



KINGFISH LIMITED

WARRANT TERMS OFFER DOCUMENT

2 JULY 2018

KEY TERMS

Issuer	Kingfish Limited
The Offer	<p>This is an offer of Warrants in Kingfish. Each Eligible Shareholder will be issued one Warrant for every four Shares held at 5.00pm (New Zealand time) on the Record Date (18 July 2018) (subject to rounding).</p> <p>Each Warrant gives the holder a right to buy one Share in Kingfish upon payment of the Exercise Price on the Exercise Date.</p>
Eligible Shareholders	Warrants will be issued to Kingfish Shareholders with a registered address in New Zealand and who are registered Shareholders at 5.00pm (New Zealand time) on the Record Date.
Issue price for Warrants	Nil – Eligible Shareholders will not have to make any payment to receive their entitlement of Warrants.
Approximate number of warrants to be issued	48.37m
Quotation of Warrants	<p>Application has been made to NZX for permission to quote the Warrants on the NZX Main Board and all the requirements of NZX relating to the quotation that can be complied with on or before the date of this Offer Document have been complied with. However, the Warrants have not been approved for trading and NZX accepts no responsibility for any statement in this Offer Document. NZX is a licensed market operator, and the NZX Main Board, is a licensed market under the Financial Markets Conduct Act 2013.</p> <p>If approved for trading, initial quotation of the Warrants on the NZX Main Board is expected to occur on 20 July 2018 under the ticker code KFLWE, ISIN NZKFLE0006S9.</p>
Exercise of Warrants	<p>Warrant Holders may:</p> <ul style="list-style-type: none"> » exercise some or all of their Warrants (subject to a minimum exercise of 200 Warrants) by lodging an Exercise Form, together with payment, with the Registrar by the Exercise Date; » trade some or all of their Warrants on the NZX Main Board; or » allow their Warrants to lapse. <p>Any warrants not exercised on the Exercise Date will lapse.</p>

Exercise Price	\$1.37 per Warrant, to be adjusted down for the aggregate amount per Share of any cash dividends declared on the Shares with a record date during the period commencing on the date of allotment of the Warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish.
Announcement of final Exercise Price	Kingfish will announce the final Exercise Price to the NZX at least 20 Business Days before the Exercise Date. Kingfish will also provide confirmation of the final Exercise Price to Warrant Holders by notice in writing.
How to Apply	If you are a Warrant Holder and wish to exercise any of your Warrants and subscribe for Shares, you must return a completed Exercise Form by the Exercise Date. Kingfish will send an Exercise Form to all Warrant Holders as soon as reasonably practicable after the final Exercise Price has been determined. You can also request an Exercise Form by contacting Kingfish or the Registrar.

IMPORTANT DATES

Record Date	18 July 2018
Allotment of Warrants	19 July 2018
Quotation of Warrants commences on the NZX Main Board	20 July 2018
Mailing of holding statements for Warrants	23 July 2018
Expected date of announcement of final Exercise Price	17 June 2019
Final date for trading Warrants on the NZX Main Board	10 July 2019
Exercise Date	12 July 2019
Allotment of Shares on exercise of Warrants	16 July 2019
Mailing of holding statements for Shares	22 July 2019

The dates shown above are subject to change and indicative only. Kingfish reserves the right to vary or extend these dates subject to applicable law and the Listing Rules. Changes will be advised by announcement to NZX.

Kingfish may withdraw the Offer at any time before the allotment of Warrants at its absolute discretion.

IMPORTANT NOTICE

The Offer is made to Eligible Shareholders pursuant to the exclusion in clause 19(1A) of schedule 1 of the Financial Markets Conduct Act 2013. This document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013, and does not contain all of the information that an investor would find in a product disclosure statement or which may be required to make an informed decision about the Offer or Kingfish.

The information in this Offer Document does not constitute a recommendation to exercise Warrants nor does it amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any investor, including their investment objectives, financial and/or tax position. All investments carry risk, if you are in any doubt about what action to take, you should contact an authorised financial adviser, an NZX Firm or your accountant or other professional adviser.

DEFINITIONS

Capitalised terms used in this Offer Document have defined meanings which appear in the Glossary.

All references in this Offer Document to times are to times in New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are references to New Zealand statutes and regulations.

ADDITIONAL INFORMATION ABOUT KINGFISH LIMITED

Kingfish is subject to continuous disclosure obligations under the Listing Rules which require it to notify certain material information to NZX. Market releases by Kingfish, including the most recent annual report (for the period ended 31 March 2018) are available at nzx.com under the ticker code KFL and on Kingfish's website, www.kingfish.co.nz.

