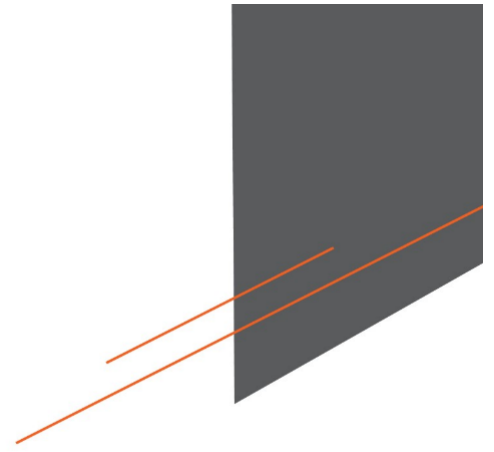


BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868



## Appendix 4E – Preliminary Final Report

30 June 2025

*Lodged with the ASX under Listing Rule 4.2A*

The reporting period is the year ended 30 June 2025 with the previous corresponding period being for the year ended 30 June 2024

## Appendix 4E - Preliminary Final Report

## Results for Announcement to the Market

	Change			2025 \$'000	2024 \$'000
<b>Revenue performance:</b>					
<b>Total revenue - Ordinary</b>	<b>Up</b>	<b>1%</b>	<b>to</b>	<b>69,332</b>	<b>from 68,344</b>
Special investment revenue	Down	32%	to	1,129	from 1,663
Total revenue	Up	1%	to	70,461	from 70,007

**Profits:**

<b>Operating result after tax - before special investment revenue and applicable tax</b>	<b>Down</b>	<b>3%</b>	<b>to</b>	<b>60,730</b>	<b>from 62,729</b>
Special investment revenue net of applicable tax	Down	32%	to	1,129	from 1,663
Net profit from ordinary activities after tax attributable to shareholders	Down	4%	to	61,859	from 64,392
Net profit attributable to shareholders	Down	4%	to	61,859	from 64,392

	Change			2025 Cents	2024 Cents
<b>Earnings per share:</b>					
<b>Basic earnings per share after tax and before special investment revenue</b>	<b>Down</b>	<b>4%</b>	<b>to</b>	<b>7.53</b>	<b>from 7.83</b>
Basic earnings per share after tax and after special investment revenue	Down	4%	to	7.67	from 8.03

**Dividends per share:**

Interim – Ordinary, fully franked	Up	1%	to	3.90	from 3.85
Final – Ordinary, fully franked	Steady	-	to	4.00	from 4.00

**Explanation of Operating Results**

BKI's Total Ordinary Revenue was up 1% to \$69.3 million with higher dividends received from Commonwealth Bank, Suncorp Group, Dalrymple Bay Infrastructure, Harvey Norman, Telstra Corp, APA Group and Transurban Group. BKI's interest received was \$4.2 million, up from \$4.0 million received in FY2024 following higher rates of interest and higher cash on deposit during the year.

BKI's Net Operating Profit, before tax and special investment revenue, was \$66.8 million, a decrease of 1% over the previous corresponding period. BKI's basic earnings per share before special investment revenue was 4% lower to 7.53 cents per share.

Special Investment Revenue was \$1.1 million in FY2025, with Special Dividends received from Suncorp Group, Woolworths Limited and Smartgroup Limited compared to Special Dividends received in FY2024 of \$1.7 million. Net Profit attributable to shareholders was \$61.9 million, down 4% on the FY2024 result. BKI's FY2025 basic earnings per share, including special investment revenue was 7.67 cents per share.

	Ordinary Operations 2025 \$'000	Special Investment Revenue 2025 \$'000	Statutory Numbers 2025 \$'000	Statutory Numbers 2024 \$'000
Ordinary revenue from investment portfolio	65,062	1,129	66,191	65,696
Revenue from bank deposits	4,180	-	4,180	3,972
Other income	90	-	90	-
Other gains	-	-	-	339
<b>Income from operating activities</b>	<b>69,332</b>	<b>1,129</b>	<b>70,461</b>	<b>70,007</b>
Operating expenses	(2,535)	-	(2,535)	(2,453)
Discount on acquisition of controlled entity, net of expenses	-	-	-	22
<b>Operating result before tax</b>	<b>66,797</b>	<b>1,129</b>	<b>67,926</b>	<b>67,576</b>
Income tax expense	(6,067)	-	(6,067)	(3,184)
<b>Net operating result</b>	<b>60,730</b>	<b>1,129</b>	<b>61,859</b>	<b>64,392</b>

	Cents per share	Cents per share	Cents per share
<b>Basic and diluted earnings per share</b>	<b>7.53</b>	<b>7.67</b>	<b>8.03</b>

#### NTA Backing

	June 2025	June 2024
Net Tangible Asset backing per ordinary share before tax	195.7 cents	183.4 cents
Net Tangible Asset backing per ordinary share after tax	178.9 cents	170.5 cents

#### Additional Dividend Information

The Directors declared a final ordinary 2025FY dividend of 4.00 cents per share, fully franked at the tax rate of 30%, which will be paid on 28 August 2025. The Record date for the dividend is 6 August 2025.

BKI has a Dividend Reinvestment Plan (DRP) in operation, offering shareholders the opportunity to acquire additional ordinary shares in BKI instead of receiving cash dividends. No discount will apply to the DRP. The last day to nominate for participation in the DRP is 7 August 2025.

To complete a DRP form please follow the link: <https://bkilimited.com.au/dividend-information/>

#### Other Information

This report is based on audited accounts. A copy of the 2025 Annual Report, which includes the audited accounts, is attached to this Appendix 4E.

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2025

BKI INVESTMENT COMPANY LIMITED

ABN: 23 106 719 868

# Annual Report

for the year ended 30 June 2025

**BKI Investment Company Limited**  
**Corporate directory**  
**30 June 2025**

<b>Directors</b>	Robert Dobson Millner AO 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
<b>Investment Manager</b>	Contact Asset Management Pty Limited (Contact) Thomas Charles Dobson Millner William Anthony Culbert	Portfolio Manager Portfolio Manager
<b>Company secretary</b>	Amanda Wong	
<b>Registered office and principal place of business</b>	Suite 302, Level 3 1 Castlereagh Street Sydney NSW 2000 Telephone: (02) 7251 6242 Facsimile: (02) 8355 1617	
<b>Postal address</b>	PO Box H280 Australia Square NSW 1215	
<b>Share register</b>	MUFG Corporate Markets (AU) Limited Liberty Place Level 41 161 Castlereagh Street Sydney NSW 2000 Telephone: 1300 853 816	
<b>Auditor</b>	MGI Sydney Assurance Services Pty Ltd Level 14 20 Martin Place Sydney NSW 2000	
<b>ASX listing</b>	BKI Investment Company Limited shares are listed on the Australian Securities Exchange (ASX code: BKI)	
<b>Website</b>	<a href="http://www.bkilimited.com.au">www.bkilimited.com.au</a>	
<b>Corporate Governance Statement</b>	<a href="http://www.bkilimited.com.au/about-us/corporate-governance/#statement">www.bkilimited.com.au/about-us/corporate-governance/#statement</a>	

**BKI Investment Company Limited**  
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**BKI Investment Company Limited**  
**Financial highlights**  
**30 June 2025**

**Financial highlights**

	Change			Jun 2025 \$'000		Jun 2024 \$'000
<b>Revenue performance</b>						
Total revenue – ordinary	up	1%	to	<b>69,332</b>	from	<b>68,344</b>
Special investment revenue	down	32%	to	<b>1,129</b>	from	<b>1,663</b>
Total income from ordinary activities	up	1%	to	<b>70,461</b>	from	<b>70,007</b>
<b>Profits</b>						
Operating result after tax - before special investment revenue	down	3%	to	<b>60,730</b>	from	<b>62,729</b>
Special investment revenue	down	32%	to	<b>1,129</b>	from	<b>1,663</b>
Net profit from ordinary activities after tax attributable to shareholders	down	4%	to	<b>61,859</b>	from	<b>64,392</b>
Net profit attributable to shareholders	down	4%	to	<b>61,859</b>	from	<b>64,392</b>
<b>Portfolio</b>						
Total portfolio value (including cash & receivables)	up	7%	to	<b>1,581,970</b>	from	<b>1,479,118</b>
<b>Earnings per share (EPS)</b>						
Basic EPS before special investment revenue and applicable tax	down	4%	to	<b>7.53</b>	from	<b>7.83</b>
Basic EPS after special investment revenue and applicable tax	down	4%	to	<b>7.67</b>	from	<b>8.03</b>
<b>Dividends</b>						
Interim - Ordinary	up	1%	to	<b>3.90</b>	from	<b>3.85</b>
Final - Ordinary	steady	-	to	<b>4.00</b>	from	<b>4.00</b>
Full Year Total	up	1%	to	<b>7.90</b>	from	<b>7.85</b>

**10 Year Dividend History (cents per share):**

30 June	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Interim - Ordinary	3.60	3.60	3.625	3.625	3.625	2.00	3.50	3.70	3.85	3.90
Interim - Special	-	-	-	2.500	1.000	-	0.50	0.50	-	-
Final - Ordinary	3.65	3.70	3.700	3.700	2.320	3.00	3.65	4.00	4.00	4.00
Final - Special	-	-	-	-	-	-	1.00	-	-	-
<b>Total</b>	<b>7.25</b>	<b>7.30</b>	<b>7.325</b>	<b>9.825</b>	<b>6.945</b>	<b>5.00</b>	<b>8.65</b>	<b>8.20</b>	<b>7.85</b>	<b>7.90</b>

All ordinary and special dividends paid by BKI Investment Company Limited ("BKI") since listing on the Australian Securities Exchange have been fully franked.

**10 Year Net Tangible Asset (NTA) History (\$ per share):**

30 June	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NTA before tax	1.55	1.61	1.63	1.69	1.47	1.71	1.66	1.75	1.83	1.96
NTA after tax	1.47	1.52	1.54	1.58	1.43	1.59	1.58	1.64	1.70	1.79

**BKI Investment Company Limited**  
**Financial highlights**  
**30 June 2025**

**List of securities as at 30 June 2025**

	<b>Number of securities held</b>	<b>Market value \$'000</b>	<b>Portfolio weight %</b>
<b>Financials</b>			
Commonwealth Bank of Australia	867,000	160,178	10.12
National Australia Bank Limited	2,971,800	116,970	7.39
Macquarie Group Limited	320,507	73,310	4.63
Suncorp Group Limited	1,777,584	38,414	2.43
Equity Trustees Limited	447,932	15,230	0.96
E&P Financial Group Limited	6,631,759	3,448	0.22
Carlton Investments Limited	35,614	1,289	0.08
		408,839	25.83
<b>Industrials</b>			
Transurban Group	4,261,146	59,571	3.76
Dalrymple Bay Infrastructure Limited	11,650,537	49,515	3.13
Aurizon Holdings Limited	8,330,000	25,240	1.60
Smartgroup Corporation Limited	1,685,000	12,418	0.78
Lindsay Australia Limited	17,141,631	12,342	0.78
IPH Limited	1,990,000	9,114	0.58
Reece Limited	515,499	7,397	0.47
Johns Lyng Group Limited	1,232,000	3,905	0.25
		179,502	11.35
<b>Consumer Discretionary</b>			
Wesfarmers Limited	960,000	81,360	5.14
Harvey Norman Holdings Limited	10,100,000	53,227	3.36
ARB Corporation Limited	978,590	32,000	2.02
		166,587	10.52
<b>Materials</b>			
BHP Group Limited	2,630,000	96,653	6.11
Amcor Limited	2,420,000	34,364	2.17
Brickworks Limited	436,209	15,006	0.95
		146,023	9.23
<b>Energy</b>			
New Hope Corporation Limited	12,950,952	47,919	3.03
Woodside Energy Group Limited	1,443,700	34,115	2.16
Yancoal Australia Limited	4,210,000	24,292	1.53
Washington H Soul Pattinson & Co Limited	413,086	17,354	1.10
Ampol Limited	480,000	12,355	0.78
		136,035	8.60
<b>Telecommunications Services</b>			
Telstra Group Limited	15,185,000	73,495	4.65
TPG Telecom Limited	5,748,362	30,639	1.94
Tuas Limited	2,874,181	17,101	1.08
		121,235	7.67
<b>Consumer Staples</b>			
Woolworths Limited	1,209,906	37,640	2.38
Metcash Limited	6,700,045	26,197	1.66
Coles Group Limited	1,137,838	23,713	1.50
		87,550	5.54

