

The logo for BKI Investment Company Limited, featuring the letters 'BKI' in a bold, dark grey sans-serif font. A thin orange horizontal line is positioned directly below the letters.

**BKI INVESTMENT
COMPANY LIMITED**

2023

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

Interim Financial Report

for the half year ended 31 December 2022

BKI Investment Company Limited
Appendix 4D
31 December 2022

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868



Appendix 4D – Half Year Report

31 December 2022

Lodged with the ASX under Listing Rule 4.2A

The reporting period is the half-year ended 31 December 2022 with the previous corresponding period being for the half-year ended 31 December 2021

BKI Investment Company Limited
Half Year ended 31 December 2022

Appendix 4D – Half Year Report

Results for Announcement to the Market

				Dec 2022		Dec 2021
				\$'000		\$'000
		Change				
Revenue Performance:						
Total revenue - Ordinary	Up	13.4%	to	35,768	from	31,547
Special investment revenue	Down	87.1%	to	3,382	from	26,229
Total revenue	Down	32.1%	to	39,679	from	58,465

Profits:						
Operating result after tax - before special investment revenue and applicable tax	Up	13.3%	to	33,402	from	29,490
Special investment revenue net of applicable tax	Down	87.1%	to	3,382	from	26,229
Net profit from ordinary activities after tax attributable to shareholders	Down	34.0%	to	36,784	from	55,719
Net profit attributable to shareholders	Down	34.0%	to	36,784	from	55,719

				Dec 2022		Dec 2021
				Cents		Cents
		Change				
Earnings per share:						
Basic earnings per share before special investment revenue and applicable tax	Up	12.6%	to	4.48	from	3.98
Basic earnings per share after special investment revenue	Down	34.4%	to	4.94	from	7.53

Dividends per share:						
Interim – Ordinary, fully franked	Up	5.7%		3.70	from	3.50
Interim – Special, fully franked	Steady			0.50		0.50

BKI Investment Company Limited Half Year ended 31 December 2022

Appendix 4D – Half Year Report

Results for Announcement to the Market

Explanation of Operating Results

BKI's Net Operating Result, before tax and special investment revenue, was \$35.1million, an increase of 13% over the previous corresponding period. BKI's basic earnings per share before special investment revenue increased 13% to 4.48 cents per share.

Stronger economic conditions throughout 2022, led by resources and energy companies, have continued. This has resulted in a further improvement in reported company profits and subsequently dividends paid by companies held within the BKI portfolio. These increased dividends have positively impacted BKI's results for the first half of FY2023, with Ordinary Investment Revenue increasing 13% to \$35.8 million.

BKI also received \$3.4 million in Special Dividend Income in the first half of FY2023. BKI's Net Operating Profit After Tax, including special investment revenue for the first half of FY2023 was \$36.8 million, down 34% on last year's record result.

BKI's basic earnings per share for the period, including special investment revenue, was 4.94 cents per share down 34% on last year.

	Ordinary Operations Dec 2022	Special Investment Revenue Dec 2022	Statutory Numbers Dec 2022	Statutory Numbers Dec 2021
	\$'000	\$'000	\$'000	\$'000
Revenue from investment portfolio	35,768	3,382	39,150	57,776
Revenue from bank deposits	529	-	529	44
Other gains/losses	-	-	-	645
Income from operating activities	36,297	3,382	39,679	58,465
Operating expenses	(1,203)	-	(1,203)	(1,114)
Operating result before tax	35,094	3,382	38,476	57,351
Income tax expense	(1,692)	-	(1,692)	(1,632)
Net operating result	33,402	3,382	36,784	55,719
	Cents per share		Cents per share	Cents per share
Basic and diluted earnings per share	4.48		4.94	7.53

BKI Investment Company Limited Half Year ended 31 December 2022

Appendix 4D – Half Year Report Results for Announcement to the Market

NTA Backing

	Dec 2022	Dec 2021
Net Tangible Asset backing per ordinary share before tax	176.3 cents	178.1 cents
Net Tangible Asset backing per ordinary share after tax	164.8 cents	165.3 cents

Additional Dividend Information

The directors have declared an interim ordinary dividend of 3.70 cents per share and an interim special dividend of 0.50 cents per share, both fully franked at the tax rate of 30%. The dividends will be paid on Tuesday 28th February 2023, the ex-dividend date is Friday 10 February 2023, and the Record Date for determining entitlements to the dividends is Monday 13 February 2023.

