CITY PHARMACY LIMITED

PAPUA NEW GUINEA'S NATIONAL STOCK EXCHANGE

APPENDIX 4B

30 JUNE 2019

Appendix 4B (*not* equity accounted)

Half yearly/~~preliminary final~~ report

Name of entity

CITY PHARMACY LIMITED

Company No.	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')
1 - 11575	✓		**HALF YEAR ENDED 30 JUNE 2019**

For announcement to the market

Extracts from this report for announcement to the market (see note 1).		K'000		
Sales (or equivalent operating) revenue *(item 1.1)*	Up / ~~down~~	9.6%	to	270,937
Abnormal items after tax attributable to shareholders *(item 2.5) (Asset revaluation)*	Gain (loss) of	-		-
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders *(item 1.26) (not including abnormal)*	Up / ~~down~~	388%	to	5,822
+Operating profit (loss) after tax attributable to shareholders *(item 1.10) (not including abnormal)*	Up / ~~down~~	388%	to	5,822
+Operating profit (loss) and extraordinary items after tax attributable to shareholders *(item 1.16) (not including abnormal)*	Up / ~~down~~	388%	to	5,822

Dividends (distributions)	Amount per +security	
Final dividend *(Preliminary final report only - item 15.4)*	Nil	
~~Interim~~ dividend *(Half yearly report only - item 15.6*	Nil	
Previous corresponding period *(Preliminary final report - item 15.5; half yearly report - item 15.7)*	Nil	

+Record date for determining entitlements to the dividend,

(in the case of a trust, distribution) *(see item 15.2)*

N/A

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Consolidated profit and loss account

(The figures are not equity accounted)

		Current period - K'000	Previous corresponding period - K'000
1.1	Sales (or equivalent operating) revenue	270,937	247,163
1.2	Other revenue	4,949	19,005
1.3	**Total revenue**	**275,886**	**266,168**
1.4	**+Operating profit (loss) before abnormal items and tax**	**1,875**	**3,511**
1.5	Abnormal items before tax (detail in item 2.4)	-	-
1.6	+Operating profit (loss) before tax (items 1.4 + 1.5)	**1,875**	**3,511**
1.7	Less tax	(4,027)	2,274
1.8	+Operating profit (loss) after tax but before outside +equity interests	5,902	1,237
1.9	Less outside +equity interests	80	44
1.10	**+Operating profit (loss) after tax attributable to shareholders**	**5,822**	**1,193**
1.11	Extraordinary items after tax (detail in item 2.6)		
1.12	Less outside +equity interests	-	-
1.13	Extraordinary items after tax attributable to shareholders	-	-
1.14	**Total +operating profit (loss) and extraordinary items after tax** (items 1.8 + 1.11)	5,902	1,237
1.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	80	44
1.16	**+Operating profit (loss) and extraordinary items after tax attributable to shareholders** (items 1.10 + 1.13)	**5,822**	**1,193**
1.17	Retained profits (accumulated losses) at beginning of financial period	51,507	27,429
1.18	If change in accounting policy as set out in clause IAS 8 Account Policies, Changes in Accounting Estimates and Errors adjustments as required by that clause (include brief description)	4,503	-
1.19	Aggregate of amounts transferred from reserves	-	-
1.20	Total available for appropriation *(carried forward)*	61,832	28,622

Consolidated profit and loss account continued

1.20	Total profit available for appropriation *(brought forward)*	61,832	28,622
1.21	Dividends provided for or paid	-	-
1.22	Aggregate of amounts transferred to reserves	-	-
1.23	**Retained profits (accumulated losses) at end of financial period**	**61,832**	**28,622**

Profit restated to exclude amortisation of goodwill

		Current period K'000	Previous corresponding period K'000
1.24	+Operating profit (loss) after tax before outside +equity interests (items 1.8) and amortisation of goodwill	5,902	1,237
1.25	Less (plus) outside +equity interests	80	44
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders	**5,822**	**1,193**

Intangible, abnormal and extraordinary items

		Consolidated – current period			
		Before tax K'000	Related tax K'000	Related outside +equity interests K'000	Amount (after tax) attributable to shareholders K'000
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	-	-	-	-
2.3	**Total amortisation of intangibles**	-	-	-	-
2.4	Abnormal items	-	-	-	-
2.5	**Total abnormal items**	-	-	-	-
2.6	Extraordinary items	-	-	-	-
2.7	**Total extraordinary items**	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current year – K'000	Previous year - K'000
3.1	Consolidated +operating profit (loss) after tax attributable to shareholders reported for the *1st* half year (item 1.10 in the half yearly report)	**5,822**	**1,193**
3.2	Consolidated +operating profit (loss) after tax attributable to shareholders for the *2nd* half year	-	-