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**BKI Investment Company Limited**  
**Financial highlights**  
**30 June 2025**

	<b>Number of securities held</b>	<b>Market value \$'000</b>	<b>Portfolio weight %</b>
<b>Property Trusts</b>			
Goodman Group Limited	945,000	32,357	2.04
Stockland Corporation Limited	5,050,000	27,068	1.71
Mirvac Limited	9,250,000	20,350	1.29
		79,775	5.04
<b>Utilities</b>		-	-
APA Group	9,716,652	79,384	5.02
	-	79,384	5.02
<b>Health Care</b>			
Sonic Healthcare Limited	1,262,000	33,809	2.14
Ramsay Healthcare Limited	575,000	21,097	1.34
Regis Healthcare Limited	1,807,428	14,170	0.90
		69,076	4.38
<b>Total Portfolio</b>		<b>1,474,006</b>	<b>93.18</b>
Investment portfolio		1,474,006	93.18
Trading portfolio		-	-
<b>Total Portfolio</b>		<b>1,474,006</b>	<b>93.18</b>
Cash and dividends receivable		107,964	6.82
<b>Total Investment Assets</b>		<b>1,581,970</b>	<b>100.00</b>

As at 30 June 2025, the Group was a substantial shareholder in accordance with the Corporations Act 2001 of Lindsay Australia Limited, holding 5.49% of the issued capital. The Group ceased to be a substantial holder of Lindsay Australia Limited on 1 July 2025. The Group is not a substantial shareholder in any other investee corporation, as each equity investment represents less than 5% of the issued capital of the investee corporation.

## BKI Investment Company Limited

### Chair's address

30 June 2025

Dear Shareholders,

I am pleased to enclose the 22nd Annual Report of BKI Investment Company Limited (BKI) for the year to 30 June 2025 ("FY2025").

Despite significant macroeconomic headwinds including persistent inflation, trade tensions and geopolitical uncertainties, global equity markets delivered a robust performance over the twelve months ending 30 June 2025.

This period was marked by notable volatility yet the U.S. S&P 500 achieved a 15.2% gain (including dividends), reaching a record high of 6,205 on 30 June 2025, largely driven by an 11% surge in the second quarter. The NASDAQ also performed strongly finishing the year 15.7% higher.

Beyond the U.S other global markets demonstrated exceptional returns. Hong Kong's Hang Seng led the way with a 42.2% return, boosted by China's tech rally and supportive policies. The FTSE 100 also posted a solid 11.3% gain for the year.

Closer to home the Australian equity market as measured by the S&P/ASX300 Accumulation Index returned a very respectable 13.7%. This outcome is particularly positive given the ongoing challenges companies faced from elevated business costs and increased interest repayments compared to prior years.

Looking ahead, intensifying concerns about a potential global economic slowdown are shaping expectations for interest rate cuts. Several critical factors will continue to influence consumer confidence, including employment levels, the cost of living, inflation rates and the broader economic outlook. These elements are anticipated to have a more pronounced impact on company earnings in FY2026. Given BKI's commitment to long-term yields and valuations the close monitoring of consumer sentiment remains very important.

A sustained decline in consumer sentiment would likely signal a deceleration in economic activity, subsequently affecting company earnings and potentially leading to downward pressure on dividend payouts and valuations. Conversely, proactive interest rate cuts by central banks, particularly the Reserve Bank of Australia, combined with resilient consumer confidence are expected to underpin economic expansion, support higher company dividends and bolster valuations.

### Result Highlights

We are pleased to report that BKI's Investment Portfolio revenue for FY2025 increased to \$65.1 million, up from \$64.0 million in FY2024. This growth was primarily driven by a positive contribution from ordinary dividends received. Notably, we saw stronger dividend contributions from key holdings including Commonwealth Bank, Dalrymple Bay Infrastructure, Suncorp Group, National Australia Bank, Wesfarmers, APA Group, Telstra Corporation, Transurban Group and Harvey Norman.

However, the broader market trend saw many companies continuing to adopt a conservative stance leading to lower payout ratios. This approach reflects ongoing economic uncertainty, coupled with higher operational expenses and increased interest rate payments impacting company earnings.

While the Resources and Energy sectors have not yet fully returned to the robust trading conditions that would facilitate higher dividend distributions, we maintain strong confidence in the long-term prospects of our investments within these sectors. Our conviction is particularly strong for companies aligned with oil, gas, copper, iron ore, metallurgical and thermal coal, as we anticipate a return to stronger performance in the near future.

Interest income for the year also increased, rising to \$4.2 million from \$4.0 million in FY2024 reflecting the prevailing higher interest rate environment.

Our income tax expense for FY2025 was \$6.1 million, an increase from \$3.2 million in FY2024. This rise is attributable to two primary factors. The first is reduced franking credits. An increasing number of Australian-listed companies are generating a higher proportion of their earnings offshore. Consequently, these companies often do not generate sufficient franking credits to fully frank their dividends, leading to a higher taxable component for BKI. The second factor is stapled structures. Over recent years, BKI has successfully invested in companies operating under a stapled structure, which combines a company and a trust, differing from a traditional company structure. While the dividends and distributions received from holdings such as APA Group, Transurban Group, Mirvac, Stockland, Amcor PLC and Dalrymple Bay Infrastructure have demonstrated significant growth over time, the nature of these structures often results in little to no franking credits attached to the income. As a result, BKI incurs tax on this unfranked income.

**BKI Investment Company Limited**  
**Chair's address**  
**30 June 2025**

BKI's Net Operating Profit, before tax and special investment revenue, was \$66.8 million, an increase on the \$65.9 million in FY2024. BKI's basic earnings per share before special investment revenue was 7.53 cents per share compared to 7.83 cents per share last year.

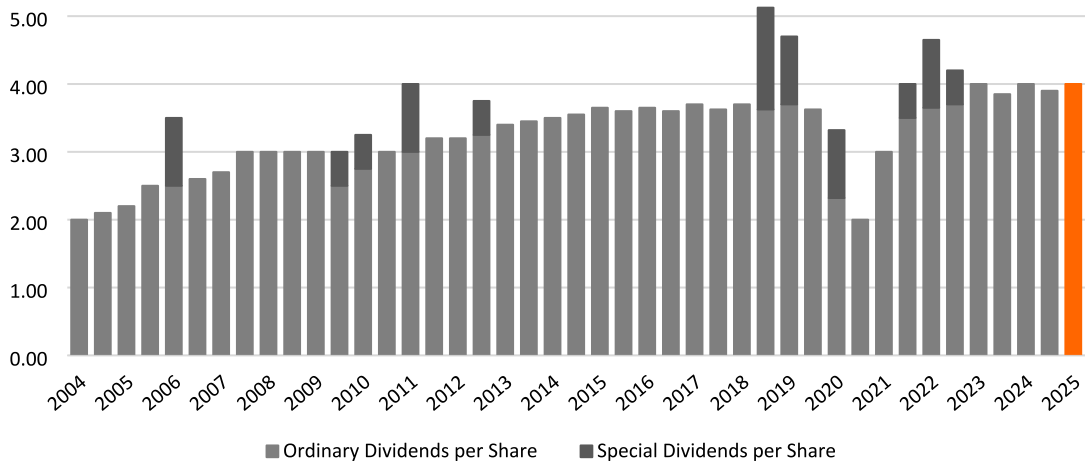
Special Investment Revenue was \$1.1 million in FY2025 down from \$1.7 million last year.

BKI's Net Operating Profit After Tax, including special investment revenue for FY2025 of \$61.9 million was down 4% on the previous corresponding period. BKI's FY2025 basic earnings per share, including special investment revenue, was 7.67 cents per share.

**Dividends**

The BKI Board has declared a fully franked final ordinary dividend of 4.00cps, in line with the previous corresponding period. Total FY2025 dividends of 7.90cps is 1% higher than total dividends paid in FY2024.

Based on the FY2025 dividends of 7.90cps, the current historical BKI grossed up dividend yield is 6.4%, based on a tax rate of 30% and a share price of \$1.755, as at 30 June 2025.



Above – Total BKI Dividends paid since listing in 2003

**Dividend Key Dates**

The last trading date to be eligible for the FY2025 Final Dividend is Monday 4 August 2025. Key dates for the fully franked final dividend are as follows:

Key Dates	
Last trading date to be eligible for dividend	Monday 4 August 2025
<b>Ex-dividend Date</b>	<b>Tuesday 5 August 2025</b>
Record Date	Wednesday 6 August 2025
DRP Nomination	Thursday 7 August 2025
<b>Dividend Payment Date</b>	<b>Thursday 28 August 2025</b>
Annual General Meeting	Tuesday 14 October 2025

**Dividend Reinvestment Plan (DRP)**

The BKI Board has confirmed that BKI's Dividend Reinvestment Plan (DRP) will be maintained, offering shareholders the opportunity to acquire further ordinary shares in BKI. The DRP will not be offered at a discount. The last day to nominate for participation in the DRP is Thursday 7 August 2025.

To complete a DRP form, please follow the link: <https://bkilimited.com.au/dividend-information/>

The DRP price will be calculated using the average of the daily volume weighted average sale price of BKI's shares sold in the ordinary course of trading on the ASX during the 5 trading days after, but not including, the Record Date (Wednesday 6 August 2025).

### **Management Expense Ratio (MER)**

BKI's MER as at 30 June 2025 was 0.166%, down from 0.169% in the previous corresponding period. The Board and Portfolio Managers are shareholders in BKI. We invest for the long term and do not pay excessive external portfolio management fees or any performance fees. Our focus is on creating wealth for all shareholders by keeping costs low, increasing fully franked dividends and generating capital growth over the long term. BKI has no debt and thus shareholder returns are not diluted by interest payable on such facilities.

BKI's MER continues to compare very favourably to other externally managed LICs, ETFs and managed funds in the domestic market that provide a similar broad-based exposure to Australian equities.

### **Outlook**

As we navigate through the remainder of 2025, the global economic landscape remains dynamic, characterised by geopolitical complexities, trade tensions, ongoing conflicts and persistent uncertainties regarding inflation and interest rate trajectories. Despite these significant external headwinds the Australian market demonstrated both resilience and caution. The S&P/ASX 300's recent gains, even with a sharp intra-month decline in April 2025, underscore the robust yet volatile environment in which we operate.