Kingfish may, during the Offer, make additional releases to NZX. No release by Kingfish will permit a Warrant Holder to withdraw any previously submitted Exercise Form without Kingfish's prior consent.

The market price of Shares may increase or decrease between the date of this Offer Document and the date of allotment of new Shares upon exercise of the Warrants. Any changes in the market price of Shares will not affect the Exercise Price, and the market price of new Shares following allotment may be higher or lower than the Exercise Price. The market price of Warrants may also increase or decrease while they are quoted on the NZX Main Board.

DETAILS OF THE OFFER

THE OFFER

1. Kingfish will grant one Warrant for every four Shares held by an Eligible Shareholder of Kingfish at 5.00pm (New Zealand time) on the Record Date (18 July 2018).
2. The purpose of the Offer is to raise capital as part of Kingfish's ongoing capital management programme and provide investors with the ability to purchase additional shares in Kingfish at a pre-determined Exercise Price. The Offer also aims to increase the size of the portfolio so as to improve operational efficiency. The net proceeds of the Offer are expected to be used for further investment in the Kingfish portfolio.
4. Shareholders with a registered address outside of New Zealand who are registered at 5.00pm (New Zealand time) on the Record Date will have the Warrants they would have otherwise received issued to a nominee selected by Kingfish. This nominee will endeavour to sell the Warrants on the NZX Main Board and hold the proceeds on trust and account to those Shareholders on a pro rata basis for the proceeds (net of costs). There is no guarantee that these Warrants will be able to be sold or as to the amount of proceeds that may be received from the sale of the Warrants. Any Warrants which cannot be sold by the nominee will lapse on the Exercise Date.

GRANT OF WARRANTS

3. Warrants will only be issued to Shareholders, with a registered address in New Zealand as at 5.00pm (New Zealand time) on the Record Date. The Offer will not be made to Kingfish's overseas Shareholders as Kingfish considers that the legal requirements of other jurisdictions in which Shareholders have a registered address are such that it would be unduly onerous for Kingfish to make the Offer having regard to the low number of such Shareholders and the likely costs of complying with overseas legal requirements. This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders.
5. Warrant Holders who do not have a registered address in New Zealand and who have acquired Warrants on the NZX Main Board will be entitled to exercise those Warrants.

ROUNDING OF WARRANTS, ENTITLEMENTS AND MINIMUM HOLDING

6. If a Shareholder would receive a fraction of a Warrant by applying the 1:4 ratio, the number of Warrants to be issued to that Shareholder will be rounded up to the nearest whole number.
7. If by applying the 1:4 ratio, a Shareholder would be issued less than 200 Warrants (the Minimum Holding of Warrants under the Listing Rules), the Board will at the same time issue additional Warrants to the Shareholder so that the Shareholder is issued a total of 200 Warrants.

DETAILS OF THE OFFER CONTINUED

NZX QUOTATION

8. Application has been made to NZX for permission to quote the Warrants on the NZX Main Board. All of NZX's requirements relating to that application that can be complied with on or before the date of this Offer Document have been duly complied with. However, the Warrants have not been approved for trading and NZX accepts no responsibility for any statement in this Offer Document. NZX is a licensed market operator and the NZX Main Board is a licenced market, under the Financial Markets Conduct Act 2013.
9. It is a term of the Offer that Kingfish will take any necessary steps to ensure that the Shares are, immediately after issue, quoted on the NZX Main Board.
10. In the event that the application to NZX for permission to quote the Warrants is declined, the issue of the Warrants under the Offer will not proceed.

TRANSFER

11. A Warrant may be transferred in the same manner, and subject to the same restrictions, as a Share. The Directors will have the same powers in respect of the approval of registration of a transfer of Warrants as they have in respect of a transfer of Shares.
12. A Warrant Holder who sells their Warrants on the NZX Main Board prior to exercise, may be liable to pay brokerage fees. Following allotment, the sale of Shares may be subject to brokerage fees.

RIGHTS OF WARRANT HOLDERS

13. Each Warrant entitles the Warrant Holder to:
 - a. subscribe for one Share in Kingfish credited as fully paid, upon the payment of the Exercise Price by the Exercise Date (12 July 2019);
 - b. all information provided by Kingfish to Shareholders, including its annual and half yearly reports and notices of Shareholder meetings;
 - c. any other rights conferred on Warrant Holders by Kingfish's constitution, the Companies Act 1993 or the Listing Rules (except as provided otherwise in this Offer Document); and
 - d. attend (but not vote at) any meeting of Shareholders (or any group of Shareholders).
14. A Warrant does not entitle the Warrant Holder to:
 - a. vote at a meeting of Shareholders (or any group of Shareholders);
 - b. participate in any dividends on Shares declared by the Directors; or

- c. participate with Shareholders or the holders of any other securities in the residual assets of Kingfish upon the liquidation of the company.

