
Ian Thomas Huntley	0	11,224,980

Directors may hold the relevant interests in Shares shown above directly, or indirectly through holdings by companies, trusts or other persons with whom they are associated.

Directors who are Eligible Shareholders will receive an Entitlement to New Shares under the Entitlement Offer.

7.8 Directors' remuneration

The non-executive Directors are remunerated for their services as Directors, not exceeding in aggregate a maximum sum, which is fixed by a general meeting. The current maximum aggregate sum which Shareholders have fixed to be paid as remuneration to the non-executive Directors is \$300,000 per annum. This amount was fixed by Shareholders at the 2007 annual general meeting.

The Chairman is paid an annual remuneration of \$73,750 inclusive of superannuation. Other non-executive Directors are currently paid annual remuneration of \$57,000 (David Hall) and \$46,550 (Ian Huntley and Alex Payne).

Remuneration payable by the Company to non-executive Directors is not to be by commission on, or percentage of, profits or operating revenue.

7.9 Officers' indemnities

The Company, to the extent permitted by law, indemnifies every officer of the Company (and may indemnify any auditor of the Company) against any liability incurred by the person, in the relevant capacity, to another person unless the liability arises out of conduct involving lack of good faith.

The Company may also make a payment in relation to legal costs incurred by these persons in defending an action for a liability, or resisting or responding to actions taken by a government agency or a liquidator.

7.10 Interests of other persons

Other than as set out in this Prospectus, no expert nor any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by the Company.

Ashurst Australia have provided various legal services and have or will receive professional fees of approximately \$109,250 (excluding disbursements and GST) for legal work undertaken by them in connection with the Offers and this Prospectus.

Quigg Partners has acted as New Zealand legal advisor to the Company in relation to the Offer. The Company has paid, or agreed to pay approximately \$3,500 (excluding disbursements and GST) for services provided in relation to the Offers.

Pitt Capital Partners Limited has acted as financial advisor in relation to the Offers. The Company has paid, or has agreed to pay a corporate advisory fee equal to 0.35% (excluding GST) of the total proceeds raised under the Offers for these services provided in relation to the Offers.

Taylor Collison Limited has acted as Authorised Intermediary in relation to the Offers. The Company will pay no costs for these services provided in relation to the Offers.

The Company will pay the Joint Lead Managers' fees pursuant to the Offer Management Agreement as described in section 7.6.

Certain partners and employees of the above firms may subscribe for New Shares in the context of the Offers.

MGI Sydney Assurance Services Pty Ltd ABN 24 160 063 525 are the Company's auditors and have also reviewed the pro-forma consolidated balance sheet. The Investigating Accountant has or will receive approximately \$6,000 (excluding GST) for these services.

Advanced Share Registry has provided share registry services in relation to the Offers and has or will receive approximately \$261,948 (excluding GST) for these services including printing and postage.

7.11 Costs of the Offers

The total costs of the Offers are set out in section 3.5 above.

7.12 Consents

Each of the parties referred to in the following table (except as discussed below):

- has given, and has not withdrawn prior to lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named;
- has not made, and does not purport to make, any statement in the Prospectus or any statement on which a statement made in this Prospectus is based; and
- does not cause or authorise the issue of this Prospectus, and to the maximum extent permitted by law, expressly disclaims, makes no representation regarding, and takes no responsibility for any statements or material in or omissions from this Prospectus, other than a reference to its name and excludes and disclaims all liability or damage, loss (whether direct, indirect or consequential), cost or expense that may be incurred by an applicant for, or investor in, the Shares as a result of this Prospectus being inaccurate or incomplete in any way for any reason.

Role	Consenting Party
Australian Legal Advisor	Ashurst Australia
Authorised Intermediary	Taylor Collison Limited ACN 008 172 450
Co-Manager	Morgans Financial Limited ACN 010 669 726
Investigating Accountant	MGI Sydney Assurance Services Pty Ltd ABN 24 160 063 525
Investment Manager	Contact Asset Management Pty Limited ACN 614 316 262
Joint Lead Managers	Evans Dixon Corporate Advisory, a division of Walsh & Company Asset Management Pty Limited ACN 159 902 708 Taylor Collison Limited ACN 008 172 450
Financial Advisor	Pitt Capital Partners Limited ACN 000 651 427
New Zealand Legal Advisor	Quigg Partners
N/A	Washington H Soul Pattinson and Company Limited ACN 000 002 728
Share Registry	Advanced Share Registry Limited ACN 113 900 020

Washington H Soul Pattinson and Company Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to the inclusion of this Prospectus of statements by them, and the statements specifically attributed to them in the text of this Prospectus, in the form and context in which they are included in this Prospectus.