In this context BKI continues to prioritise a disciplined investment strategy centered on diversification and yield. Our unwavering objective is to generate a growing stream of dividends for our shareholders, even amidst the prevailing global risks. We maintain a carefully constructed portfolio with a clear focus on long-term growth and sustainable income. Our confidence in allocating capital to developed markets, particularly Australian equities, reflects our belief in the stability and fundamental strength of this market.

BKI benefits from a highly stable Board, Investment Committee, Audit Committee and Investment Management team. This expertise is fully aligned with shareholder interests consistently striving towards the common goal of long-term value creation and the distribution of an increasing income stream to BKI shareholders through fully franked dividends. We are proud of our strong and proven track record. Our portfolio continues to comprise high-quality, dividend-paying stocks. Furthermore, with no debt, a very low operating cost structure and approximately \$108 million in cash or liquid current assets, BKI is well-positioned to capitalise on any market opportunities that may emerge in the year ahead.



**Robert D Millner AO**  
Chair

Dear Shareholders,

Contact Asset Management, as the Investment Manager of BKI Investment Company, is pleased to include our Investment Report for FY2025.

### **Market Commentary**

FY 2025 was a period in which we delivered a strong performance that was particularly gratifying given the ongoing turbulence in equity markets both domestically and abroad. The global landscape continues to be shaped by significant geopolitical developments, notably the recent tensions in the Middle East, including Israel's strikes on Iran's nuclear sites, alongside persistent uncertainties surrounding U.S. trade tariffs and escalating debt levels. These factors collectively suggest that we are set for another period of volatility as we move into FY2026.

The Australian equity market, while demonstrating resilience, remains exposed to these broader global risks. However, we also see a significant domestic tailwind in the form of increasing expectations for interest rate cuts, which should provide support for the broader economy and particularly benefit interest-sensitive sectors. We remain vigilant and strategically positioned to navigate these complex market conditions.

It was almost a year ago, during Australia's August / September 2024 reporting period that we saw the first signs that certain sectors (eg Industrials and Communications) were stabilising and producing reasonable results, resulting in growth in dividends. It was reassuring that green shoots were appearing in markets as sectors such as energy delivering further mixed results. This was highlighted by the disappointing decision from Yancoal to not pay a dividend with their August results. While revenues were reasonably resilient across many of the August / September 2024 results, the common theme was that inflation continued to drag on earnings. There was a continued rise in labour and interest costs in particular, however we were hopeful that both of these inputs were close to peak cycle and that management teams were well on their way to addressing higher expenses through a variety of cost out programs.

It was a challenging period for the retailers, with mixed quarterly reports being delivered in October and through to the December/Christmas period. These data points were some of the key factors influencing global and domestic markets and the direction of interest rates. The other major factor was Donald Trump's victory in the US presidential election. U.S stock markets including the Dow, S&P 500, and Nasdaq, reaching record highs as investors jumped on the "Trump Trade" and priced in expectations of tax cuts and tariffs promised by the President-elect. These policies also fuelled US dollar strength, a further lift in Bitcoin and triggered a sell-off in U.S. bonds. The outlook for Global and Australian markets heading into calendar year 2025 was finely balanced.

The February decline on the ASX reflected concerns over companies missing earnings expectations, as rising operating costs, higher cost of debt and wage pressures crushed margins. This pressure saw many firms with declining earnings and stretched balance sheets forced to cut dividends. Despite the overall market decline, a notable shift occurred during February as investors focused back on quality.

Companies demonstrating robust earnings, strong balance sheets and a clear long-term growth trajectory were being rewarded. This "flight to quality" has been welcomed following a period of momentum investing with much of the market overlooking fundamental analysis. Several companies delivered standout results during February, highlighting the benefits of positive strategic long-term investing. Woodside Energy and APA Group, for example, reaped the rewards of significant capital expenditure over many years, reporting increased earnings and cashflows, resulting in higher forecast dividends being paid to their shareholders. Other notable companies included Commonwealth Bank, Telstra, TPG Telecom, Sonic Healthcare, ARB Corporation, and Coles Group, all of whom delivered positive results that were underpinned by capable management teams focusing on long term investment strategies.

In March 2025, following President Trump's "Liberation Day" tariff plan, US investors, who were initially excited about the pre-election promise flipped, sparking a global sell-off, with the S&P 500 in particular suffering a 10% correction within the month. Geopolitical tensions, including Middle East conflicts and NATO's response to Russia, added to the volatility. The unfolding tariff landscape prompted some companies to strategically recalibrate earnings forecasts and outlooks. The reality was that the newly announced tariffs will have a limited impact on FY2025 earnings, accounting for a mere 6 to 8 weeks of the financial year. The more substantial impact is likely to be felt in FY2026 once the tariffs are fully implemented.

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Commodity prices have also continued to play a major role in shaping global economic conditions and influencing equity market performance over the year. Fluctuations in the prices of energy (in particular oil, gas and coal), metals and agricultural products have seen investors panic about the impact they will have on margins and profits and ultimately leading to EPS and DPS numbers.

Concerns regarding a potential global slowdown have intensified and has placed significant pressure on consumer confidence. This is being reflected in expectations for interest rate cuts although these have been slower to arrive than most in the market expected. Several key elements will continue to shape consumer confidence, including employment levels, the cost of living the overall economic outlook and more bluntly, interest rate cuts. These factors are expected to exert a more pronounced impact on company earnings in FY2026. Given BKI's emphasis on long-term yields and valuations, close monitoring of consumer confidence remains vital.

Any further deterioration in consumer sentiment would signal a slowing in economic activity, subsequently impacting company earnings and potentially leading to downward pressure on dividend payouts and valuations. Conversely, proactive interest rate cuts by central banks, particularly the Reserve Bank of Australia, coupled with robust consumer confidence, should underpin economic expansion, support higher company dividends and bolster valuations.

Based on these factors, the momentum of FY2026 could go either way. However, we believe that the Australian market remains resilient with several structural tailwinds - Superannuation growth, a growing population and demand for our resources. The S&P/ASX300 Accumulation Index is sitting at record highs, pushing through 112,000 points in early July 2025 for the first time. This growth continues to see the PE of the market trade higher, fast approaching 20.0X (FY2026e earnings), with the dividend yield for the S&P/ASX300 Accumulation Index at only 3.3%.

### **Portfolio Movements**

#### First Half FY2025

In the first half of the 2025 financial year, we invested \$113 million. The main investments were into existing holdings including National Australia Bank (NAB-ASX), Dalrymple Bay Infrastructure (DBI-ASX), Metcash Limited (MTS-ASX), Suncorp Group (SUN-ASX), Telstra Corp (TLS-ASX), Transurban Group (TCL-ASX), Woodside Group (WDS-ASX) and Harvey Norman Holdings (HVN-ASX).

BKI established a small position in Johns Lyng Group (JLG.ASX), a leading provider of building and restoration services across Australia. Specialising in repairing properties damaged by insurable weather events like flood and fire, JLG generates over 80% of its revenue from its Insurance Building and Restoration Services segment, working with insurers and brokers on a cost-plus basis.

BKI sold positions worth \$112 million over the first half of the 2025 financial year. The portfolio positioning included a reweighting of Macquarie Group (MQG-ASX), Commonwealth Bank (CBA-ASX), National Australia Bank (NAB-ASX) and Wesfarmers Limited (WES-ASX). Despite the slight reductions in these companies we believe that they will continue to do well in the current market, and we remain very happy with our investments at current levels.

We also reduced our position in Yancoal Australia as they halted their interim dividend for the six months ending 30 June 2024. The Company's board opted to preserve cash for potential corporate initiatives, including the acquisition of new coal assets.

BKI sold its position in Nine Entertainment Holdings (NEC-ASX) following another underwhelming result. The dividend was cut and NEC's debt position is growing as they battle a tough advertising market and structural issues within their core business.

#### Second Half FY2025

In the second half of the 2025 financial year, we invested a further \$53 million. We added further to our position in Dalrymple Bay Infrastructure (DBI-ASX), participating in the block trade in June following the 23.2% sell down by Brookfield Infrastructure. Taking DBI to 3.1% of the BKI portfolio. Our Telstra Corp (TLS-ASX) holding was added to, with the telco offering compelling revenue, earnings and dividend growth. We bought back our position in Yancoal Australia (YAL-ASX) with the Company returning to paying very attractive dividends after failed acquisitions of new coal assets.



**BKI Investment Company Limited**  
**Portfolio managers report**  
**30 June 2025**

We added further to Amcor (AMC-ASX) following their all-stock acquisition of Berry Global. This has created a global leader in consumer and healthcare packaging, significantly expanding their portfolio and market. This strategic move by AMC is expected to generate substantial synergies and enhance their ability to drive consistent growth, improve margins and lift dividends.

We also added to our existing, albeit small, position in IPH Limited (IPH-ASX). IPH is an international intellectual property (IP) services group. It provides a wide range of services for the protection, commercialisation, enforcement, and management of all forms of IP, including patents, trademarks, and designs, through a network of member firms across various jurisdictions. They offer a very compelling dividend yield and strong recurring revenue stream.

We sold our small position in glass bottle and aluminium can manufacturer Orora (ORA-ASX) with the proceeds being used to help fund the purchase of Amcor.

Over the year, BKI invested a total of \$166 million into the market with \$154 million worth of sales. As at the end of June 2025, there were 39 stocks within the BKI Portfolio, with the Top 25 holdings and cash accounting for 89.5% of the total Portfolio. The Investment Portfolio (including cash and cash equivalents) was valued at \$1.47 billion, with the cash and cash equivalents representing 6.8%.

**Top 25 Investments**

	Company	% of Total portfolio
1	Commonwealth Bank	10.1%
2	National Australia Bank	7.4%
3	BHP Group	6.1%
4	Wesfarmers Limited	5.1%
5	APA Group	5.0%
6	Telstra Group Limited	4.6%
7	Macquarie Group	4.6%
8	Transurban Group	3.8%
9	Harvey Norman Holdings Limited	3.4%
10	Dalrymple Bay Infrastructure Limited	3.1%
11	New Hope Corporation	3.0%
12	Suncorp Group	2.4%
13	Woolworths Limited	2.4%
14	Amcor	2.2%
15	Woodside Energy Group Limited	2.2%
16	Sonic Healthcare	2.1%
17	Goodman Group Limited	2.0%
18	ARB Corporation	2.0%
19	TPG Telecom Limited	1.9%
20	Stockland	1.7%
21	Metcash Limited	1.7%
22	Aurizon Holdings	1.6%
23	Yancoal Ltd	1.5%
24	Coles Group	1.5%
25	Ramsay HealthCare	1.3%
	Cash and cash equivalents	6.8%
	<b>Total of top 25 plus cash and cash equivalents</b>	<b>89.5%</b>

**Performance**

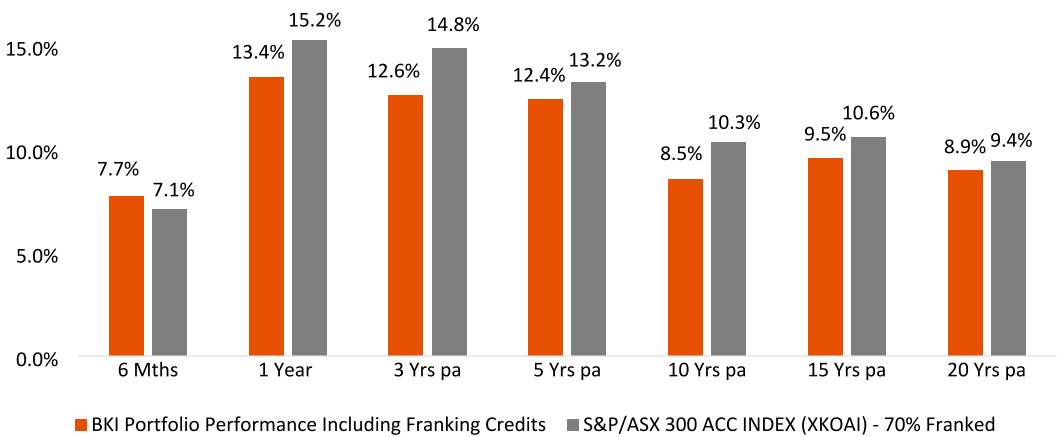
BKI's strong portfolio performance in FY2025 was once again a testament to its strategic allocation to quality holdings. Several key positions delivered exceptional total shareholder returns for the year. Dalrymple Bay Infrastructure (3.1% of the portfolio) delivered a total shareholder return of 53% for the year, Commonwealth Bank (10.1% of the portfolio) returned 50%, Telstra Group (4.6% of the portfolio) returned 40%, Wesfarmers (5.1% of the portfolio) returned 34% and Harvey Norman (3.4% of the portfolio) returned 33%.

