

Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**To: Company Name/Surname Capilano Honey Limited (the Company)ACN/ARSN 009 686 435**1. Details of substantial holder (1)**

Name Wroxby Pty Ltd (ACN 061 621 921) (Wroxby), Australian Capital Equity Pty Ltd (ACN 009 412 328) (ACE), each of the entities listed in Annexure A (ACE Group Entities) Clabon Pty Ltd (ACN 009 451 601) (Clabon) and Kerry Matthew Stokes (Stokes), collectively, the "Substantial Holders", and Ashblue Holdings Pty Ltd (ACN 068 180 898) (Ashblue), Tiberius (Seven Investments) Pty Ltd (ACN 608 687 690) (TSI) and Kemast Investments Pty Ltd ACN 091 977 847 (Kemast)

ACN (if applicable) See aboveThere was a change in the interests of the substantial holder on 27/06/2016The previous notice was given to the company on 15/08/2014The previous notice was dated 15/08/2014**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|-----------------|--|----------------|--|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Ordinary | 1,477,892 | 17.35% (based on 8,520,198 ordinary shares on issue) | 1,737,025 | 18.37% (based on 9,457,482 ordinary shares on issue) |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|--|---|---|-------------------------|
| 27/6/2016 | Substantial Holders | Shares issued to Wroxby following an application made for its rights entitlement under a Non-renounceable pro-rata rights issue, including an additional 200 shares under the Top Up Offer, pursuant to an Offer Document dated 23 May 2016 ("Offer Document") | \$19.50 per share | 147,990 | 147,990 |
| 27/6/2016 | Substantial Holders | Issued to Wroxby following an application made pursuant to an obligation contained in a sub-underwriting agreement dated 18 May 2016 with the Underwriter as more particularly described in the Offer Document, a copy of which is attached as Annexure B. | \$19.50 per share | 111,143 | 111,143 |

4. Present relevant interest

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|---------------------------------|--|--|--------------------------------|----------------|
| Substantial Holders | Wroxby | Wroxby | <p>Wroxby's relevant interest arises under s608(1) and /or (6) of the Corporations Act as the registered holder of the securities or as party to an agreement to acquire the securities the subject of the on-market acquisitions.</p> <p>The relevant interest of ACE arises under s608(3)(a) and (b) of the Corporations Act, being a relevant interest held through a body corporate (Wroxby) in which its voting power is above 20%, and that ACE controls.</p> <p>The relevant interest of the ACE Group Entities arises under s608(3)(a) of the Corporations Act, being a relevant interest held through a body corporate (Wroxby) in which their voting power is above 20%.</p> <p>The relevant interest of Clabon, arises under s608(3)(a) of the Corporations Act, being a relevant interest held through a body corporate (ACE) which its voting power is above 20%.</p> <p>The relevant interest of Stokes arises under s608(3)(b) of the Corporations Act, being a relevant interest held through a body corporate (Wroxby) that person controls.</p> <p>As each Substantial Holder, other than Wroxby, is not the registered holder of the securities, and is not presently entitled to be registered as the holder of the securities, their ability to vote or dispose is qualified accordingly.</p> | 1,737,025 ordinary | 1,737,025 |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (8) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN (if applicable) | Nature of association |
|--|---|
| Tiberius (Seven Investments) Pty Ltd (ACN 608 687 690) | TSI is, from at least 16 October 2015, an associate of Wroxby pursuant to section 12(2)(a)(iii) as they are under the common control of Stokes. |

6. Addresses

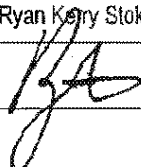
The addresses of persons in this form are as follows:

| Name | Address |
|---|--|
| Wroxby, ACE, ACE Group Entities, Ashblue, Kemast, TSI, Clabon | Level 3, 30 Kings Park Road, West Perth, WA 6005 |
| Stokes | c/- Level 3, 30 Kings Park Road, West Perth, WA 6005 |

Signature

print name Ryan Kerry Stokes capacity Director/Representative

sign here



SIGN HERE


date 27 June 2016

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Law.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg, if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is the Annexure of 1 page/s marked "A" referred to in the Form 604 signed by me and dated 27 June 2016