The Company will continue its Dividend Reinvestment Plan, offering shareholders the opportunity to receive additional shares in the Company instead of receiving cash dividends. The Dividend Reinvestment Plan will be offered at no discount. The last date for the receipt of an election notice to participate in the Dividend Reinvestment Plan is Tuesday 14 February 2023. Shareholders can update their election notices electronically by following the link to the investor centre on the Share Registry page of the BKI website: (<https://bkilimited.com.au/share-registry/>).

Shareholders are also reminded that BKI does not pay dividends by cheque to shareholders with a registered address in Australia or New Zealand. These shareholders need to complete a direct credit form and return it to BKI's share registry. Shareholders can obtain the relevant form by following the link to the investor centre on the Share Registry page of the BKI website: (<https://bkilimited.com.au/share-registry/>).

As announced to the ASX on 9 January 2023, BKI's share register is now maintained by Link Market Services (**Link**) and Shareholders can find the contact details for Link on the Share Registry page of the BKI website.

BKI Investment Company Limited

ABN 23 106 719 868

Interim Financial Report - 31 December 2022

BKI Investment Company Limited
Corporate directory
31 December 2022

Directors	Robert Dobson Millner David Capp Hall, AM Alexander James Payne Ian Thomas Huntley Jacqueline Ann Clarke	Non-Executive Chair Independent Non-Executive Director Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director
Investment Manager	Contact Asset Management Pty Limited (Contact) Thomas Charles Dobson Millner William Anthony Culbert	Portfolio Manager Portfolio Manager
Company secretary	Amanda Wong	
Registered office and principal place of business	Suite 302, Level 3 1 Castlereagh Street Sydney NSW 2000 Telephone: (02) 7251 6242 Facsimile: (02) 8355 1617	
Postal address	PO Box H280 Australia Square NSW 1215	
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Telephone: 1300 853 816	
Auditor	MGI Sydney Assurance Services Pty Ltd Level 14 20 Martin Place Sydney NSW 2000	
ASX listing	BKI Investment Company Limited shares are listed on the Australian Securities Exchange (ASX code: BKI)	
Website	www.bkilimited.com.au	

BKI Investment Company Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of BKI Investment Company Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of BKI Investment Company Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Robert Dobson Millner	Non-Executive Director and Chair
David Capp Hall, AM	Non-Executive Director
Ian Thomas Huntley	Non-Executive Director
Alexander James Payne	Non-Executive Director
Jacqueline Ann Clarke	Non-Executive Director

Principal activities

The principal activities of the Group are that of a Listed Investment Company (LIC) primarily focused on long-term investment in ASX listed securities. There were no significant changes in the nature of those activities during the half-year.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	Dec 22 \$'000	Dec 21 \$'000
Final dividend for the year ended 30 June 2022 of 3.65 cents per share (2021 final: 3.00 cents per share) fully franked at the tax rate of 30%, paid on 30 August 2022	27,122	22,170
Final special dividend for the year ended 30 June 2022 of 1 cent per share (2021 final: NIL cents per share) fully franked at the tax rate 30%, paid on 30 August 2022	7,431	-
	<u>34,553</u>	<u>22,170</u>

Dividends declared after balance date

Since the end of the year, the Directors have declared an interim ordinary dividend for the 2023 financial year of 3.70 cents per share and a special dividend of 0.50 cents per share, both fully franked at the tax rate of 30%. These dividends will be paid on 28 February 2023, but have not been recognised as liabilities at the half year.

Review of the Group's operations and results

Corporate Objectives

The Group aims to generate an increasing income stream for distribution to shareholders in the form of fully franked dividends to the extent of available imputation tax credits, through long-term investment in a portfolio of assets that are also able to deliver long term capital growth to shareholders.

Investment Strategy

The Group is a research driven, long term investor focusing on well managed companies, with a profitable history and that offer attractive dividend yields. Stock selection is bottom up, focusing on the merits of individual companies rather than market and economic trends.

Financial Performance

2022 saw stronger economic conditions continue, led by resources and energy companies in particular. This has resulted in a further improvement in reported company profits and subsequently dividends paid by companies held within the BKI portfolio for the 6 months between July and December 2022. These increased dividends boosted BKI's results for the first half of FY2023, with Ordinary Investment Revenue increasing 13% to \$35.8 million.