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Conversely, some holdings experienced negative contributions to the performance of the portfolio. Ramsay Healthcare (1.3% of the portfolio) delivered a total shareholder return of negative 21%, New Hope (3.0% of the portfolio) negative 17%, Aurizon (1.6% of the portfolio) negative 13% and ARB Corporation (2.0% of the portfolio) returned negative 11% for the year to 30 June 2025.

BKI's portfolio delivered a strong result in June 2025 to finish the year, which was especially pleasing given the continued turbulence in equity markets domestically and abroad. BKI's Portfolio Performance for the month of June was 2.4% compared to the S&P/ASX300 Accumulation Index which returned 1.4% for the same period. BKI's Net Portfolio Return (after all operating expenses, provisions and payment of both income and capital gains tax and the reinvestment of dividends and franking credits) for the 6 months to 30 June was 7.7% compared to the S&P/ASX300 Accumulation Index which returned 7.1% for the same period.

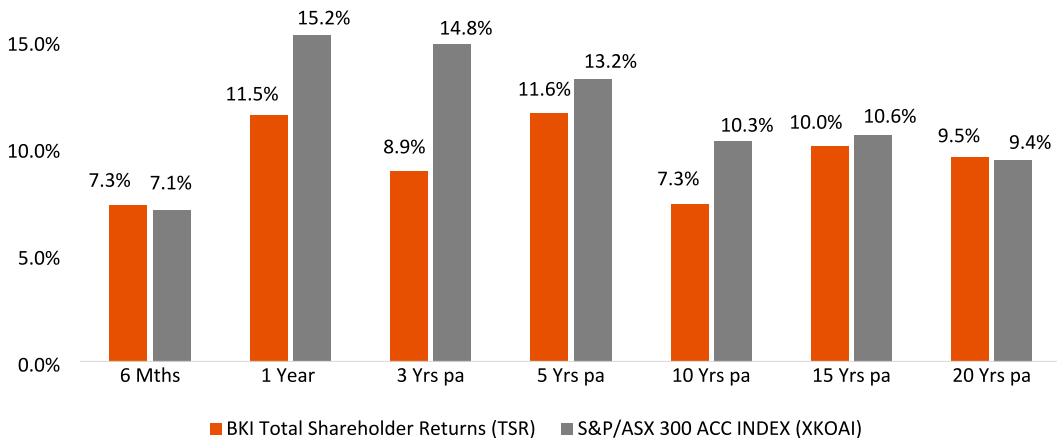
BKI's Net Portfolio Return for the year to 30 June 2025 was 13.4% compared to the S&P/ASX300 Accumulation Index which returned 15.2% for the same period.



Above - BKI Net Portfolio Returns Including Franking Credits as at 30 June 2025.

BKI also delivered a strong Total Shareholder Return for the month of June 2025 to round out the year, returning 3.2%, outperforming the Index by 1.8%. For the 6 months to 30 June BKI's Total Shareholder Returns were 7.3% compared to the S&P/ASX300 Accumulation Index which returned 7.1% for the same period.

For the year to 30 June 2025, BKI's Total Shareholder Return was 11.5%.



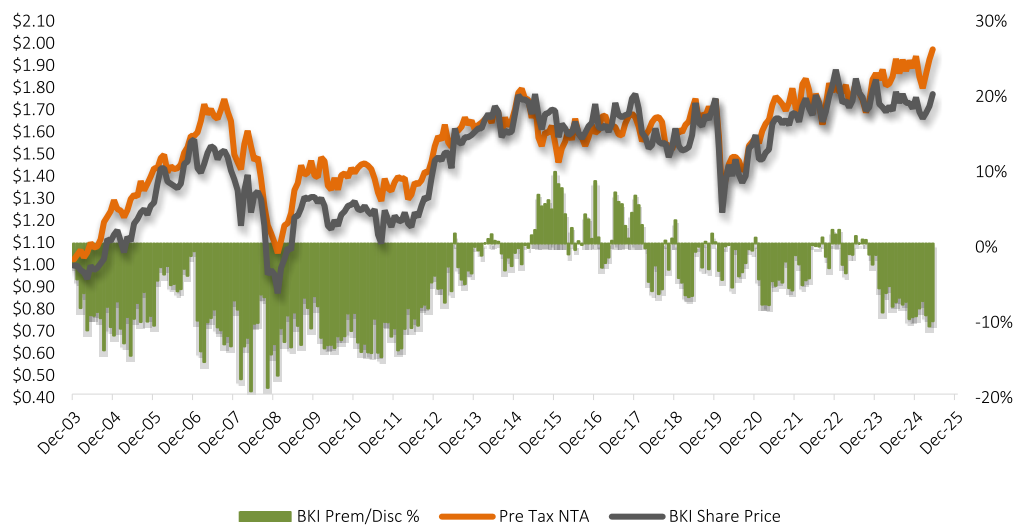
Above - BKI Total Shareholder Returns (TSR) Including Franking Credits as at 30 June 2025.



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Portfolio managers report  
30 June 2025

Premium / Discount to NTA

BKI's Pre-Tax Net Tangible Assets as at 30 June 2025 was \$1.96 and represented a 10.3% discount to the BKI share price.



Above – BKI's Premium/Discount since December 2003.

Research and Ratings

BKI currently has a Recommended rating from LONSEC, a Recommended-Plus rating from Independent Investment Research (IIR) and a Neutral rating from Morningstar.

Tom Millner and Will Culbert  
Contact Asset Management

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

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 year ended 30 June 2025.

**Directors**

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

Robert Dobson Millner AO	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 year.

**Dividends**

Dividends paid during the financial year were as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Final ordinary dividend for the year ended 30 June 2024 of 4.00 cents per share (2023 final: 4.00 cents per share) fully franked at the tax rate of 30%, paid on 29 August 2024	32,197	31,671
Interim ordinary dividend for the year ended 30 June 2025 of 3.90 cents per share (2024: 3.85 cents per share) fully franked at the tax rate of 30%, paid on 28 February 2025	31,478	30,909
Total dividends paid	<u>63,675</u>	<u>62,580</u>

**Operating results**

BKI's Net Operating Profit, before tax and special investment revenue, was \$66.8 million, an increase on the \$65.9 million in the previous corresponding period. BKI's basic earnings per share before special investment revenue was 7.53 cents per share compared to 7.83 cents per share in FY2024.

BKI's Revenue from investment portfolio for FY2025 increased to \$65.1 million, up from \$64.0 million in FY2024 primarily driven by ordinary dividend income. Stronger dividend contributions from Commonwealth Bank, Dalrymple Bay Infrastructure, Suncorp Group, National Australia Bank, Wesfarmers, APA Group, Telstra Corporation, Transurban Group and Harvey Norman resulted in the year-on-year increase.

Special Investment Revenue was \$1.1 million in FY2025 down from \$1.7 million last year while interest income rose to \$4.2 million from \$4.0 million in FY2024 reflecting the prevailing higher interest rate environment.

**Review of operations**

The operating result for the Group after providing for income tax amounted to \$61.9 million (30 June 2024: \$64.4 million).

BKI's MER as at 30 June 2025 was 0.166%, down from 0.169% in the corresponding period. BKI's MER continues to compare very favourably to other externally managed LICs, ETFs and managed funds in the domestic market that provide a similar broad-based exposure to Australian equities.

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

In the first half of FY2025, BKI invested \$113 million. The main investments were into existing holdings including National Australia Bank (NAB-ASX), Dalrymple Bay Infrastructure (DBI-ASX), Metcash Limited (MTS-ASX), Suncorp Group (SUN-ASX), Telstra Corp (TLS-ASX), Transurban Group (TCL-ASX), Woodside Group (WDS-ASX) and Harvey Norman Holdings (HVN-ASX).

BKI established a small position in Johns Lyng Group (JLG.ASX), a leading provider of building and restoration services across Australia.

BKI sold positions worth \$112 million over the first half of FY2025. The portfolio positioning included a reweighting of Macquarie Group (MQG-ASX), Commonwealth Bank (CBA-ASX), National Australia Bank (NAB-ASX) and Wesfarmers Limited (WES-ASX). BKI also reduced its position in Yancoal Australia and sold our position in Nine Entertainment Holdings (NEC-ASX).

In the second half of FY2025, BKI invested a further \$53 million, adding to our position in Dalrymple Bay Infrastructure (DBI-ASX), participating in the block trade in June following the 23.2% sell down by Brookfield Infrastructure. Telstra Corp (TLS-ASX) was added to and BKI bought back its position in Yancoal Australia (YAL-ASX).

We added further to Amcor (AMC-ASX) following their all-stock acquisition of Berry Global and also added to the existing position in IPH Limited (IPH-ASX).

BKI sold our position in Orora (ORA-ASX) with the proceeds being used to help fund the purchase of Amcor.

During the year, BKI invested a total of \$166 million with \$154 million worth of sales. As at the end of June 2025, there were 39 stocks within the BKI Portfolio, with the Top 25 holdings and cash accounting for 89.5% of the total Portfolio. The Investment Portfolio (including cash) was valued at \$1.47 billion, with the cash position and cash equivalents representing 6.8%.

#### **Financial position**

Net assets of the Group increased during the year to \$1,442.2 million (2024: \$1,370.3 million) as result of the increased value of the investment portfolio.

#### **Employees**

The Group had no employees as at 30 June 2025 (2024: nil).

#### **Significant changes in the state of affairs**

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

#### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2025 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.

#### **Likely developments and expected results of operations**

The operations of the Group will continue with planned long-term investments in Australian equities and fixed interest securities. The Group 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.

However, 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.

