



13 September 2018

COMPANY ANNOUNCEMENT

Capilano Beekeepers Limited Support for Announced Transaction

Capilano Honey Limited (ASX:CZZ) ("**Capilano**") is pleased to advise that the holder of its Foundation Share, Capilano Beekeepers Limited ("**CBL**") has stated that it intends to support the control transaction recently announced by Capilano, in the manner outlined below.

On 13 August 2018, Capilano announced that it had entered into a scheme implementation agreement ("**Scheme Implementation Agreement**") with Bravo BidCo Pty Ltd ("**BidCo**") and Bravo HoldCo Pty Ltd ("**HoldCo**"), an entity owned by Wattle Hill RHC Fund 1 and ROC Capital Pty Ltd (the "**Consortium**"). Under the Scheme Implementation Agreement, it is proposed that BidCo will acquire 100% of the shares in Capilano by way of a scheme of arrangement ("**Scheme**").

In that ASX announcement, the Board of Capilano unanimously recommended that Capilano shareholders vote in favour of the Scheme, subject to:

- the independent expert concluding that the proposal is fair and reasonable and in the best interests of Capilano shareholders; and
- there being no superior proposal.

In context of the Board's unanimous recommendation, Capilano Beekeepers Limited ("**CBL**"), which holds the Foundation Share in Capilano (as defined in Capilano's constitution), has stated that subject to the Scheme being implemented, CBL will execute an agreement to transfer the Foundation Share to the Consortium in consideration for \$1 and representation on HoldCo's board contemplated in the Shareholders' Deed set out in Annexure D of the Scheme Implementation Agreement. The agreement will be executed at implementation of the Scheme.

Since the transaction was announced, meetings have been held between members of the Consortium and beekeepers around the country at six different locations in prominent Australian beekeeping regions. This has given beekeepers the opportunity to quiz the Consortium on their plans for Capilano, and the positive reception from beekeepers is understood to have helped the Board of CBL form its view on the transaction.

The Capilano Board strongly encourages Capilano shareholders to read the Scheme Booklet in its entirety once it is available and seek independent advice as necessary.

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