

2 February 2007



ANNOUNCEMENT

Notice of Initial Substantial Holder

We advise that a “Notice of Initial Substantial Holder” was received today, the 2 February 2007, from Guinness Peat Group plc and its subsidiaries, acknowledging their beneficial holding of 260,477 Ordinary shares and a voting power of 5.07% in Capilano Honey Limited.

CAPILANO HONEY LIMITED

T R Morgan
Chairman

Form 603

Corporations Act
Section 671B

Notice of initial substantial holder

To Company Name/Scheme CAPILANO HONEY LIMITEDACN/ARSN 009 688 435

1. Details of substantial holder (1)

Name GUINNESS PEAT GROUP plc & its subsidiariesACN (if applicable) Incorporated and registered in England and Wales with registered number 103548The holder became a substantial holder on 31/01/07

2. Details of 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 on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary	260,477	260,477	5.07%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Guinness Peat Group plc & its subsidiaries	Beneficial owner	Ordinary 260,477

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Guinness Peat Group plc & its subsidiaries	Berne No. 132 Nominees Pty Ltd	Guinness Peat Group plc & its subsidiaries	Ordinary 260,477

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Refer Annexure "A"				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

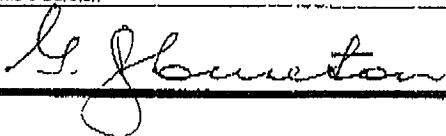
Name and ACN (if applicable)	Nature of association
Guinness Peat Group plc & its subsidiaries	Related Bodies Corporate & are therefore associates under Sections 9 & 11 of the Corporations Act

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Guinness Peat Group plc & its subsidiaries	First Floor Times Place 45 Pall Mall London SW1Y 5GP
Berne No. 132 Nominees Pty Limited	GPO Box 202 Brisbane QLD 4001

Signature

Print name	Graeme J Cureton	Capacity	Director
Sign here		Date	2 February 2007

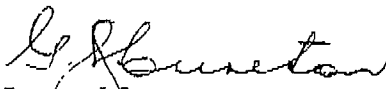
DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant 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 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's vote divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(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.
- (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) 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.

ANNEXURE "A"

This is Annexure "A" of one page referred to in the Form 603 signed by me and dated 2 February 2007.


 Graeme J Cureton
 Director

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of Acquisition	Consideration (9)		Class and number of securities	
		cash	non-cash		
Guinness Peat Group plc & its subsidiaries	06/10/06	\$1,067.99		Ordinary	291
Guinness Peat Group plc & its subsidiaries	12/10/06	\$90,721.15		Ordinary	22,622
Guinness Peat Group plc & its subsidiaries	17/10/06	\$20,745.48		Ordinary	5,158
Guinness Peat Group plc & its subsidiaries	18/10/06	\$5,972.67		Ordinary	1,485
Guinness Peat Group plc & its subsidiaries	19/10/06	\$6,435.20		Ordinary	1,600
Guinness Peat Group plc & its subsidiaries	23/10/06	\$8,044.00		Ordinary	2,000
Guinness Peat Group plc & its subsidiaries	01/11/06	\$43,437.60		Ordinary	10,800
Guinness Peat Group plc & its subsidiaries	13/11/06	\$123,169.73		Ordinary	30,624
Guinness Peat Group plc & its subsidiaries	16/11/06	\$53,166.82		Ordinary	13,219
Guinness Peat Group plc & its subsidiaries	17/11/06	\$8,888.62		Ordinary	2,210
Guinness Peat Group plc & its subsidiaries	28/11/06	\$10,762.87		Ordinary	2,676
Guinness Peat Group plc & its subsidiaries	05/12/06	\$30,165.00		Ordinary	7,500
Guinness Peat Group plc & its subsidiaries	18/12/06	\$8,836.33		Ordinary	2,197
Guinness Peat Group plc & its subsidiaries	10/01/07	\$13,835.68		Ordinary	3,440
Guinness Peat Group plc & its subsidiaries	12/01/07	\$2,011.00		Ordinary	500
Guinness Peat Group plc & its subsidiaries	16/01/07	\$8,044.00		Ordinary	2,000
Guinness Peat Group plc & its subsidiaries	19/01/07	\$39,841.93		Ordinary	9,906
Guinness Peat Group plc & its subsidiaries	24/01/07	\$112,905.58		Ordinary	28,072
Guinness Peat Group plc & its subsidiaries	29/01/07	\$60,330.00		Ordinary	15,000
Guinness Peat Group plc & its subsidiaries	31/01/07	\$44,229.93		Ordinary	10,997