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

**Environmental regulation**

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

Name:	<b>Robert Dobson Millner AO</b>
Title:	Non-Executive Director and Chair
Qualifications:	FAICD
Experience and expertise:	Mr Millner was appointed Non-executive Chair upon the Company's formation in October 2003. Mr Millner has extensive experience in the investment industry.
Other current directorships:	Washington H Soul Pattinson and Company Limited (appointed 1984, Chair since 1998) New Hope Corporation Limited (appointed 1995, Chair since 1998) Brickworks Limited (appointed 1997, Chair since 1999) Apex Healthcare Berhad (appointed 2000) TPG Telecom Limited (appointed July 2020) Aeris Resources Limited (appointed July 2022 ) Milton Corporation Limited (appointed 1998, resigned 2021 following delisting from ASX on 6 October 2021) Tuas Limited (appointed May 2020, resigned 14 May 2025)
Former directorships (last 3 years):	Chair of the Board Chair of the Investment Committee Member of the Remuneration Committee Chair of the Nomination Committee
Special responsibilities:	11,653,297
Interests in shares:	
Name:	<b>David Capp Hall AM</b>
Title:	Non-Executive Director
Qualifications:	FCA, FAICD
Experience and expertise:	Mr Hall was appointed a Non-executive Director and Chair of the Audit & Risk Committee upon the Company's formation in October 2003. Mr Hall is a Chartered Accountant with extensive experience in corporate management, finance and as a Company Director.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit & Risk Committee Member of the Remuneration Committee Member of the Nomination Committee
Interests in shares:	3,175,899

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

Name:	<b>Ian Thomas Huntley</b>
Title:	Non-Executive Director
Qualifications:	BA
Experience and expertise:	Mr Huntley joined the Board as a Non-Executive Director in February 2009. After a career in financial journalism, Mr Huntley acquired "Your Money Weekly" newsletter in 1973. Over the following 33 years, Mr Huntley built the Your Money Weekly newsletter into one of Australia's best known investment advisory publications. He and his partners sold the business to Morningstar Inc of the USA in mid-2006.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Investment Committee Member of the Remuneration Committee Member of the Audit & Risk Committee Member of the Nomination Committee
Interests in shares:	12,019,352
Name:	<b>Alexander James Payne</b>
Title:	Non-Executive Director
Qualifications:	B.Comm, Dip Cm, FCPA, FCIS, FCIM
Experience and expertise:	Mr Payne was appointed a Non-executive Director upon the Company's formation in October 2003 and has been a member of the Audit & Risk Committee since then. Mr Payne was Chief Financial Officer of Brickworks Limited for 13 years and has considerable experience in finance and investment.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Committee Member of the Investment Committee Chair of the Remuneration Committee
Interests in shares:	598,073
Name:	<b>Jacqueline Ann Clarke</b>
Title:	Non-Executive Director
Qualifications:	FCA, CTA, JP, GAICD
Experience and expertise:	Ms Clarke is an author, trusted advisor, board member, executor and veteran business executive with over 30 years of experience in the big 4, 15 of which as partner of Deloitte. Having held a number of executive roles across Australia, New Zealand and Asia, her experience covers many industries and sectors including retail, property, automotive, professional services (accounting, legal and engineering), technology, financial services, agriculture and oil & gas. Ms Clarke currently sits on the Paul Fudge Group Advisory Board, is also founder of boutique accounting and advisory firm Maxima Private and Chair of SMEG Australia.
Other current directorships:	None
Former directorships (last 3 years):	Empire Energy Group Limited (alternate Director) (appointed 16 August 2021, resigned 16 November 2023)
Special responsibilities:	Member of the Audit & Risk Committee Member of the Investment Committee Member of the Remuneration Committee
Interests in shares:	95,053

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

'Other current directorships' quoted above are current directorships for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**

On 1 June 2022, Ms Wong (CPA, LLB) was appointed as Company Secretary. Ms Wong is a finance professional having held senior roles in ASX listed companies and also a qualified lawyer with experience gained in private practice.

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board*		Investment		Audit & Risk	
	Attended	Held	Attended	Held	Attended	Held
R D Millner AO	7	7	13	13	-	-
A J Payne	8	8	13	13	2	2
D C Hall AM	9	9	-	-	2	2
I T Huntley	9	9	13	13	2	2
J A Clarke	9	9	13	13	2	2
	Remuneration		Nomination <sup>1</sup>			
	Attended	Held	Attended	Held		
R D Millner AO	2	2	-	-		
A J Payne	2	2	1	1		
D C Hall AM	2	2	1	1		
I T Huntley	2	2	1	1		
J A Clarke	2	2	-	-		

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

\* Includes a Board Sub-committee meeting and a meeting of the Independent Directors

(1) During the year, a meeting of the Nomination Committee was held in July 2024 when both Mr R D Millner and Ms J A Clarke were not members as they were each scheduled for re-election as Directors under the Company's Director rotation policy. Subsequent to each being re-elected as Directors at the 2024 AGM, Mr R D Millner and Ms J A Clarke were reappointed to the Nomination Committee.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

This remuneration report outlines the Director and Executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly.

The Company has externalised its investment management, accounting and company secretarial functions to Contact Asset Management Pty Limited, and currently has no employees.

***Remuneration Policy***

The Board is responsible for determining and reviewing remuneration arrangements, including performance incentives, for the Directors themselves and the Company Secretary. It is the Group's objective to provide maximum shareholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and Key Management Personnel fairly and appropriately with reference to relevant employment market conditions, their performance, experience and expertise.

***Elements of Director and Key Management Personnel (KMP) remuneration***

The Board's policies for determining the nature and amount of remuneration for Key Management Personnel of the Group is as follows:

- The Director Remuneration Policy and Executive Remuneration Policy are developed by the Remuneration Committee and approved by the Board. Professional advice is sought from independent external consultants if deemed appropriate.
- Key Management Personnel are eligible to receive a base fee, or salary and superannuation, combined with performance incentives if deemed appropriate by the Board.
- Performance incentives are only paid once predetermined key performance indicators have been met.
- Incentives paid in the form of shares are intended to align the interests of the Key Management Personnel with those of the shareholders.
- The Remuneration Committee reviews the remuneration packages of Key Management Personnel annually by reference to the Group's performance, KMP performance and comparable information from industry sectors.

The performance of Key Management Personnel is assessed annually by the Board. Assessment of performance incentives offered is conducted annually, based on the growth of shareholder and portfolio returns. The Board may exercise discretion in relation to approving incentives and can recommend changes to the Remuneration Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policies are designed to attract the highest calibre of KMP and reward them for performance results leading to long-term growth in shareholder wealth.

All remuneration paid to Key Management Personnel is valued at the cost to the Group and expensed. No performance incentives were paid during the 2025 financial year (2024: nil).

***Non-executive directors remuneration***

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting.

The combined annual payment to all Non-Executive Directors is capped at \$400,000 until shareholders, by ordinary resolution, approve some other fixed sum amount. The aggregate pool of remuneration paid to Non-Executive Directors was approved by shareholders on 18 October 2022. This amount is to be divided amongst the Directors as the Board may determine. These fees exclude any additional fee for any service-based agreement which may be agreed from time to time and the reimbursement of out of pocket expenses. No such payments were made in 2025 financial year (2024: nil).

***Performance-based remuneration***

BKI previously established the BKI Executive Incentive Scheme to form part of the remuneration packages of the Group's executive team.

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

The aims of the BKI Incentive Scheme are:

- (1) To promote superior performance at BKI over both the short and more importantly, long term.
- (2) To ensure remuneration is fair and reasonable market remuneration to reward staff.
- (3) To promote long term staff retention and alignment.

In July 2021 the Remuneration Committee resolved to cease making any new grants under the BKI Incentive Scheme until further notice.

*Use of remuneration consultants*

The Group did not engage remuneration consultants during the year ended 30 June 2025.

*Voting and comments made at the Company's 15 October 2024 Annual General Meeting ('AGM')*

At the 15 October 2024 AGM, 96.03% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of BKI Investment Company Limited:

- R D Millner AO – Non-Executive Director and Chair
- D C Hall AM – Non-Executive Director
- I T Huntley – Non-Executive Director
- A J Payne – Non-Executive Director
- J A Clarke – Non-Executive Director

**2025**

*Non-Executive Directors:*

	Short-term benefits	Post- employment benefits	
	Cash salary and fees \$	Super- annuation \$	Total \$
R D Millner AO	81,600	-	81,600
D C Hall AM	66,323	7,627	73,950
I T Huntley	55,807	6,418	62,225
A J Payne	55,807	6,418	62,225
J A Clarke	62,225	-	62,225
	321,762	20,463	342,225

**2024**

*Non-Executive Directors:*

	Short-term benefits	Post- employment benefits	
	Cash salary and fees \$	Super- annuation \$	Total \$
R D Millner AO	72,072	7,928	80,000
D C Hall AM	65,315	7,185	72,500
I T Huntley	54,955	6,045	61,000
A J Payne	54,955	6,045	61,000
J A Clarke	61,000	-	61,000
	308,297	27,203	335,500



**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
R D Millner AO	100%	100%	-	-	-	-
D C Hall AM	100%	100%	-	-	-	-
I T Huntley	100%	100%	-	-	-	-
A J Payne	100%	100%	-	-	-	-
J A Clarke	100%	100%	-	-	-	-

**Service agreements**

There are no service agreements with key management personnel.

**Share-based compensation**

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025.

*Options*

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2025.

**Additional disclosures relating to key management personnel**

*Shareholding - Ordinary shares*

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals/ other	Balance at the end of the year
R D Millner AO	11,572,316	-	80,981	-	11,653,297
D C Hall AM	3,050,899	-	125,000	-	3,175,899
I T Huntley	11,300,452	-	860,900	(142,000)	12,019,352
A J Payne	598,073	-	-	-	598,073
J A Clarke	95,053	-	-	-	95,053
	26,616,793	-	1,066,881	(142,000)	27,541,674

\* Directors acquired shares through the Dividend Reinvestment Plan and/or on-market purchase.

All KMP or their associated entities, being shareholders, are entitled to receive dividends.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

There were no unissued ordinary shares of BKI Investment Company Limited under option at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of BKI Investment Company Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

**Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**BKI Investment Company Limited**  
**Directors' report**  
**30 June 2025**

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the Company who are former partners of MGI Sydney Assurance Services Pty Ltd**

There are no officers of the Company who are former partners of MGI Sydney Assurance Services Pty Ltd.

