

21 October 2016

Placement and Memorandum of Understanding (MOU) with China Resources Ng Fung Limited

Comvita announced today, the placement undertaken to China Resources Ng Fung Limited (China Resources Ng Fung) of 2,000,000 new ordinary shares in Comvita at \$10.60 per share, bringing China Resources Ng Fung's existing stake of less than 5% in Comvita to approximately 9.0%. China Resources Ng Fung is a leading integrated food enterprise in China, wholly-owned by China Resources Enterprise Limited.

The placement will strengthen working capital and provide funding to support several strategic initiatives currently under consideration by Comvita.

Contemporaneously, Comvita has signed a Memorandum of Understanding (MOU) with China Resources Ng Fung regarding co-operation in the Hong Kong and Mainland China market places. China Resources Ng Fung intends to assist Comvita in stocking Comvita products in stores operated by China Resources Ng Fung's affiliated retailers in Hong Kong and Mainland China, as well as assisting with regulatory processes where appropriate. China Resources Ng Fung's affiliated retailers have over 4,000 supermarket outlets in China.

This MOU with China Resources Ng Fung has the full support of our China distributor with whom we are completing a JV distribution company in China as announced to the market on 5th September 2016. It will allow Comvita to access potential channels into China for existing and future Comvita products which may otherwise be unavailable to Comvita. Further, it will reduce our dependence on the third party exporter channels that have been a feature of our China growth in the financial period ended 30 June 2016. These channels have recently been subjected to regulatory change and new taxation imposts which has impacted sales in the last few months. Our arrangements with China Resources Ng Fung, together with our existing distribution arrangements, will diminish the impact from the volatility of these channels, which however still remains important for Comvita in New Zealand and Australia.

Comvita CEO Scott Coulter, commented, "We are confident that China Resources Ng Fung will be extremely beneficial in achieving our aspirations in China including opening up more opportunities for our new distribution JV. China Resources Ng Fung is a highly reputable corporation with extensive network in Mainland China and Hong Kong and the Executives respect our culture and the need for Comvita to be a New Zealand controlled business. We are comfortable from numerous discussions that the key Executives of China Resources Ng Fung really do 'buy in' to our culture and values."

Mr Weiyong Wang, CEO of China Resources Enterprise Limited, commented, "We are delighted to be invited to be a substantial shareholder in Comvita. Comvita has been selling into China for 12 years and we hold the brand in the very highest regard. Further, we believe retention of significant New Zealand ownership in the long term was and will continue to be a vital ingredient of the business."

Ends.

For further information:

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Background information

About Comvita (www.comvita.co.nz)

Comvita (NZX:CVT) is a global natural health company committed to the development of innovative products, backed by ongoing investment in scientific research.