Ryan Kerry Stokes, Director/Representative

ANNEXURE A - ACE Group Entities

| ENTITY | ACN | ENTITY | ACN |
|--|-------------|---|-------------|
| 149 Castlereagh St Investments Pty Ltd | 154 698 807 | Fairburn Nominees Pty Limited | 065 339 746 |
| Aceinc Pty Ltd | 062 367 097 | FCP Investments Pty Ltd | 065 320 185 |
| ACE (Industrial Property) Holdings Pty Ltd | 071 106 600 | Garden Park Pty Ltd | 065 339 924 |
| ACE Property Finance Pty Ltd | 009 352 318 | Io Research Pty Ltd | 057 711 305 |
| ACE (Kimberleys) Pty Ltd | 607 368 990 | Landfill Gas and Power Holdings Pty Ltd | 058 553 478 |
| ACE P2P Pty Ltd | 009 268 124 | Mercury Endeavour Pty Ltd | 098 817 693 |
| Arvum Pty Ltd | 009 292 522 | Nerriga Pty Ltd | 008 630 135 |
| ACE (South Guildford) Holdings Pty Ltd | 608 439 838 | North Aston Pty Ltd | 009 387 606 |
| Australian Capital Equity (Developments) Pty Ltd | 067 587 679 | North Aston Operations Pty Ltd | 009 388 489 |
| Australian Capital Finance Pty Ltd | 008 560 067 | Remorex Pty Ltd | 061 621 878 |
| Australian Capital Markets Pty Ltd | 065 320 041 | TracerLock Pty Ltd | 096 869 653 |
| Binalong Pty Ltd | 009 268 099 | Wavelength Nominees Pty Ltd | 065 342 307 |
| Comserv (No 1698) Pty Ltd | 009 450 462 | West Australian Property Management Pty Ltd | 008 727 277 |
| Enviro Research Pty Ltd | 060 553 684 | White Corsair Pty Ltd | 009 330 545 |

This is the Annexure of 7 pages marked "B" referred to in the Form 604 signed by me and dated 27/06/2016.

I certify that this is a true and complete copy of the Sub-underwriting Agreement between Morgans Corporate Limited, Cannacord Genuity (Australia) Limited and Wroxby Pty Ltd dated 18 May 2016.

X



Ryan Kerry Stokes, Director/Representative

SIGNATURE

Morgans Corporate Limited
Level 29 Riverside Centre
123 Eagle Street Brisbane Queensland 4000
Telephone: 61 7 3334 4888
Facsimile: 61 7 3831 0593
www.morgans.com.au

Cannacord Genuity (Australia) Limited
Level 4, 60 Collins Street Melbourne Victoria 3000
Telephone 61 3 8688 9100
Facsimile 61 3 8688 9155
www.cannacordgenuity.com.au

18 May 2016

PRIVATE AND CONFIDENTIAL

URGENT

Attention: Wroxby Pty Ltd
Brian O'Donnell
Brian.odonnell@acequity.com.au

FAX OR EMAIL CONFIRMATION
REQUIRED BY 5pm, 18 May 2016

Dear Investor

Capilano Honey Ltd

**1 for 10 non-renounceable entitlement offer of new fully paid ordinary shares
at A\$19.50 per share to raise approximately A\$16.8 million**

SUB-UNDERWRITING LETTER

1 Transaction Details

Details of the proposed Transaction are set out below:

| | |
|----------------------------------|--|
| Offeror | Capilano Honey Ltd ABN 55 009 686 435 |
| Offer Structure | A 1 for 10, pro-rata non-renounceable entitlement offer to raise approximately A\$16.8 million (" Entitlement Offer "). The Record Date for the Offer is 7.00pm (Sydney time) Thursday, 26 May 2016. |
| Information Materials | ASX Announcement, Investor Presentation and Cleansing Statement by the Offeror each to be lodged with the ASX on or around Monday, 23 May 2016 and a Offer Document, Entitlement and Acceptance Form each to be despatched by Tuesday, 31 May 2016 and any notices regarding the Offer sent to securityholders (and any documents which supplement or amend those documents) |
| Securities | Fully paid ordinary shares in the capital of the Offeror |
| Price | A\$19.50 per Security |
| Lead Managers | Morgans Corporate Limited ABN 32 010 539 607 Cannacord Genuity (Australia) Limited ABN 65 057 547 323 |
| Shortfall Settlement Date | Friday, 24 June 2016 |
| Settlement Agent | Morgans Financial Limited |
| Offering jurisdictions | Australia, New Zealand |

US Restrictions**Regulation S Offer – Category 1 – Excluding Eligible U.S. Fund Managers****Note:**

The offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and the Securities may not be offered, sold, pledged or otherwise transferred without registration under the U.S. Securities Act (which You acknowledge none of the Offeror nor the Lead Manager has any obligation to do or to procure) unless the Securities are offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the securities laws of any state or any other jurisdiction in the United States.

2 Key documents

A timetable for the Transaction is set out in Appendix 1.