**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 on page 48.

**Auditor**

MGI Sydney Assurance Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Robert D Millner AO  
Chair

21 July 2025  
Sydney

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**BKI Investment Company Limited**  
**Consolidated statement of profit or loss**  
**For the year ended 30 June 2025**

	<b>Note</b>	<b>Consolidated 2025 \$'000</b>	<b>2024 \$'000</b>
Ordinary revenue from investment portfolio	5	65,062	64,033
Revenue from bank deposits	5	4,180	3,972
Other income	5	90	-
Other gains	5	-	339
<b>Income from operating activities before special investment revenue</b>		<u>69,332</u>	<u>68,344</u>
Operating expenses	6	(2,535)	(2,453)
Discount on acquisition of controlled entity, net of expenses	11	-	22
Operating result before income tax expense and special investment revenue		66,797	65,913
Special investment revenue	5	<u>1,129</u>	<u>1,663</u>
Operating result before income tax expense		67,926	67,576
Income tax expense	7	<u>(6,067)</u>	<u>(3,184)</u>
<b>Operating result after income tax expense for the year attributable to the owners of BKI Investment Company Limited</b>	13	<u><u>61,859</u></u>	<u><u>64,392</u></u>
		<b>2025 Cents</b>	<b>2024 Cents</b>
Basic and diluted earnings per share before special investment revenue	25	7.53	7.83
Basic and diluted earnings per share after special investment revenue	25	7.67	8.03

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

**BKI Investment Company Limited**  
**Consolidated statement of other comprehensive income**  
**For the year ended 30 June 2025**

	<b>Note</b>	<b>Consolidated 2025 \$'000</b>	<b>2024 \$'000</b>
<b>Operating result after income tax expense for the year attributable to the owners of BKI Investment Company Limited</b>		61,859	64,392
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Unrealised gains on investment portfolio		61,037	51,819
Deferred tax expense on unrealised gains on investment portfolio		(18,311)	(15,605)
Realised gains on investment portfolio		38,980	11,540
Tax expense relating to realised gains on investment portfolio	7	(11,694)	(3,462)
Other comprehensive income for the year, net of tax		70,012	44,292
<b>Total comprehensive income for the year attributable to the owners of BKI Investment Company Limited</b>		<b>131,871</b>	<b>108,684</b>

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

**BKI Investment Company Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2025**

	Note	Consolidated 2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	98,440	99,399
Trade and other receivables	9	10,433	11,471
Other		42	52
Total current assets		108,915	110,922
<b>Non-current assets</b>			
Investment portfolio	10	1,474,006	1,368,669
Property, plant and equipment		1	1
Deferred tax	7	-	3,819
Total non-current assets		1,474,007	1,372,489
<b>Total assets</b>		1,582,922	1,483,411
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		296	287
Income tax	7	3,214	3,073
Total current liabilities		3,510	3,360
<b>Non-current liabilities</b>			
Deferred tax	7	137,236	109,786
Total non-current liabilities		137,236	109,786
<b>Total liabilities</b>		140,746	113,146
<b>Net assets</b>		1,442,176	1,370,265
<b>Equity</b>			
Share capital	11	1,043,626	1,039,911
Reserves	12	302,592	232,580
Retained profits	13	95,958	97,774
<b>Total equity</b>		1,442,176	1,370,265

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

**BKI Investment Company Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2025**

<b>Consolidated</b>	<b>Share capital \$'000</b>	<b>Revaluation reserve \$'000</b>	<b>Realised capital gains reserve \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023	1,016,811	206,925	(18,637)	95,962	1,301,061
Operating result after income tax expense for the year	-	-	-	64,392	64,392
Other comprehensive income for the year, net of tax	-	36,214	8,078	-	44,292
Total comprehensive income for the year	-	36,214	8,078	64,392	108,684
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 11)	23,100	-	-	-	23,100
Dividends paid (note 14)	-	-	-	(62,580)	(62,580)
Balance at 30 June 2024	1,039,911	243,139	(10,559)	97,774	1,370,265

<b>Consolidated</b>	<b>Share capital \$'000</b>	<b>Revaluation reserve \$'000</b>	<b>Realised capital gains reserve \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2024	1,039,911	243,139	(10,559)	97,774	1,370,265
Operating result after income tax expense for the year	-	-	-	61,859	61,859
Other comprehensive income for the year, net of tax	-	42,726	27,286	-	70,012
Total comprehensive income for the year	-	42,726	27,286	61,859	131,871
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 11)	3,715	-	-	-	3,715
Dividends paid (note 14)	-	-	-	(63,675)	(63,675)
Balance at 30 June 2025	1,043,626	285,865	16,727	95,958	1,442,176

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

**BKI Investment Company Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2025**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,516)	(2,511)
Dividends and distributions received		67,603	65,102
Interest received		3,806	3,826
Other revenue		90	-
Income taxes paid		(4,662)	(2,864)
		<u>          </u>	<u>          </u>
Net cash from operating activities	24	64,321	63,553
<b>Cash flows from investing activities</b>			
Payments for investments		(165,975)	(116,949)
Proceeds from sale of investment portfolio		160,655	102,698
		<u>          </u>	<u>          </u>
Net cash used in investing activities		(5,320)	(14,251)
<b>Cash flows from financing activities</b>			
Share issue transaction costs	11	(52)	(57)
Dividends paid	14	(59,908)	(55,068)
		<u>          </u>	<u>          </u>
Net cash used in financing activities		(59,960)	(55,125)
Net decrease in cash and cash equivalents		(959)	(5,823)
Cash and cash equivalents at the beginning of the financial year		99,399	105,222
		<u>          </u>	<u>          </u>
Cash and cash equivalents at the end of the financial year	8	98,440	99,399

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

**BKI Investment Company Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 1. General information**

The financial statements cover BKI Investment Company Limited as a Group consisting of BKI Investment Company Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is BKI Investment Company Limited's functional and presentation currency.

BKI Investment Company Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 302, Level 3  
1 Castlereagh Street  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 July 2025. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, financial assets at fair value through other comprehensive income.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 21.

**Financial instruments**

The Group has two portfolios of securities, the investment portfolio and the trading portfolio. The investment portfolio relates to holdings of securities which the Directors intend to retain on a long-term basis and the trading portfolio comprises securities held for short term trading purposes.

Securities are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured at fair value. Fair value is determined based on last sale price for all quoted investments. For unquoted investments, fair value is determined using valuation models that incorporate either observable or unobservable inputs.



**Note 2. Material accounting policy information (continued)**

Securities within the investment portfolio are classified as 'financial assets measured at fair value through other comprehensive income', and are designated as such upon initial recognition. Securities held within the trading portfolio are classified as 'mandatorily measured at fair value through profit or loss' in accordance with AASB 9.

Where disposal of an investment occurs, any revaluation increment or decrement relating to it is transferred from the Revaluation Reserve to the Realised Capital Gains Reserve.

**Revenue**

Sale of investments occurs when the control of the right to equity has passed to the buyer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend and distribution revenue is recognised when the right to receive a dividend or distribution has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**Income tax**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities have been recognised for Capital Gains Tax on unrealised gains in the investment portfolio at the current tax rate of 30%. As the Group does not intend to dispose of the portfolio, this tax liability may not be crystallised at the amount recognised in the statement of financial position.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Comparative figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where a retrospective restatement of items in the statement of financial position has occurred, presentation of the statement as at the beginning of the earliest comparative period has been included.

**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.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Deferred tax balances*

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112: *Income Taxes* deferred tax liabilities have been recognised for Capital Gains Tax on unrealised gains in the investment portfolio at the current tax rate of 30%.

As the Group does not intend to dispose of the portfolio, this tax liability may not be crystallised at the amount disclosed in note 7. In addition, the tax liability that arises on disposal of those securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

Apart from this, there are no other key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the next reporting period.

### Note 4. Operating segments

#### *Identification of reportable operating segments*

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. 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 5. Revenue

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
(a) Ordinary revenue from investment portfolio		
Fully franked dividends	47,432	49,674
Unfranked dividends	6,516	4,714
Trust distributions	11,114	9,645
Total ordinary revenue from investment portfolio	65,062	64,033
(b) Special investment revenue		
Fully franked dividends	1,129	1,663
(c) Revenue from bank deposits		
Interest received	4,180	3,972
(d) Other income		
Other revenue	90	-
(e) Other gains		
Net realised gain on sale of investments held for trading	-	339
Total revenue	70,461	70,007

**Note 6. Operating expenses**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Administration expenses	419	413
Employment expenses	342	335
Investment management	1,560	1,472
Professional fees	214	233
Total operating expenses	<u>2,535</u>	<u>2,453</u>

**Note 7. Income tax**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
(a) Income tax expense on operating profit before net gains on investments		
Current tax	987	(32)
Deferred tax - origination and reversal of temporary differences	4,823	4,904
Adjustment recognised for prior periods	257	(1,688)
Aggregate income tax expense	<u>6,067</u>	<u>3,184</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Operating result before income tax expense	67,926	67,576
Tax at the statutory tax rate of 30%	20,378	20,273
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Franked dividends and distributions received	(14,568)	(15,479)
Discount on the acquisition of subsidiary net of expenses	-	22
Permanent difference on reset of tax cost base following the acquisition of subsidiary	-	56
Adjustment recognised for prior periods	5,810	4,872
Income tax expense	<u>257</u>	<u>(1,688)</u>
	<u>6,067</u>	<u>3,184</u>

(b) Total tax expense

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Net income tax expense on operating profit before net gains on investments	6,067	3,184
Income tax on net realised gains/(losses) on investment portfolio	11,694	3,462
Total tax expense	<u>17,761</u>	<u>6,646</u>

**Note 7. Income tax (continued)**

(c) Movements in deferred tax assets

	Opening balance \$'000	Credited/ (charged) to statement of comprehensive income \$'000	Credited/ (charged) to equity \$'000	Closing balance \$'000
Transaction costs on equity issues	54	-	(1)	53
Accrued expenses	10	1	-	11
Realised capital tax losses	7,242	(3,487)	-	3,755
<b>Balance as at 30 June 2024</b>	<b>7,306</b>	<b>(3,486)</b>	<b>(1)</b>	<b>3,819</b>
Transaction costs on equity issues	53	-	(10)	43
Accrued expenses	11	17	-	28
Realised capital tax losses	3,755	(3,826)	-	(71)
<b>Balance as at 30 June 2025</b>	<b>3,819</b>	<b>(3,809)</b>	<b>(10)</b>	<b>-</b>

(d) Movements in deferred tax liabilities

	Opening balance \$'000	(Credited)/ charged to statement of comprehensive income \$'000	(Credited)/ charged to equity \$'000	Closing balance \$'000
Revaluation of investment portfolio	88,551	-	15,605	104,156
Unfranked dividends receivable and interest receivable	4,212	1,418	-	5,630
<b>Balance as at 30 June 2024</b>	<b>92,763</b>	<b>1,418</b>	<b>15,605</b>	<b>109,786</b>
Revaluation of investment portfolio	104,156	-	26,436	130,592
Unfranked dividends receivable and interest receivable	5,630	1,014	-	6,644
<b>Balance as at 30 June 2025</b>	<b>109,786</b>	<b>1,014</b>	<b>26,436</b>	<b>137,236</b>

**Consolidated**  
**2025**      **2024**  
**\$'000**      **\$'000**

(e) Provision for income tax

Provision for income tax	3,214	3,073
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**Note 8. Current assets - cash and cash equivalents**

**Consolidated**  
**2025**      **2024**  
**\$'000**      **\$'000**

Cash at bank	98,440	99,399
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**Note 9. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends and distributions receivable	9,524	11,050
Other receivables	202	88
Interest receivable	707	333
	<u>10,433</u>	<u>11,471</u>

**Note 10. Non-current assets - Investment portfolio**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Listed securities at fair value through other comprehensive income	1,470,557	1,368,669
Unlisted securities at fair value through other comprehensive income	3,449	-
	<u>1,474,006</u>	<u>1,368,669</u>

**Fair value measurement**

BKI measures the fair value of its trading portfolio and investment portfolio with reference to the following fair value measurement hierarchy mandated by accounting standards:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

All listed securities in the trading portfolio and investment portfolio are classified as Level 1. Unlisted securities are classified as either Level 2 or Level 3, depending on whether their fair value is based on observable or unobservable inputs. The unlisted securities at 30 June 2025 are classified as Level 2 and represent a investment in a single entity that delisted in December 2024. The investment was valued using the price calculated by the investee as the share buy-back price which represents an 18% premium to the VWAP of shares transacted in the three month period leading up to 16 September 2024.