7.13 No pending litigation

Other than as disclosed elsewhere in this Prospectus, as at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.14 Governing law

This Prospectus and the contracts that arise from the acceptance of Application Forms and bids under this Prospectus are governed by the laws applicable in New South Wales, and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

7.15 Authorisation

This Prospectus is authorised by each Director. Each Director has consented to the lodgement of this Prospectus with ASIC and its issue.

8. Interpretation and glossary

Interpretation

In this Prospectus the following rules of interpretation apply unless the context otherwise requires:

- (a) words and phrases not specifically defined in this Prospectus have the same meaning that is given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- (b) the singular includes the plural and vice versa;
- (c) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, company, state or government and vice versa;
- (d) a reference to any gender includes both genders;
- (e) a reference to clause, section, annexure or paragraph is to a clause, section, annexure or paragraph of or to this Prospectus, unless the context otherwise requires;
- (f) a reference to “dollars”, “AUD” or “\$” is to Australian currency;
- (g) in this document, headings are for ease of reference only and do not affect its interpretation; and
- (h) except where specifically defined in the Prospectus, terms defined in the Corporations Act have the same meaning in this Prospectus.

Dates and times

Unless otherwise stated or implied, references to times and dates in this Prospectus are references to Australian Eastern Standard Time (AEST) indicative only and subject to change. All time and dates in this Prospectus are indicative only and subject to change.

Currency and figures

Unless otherwise stated, all dollar values in this Prospectus are in Australian dollars (\$ or AUD).

Rounding of figures provided in this Prospectus may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Glossary

AASB means Australian Accounting Standards Board.

ABN means Australian Business Number.

AEST means Australian Eastern Standard Time.

Applicant means the person applying for New Shares under an Application Form.

Application means the submission of an Entitlement and Acceptance Form or General Offer Application Form accompanied by the relevant Application Monies or Subscription Amount, or arranging for payment of the relevant Application Monies or Subscription Amount, through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

Application Form means:

- (a) an Entitlement and Acceptance Form; and/or
- (b) a General Offer Application Form,

(as relevant).

Application Monies means the amount specified in the personalised Entitlement and Acceptance Form, being the consideration for New Shares under the Entitlement Offer or the Shortfall Offer.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it on which the Company's Shares are quoted.

ASX Listing Rules means the official listing rules of the ASX as amended or replaced from time to time.

Authorised Intermediary means Taylor Collison Limited ACN 008 172 450.

BKI or **Company** means BKI Investment Company Limited ABN 23 106 719 868.

BKI Investment Committee means the investment committee of the Company.

Board means the board of Directors of the Company.

Broker means all brokers and other holders of an AFSL who have introduced Applicants to the Offers.

Closing Date means 5:00pm (AEST), Tuesday 12 June 2018 (unless extended by the Company) for the Entitlement Offer and 5:00pm (AEST), Thursday 14 June 2018 for the Shortfall Offer and General Offer (unless extended by the Company).

Co-Manager means Morgans Financial Limited ACN 010 669 726.

Contact means Contact Asset Management Pty Limited ACN 614 316 262.

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

Cumulative Value means at any point in time, the cumulative holding of an investment from 31 December 2003 multiplied by BKI's share price at that point in time. The cumulative holding assumes the reinvestment of dividends at their Franked-up value.

Director means a director of the Company.

Dividend Yield means dividends paid in the last 12 months consisting of the FY2017 final dividend and FY2018 interim dividend, divided by the Offer Price of \$1.50.

DRP means dividend reinvestment plan.

Eligible Shareholders has the meaning given in section 4.2(a) of the Prospectus.

Eligible Investor has the meaning given in section 4.4(b) of the Prospectus.

Entitlement and Acceptance Form means the personalised form accompanying this Prospectus to be used to make an application in accordance with the instructions set out on that form.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 15 Shares held at the Record Date.

Entitlement Offer means the pro-rata non-renounceable entitlement offer of 1 New Share for every 15 Shares held at the Record Date at an Offer Price of \$1.50 per New Share.

Entitlement Offer Period means the period commencing on Wednesday 9 May 2018 and ending on 5:00pm Tuesday 12 June 2018 (unless extended).

