



6 November 2018

COMPANY ANNOUNCEMENT

Scheme of Arrangement

- Indicative Outcome of Elections and Scaleback Arrangement Results -

As disclosed in the Scheme Booklet dated 11 October 2018 and the Supplementary Disclosure dated 2 November 2018, Capilano Honey Limited (ASX:CZZ) (**Capilano**) has set out below the indicative outcome of Elections made by shareholders.

Capilano notes that the Election Time, being 4.00pm (Brisbane time) or 5:00pm (Sydney time) on 5 November 2018, has now passed.

The Capilano Directors continue to unanimously recommend that Capilano Shareholders approve the Scheme by voting in favour of the Scheme Resolution, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is fair and reasonable, and in the best interests of, the Capilano Shareholders.

Shareholders are reminded that the latest date and time for receipt of the proxy forms for the Scheme Meeting is 13 November 2018 at 11.00am (Brisbane time), and the Scheme Meeting will be held at 11.00am (Brisbane time) on Thursday, 15 November 2018 at the Spring Lake Hotel & Function Centre, 1 Springfield Lakes Boulevard, Springfield Lakes, Queensland.

Indicative Election Outcome – Scrip Consideration and HoldCo Share Offer

	Approximate corresponding number of HoldCo Shares ¹	Number of Capilano Shareholders
Elections for both Scrip Consideration and the HoldCo Share Offer	3,459,101	37
Elections for Scrip Consideration only	61,594	53
Total	3,520,695	90

No Scaleback

As described in the Scheme Booklet, Eligible Capilano Shareholders who elect to receive HoldCo Shares under the Scheme may be subject to the Scaleback Arrangements.

This would occur if the total number of HoldCo Shares to be issued to Capilano Shareholders (the amount of Scrip Consideration and HoldCo Shares under the HoldCo Share Offer combined) exceeds the maximum cap of 4,719,283 HoldCo Shares (or 49.9%). Based on the indicative Election outcome above, Shareholders who made a valid Election for the Scrip Consideration or elected to participate in the HoldCo Share Offer by the Election Time will **not** be subject to scaleback.

Indicative method of holding HoldCo shares

As described in the Scheme Booklet, if required to maintain the status of HoldCo as an Australian proprietary company, HoldCo will nominate a Custodian to hold HoldCo Shares on behalf of HoldCo Shareholders (other than Substantial Shareholders).

Based on the indicative Election outcome, the number of HoldCo Shareholders that will not be Substantial Shareholders will be 89.

¹ Subject to final confirmation of the validity of the elections and any withdrawals in accordance with the Supplementary Disclosure.

As a result of changes announced in the Supplementary Disclosure dated 2 November 2018, Capilano Shareholders are reminded that they may withdraw any valid Election in respect of the Scrip Consideration and the HoldCo Share Offer up until 12.00pm Sydney time (11.00am Brisbane time) on 13 November 2018.² If Eligible Capilano Shareholders who have elected to receive HoldCo Shares choose to exercise their withdrawal right, the number of HoldCo Shareholders that will not be Substantial Shareholders may decrease.

Subject to changes to the indicative Election outcome between now and the Scheme Record Date, this means that a Custodian will likely be appointed to hold those HoldCo Shares for the expected 89 HoldCo Shareholders who are not Substantial Shareholders in accordance with the Shareholders' Deed.

For further information, please contact the Capilano Shareholder Information Line on 1300 795 998 (within Australia) or +61 1300 795 998 (outside Australia).

For more information contact:

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² Capilano Shareholders who miss this deadline can call the Shareholder Information Line on 1300 795 998 to see whether a discretionary late withdrawal is possible.