

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

ASX Announcement



16 May 2018

Entitlement Offer and General Offer

BKI Investment Company Limited (ASX: BKI) confirms that the Company has mailed a copy of the Prospectus dated 9 May 2018 and a personalised Entitlement and Acceptance Form to shareholders who are eligible to participate in the Entitlement Offer announced on 9 May 2018 (**Entitlement Offer**), .

The Company has also mailed the attached letter to each shareholder who is ineligible to participate in the Entitlement Offer.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Jaime Pinto', written over a horizontal line. The signature is stylized and somewhat abstract.

Jaime Pinto
Company Secretary

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868



15 May 2018

Dear Shareholder,

Letter to Ineligible Shareholders – Entitlement 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").

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. **This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.**

Details of the Entitlement Offer

Eligibility Criteria

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

- are registered as a holder of BKI Shares BKI 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.

Shareholders who are not Eligible Shareholders are "Ineligible Shareholders" and are consequently unable to participate in the Entitlement Offer.

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to BKI of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the

relatively small number of BKI Shares they hold and the relatively low value of New Shares to which they would otherwise be entitled.

BKI has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make or extend offers to shareholders in certain countries under the Entitlement Offer.

According to our records you do not satisfy the eligibility criteria for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, BKI wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

As the Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

You are not required to do anything in response to this letter.

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



Robert Millner
Chairman

For further information contact:

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0408 754 180

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Portfolio Manager
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