EXERCISE OF WARRANTS

15. The Exercise Price is \$1.37 per Warrant, to be adjusted down for the aggregate amount per Share of any cash dividends declared on the Shares with a record date during the period commencing on the date of allotment of the Warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish.
16. If you choose to exercise any Warrants, you will be required to pay the Exercise Price for those Warrants in full by the Exercise Date. You will not be required to pay brokerage or any other charges in order to exercise your Warrants.
17. If you are a Warrant Holder and wish to exercise any of your Warrants and subscribe for Shares, you must return a completed Exercise Form by the Exercise Date. Kingfish will send an Exercise Form to all Warrant Holders as soon as reasonably practicable after the final Exercise Price has been determined. You can also request an Exercise Form by contacting Kingfish or the Registrar.
18. The completed Exercise Form must be lodged with payment (in a manner prescribed by Kingfish in the Exercise Form) of an amount equal to the Exercise Price multiplied by the number of Warrants being exercised, in time for it to be received by the Registrar no later than 5.00pm (New Zealand time) on the Exercise Date. An Exercise Form cannot be withdrawn or revoked by a Warrant Holder once it has been submitted, without Kingfish's prior consent. Further instructions for completing and returning the Exercise Form will be set out in the Exercise Form.
19. Kingfish may accept or reject any Exercise Form which it considers to have been completed incorrectly, and may correct any errors or omissions on any Exercise Form. If there is a discrepancy between the amount of application monies (by way of direct credit or cheque) and the number of Warrants being exercised as indicated on the Exercise Form, Kingfish will treat the application as being for the number of Warrants being exercised as the application monies will pay for.
20. Until the allotment of Shares, funds received by Kingfish for the exercise of Warrants will be held in a trust account by the Registrar for the benefit of the relevant Warrant Holders according to their respective entitlements and for Kingfish. Any interest on those funds will be paid to Kingfish. If the allotment of Shares does not proceed, Kingfish will refund application monies within 10 Business Days.

DETAILS OF THE OFFER CONTINUED

ALLOTMENT OF SHARES

21. All Shares issued on the exercise of Warrants will be fully paid ordinary shares and rank equally with all other Shares on issue at the date of allotment (including on a liquidation of Kingfish). Kingfish will allot Shares to Warrant Holders who validly exercise their Warrants within five Business Days after the Exercise Date.
22. If you are an existing Shareholder who chooses not to exercise their Warrant entitlement, your shareholding in Kingfish will be diluted if other warrant holders exercise Warrants and the total number of Shares on issue in Kingfish increases as a result.
23. Shares issued on the exercise of Warrants will be entitled to participate in dividends declared on the Shares which have a record date after the date of allotment of the Shares.
24. Kingfish has a distribution policy as at the date of this Offer Document to pay Shareholders (but not Warrant Holders) 2% of the company's average net asset value (NAV) per quarter. Payments are usually made in March, June, September and December of each year. A copy of Kingfish's Distribution Policy is available at www.kingfish.co.nz/about-kingfish/kingfish-policies/ under the heading 'Distribution Policy'.

ADJUSTMENTS FOR CHANGES TO CAPITAL STRUCTURE

25. The Exercise Price may be varied before the Exercise Date if Kingfish's capital is restructured, such as upon a rights issue, bonus issue, convertible securities issue, share consolidation or subdivision or a cancellation or buyback of Shares. The adjustment process is described further below.

- a. If Kingfish makes a rights issue of Shares to Shareholders before the Exercise Date (a "Rights Issue"), then the Exercise Price of any Warrants will (subject to alternative adjustments in accordance with paragraph (b) or (c) below) be adjusted in accordance with the following formula:

$$EP_{new} = EP_{old} \frac{E[AP - (S+D)]}{N+1}$$

EP_{new} = the new Exercise Price of the Warrants

EP_{old} = the old Exercise Price of the Warrants

E = the number of Shares into which one Warrant is exercisable

AP = the average market price per Share (weighted by reference to volume) during the five Business Days ending on the day before the ex date for the rights issue

S = the subscription price for a Share under the rights issue

D = any dividend due but not yet paid on the existing Shares (except dividends to be issued under the rights issue)

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share

The necessary adjustment will be determined by the Board by applying the formula set out above. The Director's determination will, in the absence of manifest error, be binding on all Warrant Holders and other persons. Any adjustment so determined will be made, and take effect, on the Business Day following the record date for the rights issue.