BKI Investment Company Limited
Directors' report
31 December 2022

BKI's half year result saw higher ordinary dividends received from most positions within the portfolio. BKI's major holdings including New Hope Corporation, Suncorp Group, Woodside Energy, Transurban Group, Telstra Corporation, Invocare and Lindsay Australia all lifted their dividends by more than 20% on last year. BKI received \$0.5 million in interest and no income was received from the trading portfolio.

BKI's Net Operating Result, before tax and special investment revenue, was \$35.1 million, an increase of 13% over the previous corresponding period. BKI's basic earnings per share before special investment revenue increased 13% to 4.48 cents per share.

BKI has also received \$3.4 million in Special Dividend Income in the first half of FY2023 after special dividends from New Hope Corporation, Washington H Soul Pattinson and Telstra Corporation.

BKI's Net Operating Profit After Tax, including special investment revenue for the first half of FY2023 was \$36.8 million, down 34% on last year's record result. BKI's basic earnings per share for the period, including special investment revenue, was 4.94 cents per share down 34% on last year.

Likely Developments and Expected Results

The operations of the Group will continue with planned long term investments in Australian equities and fixed interest securities where appropriate. BKI will continue its strategy of investing for the long term in a portfolio of assets to deliver shareholders an increasing income stream and long term capital growth. The success of this strategy will be strongly influenced by the performance of the underlying investee companies, their share price movements, and capital management and income distribution policies.

The performance of these companies will be influenced by general economic and market conditions such as economic growth rates, interest rates, and inflation. Performance could also be influenced by regulatory change. These external conditions are difficult to predict and not within the control of the Group, making it difficult to forecast the future results of the Group.

BKI is a research driven, long term manager focusing on investing in well managed, profitable companies, focusing on the merits of individual companies rather than market and economic trends. BKI will continue to implement prudent business practice to allow the achievement of the Group's Corporate Objectives and Business Strategy.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

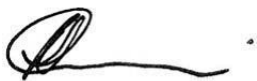
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

BKI Investment Company Limited
Directors' report
31 December 2022

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Robert D Millner
Chairman

17 January 2023
Sydney



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Level 14, 20 Martin Place
Sydney NSW 2000
Tel: +61 2 9230 9200
PO Box H258
Australia Square
Sydney NSW 1215
ABN 24 160 063 525
www.mgisyd.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BKI INVESTMENT COMPANY LIMITED AND CONTROLLED ENTITIES**

As lead auditor for the review of BKI Investment Company Pty Limited and Controlled Entities for the half-year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MGI Sydney Assurance Services

MGI Sydney Assurance Services Pty Limited
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Kimmy Jongue', written over a white background.

Kimmy Jongue
Director
Sydney, 17 January 2023

BKI Investment Company Limited
Statement of profit or loss
For the half-year ended 31 December 2022

		Consolidated	
	Note	Dec 22	Dec 21
		\$'000	\$'000
Ordinary revenue from investment portfolio		35,768	31,547
Revenue from bank deposits		529	44
Other gains		-	645
Income from operating activities before special investment revenue	3	36,297	32,236
Operating expenses	4	(1,203)	(1,114)
Operating result before income tax expense and special investment revenue		35,094	31,122
Special investment revenue	3	3,382	26,229
Operating result before income tax expense		38,476	57,351
Income tax expense		(1,692)	(1,632)
Operating result after income tax expense for the half-year attributable to the owners of BKI Investment Company Limited		36,784	55,719
		Dec 22	Dec 21
		Cents	Cents
Basic and diluted earnings per share before special investment revenue	12	4.48	3.98
Basis and diluted earnings per share after special investment revenue	12	4.94	7.53

The above statement of profit or loss should be read in conjunction with the accompanying notes

BKI Investment Company Limited
Statement of other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated	
		Dec 22 \$'000	Dec 21 \$'000
Operating result after income tax expense for the half-year attributable to the owners of BKI Investment Company Limited		36,784	55,719
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Unrealised gains on investment portfolio		70,627	6,503
Deferred tax expense on unrealised gains/losses on investment portfolio		(21,188)	(1,951)
Realised gains on investment portfolio		-	15,144
Tax expense relating to realised gains on investment portfolio		-	(4,543)
		<hr/>	<hr/>
Other comprehensive income for the half-year, net of tax		49,439	15,153
		<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of BKI Investment Company Limited		<u>86,223</u>	<u>70,872</u>

