



Monday, January 15, 2018

2018 NON-RENOUNCEABLE RIGHTS ISSUE - UPDATE

General

City Pharmacy Limited (**City Pharmacy**) has launched its non-renounceable rights issue (**Rights Issue**) pursuant to which shareholders with a registered address in Papua New Guinea, Hong Kong, Fiji, Singapore or Australia (**Qualifying Shareholders**) are entitled to purchase additional shares (**New Shares**) in City Pharmacy.

The New Shares are not being offered to shareholders with a registered address in the United States of America, Canada or the United Kingdom because of:

- (a) The small number of shareholders in each of those jurisdictions;
- (b) The small number and value of the shares shareholders in each of those jurisdictions would be offered were the Rights Issue extended to them; and
- (c) The cost of complying with the legal requirements and the requirements of the regulatory authorities in each of those jurisdictions.

A copy of the prospectus (**Prospectus**) for the Rights Issue has been dispatched to all shareholders.

Qualifying Shareholders will receive a copy of the Prospectus together with a letter from the Chairman, a personalized entitlement and acceptance form and a partially personalized shortfall application form.

In addition to the above documents, Qualifying Shareholders with a registered address in Singapore will receive a copy of a Notice Re Important Information For City Pharmacy Shareholders With A Registered Address In Singapore. This Notice principally deals with regulatory issues in Singapore.

The Prospectus is not registered as a prospectus in any jurisdiction other than Papua New Guinea.

The Prospectus expires on 31 March 2018. No new shares will be issued on the basis of the Prospectus after that date.

City Pharmacy has applied for admission to quotation by POMSOX of the New Shares.

Each Qualifying Shareholder's entitlement to New Shares is non-renounceable and will not be tradable on POMSOX or otherwise transferable. Qualifying Shareholders who do not take up their entitlements in full will not receive any value in respect of the entitlements not taken up.

The offer of New Shares is partially underwritten.

Key Information

Certain key information concerning the Rights Issue is summarised below:

Securities being offered	1 New Share (at K0.60 each) for every 2 City Pharmacy shares held by a Qualifying Shareholder as at 5.00pm (Port Moresby time) on the Record Date of 9 January 2018.
Amount to be raised under the Offer	K43,014,438 will be raised if the maximum 71,690,730 New Shares are issued.
Proposed use of funds raised under the Offer	The proceeds of the Rights Issue after deducting associated costs will provide additional liquidity to the business and will be used by City Pharmacy to reduce existing creditor balances and to fund the re-fit and re-opening of the Waigani Central Stop 'n Shop supermarket outlet as more fully described in section 5 of the Prospectus.

Key Dates

Your attention is also drawn to the following key dates:

9 January 2018	Record Date for Offer
10 January 2018	Completion of dispatch of Prospectus and entitlement and acceptance forms to Qualifying Shareholders Offer opens
30 January 2018	Offer closes at 5.00pm (Port Moresby time)
31 January 2018	New Shares commence quotation on POMSOX on a deferred settlement basis
8 February 2018	Settlement of all applications for New Shares
9 February 2018	Issue of New Shares
12 February 2018	New Shares commence quotation on a normal settlement basis Dispatch of holding statements for New Shares

* All dates after 9 January 2018 are indicative only and are subject to change.

Application for New Shares

Shareholders who wish to apply for New Shares, must complete and return the personalised entitlement & acceptance form and/or the shortfall application form which accompanies the Prospectus. Qualifying Shareholders who have not received a personalised entitlement & acceptance form, should contact:

Ms. Brenda Igo - Senior Manager PNG

PNG Registries Limited

Ph.: +675 321 6377 or +675 321 6378 | Fax: +675 321 6379

Email: brenda@online.net.pg

By delivery: Level 2, AON Haus, MacGregor Street, Port Moresby NCD

By mail: P O Box 1265, Port Moresby NCD, Papua New Guinea

Right to obtain copies of City Pharmacy's documents

During the period that the Rights Issue remains open, City Pharmacy will provide copies of the following to any person on request, free of charge:

- (a) 2016 Annual Report (including the 2016 Audit Report);
- (b) 2017 Half Yearly Report (including the 2017 Review Report);
- (c) Any continuous disclosure notices used to notify POMSOX of information relating to City Pharmacy between 1 July 2017 and the date of this Prospectus.

Documents available for inspection

The following documents are also available for inspection during normal business hours at the registered office of City Pharmacy:

- (a) The Prospectus; and
- (b) The Constitution of City Pharmacy.

Action Required by Qualifying Shareholders

A Qualifying Shareholder may choose to:

- take up their entitlement in full – in other words, the Qualifying Shareholder may subscribe for all of that number of New Shares to which they are entitled as shown on their personalised entitlement and acceptance form;
- take up their entitlement in full and apply for new shares in excess of that entitlement;
- take up their entitlement in part – in other words, subscribe for some (but not all) of that number of New Shares to which the Qualifying Shareholder is entitled as shown on their personalised entitlement and acceptance form; or
- not take up any of their entitlement, in which case the Qualifying Shareholder should do nothing.

Entitlement not taken up

New Shares not taken up by Qualifying Shareholders will be allocated to other Qualifying Shareholders applying for New Shares in excess of their entitlement and the balance (if any) will revert to the underwriters and you will receive no benefit.

Payment

Payment for New Shares must be by bank cheque or direct deposit for the amount of the acceptance money and/or application money.

In the case of payment by bank cheque the cheque must be made payable to "PNG Registries re CPL Pro Rata Rights Issue" and crossed "Not Negotiable".

In the case of payment by direct deposit, the acceptance money and/or application money must be deposited into the following account:

PNG REGISTRIES LIMITED

CPL RIGHTS ISSUE ACCOUNT

A/C NUMBER: 7012057530 BSB CODE: 088-294

SWIFT CODE: BOSPPGPM

Do not forward cash.

Receipts for payments will not be issued.

Enquiries

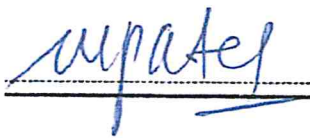
Any enquiries concerning the Rights Issue should be addressed to:

Ms. Brenda Igo - Senior Manager PNG

PNG Registries Limited

Ph.: +675 321 6377 or +675 321 6378 | Fax: +675 321 6379

Email: brenda@online.net.pg



Mahesh Patel OBE

CHAIRMAN