Existing Shares means the shares owned by a Shareholder as at 5:00pm on the Record Date.

First Shortfall has the meaning given to it in section 4.3(c).

Franked means in the context of franked dividends, a dividend that has the benefit of a Franking Credit. If it is a “fully franked” dividend, the whole amount of the dividend carries a Franking Credit and if it is “partly franked”, the dividend has an amount that is a Franking Credit and an amount that is unfranked.

Franking Credits means a type of tax credit that allows Australian companies to pass on tax paid at the company level to shareholders. The benefits are these franking credits can be used to reduce income tax paid on dividends or potentially be received as a tax refund.

General Offer has the meaning given to it in section 4.1(c).

General Offer means the offer to the general public of up to 93,351,184 New Shares at an Offer Price of \$1.50 per New Share under this Prospectus.

Grossed Up Dividend Yield means the Dividend Yield applying the benefits of the Franking Credits.

Ineligible Shareholder has the meaning given in section 5.2(e) of this Prospectus.

Investigating Accountant means MGI Sydney Assurance Services Pty Ltd ABN 24 160 063 525.

Investment Manager means Contact Asset Management Pty Limited.

Investment Strategy means the strategy used by Contact in relation to BKI’s investment portfolio (as amended from time to time) as summarised in section 2.1 and section 2.5.

Joint Lead Managers means each of Evans Dixon Corporate Advisory, a division of Walsh & Company Asset Management Pty Limited ACN 159 902 708 and Taylor Collison Limited ACN 008 172 450.

Listing Rules means the official listing rules of the ASX.

MER or **Management Expense Ratio** means the operating expenses of the Company divided by the average dollar value of the Company’s total assets.

New Shares means the fully paid ordinary shares in the Company offered under the Offers including the Entitlement Offer, Shortfall Offer and General Offer.

NTA or **net tangible assets** means the pre-tax value of the Company’s total assets less the values of its intangible assets and the values of its liabilities.

Prospectus means this prospectus in relation to the Offers, including the Application Forms accompanying this document.

Offer Period means the period from the date of this Prospectus until the Closing Date.

Offer Price means \$1.50 being the price payable per New Share under each of the Offers.

Record Date means 7.00pm (AEST) on Monday, 14 May 2018.

Register means the register of Shareholders.

Second Shortfall has the meaning given to it in section 4.3(d).

Share means a fully paid ordinary share in the Company.

Share Register means the register of members of the Company.

Share Registry means Advanced Share Registry Limited trading as Advanced Share Registry.

Shareholder means a holder of a Share.

Shortfall Offer means the offer described in section 4.1(b) under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlements.

Shortfall Shares means New Shares that are not taken up by Eligible Shareholders pursuant to their Entitlements under the Entitlement Offer.

Subscription Amount means the amount in Australian dollars of the application of New Shares under the General Offer.

TSR or **Total Shareholder Returns** means the total return of the Share to an investor inclusive of share price appreciation, capital returns and fully Franked dividends.

Corporate directory

BKI Investment Company Limited ACN 106 719 868

Registered office

Level 2, 160 Pitt Street Mall
Sydney NSW 2000

Telephone: (02) 9210 7000
Facsimile: (02) 9210 7099

Postal Address

GPO Box 5015
Sydney NSW 2001
Australia

www.bkilimited.com.au

Investment manager

Contact Asset Management Limited

Level 1, 160 Pitt Street Mall
Sydney NSW 2000

Telephone: (02) 9238 0522
Facsimile: (02) 9210 7099

www.contactam.com.au

Share registry

Advanced Share Registry Limited

PO Box 1156
Nedlands WA 6909

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

www.advancedshare.com.au

Corporate advisor

Pitt Capital Partners Limited

Level 2, 160 Pitt Street Mall
Sydney NSW 2000

Telephone: (02) 9210 7000
Facsimile: (02) 9210 7099

www.pcap.com.au

Joint lead managers

Taylor Collison Limited

Level 16, 211 Victoria Square
Adelaide SA 2000

Telephone: (08) 8217 3900
Facsimile: (08) 8231 3506

www.taylorcollison.com.au

Evans Dixon Corporate Advisory

Level 15, 100 Pacific Highway
North Sydney NSW 2040

Telephone: (02) 8662 9735
Facsimile: (02) 8662 9777

www.evansdixon.com.au

Legal advisor

Ashurst Australia

Level 11, 5 Martin Place
Sydney NSW 2000

Telephone: (02) 9258 6000
Facsimile: (02) 9258 6999

www.ashurst.com



BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

Share Registrars use only	Broker/Dealer Stamp Only
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GENERAL OFFER APPLICATION FORM