The above statement of other comprehensive income should be read in conjunction with the accompanying notes

BKI Investment Company Limited
Statement of financial position
As at 31 December 2022

	Note	Consolidated Dec 22 \$'000	Jun 22 \$'000
Assets			
Current assets			
Cash and cash equivalents		51,122	72,078
Trade and other receivables		4,886	8,594
Income tax refund due		-	51
Other		55	58
Total current assets		<u>56,063</u>	<u>80,781</u>
Non-current assets			
Investment portfolio	5	1,260,775	1,156,086
Property, plant and equipment		1	1
Deferred tax		5,730	7,836
Total non-current assets		<u>1,266,506</u>	<u>1,163,923</u>
Total assets		<u>1,322,569</u>	<u>1,244,704</u>
Liabilities			
Current liabilities			
Trade and other payables		268	270
Income tax		1,912	-
Total current liabilities		<u>2,180</u>	<u>270</u>
Non-current liabilities			
Deferred tax		92,799	72,855
Total non-current liabilities		<u>92,799</u>	<u>72,855</u>
Total liabilities		<u>94,979</u>	<u>73,125</u>
Net assets		<u>1,227,590</u>	<u>1,171,579</u>
Equity			
Share capital	6	940,107	935,766
Reserves		193,486	144,047
Retained profits		93,997	91,766
Total equity		<u>1,227,590</u>	<u>1,171,579</u>

The above statement of financial position should be read in conjunction with the accompanying notes

BKI Investment Company Limited
Statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Share capital \$'000	Revaluation reserve \$'000	Realised capital gains reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	929,185	229,584	(29,144)	42,767	1,172,392
Operating result after income tax expense for the half-year	-	-	-	55,719	55,719
Other comprehensive income for the half-year, net of tax	-	4,552	10,601	-	15,153
Total comprehensive income for the half-year	-	4,552	10,601	55,719	70,872
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	2,833	-	-	-	2,833
Dividends paid (note 7)	-	-	-	(22,170)	(22,170)
Balance at 31 December 2021	<u>932,018</u>	<u>234,136</u>	<u>(18,543)</u>	<u>76,316</u>	<u>1,223,927</u>
Consolidated	Share capital \$'000	Revaluation reserve \$'000	Realised capital gains reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	935,766	159,107	(15,060)	91,766	1,171,579
Operating result after income tax expense for the half-year	-	-	-	36,784	36,784
Other comprehensive income for the half-year, net of tax	-	49,439	-	-	49,439
Total comprehensive income for the half-year	-	49,439	-	36,784	86,223
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 6)	4,341	-	-	-	4,341
Dividends paid (note 7)	-	-	-	(34,553)	(34,553)
Balance at 31 December 2022	<u>940,107</u>	<u>208,546</u>	<u>(15,060)</u>	<u>93,997</u>	<u>1,227,590</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

BKI Investment Company Limited
Statement of cash flows
For the half-year ended 31 December 2022

	Note	Consolidated	
		Dec 22 \$'000	Dec 21 \$'000
Cash flows from operating activities			
Payments to suppliers and employees		(1,202)	(1,078)
Dividends and distributions received		42,858	61,905
Interest received		529	44
Proceeds from sale of trading portfolio		-	9,961
Payments for trading portfolio		-	(9,315)
Income taxes refunded/(paid)		1,137	(2,232)
		<u>43,322</u>	<u>59,285</u>
Net cash from operating activities			
Cash flows from investing activities			
Payments for investments		(34,062)	(125,394)
Proceeds from sale of investment portfolio		-	104,120
Capital returns received from investment portfolio		-	2,258
		<u>(34,062)</u>	<u>(19,016)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Share issue transaction costs		(14)	(11)
Dividends paid	7	(30,202)	(19,329)
		<u>(30,216)</u>	<u>(19,340)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		(20,956)	20,929
Cash and cash equivalents at the beginning of the financial half-year		72,078	40,606
		<u>51,122</u>	<u>61,535</u>
Cash and cash equivalents at the end of the financial half-year			

The above statement of cash flows should be read in conjunction with the accompanying notes

BKI Investment Company Limited
Notes to the financial statements
31 December 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decisionmaker. The Board has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing the performance of the operating segments. The Group operates solely in the securities industry in Australia and has no reportable segments.