- b. If Kingfish makes a bonus issue to Shareholders, then the Board may resolve that the number of Shares over which a Warrant is exercisable be increased (or additional Shares may be reserved for issue on exercise of the Warrants) by the number of Shares which the Warrant Holder would have received if that Warrant had been exercised before the record date of the bonus issue.
- c. If Kingfish makes a consolidation or subdivision or similar proportionate reconstruction of the Shares, the number of Shares over which a Warrant is exercisable may be consolidated or subdivided in the same ratio and the Exercise Price amended in inverse proportion to that ratio.

d. If, notwithstanding the adjustment procedures permitted, Kingfish's capital is restructured (including a rights issue, bonus issue, convertible securities issue, consolidation, subdivision, cancellation or Share buyback) and the Board determines, upon the advice of an Independent Expert, that:

- i. the application of the formula above under paragraph (a), an adjustment permitted by paragraph (b) or the non-applicability of both such clauses may produce a result which is prejudicial or unduly advantageous (based on reasonable grounds) to Warrant Holders; or
- ii. an alternative adjustment that is not envisaged in paragraph (a), (b) or (c) could be applied,

then the number of Warrants held, the number of Shares over which a Warrant is exercisable, and the Exercise Price, or any combination thereof, may, to the extent necessary, be altered in a manner determined by the Board, upon the advice of an Independent Expert and subject always to the Listing Rules or relief granted from any applicable Listing Rule, to ensure that Warrant Holders are not prejudiced (nor unduly advantaged or disadvantaged) by the reconstruction of capital, and in all other respects the terms of the Warrants will remain unchanged. Any such adjustment will be final and binding on all Warrant Holders.

DETAILS OF THE OFFER CONTINUED

NO GUARANTEE

26. No person guarantees the Warrants or the Shares that may be issued on exercise of the Warrants. No person guarantees the future performance of Kingfish, the Warrants, the Shares or any return on investment pursuant to the Offer.
27. The Offer is not underwritten.

BROKER STAMPING FEES

28. No investor will pay brokerage on exercising the Warrants. Kingfish recognises there is an administration cost and time involved in the Warrant exercise process for brokers and, as such, pays brokers 0.4% of the total consideration payable for Warrants exercised per beneficial holder. Further details of this arrangement will be set out in the Exercise Form.

PRIVACY

29. Any personal information provided by Eligible Shareholders on the Exercise Form will be held by Kingfish and/or the Registrar at the addresses set out in the Directory. The information will be used by Kingfish and the Registrar for the purposes of administering your investment in Kingfish. This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.

GOVERNING LAW

30. The terms of the Warrants, this Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each Warrant Holder and Shareholder submits to the exclusive jurisdiction of the courts of New Zealand.

GLOSSARY

Board	The board of Directors of Kingfish
Business Day	A day on which the NZX Main Board is open for trading
Directors	The directors of Kingfish
Eligible Shareholder	A Shareholder, as at 5.00pm (New Zealand time) on the Record Date, with a registered address in New Zealand
Exercise Date	5.00pm (New Zealand time) on 12 July 2019
Exercise Form	The form of notice that must be completed by a Warrant Holder in order to exercise any of their Warrants
Exercise Price	\$1.37, less the aggregate amount per Share of any cash dividends declared on the Shares with a record date during the period commencing on the date of allotment of the Warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish
Independent Expert	An actuary, investment banker, chartered accountant, or other financial adviser selected by the Board and, in each case, being appropriately qualified and independent (having regard to the purpose of the appointment) in the reasonable opinion of the Board
Listing Rules	The listing rules of the NZX Main Board as applicable to Kingfish and in force from time to time
Kingfish	Kingfish Limited
Minimum Holding	200 Warrants or 200 Shares (as applicable)
NZX	NZX Limited
NZX Firm	A company, firm, organisation or corporation designated or authorised to trade shares on the NZX Main Board
NZX Main Board	The main board equity securities market operated by NZX
Offer	The offer of Warrants and Shares under this Offer Document
Offer Document	This offer document in respect of the Offer
Record Date	5.00pm (New Zealand time) on 18 July 2018
Registrar	The share registrar of Kingfish (as at the date of this Offer Document, being Computershare Investor Services Limited)
Share	A fully paid ordinary share in Kingfish
Shareholder	A registered holder of Shares
Warrant	A right to subscribe for one Share issued by Kingfish on the terms set out in this Offer Document
Warrant Holder	At any time, each person whose name is entered into the register maintained by the Registrar as a holder of Warrants



DIRECTORY

ISSUER

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Printed onto Advance Laser, which is produced from Elemental Chlorine Free (ECF) pulp from virgin wood. This wood is sourced from managed farmed trees in an ISO14001 and ISO9001 (International Quality Management Standard) accredited mill, that generates a portion of their power from tree waste, saving 200 million litres of diesel oil annually.