



23 May 2016

The Companies Announcements Office
ASX Limited

Rights Issue Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001

Capilano Honey Limited ACN 009 686 435 (ASX Code: CZZ) (**Company**) has today announced a fully underwritten non-renounceable pro-rata rights issue under which eligible shareholders will be entitled to subscribe for 1 fully paid ordinary share in the Company (**New Shares**) for every 10 fully paid ordinary shares held in the Company as at the record date of 7:00 p.m. (Brisbane time) on 26 May, 2016 (**Rights Issue**). Each New Share will be issued at an issue price of \$19.50 per New Share to raise a total of approximately \$16.8 million (before transaction costs). Further details regarding the Rights Issue are provided in the Offer Document announced to the ASX today.

The Rights Issue is fully underwritten by Canaccord Genuity (Australia) Limited and Morgans Corporate Limited (jointly the **Underwriters**).

For the purposes of section 708AA(7) of the Corporations Act 2001 (**Act**), as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (collectively **ASIC Modifications**), the Company gives notice that:

1. it will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Act, as notionally modified by the ASIC Modifications;
2. this notice is given under section 708AA(2)(f) of the Act, as notionally modified by the ASIC Modifications;
3. as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (b) section 674 of the Act;
4. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be disclosed by the Company under section 708AA(7)(d) of the Act; and
5. the potential effect that the issue of the New Shares under the Rights Issue will have on the control of the Company is dependent on a number of factors, including the extent to which eligible shareholders take up their entitlement for New Shares and the extent to which they may subscribe for additional New Shares under the Top Up Offer. Given the structure of the Rights Issue as a fully underwritten pro-rata non-renounceable rights issue with a Top Up Offer, the potential effect that the issue of New Shares will have on the control of the Company is as follows:
 - (a) the percentage shareholding in the issued capital of the Company that is held by an eligible shareholder who takes up its full entitlement under the Rights Issue but does not apply for additional New Shares under the Top Up Offer, will remain the same as immediately prior to the completion of the Rights Issue;
 - (b) the percentage shareholding in the issued capital of the Company that is held by an eligible shareholder who take up its full entitlements under the Rights Issue and also applies for and is allocated additional New Shares under the Top Up Offer, will increase;

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Capilano Honey Limited ABN 55 009 686 435

- (c) the percentage shareholding in the issued capital of the Company that is held by an eligible shareholder who does not take up all or any of its entitlement under the Rights Issue, will decrease;
- (d) the percentage shareholding in the issued capital of the Company that is held by a shareholder who is not eligible to participate in the Rights Issue, will decrease;
- (e) if there remains a shortfall in the subscription for New Shares, the Underwriters will either take up that shortfall and/or place that shortfall with sub-underwriters. The Company is advised by the Underwriters that any potential shortfall under the Rights Issue is largely covered by sub-underwriting arrangements. Accordingly, the Company does not expect the Underwriters to acquire any meaningful quantity of shares that will have an effect on control of the Company; and
- (f) none of the abovementioned circumstances is expected to have any material effect on the control of the Company.



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Annette Zbasnik
Company Secretary
Capilano Honey Limited