Note 3. Revenue

	Consolidated	
	Dec 22	Dec 21
	\$'000	\$'000
(a) Ordinary revenue from investment portfolio		
Fully franked dividends	28,355	25,655
Unfranked dividends	3,917	2,887
Trust distributions	3,496	3,005
Total ordinary revenue from investment portfolio	35,768	31,547
(b) Special investment revenue		
Fully franked dividends	3,382	26,229
(c) Revenue from bank deposits		
Interest received	529	44
(d) Other gains		
Net realised gain on sale of investments held for trading	-	645
Total revenue	39,679	58,465

BKI Investment Company Limited
Notes to the financial statements
31 December 2022

Note 4. Operating expenses

	Consolidated	
	Dec 22	Dec 21
	\$'000	\$'000
Administration expenses	276	234
Employment expenses	159	134
Investment management	660	654
Professional fees	108	92
	1,203	1,114
	1,203	1,114

Note 5. Non-current assets - investment portfolio

	Consolidated	
	Dec 22	Jun 22
	\$'000	\$'000
Listed securities at fair value through other comprehensive income	1,260,775	1,156,086
	1,260,775	1,156,086

	Equities held	Market value 31 Dec 22 \$'000	% of Portfolio value
Stock			
Financials			
Macquarie Group Limited	655,182	109,390	8.68
Commonwealth Bank of Australia Limited	917,528	94,138	7.47
National Australia Bank Limited	2,501,904	75,207	5.97
Suncorp Group Limited	1,531,408	18,438	1.46
Pendal Group Limited	2,920,833	14,633	1.16
Equity Trustees Limited	447,932	11,216	0.89
E&P Financial Group Limited	6,631,759	3,449	0.27
		326,471	25.90
Materials			
BHP Group	2,640,000	120,463	9.55
Rio Tinto Limited	295,000	34,341	2.72
Amcor plc	1,670,000	29,559	2.34
Brickworks Limited	436,209	9,671	0.77
Orora Limited	1,893,242	5,471	0.43
James Hardie Industries plc	200,000	5,280	0.42
		204,785	16.23
Energy			
New Hope Corporation Limited	12,950,952	82,368	6.53
Woodside Energy Limited	1,652,925	58,580	4.65
Yancoal Australia Limited	3,000,000	18,180	1.44
Washington H. Soul Pattinson & Co Limited	391,908	10,840	0.86
Ampol Limited	213,360	6,034	0.48
		176,002	13.96
Consumer discretionary			
Wesfarmers Limited	1,129,102	51,837	4.11
Harvey Norman Holdings Limited	7,530,000	31,099	2.48
ARB Corporation Limited	978,590	25,120	1.99
Invocare Limited	1,638,974	18,078	1.43
		126,134	10.01
Utilities			
APA Group Limited	8,775,389	94,423	7.49
		94,423	7.49

BKI Investment Company Limited
Notes to the financial statements
31 December 2022

Note 5. Non-current assets - investment portfolio (continued)

Stock	Equities held	Market value 31 Dec 22 \$'000	% of Portfolio value
Industrials			
Transurban Group	3,485,952	45,248	3.59
Aurizon Holdings	4,650,000	17,345	1.38
Lindsay Australia Limited	17,141,631	13,113	1.04
Reece Limited	515,499	7,294	0.58
IPH Limited	665,000	5,805	0.46
Smartgroup Corporation Limited	600,000	3,060	0.24
		91,865	7.29
Consumer Staples			
Woolworths Limited	1,159,906	38,926	3.09
Coles Group Limited	1,129,102	18,879	1.50
Metcash Limited	3,621,084	14,412	1.14
Treasury Estate	905,155	12,319	0.98
		84,536	6.71
Telecommunications Services			
Telstra Group Limited	8,524,451	34,013	2.70
TPG Telecom Limited	5,748,362	28,109	2.23
Nine Entertainment Co. Holdings Limited	2,300,000	4,232	0.34
Tuas Limited	2,874,181	3,823	0.30
		70,177	5.57
Health Care			
Ramsay Health Care Limited	515,070	33,325	2.64
Sonic Healthcare Limited	960,899	28,798	2.28
Regis Healthcare Limited	1,807,428	3,407	0.27
		65,530	5.19
Property			
Goodman Group Limited	945,000	16,405	1.30
Stockland	1,225,000	4,447	0.35
		20,852	1.65
TOTAL		1,260,775	100.00