A copy of the ASX Announcement, Investor Presentation and Cleansing Statement described above will be available on the Offeror's website at www.capilano.com.au.

A copy of the Master ECM Terms, dated 7 March 2016, has been provided to You by the Lead Manager or made available on the AFMA website at <http://www.afma.com.au/standards/documentation.html>. The Master ECM Terms apply to this letter ("Letter") and terms defined in the Master ECM Terms have the same meanings in this Letter as if a reference to:

"Confirmation" were a reference to this "Letter" and

"Allocation" were a reference to the "Shortfall Securities", as defined below.

A reference in the Master ECM Terms to "these Terms" includes the terms and conditions set out in this Letter.

3 Allocation of Sub-Underwriting

The Lead Manager is pleased to confirm that you have been allocated the following sub-underwriting commitment in relation to the Securities offered under the Entitlement Offer subject to the terms and conditions set out in this Letter:

| | | |
|--|---------|-----------------|
| Number of Securities that you are sub-underwriting ("Sub-underwritten Securities") | 256,292 | A\$4,997,694.00 |
|--|---------|-----------------|

4 Sub-Underwriting Obligation

As a Sub-underwriter, you irrevocably agree to apply for, and pay the Price for, up to the number of Sub-underwritten Securities specified above in accordance with the Timetable. This commitment is separate from, and additional to, any other application to acquire Securities you may make (including taking up any entitlement as holder of Securities) and will not reduce the number of Sub-underwritten Securities you may be required to apply for.

You will be advised in accordance with the Timetable of the final number of Securities for which you are required to apply ("Shortfall Securities").

If there are Shortfall Securities you will be sent a Confirmation for the number of Shortfall Securities ("Shortfall Confirmation") and the Master ECM Terms will apply to your acquisition of Shortfall Securities as if a reference to:

the "Confirmation" were a reference to the "Shortfall Confirmation"; and

"Allocation" were a reference to the "Shortfall Securities".

The form of the Shortfall Confirmation is set out in Appendix 2.

If the Entitlement Offer is not fully subscribed by the closing date as set out in the Timetable, the resulting shortfall will revert to the sub-underwriters for subscription up to the value of the total sub-underwriting pool.

For the purpose of this agreement, the sub-underwriting pool is expected to be approximately [642,286] shares (approximately [A\$12.5] million) ("Sub-underwriting Pool").

If you accept this offer, the number of shares you will be required to subscribe for in the event of a shortfall will be Your Shortfall Securities (as calculated below). In any event, Your Shortfall Securities will not exceed your Sub-underwritten Securities.

Your Shortfall Securities will be determined in accordance with the following calculation:

$$\text{Your Shortfall Securities} = \text{Shortfall Shares}^* \times \frac{\text{Sub-underwritten Securities}}{\text{Sub-underwriting Pool}}$$

*Provided the Shortfall Shares are less than the Sub-underwriting Pool.

Shortfall Shares means the aggregate number of Entitlement Offer Shares for which the Offeror does not hold valid applications at close of the Entitlement Offer and as set out in the shortfall notice to the Lead Managers.

Where the number of Shortfall Shares is equal to or in excess of the Sub-underwriting Pool, you will be required to take up your entire Sub-underwritten Securities.

Your rights and obligations as a sub-underwriter are not capable of transfer, assignment or novation or being otherwise dealt with except with the prior written agreement of the Lead Managers.

5 Sub-underwriting Fees

The Lead Managers will pay you a:

- **sub-underwriting commitment fee** of 1.0% on the number of Sub-underwritten Securities that you are sub-underwriting multiplied by the Price (\$19.50 per Security)(the "Sub-underwriting Fee").

The amount of the Sub-underwriting Fee is inclusive of any applicable GST.

Payment of the Sub-underwriting Fee is conditional on receipt of fees by the Lead Managers under the Lead Managers Agreement. Payment will be made within 10 Business Days after receipt by the Lead Managers of the fees payable under the Lead Managers Agreement and after an invoice is received from you for your Sub-underwriting Fee.

Sub-underwriting Fees will not be payable nor will you receive any Sub-underwritten Securities if:

- you do not validly accept the sub-underwriting commitment in this Letter;
- the Offer does not proceed or is withdrawn by the Offeror;
- the Lead Managers or the Offeror do not execute the Lead Managers Agreement;
- the Lead Managers Agreement is terminated by the Lead Managers in accordance with the Lead Managers Agreement; or

- (e) your right to participate in the sub-underwriting under this Letter lapses for any reason; or
- (f) the Offeror does not pay to the Lead Managers the fees due to it under the Lead Managers Agreement.