**Note 11. Equity - Share capital**

	<b>Consolidated</b>			
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	<u>807,134,229</u>	<u>804,918,528</u>	<u>1,043,626</u>	<u>1,039,911</u>

**BKI Investment Company Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 11. Equity - Share capital (continued)**

*Movements in ordinary share capital*

Details	Shares	\$'000
Balance at 1 July 2023	791,783,319	1,016,811
Dividend reinvestment plan	4,255,803	7,512
Acquisition of controlled entity	8,879,406	15,628
Transaction costs	-	(57)
Deferred tax credit recognised directly in equity		17
Balance at 30 June 2024	804,918,528	1,039,911
Dividend reinvestment plan	2,215,701	3,767
Transaction costs		(52)
Deferred tax credit recognised directly in equity		-
Balance at 30 June 2025	<u>807,134,229</u>	<u>1,043,626</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Acquisition of controlled entity*

During the 2024 financial year, the Company acquired 100% of the shares of one unlisted investment company. The acquisition benefits BKI shareholders by increasing the size of BKI's portfolio in a cost-effective manner, and at the same time reducing the per share cost of managing the portfolio.

The Company issued 8,879,406 new shares in BKI Investment Company Limited as consideration for the acquisition, having a fair value of \$15.7 million. The acquisition resulted in BKI achieving a discount on the acquisition, which was not allocated against the assets of the company purchased because only financial assets were purchased. The discount was therefore included in "Discount on acquisition of controlled entity, net of expenses" in the Consolidated Statement of Profit or Loss.

*Capital risk management*

The Group's objective in managing capital is to provide shareholders with attractive investment returns through access to a steady stream of fully franked dividends and enhancement of capital invested, with goals of paying an enhanced level of fully franked dividends and providing attractive total returns over the medium to long term.

The Group recognises that its capital will fluctuate in accordance with market conditions, and in order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid, issue new shares from time-to-time or return capital to shareholders.

The Group's capital consists of shareholders' equity plus net debt. The movement in equity is shown in the Consolidated Statement of Changes in Equity. At 30 June 2025 net debt was \$nil (2024: \$nil).

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

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**Note 12. Equity - reserves**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revaluation surplus reserve	285,865	243,139
Capital profits reserve	16,727	(10,559)
	<u>302,592</u>	<u>232,580</u>

*Financial assets at fair value through other comprehensive income reserve*

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

*Realised capital gains reserve*

The realised capital gains reserve records net gains and losses after applicable income tax arising from the disposal of securities in the investment portfolio.

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Revaluation reserve \$'000</b>	<b>Realised capital gains reserve \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2023	206,925	(18,637)	188,288
Gross revaluation of investment portfolio	51,819	-	51,819
Deferred tax provision on unrealised gains/losses	(15,605)	-	(15,605)
Net gains on investment portfolio transferred from Statement of Comprehensive Income	-	8,078	8,078
Balance at 30 June 2024	243,139	(10,559)	232,580
Gross revaluation of investment portfolio	61,037	-	61,037
Deferred tax provision on unrealised gains/losses	(18,311)	-	(18,311)
Net gains on investment portfolio transferred from Statement of Comprehensive Income	-	27,286	27,286
Balance at 30 June 2025	<u>285,865</u>	<u>16,727</u>	<u>302,592</u>

**Note 13. Equity - retained profits**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Retained profits at the beginning of the financial year	97,774	95,962
Operating result after income tax expense for the year	61,859	64,392
Dividends paid (note 14)	(63,675)	(62,580)
Retained profits at the end of the financial year	<u>95,958</u>	<u>97,774</u>

**Note 14. Equity - dividends**

(a) Dividends paid during the year

**Consolidated**  
**2025      2024**  
**\$'000      \$'000**

Final ordinary dividend for the year ended 30 June 2024 of 4.00 cents per share (2023 final: 4.00 cents per share) fully franked at the tax rate of 30%, paid on 29 August 2024

32,197      31,671

Interim ordinary dividend for the year ended 30 June 2025 of 3.90 cents per share (2024: 3.85 cents per share) fully franked at the tax rate of 30%, paid on 28 February 2025

31,478      30,909

Total dividends paid

63,675      62,580

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

**Consolidated**  
**2025      2024**  
**\$'000      \$'000**

Total dividends paid

63,675      62,580

Less: Dividends reinvested in shares via DRP

(3,767)      (7,512)

Dividends paid in cash

59,908      55,068

(c) Franking accounting balance

**Consolidated**  
**2025      2024**  
**\$'000      \$'000**

Balance of the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables

42,609      56,493

Franking credits available for subsequent financial years based on a tax rate of 30%

42,609      56,493

Estimated impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year (refer below)

(13,837)      (13,799)

Net imputation credits available for future dividends

28,772      42,694

**Consolidated**  
**2025      2024**  
**\$'000      \$'000**

Maximum fully franked dividends payable from available franking credits at the tax rate of 30% (2024: 30%)

67,135      99,619

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

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**Note 14. Equity - dividends (continued)**

*Dividends declared after balance date*

Since the end of the year the Directors have declared a final ordinary dividend for the year ended 30 June 2025 of 4.00 cents per share fully franked at the tax rate of 30% (2024: final ordinary dividend of 4.00 cents per share fully franked at the tax rate of 30%), payable on XX August 2025, but not recognised as a liability at the year end.

**Note 15. Financial instruments**

The risks associated with the holding of financial instruments such as investments, cash, bank bills and borrowings include market risk, credit risk and liquidity risk. The Board has approved the policies and procedures that have been established to manage these risks. The effectiveness of these policies and procedures is reviewed by the Audit & Risk Committee.

**Capital risk management**

The Group invests its equity in a diversified portfolio of assets that aim to generate a growing income stream for distribution to shareholders in the form of fully franked dividends.

The capital base is managed to ensure there are funds available for investment as opportunities arise. Capital is increased annually through the issue of shares under the Dividend Reinvestment Plan. Other means of increasing capital include Rights Issues, Share Placements and Share Purchase Plans.

**Financial instruments' terms, conditions and accounting policies**

The Group's accounting policies are included in note 2, while the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are included under the appropriate note for that instrument.

**Net fair values**

The carrying amounts of financial instruments in the balance sheets approximate their net fair value determined in accordance with the accounting policies disclosed in Note 2 to the accounts.

**Credit risk**

The risk that a financial loss will occur because a counterparty to a financial instrument fails to discharge an obligation is known as credit risk.

The credit risk on the Group's financial assets, excluding investments, is the carrying amount of those assets. The Group's principal credit risk exposures arise from the investment in liquid assets, such as cash and bank bills, and income receivable.

Cash and bank bills are reviewed monthly by the Board to ensure cash is only placed with pre-approved financial institutions with low risk profiles (primarily "Big 4" banks) and that the spread of cash and bank bills between banks is within agreed limits. Income receivable is comprised of accrued interest and dividends and distributions which were brought to account on the date the shares or units traded ex-dividend.

There are no financial instruments overdue or considered to be impaired.

**Market risk**

**Price risk**

Market risk is the risk that changes in market prices will affect the fair value of a financial instrument.

The Group is a long term investor in companies and trusts and is therefore exposed to market risk through the movement of the share/unit prices of the companies and trusts in which it is invested.

The market value of the listed portfolio changes continuously because the market value of individual companies within the portfolio fluctuates throughout the day. The change in the market value of the listed and unlisted portfolio is recognised through the Revaluation Reserve. Listed and unlisted investments represent 93% (2024: 92%) of total assets.

**BKI Investment Company Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 15. Financial instruments (continued)**

As at 30 June 2025, a 5% (2024: 5%) movement in the fair value of the BKI portfolio would result in:

- A 5% movement in the net assets of BKI before provision for tax on unrealised capital gains (2024: 5%); and
- A movement of 9.1 cents per share in the net asset backing before provision for tax on unrealised capital gains (2024: 8.5 cents).

The performance of the companies within the portfolio, both individually and as a whole, is monitored by the Investment Committee and the Board.

BKI seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one Group or one sector of the market.

At 30 June 2025 and 30 June 2024, the spread of investments was in the following sectors:

	Percentage of total investment 2025 %	Percentage of total investment 2024 %	Amount 2025 \$'000	Amount 2024 \$'000
Financials	25.83	25.96	408,839	384,023
Industrials	11.35	8.17	179,502	120,800
Consumer discretionary	10.52	10.22	166,587	151,087
Materials	9.23	11.37	146,023	168,293
Energy	8.60	11.64	136,035	172,125
Telecommunications services	7.67	5.55	121,235	82,071
Consumer staples	5.54	4.94	87,550	73,079
Property	5.04	4.81	79,775	71,195
Utilities	5.02	5.25	79,384	77,636
Health care	4.38	4.62	69,076	68,360
<b>Total investments</b>	<b>93.18</b>	<b>92.53</b>	<b>1,474,006</b>	<b>1,368,669</b>
Cash, dividends and distributions receivable	6.82	7.47	107,964	110,449
<b>Total portfolio</b>	<b>100.00</b>	<b>100.00</b>	<b>1,581,970</b>	<b>1,479,118</b>

Securities representing over 5% of the investment portfolio at 30 June 2025 or 30 June 2024 were:

	Percentage of total investment 2025 %	Percentage of total investment 2024 %	Amount 2025 \$'000	Amount 2024 \$'000
Commonwealth Bank	10.1	8.7	160,178	129,042
National Australia Bank	7.4	7.4	116,970	108,690
BHP Group	6.1	8.3	96,653	123,131
Wesfarmers Limited	5.1	5.5	81,360	80,610
APA Group	5.0	5.3	79,385	77,636

The relative weightings of the individual securities and relevant market sectors are reviewed at each meeting of the Investment Committee and the Board, and risk can be managed by reducing exposure where necessary. There are no set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

*Foreign currency risk*

The Group is not exposed to foreign currency risk as all investments are quoted in Australian dollars.

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**Note 15. Financial instruments (continued)**

*Interest rate risk*

The Group is not materially exposed to interest rate risk. All cash investments are short term (up to 1 year) for a fixed rate, except for cash in operating bank accounts which are at-call and attract variable rates.

The Group has no financial liability as at 30 June 2025 (2024: Nil).

*Liquidity risk*

Liquidity risk is the risk that the Group is unable to meet financial obligations as they fall due.

The Group has no borrowings, and sufficient cash reserves to fund core operations at current levels for more than 10 years.

The Group's other major cash outflows are the purchase of securities and dividends paid to shareholders and the level of both of these is fully controllable by the Board.

Furthermore, the majority of the assets of the Group are in the form of readily tradeable securities which can be sold on-market if necessary.

**Note 16. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	322	308
Post-employment benefits	20	27
	<u>342</u>	<u>335</u>

**Note 17. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by MGI Sydney Assurance Services Pty Ltd, the auditor of the Company:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Audit services - MGI Sydney Assurance Services Pty Ltd</i>		
Audit or review of the financial statements	<u>32</u>	<u>32</u>

**Note 18. Contingent liabilities**

The Group had no contingent liabilities as at 30 June 2025 and 30 June 2024.

**Note 19. Commitments**

The Group had no capital and leasing commitments as at 30 June 2025 and 30 June 2024.

**Note 20. Related party transactions**

*Parent entity*

BKI Investment Company Limited is the parent entity.

**BKI Investment Company Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 20. Related party transactions (continued)**

*Subsidiaries*

Interests in subsidiaries are set out in note 22.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the directors' report.

*Transactions with related parties*

Contact Asset Management Pty Limited (Contact) is the Investment Manager of the Group and provides accounting, administrative, and company secretarial services, including the preparation of all financial accounts. Contact is an entity in which Mr R D Millner has an indirect interest.