Note 6. Equity - issued capital

	Consolidated			
	Dec 22 Shares	Jun 22 Shares	Dec 22 \$'000	Jun 22 \$'000
Ordinary shares - fully paid	745,649,212	743,074,632	940,107	935,766
<i>Movements in ordinary share capital</i>				
Details			Shares	\$'000
Balance at 1 July 2022			743,074,632	935,766
Dividend reinvestment plan			2,574,580	4,351
Transaction costs				(14)
Deferred tax credit recognised directly in equity				4
Balance at 31 December 2022			<u>745,649,212</u>	<u>940,107</u>

BKI Investment Company Limited
Notes to the financial statements
31 December 2022

Note 7. Equity - dividends

(a) Dividends paid during the financial half-year

	Consolidated	
	Dec 22	Dec 21
	\$'000	\$'000
Final dividend for the year ended 30 June 2022 of 3.65 cents per share (2021 final: 3.00 cents per share) fully franked at the tax rate of 30%, paid on 30 August 2022	27,122	22,170
Final special dividend for the year ended 30 June 2022 of 1 cent per share (2021 final: NIL cents per share) fully franked at the tax rate 30%, paid on 30 August 2022	7,431	-
	<u>34,553</u>	<u>22,170</u>

(b) Reconciliation of total dividends paid to dividends paid in cash

	Consolidated	
	Dec 22	Dec 21
	\$'000	\$'000
Total dividends paid	34,553	22,170
Less: Dividends reinvested in shares via DRP	(4,351)	(2,841)
Dividends paid in cash	<u>30,202</u>	<u>19,329</u>

Dividends declared after balance date

Since the end of the year, the Directors have declared an interim ordinary dividend for the 2023 financial year of 3.70 cents per share and a special dividend of 0.50 cents per share, both fully franked at the tax rate of 30%. These dividends will be paid on 28 February 2023, but have not been recognised as liabilities at the half year.

Note 8. Contingent liabilities

The Group had no contingent liabilities at 31 December 2022.

Note 9. Commitments

The Group had no capital commitments as at 31 December 2022.

Note 10. Related party transactions

The Group did not enter into any new arrangements with related parties during the half-year ended 31 December 2022.

Note 11. Events after the reporting period

Apart from the dividend declared as disclosed in note 7, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

BKI Investment Company Limited
Notes to the financial statements
31 December 2022

Note 12. Earnings per share

(a) Calculation of earnings

	Consolidated	
	Dec 22	Dec 21
	\$'000	\$'000
Operating result after income tax attributable to the owners of BKI Investment Company Limited	36,784	55,719
Less: Special investment revenue	(3,382)	(26,229)
Add: Tax expense attributable to special investment revenue	-	37
	<u>33,402</u>	<u>29,527</u>
Earnings used in calculating basic and diluted earnings per share before special investment revenue	<u>33,402</u>	<u>29,527</u>

(b) Number of shares

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share, before after special investment revenue	744,809,675	740,222,349
Weighted average number of ordinary shares used in calculating diluted earnings per share, before and after special investment revenue	744,809,675	740,222,349

(c) Earnings per share

	Cents	Cents
Basic and diluted earnings per share before special investment revenue	4.48	3.98
	Cents	Cents
Basic and diluted earnings per share after special investment revenue	4.94	7.53

BKI Investment Company Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Robert D Millner
Chairman

17 January 2023
Sydney



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BKI INVESTMENT COMPANY LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BKI Investment Company Limited and Controlled Entities, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year ended or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of BKI Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BKI Investment Company Limited, would be in the same terms if given to the directors as at the time of this review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BKI Investment Company Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Other Information

The directors of the Company are responsible for the other information. The other information obtained at the date of this review report comprises the information included in the Directors' Report for the half year ended 31 December 2022, but does not include the financial report and our review report thereon. Our conclusion on the financial report does not cover the other information and accordingly we do not express any form of review conclusion thereon.

In connection with our review of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the review or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

MGI Sydney Assurance Services

MGI Sydney Assurance Services Pty Limited
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Kimmy Jongue', is written over a faint, light blue circular stamp or watermark.

Kimmy Jongue
Director
Sydney, 17 January 2023



**BKI INVESTMENT
COMPANY LIMITED**

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