The Sub-underwriting Fee will not be payable if you breach the terms of this Letter or the Master ECM Terms, but, unless the Lead Managers otherwise agrees in writing, you will continue to be bound to apply and pay for Shortfall Securities in accordance with this Letter.

The obligation of the Lead Managers to pay the Sub-underwriting Fee is without recourse to the Lead Managers other than for money received by the Lead Managers as underwriting fees for the Offer.

6 Acknowledgements

The General Acknowledgements and the following Additional Acknowledgements apply:

- No disclosure document lodged with ASIC;
- On-Sale of Securities; and
- Purpose of Offer.

7 Warranties

The General Warranties apply. The following warranty applies:

- you are lawfully permitted to enter into this sub-underwriting letter and to perform the obligations set out herein, in accordance with your constitution, the laws applicable in Australia and any other applicable laws.

8 Undertakings

The General Undertakings apply. No Additional Undertakings apply

9 Foreign Jurisdiction Representations

The General Foreign Jurisdiction Representations and the following Additional Foreign Jurisdiction Representations apply:

- (a) If You are located in the following foreign jurisdictions:
 - New Zealand
- (b) For all investors: Regulation S Offer – Category 1 – Excluding Eligible U.S. Fund Managers

10 Variation

The following other terms apply:

- You agree that except to the extent that liability cannot by law be excluded, the Lead Managers do not accept any responsibility in relation to the Offer and you agree to release all such persons from any claims, demands or proceedings in respect of the Offer.

11 How to accept

To confirm your irrevocable acceptance of your sub-underwriting commitment you must sign and return this Letter by 5:00pm (Sydney time) Wednesday, 18 May 2016 to the Lead Managers (to the attention of the person and to the relevant email address or fax number indicated below):

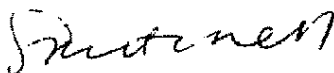
Morgans Corporate Limited
Attention: Tina Royle
Facsimile: +61 7 3831 0593
Email: tina.royle@morgans.com.au

Yours sincerely

MORGANS CORPORATE LIMITED



PHILP LEE
Executive Director, Corporate Advisory

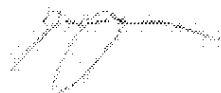


SOPHIE MITCHELL
Executive Director, Corporate Advisory

**CANACCORD GENUITY (AUSTRALIA)
LIMITED**



MARCUS FREEMAN
Chief Executive Officer



GRANT BROWN
Executive Director, Corporate Finance

Acceptance by Sub-underwriter

We confirm (for the benefit of the Offeror, the Lead Managers and each of its respective Affiliates)

our irrevocable agreement to apply for, and pay the Price for, up to the number of Sub-underwritten Securities in accordance with this Letter;

we have read and understood this Letter and the Master ECM Terms dated 7 March 2016 provided to us by the Lead Managers or available on the AFMA website at:

<http://www.afma.com.au/standards/documentation.html> as applied by and incorporated by reference into this Letter (together the "Terms") and agree to be bound by the Terms, including without limitation the Acknowledgments, Warranties, Undertakings and Foreign Jurisdiction Representations applied by and incorporated by reference into this Letter and any selling restrictions in the Information Materials; and

we understand our settlement obligations.

Execution (by an authorised signatory)

Signature

Title

DIRECTOR FINANCE & INVESTMENTS

Name

BRIAN F O'DONNELL

Date

18/5/16

Form

1

of

1

THIS LETTER MUST BE RETURNED AS SOON AS POSSIBLE BUT BY NO LATER THAN 5:00PM (SYDNEY TIME) WEDNESDAY, 18 MAY 2016 TO THE LEAD MANAGERS C/MORGANS BY FAX ON +61 7 3831 0593 (ATTN: TINA ROYLE) OR SCANNED AND EMAILED TO tina.royle@morgans.com.au

Appendix 1 – Timetable

| Key Events | Date |
|---|------------------------|
| Announcement of the Entitlement Offer and sign underwriting agreement | Thursday, 19 May 2016 |
| Record Date for the Entitlement Offer | Thursday, 26 May 2016 |
| Entitlement Offer opens | Tuesday, 31 May 2016 |
| Entitlement Offer closes | Monday, 20 June 2016 |
| Confirmation of Your Shortfall Securities | Thursday, 23 June 2016 |
| Announce results of Entitlement Offer | Thursday, 23 June 2016 |
| Settlement of Entitlement Offer | Friday, 24 June 2016 |
| Issue of New Shares under the Entitlement Offer | Monday, 27 June 2016 |

The above timetable is indicative only and may change without consultation with You. All references to dates and times are references to Sydney time.