

# BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

## ASX Announcement



11 May 2018

### *Entitlement Offer and General Offer*

BKI Investment Company Limited (ASX: BKI) advises that the enclosed Notice to Shareholders in respect of the Entitlement Offer, Shortfall Offer and General Offer was issued to shareholders yesterday.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Jaime Pinto', written over a horizontal line.

Jaime Pinto  
Company Secretary

# BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868



10 May 2018

Dear Shareholder,

## Notice to Shareholders – Entitlement Offer, Shortfall Offer and General Offer

On 9 May 2018, BKI Investment Company Limited ("BKI" or "Company") announced that it is:

- 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 ("BKI Shares") held by Eligible Shareholders on Monday, 14 May 2018 at 7.00pm AEST ("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 New Shares at the Offer Price to both existing and new shareholders ("General Offer"),

(collectively, the "Offer").

**New Shares issued under the Offer will have the same terms as, and rank equally with, all BKI Shares. Participants in the Offer will be eligible for the final ordinary dividend in respect to the 2018 financial year (payable in August 2018).**

The Offer Price of \$1.50 per New Share represents 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% discount to the 6 month VWAP of \$1.66.

The net proceeds from the Offer will be used by BKI to expand its investment portfolio in accordance with its investment policy. The BKI Directors 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.

## Entitlement Offer

### *Eligibility*

The Entitlement Offer will be open to shareholders of BKI ("Eligible Shareholders") who:

- are registered as a holder of BKI Shares at 7:00pm on the Record Date;
- have a registered address in Australia or New Zealand; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer will not be made to any other shareholder ("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 and Ineligible Shareholders will be notified by BKI separately of their ineligibility.

### *Non-renounceable*

The Entitlement Offer is non-renounceable which means that the entitlements to participate in the offer 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.

### *Prospectus*

The Offer is being undertaken under section 713 of the Corporations Act, meaning that BKI will issue a prospectus ("Prospectus"). The Prospectus will be sent to eligible shareholders on Tuesday 15 May 2018 together with a personalised Entitlement and Acceptance Form online.

### *Participation in Entitlement Offer*

BKI's largest shareholder, Washington H. Soul Pattinson & Company Limited, which currently holds 9.40% of BKI shares, 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.

## Shortfall Offer

Eligible Shareholders who wish to take up their entitlement under the Entitlement Offer in full may also apply for additional New Shares in excess of their pro-rata entitlement under the Shortfall Offer<sup>1</sup>. To participate in the Shortfall Offer, Eligible 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 to be outlined in the Prospectus. The Board reserves the right to allot and issue New Shares under the Shortfall Offer in its absolute discretion.

---

<sup>1</sup> 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.

## General Offer

The General Offer consists of issuing up to approximately 93,351,184 shares and will be open to new and existing retail and institutional investors (“Eligible Investors”) who:

- have a registered address in Australia or New Zealand or is eligible under all securities laws applicable to the Shareholder to receive an offer under the General Offer; and
- are not in the United States and are not acting for the account or benefit of a US person.

The Board reserve their right to allot and issue New Shares under the General Offer at their absolute discretion, having regard to the circumstances as at the close of the General Offer.

## Key Dates

Key dates for the Offer are as follows:

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

*All dates and times are indicative only and subject to change at the discretion of the Company. All dates and times are references to Australian Eastern Standard Time*

## Capital Structure

The indicative capital structure of BKI following the issue of New Shares, assuming that the maximum number of New Shares is issued under the Offer (ignoring the effect of rounding entitlements), will be as follows:

Shares on issue on announcement of the Offer	622,341,232
New Shares to be issued under the Entitlement Offer	Up to a maximum of 41,489,415
New Shares to be issued under the General Offer	Up to a maximum of 93,351,184
Shares on issue after completion of the Offer (if fully subscribed)	757,181,831

## Prospectus

Further details regarding the Offer are provided in the Prospectus which BKI lodged with the ASX on Wednesday, 9 May 2018. Eligible Shareholders and Eligible Investors wishing to participate in the Offer should carefully read the Prospectus and the accompanying personalised Entitlement and Acceptance Form and/or Application Form, which are expected to be despatched to Eligible Shareholders on or around Tuesday 15 May 2018. Copies of the Prospectus are also available on the Company's website at [www.bkilimited.com.au](http://www.bkilimited.com.au) and on the ASX website the same day.

## Participating in the Offer

Before making a decision whether to apply for New Shares under the Offer, Eligible Shareholders and Eligible Investors should read the Prospectus carefully in its entirety when they receive it. If you wish to participate in the Offer, please follow the instructions contained in the Prospectus.

On behalf of the Board and Portfolio Manager of BKI, thank you for your continued support.



Robert Millner  
Chairman

---

For further information contact:

Contact Asset Management Pty Limited  
(02) 9238 0522 (in Australia)

Tom Millner  
Portfolio Manager  
0408 754 180

Will Culbert  
Portfolio Manager  
0410 627 378

For share registry enquiries contact:

Advanced Share Registry Services  
(08) 6500 2112 (in Australia)  
+618 6500 2112 (outside of Australia)