Fees payable to Contact for services provided to the Parent and controlled entities for the year to 30 June 2025 were \$1,838,997 including GST (2024: \$1,748,265) and are at standard market rates. As at 30 June 2025 the Group owed \$158,851 to Contact (2024: \$149,379).

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 21. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	Parent	
	2025 \$'000	2024 \$'000
Operating result after income tax	61,862	64,155
Other comprehensive income for the year, net of tax	70,011	44,685
Total comprehensive income	131,873	108,840

**Note 21. Parent entity information (continued)**

*Statement of financial position*

	<b>Parent</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total current assets	108,840	110,844
Total non-current assets	1,690,987	1,589,469
Total assets	1,799,827	1,700,313
Total current liabilities	18,823	18,672
Total non-current liabilities	346,628	319,178
Total liabilities	365,451	337,850
Net assets	1,434,376	1,362,463
Equity		
Share capital	1,043,626	1,039,911
Reserves	303,795	233,784
Retained profits	86,955	88,768
Total equity	1,434,376	1,362,463

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**BKI Investment Company Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 22. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Brickworks Securities Pty Limited	Australia	100%	100%
Huntley Investment Company Pty Limited	Australia	100%	100%
BKI Sub2 Pty Limited (formerly Fearon Investments Pty Limited)*	Australia	100%	100%
Pacific Strategic Investments Pty Limited	Australia	100%	100%
BKI Sub Pty Limited	Australia	100%	100%

\* Fearon Investments Pty Limited changed its name to BKI Sub2 Pty Limited on 13 March 2025.

**Note 23. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2025 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.

**Note 24. Cash flow information**

*Reconciliation of operating result after income tax to net cash from operating activities*

	Consolidated	
	2025 \$'000	2024 \$'000
Operating result after income tax expense for the year	61,859	64,392
Adjustments for:		
Other non-cash expenses	-	60
Other gains - non-cash	-	(339)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,038	(740)
Decrease in income tax refund due	-	15
Decrease/(increase) in deferred tax assets	3,819	(15,563)
Decrease in prepayments	10	-
Increase/(decrease) in trade and other payables	9	(20)
Increase/(decrease) in provision for income tax	141	(1,155)
(Decrease)/increase in deferred tax liabilities	(2,555)	17,023
Decrease in other operating liabilities	-	(120)
Net cash from operating activities	<u>64,321</u>	<u>63,553</u>

*Non-cash investing and financing activities*

**Dividend reinvestment plan**

Under the terms of the dividend reinvestment plan, \$3,767,000 (2024: \$7,512,000) of dividends were paid via the issue of 2,215,701 shares (2024: 4,255,803).

**BKI Investment Company Limited**  
**Notes to the consolidated financial statements**  
**30 June 2025**

**Note 25. Earnings per share**

(a) Calculation of earnings

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating result after income tax attributable to the owners of BKI Investment Company Limited	61,859	64,392
Less: Special investment revenue	(1,129)	(1,663)
	<u>60,730</u>	<u>62,729</u>
Earnings used in calculating basic and diluted earnings per share before special investment revenue	<u>60,730</u>	<u>62,729</u>

(b) Number of shares

	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share, before and after special investment revenue	806,770,004	801,444,640
Weighted average number of ordinary shares used in calculating diluted earnings per share, before and after special investment revenue	<u>806,770,004</u>	<u>801,444,640</u>

(c) Earnings per share

	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share before special investment revenue	7.53	7.83
Basic and diluted earnings per share after special investment revenue	7.67	8.03

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**BKI Investment Company Limited**  
**Consolidated entity disclosure statement**  
**As at 30 June 2025**

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
BKI Investments Limited (parent entity)	Body Corporate	Australia		Australia
Brickworks Securities Pty Limited	Body Corporate	Australia	100%	Australia
Huntley Investment Company Pty Limited	Body Corporate	Australia	100%	Australia
BKI Sub Pty Limited	Body Corporate	Australia	100%	Australia
BKI Sub2 Pty Limited	Body Corporate	Australia	100%	Australia
Pacific Strategic Investments Pty Limited	Body Corporate	Australia	100%	Australia



**BKI Investment Company Limited**  
**Directors' declaration**  
**30 June 2025**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Robert D Millner AO  
Chair

21 July 2025  
Sydney

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**BKI INVESTMENT COMPANY LIMITED AND CONTROLLED ENTITIES**  
**ABN: 23 106 719 868**

**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 audit of BKI Investment Company Ltd and its Controlled Entities for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, 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



Clayton Lawrence  
 Director  
 Sydney, 21 July 2025

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BKI INVESTMENT COMPANY LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of BKI Investment Company Limited (the Company) and its controlled entities (together the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated income statement, consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration of the Group comprising BKI Investment Company Limited and the entities it controlled at the year end or from time to time during the year.

In our opinion, the accompanying financial report of BKI Investment Company Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- c) the financial report also complies with the *International Financial Reporting Standards* as disclosed in Note 2.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How Our Audit Addressed the Key Audit Matter
------------------	----------------------------------------------

<p><i>Valuation and Existence of the Investment Portfolio</i> Refer to Note 10</p>	
----------------------------------------------------------------------------------------	--

<p>The investment portfolio as at 30 June 2025 comprised of listed equity investments of \$1,474.01 million.</p>	
------------------------------------------------------------------------------------------------------------------	--

	<p>We tested the valuation of a representative sample of listed investments by vouching the share prices to external market information to ensure they are fairly stated.</p>
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<p>We focused on the valuation and existence of investments because investments represent the principal element of the net asset value disclosed on the Consolidated Statement of Financial Position in the financial report.</p>	
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	<p>We agreed the existence of a representative sample of listed investments by confirming shareholdings with share registries.</p>
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	<p>No material differences were identified.</p>
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<p><i>Revenue from Investments</i></p>	
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<p>ASAs presume there are risks of fraud in revenue recognition unless rebutted.</p>	
--------------------------------------------------------------------------------------	--

	<p>We assessed the accounting policy for revenue recognition for compliance with the accounting standards and performed testing to ensure that revenue had been accounted for in accordance with the accounting policy.</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>We focused on the cut-off, accuracy and completeness of dividend revenue and dividend receivables.</p>	
-----------------------------------------------------------------------------------------------------------	--

	<p>We found that the accounting policies implemented were in accordance with the accounting standards, and that revenue has been accounted for in accordance with the accounting policy.</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>We tested the accuracy and completeness of dividend revenue by agreeing the dividends and distributions of a representative sample of investments to supporting documentation obtained from share registries.</p>
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	<p>We tested the cut-off and completeness of dividend revenue and dividend receivables by checking the dividend details of a representative sample of investments from external market information and ensured that dividends that were declared before, but payable after, the reporting date were recorded.</p>
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	<p>No material differences were identified.</p>
--	-------------------------------------------------

## Other Information

The directors of the Company are responsible for the other information. The other information comprises the information in the annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit 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 audit 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.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the financial statements comply with *International Financial Reporting Standards*.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial reports.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included on pages 18 to 21 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of BKI Investment Company Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of BKI Investment Company Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

MGI Sydney Assurance Services .

MGI Sydney Assurance Services Pty Limited  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Clayton Lawrence'.

Clayton Lawrence  
Director  
Sydney, 21 July 2025

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**BKI Investment Company Limited**  
**Shareholder information**  
**30 June 2025**

The shareholder information set out below was applicable as at 30 June 2025.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	1,578	0.07
1,001 to 5,000	2,413	0.86
5,001 to 10,000	2,115	1.98
10,001 to 100,000	8,848	38.56
100,001 and over	1,316	58.53
	16,270	100.00
Holding less than a marketable parcel of 285 shares	655	-

**Equity security holders**

*Twenty largest quoted equity security holders*

The registered names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Washington H Soul Pattinson and Company Limited	64,534,868	8.00
BNP Paribas Nominees Pty Ltd - Hub24 Custodial Serv Ltd	27,589,349	3.42
HSBC Custody Nominees (Australia) Limited	16,893,395	2.09
Netwealth Investments Limited - Wrap Services A/C	12,985,373	1.61
Huntley Group Investments Pty Ltd - Huntley Group Investment A/C	8,523,274	1.06
J S Millner Holdings Pty Limited	6,484,373	0.80
Citicorp Nominees Pty Limited	5,629,599	0.70
I R McDonald Pty Ltd	3,000,000	0.37
Fennybentley Pty Ltd	2,969,200	0.37
K C Perks Investments Pty Ltd - Kym Perks S/F A/C	2,382,296	0.30
T N Phillips Investments Pty Ltd	2,365,363	0.29
John E Gill Trading Pty Ltd	2,317,950	0.29
Nibot Pty Limited - The Hall Investment A/C	2,251,845	0.28
Donald Cant Pty Ltd	2,216,771	0.27
Mr Timothy Frank Robertson - Est Francis A Robertson A/C	2,154,183	0.27
G Guglielmini Nominees Pty Ltd	2,079,878	0.26
Mr Timothy Frank Robertson	1,931,038	0.24
Jeanneau Cloud Nine Pty Ltd - Cloud Nine Family A/C	1,818,073	0.23
Mutual Trust Pty Ltd	1,771,663	0.22
Mrs Angela Jane Biven	1,731,845	0.21
	171,630,336	21.28

**BKI Investment Company Limited**  
**Shareholder information**  
**30 June 2025**

Article 5.12 of the Company's Constitution provides:

- (a) Subject to this Constitution and any rights or restrictions attached to a class of Shares, on a show of hands at a meeting of Members, every Eligible Member present has one vote.
- (b) Subject to this Constitution and any rights or restrictions attached to a class of Shares, on a poll at a meeting of Members, every Eligible Member present has:  
one vote for each fully paid up Share (whether the issue price of the  
(i) Share was paid up or credited or both) that the Eligible Member holds; and  
(ii) a fraction of one vote for each partly paid up Share that the Eligible Member holds. The fraction is equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

*Unquoted equity securities*

There are no unquoted equity securities.

**Substantial holders**

As at 30 June 2025 the name and holding of each substantial shareholder as disclosed in a notice received by the Parent is listed below. The number of shares held and percentage ownership do not necessarily reflect the current ownership levels of these shareholders, as any subsequent movements of less than 1% would not need to be disclosed to ASX or the Company.

	<b>Number held</b>	<b>% of total shares issued</b>
Washington H Soul Pattinson & Company Limited <sup>(1)</sup>	62,405,057	7.73
Brickworks Limited <sup>(2)</sup>	62,405,057	7.73

(1) Details included on substantial shareholder notice dated 26 June 2018.

(2) Details included on substantial shareholder notice dated 27 June 2018. Shares held by Brickworks Limited represent a technical relevant interest as a result of Brickworks Limited's shareholding in Washington H Soul Pattinson & Company Limited.

**Other information**

There is no current on-market buy-back in place.

There were 66 (2024: 124) transactions in securities undertaken by the Group and the total brokerage paid or accrued during the year was \$335,105 (2024: \$409,115).

**Management expense ratio**

The Management Expense Ratio ("MER") is the operating expenses of the Group for the financial year, as shown in the income statement, expressed as a percentage of the average total assets of the Group for the financial year. The table below summarises the MER for each financial year ended 30 June.

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
0.46	0.31	0.19	0.18	0.18	0.19	0.17	0.18	0.16
<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
0.15	0.16	0.17	0.17	0.17	0.17	0.18	0.17	0.17





**BKI INVESTMENT  
COMPANY LIMITED**

ABN: 23 106 719 868

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