This is an Application Form for Shares in **BKI Investment Company Limited (Company)** and relates to the offer of up to 93,351,184 New Shares made under this Prospectus to the general public with a registered address in Australia or New Zealand to subscribe for Shares at the Offer Price of \$1.50 to raise up to approximately \$140,026,776. The Offer is scheduled to close at 5:00pm (AEST) on 14 June 2018 (Closing Date) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Application Form must at the same time give the other person access to the Prospectus and any additional supplementary prospectuses (if applicable).

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.

1 Number of Shares you are applying for <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	2 Total amount payable (multiply box 1 by \$1.50 per Share) A\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
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Applications under the Offer must be for a minimum of 2,000 Shares (\$3,000.00) and thereafter, in multiples of \$750.00 worth of shares (500 Shares).

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)
 Name of Applicant 1

 Name of Applicant 2 or <Account Designation>

 Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding
 Number/Street

 Suburb/Town State Postcode
5 CHESS Participants only – Holder Identification Number (HIN)
 X
Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

6 EMAIL ADDRESS (see reverse of form – this is for all communications legally permissible and despatched by the Company)

7 TFN/ABN/EXEMPTION CODE
 Applicant 1 Applicant 2 Applicant 3

If NOT an individual TFN/ABN, please note the type in the box: C = Company; P = Partnership; T = Trust; S = Super Fund

8 PAYMENT DETAILS
Payment by BPAY®: To pay via BPAY® please complete the online form available at www.advancedshare.com.au/ipo.aspx. Payment details will then be forwarded to you.
Payment by cheque: Cheques must be drawn on an Australian branch of a financial institutional in Australian currency, made payable to “**BKI Investment Company Limited**” crossed “**Not Negotiable**” and forwarded to Advanced Share Registry to arrive no later than the Closing Date.

Please enter cheque, bank draft or money order details	Drawer <input type="text"/>	Bank <input type="text"/>	Branch <input type="text"/>	Amount <input type="text"/>
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9 CONTACT DETAILS – Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.
 Telephone number Contact name (PRINT)
10 DECLARATION AND STATEMENTS – by lodging this Application Form:

- I/We declare that I/we have received a copy of the Prospectus dated 9 May 2018 issued by BKI Investment Company Limited and that I/we are eligible to participate in the Offer.
- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus.
- I/we authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and
- I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for BKI Investment Company Limited and that no notice of acceptance of the Application will be provided.
- I/We acknowledge that the Company retains absolute discretion to allocate any/all of the amount of Shares I/we have applied for above under the General Offer or Shortfall Offer as these terms are defined in the Prospectus.

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS. The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 2,000 Shares (\$3,000.00) and thereafter, in multiples of 500 Shares.

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$1.50 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESSE Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

You may elect to receive communications despatched by BKI Investment Company Limited electronically (where legally permissible), such as the Company's annual report.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

8 Payment Details

By making your payment, you confirm that you agree to all of the terms and conditions of the BKI Investment Company Limited. Offer as outlined in this Application Form and within the Prospectus.

Your cheque should be made payable to **"BKI INVESTMENT COMPANY LIMITED"** in Australian currency, crossed **"NOT NEGOTIABLE"** and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount, as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your Application will be rejected.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

10 Declaration

Before completing the Application Form the Applicant(s) should read the Prospectus in full. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

Privacy Statement

Personal information is collected on this form by ASW, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW. You can contact ASW using the details provided on the front of this form.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

BKI Investment Company Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands WA 6909

OR

Hand Delivery (please do not use this address for mailing purposes)

BKI Investment Company Limited
C/- Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR.

Sub-Register	
HIN/SRN	
Shareholding at Record Date 14 May 2018	
Entitlement to Shares on 1 New Shares for every 15 Existing Shares held basis	
Amount payable on acceptance at \$1.50 per Share	

Pro rata non-renounceable Entitlement Offer to existing Eligible Shareholders of 1 New Share for every 15 Existing Shares at an Offer Price of \$1.50 per New Share.

ENTITLEMENT OFFER CLOSSES AT 5:00PM (AEST) ON TUESDAY, 12 JUNE 2018.

To the Directors
 BKI Investment Company Limited

- I/We the above mentioned, being registered on 14 May 2018 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned securities in accordance with the enclosed Prospectus;
- I/We hereby authorise you to place my/our name(s) on the register of Shareholders in respect of the number of Shares and allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.
- I/We acknowledge that the Company retains absolute discretion to allocate any or all of the amount applied for in excess of the entitlement shown above under the Shortfall Offer or General Offer as these terms are defined in the Prospectus.

ENTITLEMENT

(A)	(B)	(C)	(D)
Number of New Shares applied for (being not more than the entitlement shown above)	Number of additional New Shares applied for (in excess of the entitlement shown above)	Total New Shares applied for	Amount Payable (C) * \$1.50
<input type="text"/>	<input type="text"/>	<input type="text"/>	AUD\$ <input type="text"/>

METHOD OF ACCEPTANCE

You can apply for Shares and make your payment utilising one of the payment options detailed overleaf, however please indicate which payment option you have chosen by marking the relevant box below.

<input type="checkbox"/>	PLEASE ENTER CHEQUE DETAILS, THANK YOU.	Drawer <input type="text"/>	Bank <input type="text"/>	Branch <input type="text"/>	Amount <input type="text"/>
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OR

<input type="checkbox"/>	BPAY	You can pay by BPAY. If you choose to pay by BPAY, you do not need to return this form. Please refer overleaf for details.
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Note: Cheques should be made payable to "BKI INVESTMENT COMPANY LIMITED", crossed "NOT NEGOTIABLE" and forwarded to Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia, 6009 to arrive no later than 5:00pm (AEST) on Tuesday, 12 June 2018.

CONTACT DETAILS

Name: <input type="text"/>	Telephone: <input type="text"/>
Email: <input type="text"/>	

Complete and sign below only if a change of address is to be registered with the Company. **CHESS holders must contact their Controlling Participant to notify a change of address.**

New Address: <input type="text"/>	
Signature(s): <input type="text"/>	Date: <input type="text"/>

Please indicate correct title: Director / Secretary /

BKI INVESTMENT COMPANY LIMITED

ABN 23 106 719 868

REGISTERED OFFICE: Level 2, 160 Pitt Street Mall, Sydney NSW 2000

SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, WA 6009

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Shares, which you are entitled to accept.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each Share is \$1.50.
4. You may apply for Shares beyond your entitlement by indicating the number of Shares in (B) overleaf.
5. Please complete the Entitlement and Acceptance Form overleaf.

APPLICATION INSTRUCTIONS

Payment Details

You can apply for Shares by utilising the payment options detailed below. There is no requirement to return this Form if you are paying by electronic means.

By making your payment using either BPAY or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the BKI Investment Company Limited Prospectus dated 9 May 2018 as enclosed with this form.

Your cheque, bank draft or money order should be made payable to **"BKI INVESTMENT COMPANY LIMITED"** in Australian currency and crossed **"NOT NEGOTIABLE"**. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your Application being rejected. Complete cheque details in the boxes provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your application will be rejected.

If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for Shares under the Shortfall Offer, if there is a Shortfall. The Joint Lead Managers and the Directors will at their discretion allot additional Shares to Eligible Shareholders who apply for Shares in excess of their full Entitlement under the Shortfall Offer if there is a Shortfall.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

Lodgement of Application

If you are applying for Shares and your payment is being made by BPAY, you do not need to return this form however you are encouraged to return the form to the registry for reconciliation purposes – in that case you can post the form to the registry or send it by facsimile to +61 8 9262 3723. Your payment must be received by no later than 5:00pm (AEST) on Tuesday, 12 June 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, your Application must be received by Advanced Share Registry Ltd ("ASW") by no later than 5:00pm (AEST) on Tuesday, 12 June 2018. You should allow sufficient time for this to occur. Return your Application with cheque, bank draft or money order attached.

Neither Advanced Share Registry Ltd ("ASW") nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by ASW, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW. You can contact ASW using the details provided on the front of this form.

If you have any enquiries concerning this form or your entitlement, please contact ASW on telephone +61 8 9389 8033 or fax +61 8 9262 3723.

CHESS holders must contact their Controlling Participant to notify a change of address.



Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or saving account. More info: www.bpay.com.au

By Mail

BKI Investment Company Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands WA 6909

By Delivery

Advanced Share Registry
110 Stirling Hwy, Nedlands
Western Australia 6009

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