Consolidated balance sheet

(See note 5)		June 2019	December 2018	June 2018
		At end of current period K'000	As shown in last +annual report K'000	As in last half yearly report K'000
	Current assets			
4.1	Cash	23,565	32,667	9,248
4.2	Receivables	31,036	29,170	51,196
4.3	Investments	-	-	-
4.4	Inventories	82,040	84,235	79,806
4.5	Other–Prepayment, Lease Receivale & Income Tax Receivble	12,510	5,914	36,531
4.6	**Total current assets**	**149,151**	**151,986**	**176,781**
	Non-current assets			
4.7	Receivables	6,865	7,087	827
4.8	Investments	5,235	4,788	3,770
4.9	Inventories	-	-	-
4.10	Exploration for and evaluation of Mineral resources (see para .71 of IFRS 6)	-	-	-
4.11	Development properties (+mining entities)	-	-	-
4.12	Other property, plant and equipment (net)	74,668	69,030	71,351
4.13	Intangibles (net)	4,825	4,825	4,876
4.14	Other – Deferred tax asset, Lease Receivable, Right to use asset & other receivable	206,210	4,811	3,706
4.15	**Total non-current assets**	**297,803**	**90,541**	**84,530**
4.16	**Total assets**	**446,954**	**242,527**	**261,311**
	Current liabilities			
4.17	Accounts payable	73,415	83,400	77,556
4.18	Borrowings	14,465	7,628	32,609
4.19	Provisions	4,454	8,258	7,217
4.20	Other (provide details if material) – Lease Liabilities, Income tax liability	20,313	-	-
4.21	**Total current liabilities**	**112,647**	**99,286**	**117,382**
	Non-current liabilities			
4.22	Accounts payable	844	887	557
4.23	Borrowings	-	-	-
4.24	Provisions	5,425	5,469	5,934
4.25	Other (provide details if material)			
	Deferred Tax Liability & Lease Liabilities	184,424	3,835	7,144
4.26	**Total non-current liabilities**	**190,693**	**10,191**	**13,635**
4.27	**Total liabilities**	**303,340**	**109,477**	**131,017**
4.28	**Net assets**	**143,614**	**133,050**	**130,294**

Consolidated balance sheet continued

	Equity			
4.29	Capital	70,867	70,867	70,867
4.30	Reserves	9,526	9,367	24,528
4.31	Retained profits (accumulated losses)	61,832	51,507	33,663
4.32	Equity attributable to shareholders of the parent entity	142,225	131,741	129,058
4.33	Outside +equity interests in controlled entities	1,389	1,309	1,236
4.34	**Total equity**	**143,614**	**133,050**	**130,294**

4.35	Preference capital included as part of 4.32	-	-	-

Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

		Current period K'000	Previous corresponding period- K'000
5.1	Opening balance	-	-
5.2	Expenditure incurred during current period	-	-
5.3	Expenditure written off during current period	-	-
5.4	+Acquisitions, disposals, revaluation increments, etc.	-	-
5.5	Expenditure transferred to development properties	-	-
5.6	**Closing balance as shown in the consolidated balance sheet** (item 4.10)	-	-

Development properties

(To be completed only by entities with mining interests if amounts are material)

		Current period K'000	Previous corresponding period- K'000
6.1	Opening balance	-	-
6.2	Expenditure incurred during current period	-	-
6.3	Expenditure transferred from exploration and evaluation	-	-
6.4	Expenditure written off during current period	-	-
6.5	+Acquisitions, disposals, revaluation increments, etc.	-	-
6.6	Expenditure transferred to mine properties	-	-
6.7	**Closing balance as shown in the consolidated balance sheet** (item 4.11)	-	-

Consolidated statement of cash flows

(See note 6)		Current period K'000	Previous corresponding period- K'000
	Cash flows related to operating activities		
7.1	Receipts from customers	270,378	250,044
7.2	Payments to suppliers and employees	(260,325)	(283,127)
7.3	Dividends received	-	-
7.4	Interest and other items of similar nature received	-	-
7.5	Interest and other costs of finance paid	(274)	(1,761)
7.6	Income taxes paid	(155)	-
7.7	Other income/ Cash receipts from lessees	3,068	4,540
	Insurance claims	397	54,676
7.8	**Net operating cash flows**	**13,089**	**24,372**
	Cash flows related to investing activities		
7.9	Payment for purchases of property, plant and equipment	(11,464)	(14,699)
7.10	Proceeds from sale of property, plant and equipment	357	-
7.11	Payment for purchases of equity investments	-	-
7.12	Proceeds from sale of equity investments	-	-
7.13	Loans to other entities	-	-
7.14	Loans repaid by other entities	-	-
7.15	Other (provide details if material)	-	-
7.16	**Net investing cash flows**	**(11,107)**	**(14,699)**
	Cash flows related to financing activities		
7.17	Proceeds from issues of *securities (shares, options, etc.)	-	36,996
7.18	Proceeds from borrowings	-	-
7.19	Repayment of borrowings	(4,123)	(51,329)
7.20	Dividends paid	-	-
7.21	Other (provide details if material) – Repayment of lease liabilities, loans to related party	(17,921)	(74)
7.22	**Net financing cash flows**	**(22,044)**	**(14,407)**
7.23	**Net increase (decrease) in cash held**	(20,062)	(4,735)
7.24	Cash at beginning of period	29,162	(4,205)
	(see Reconciliation of cash)		
7.25	Exchange rate adjustments to item 7.24.	-	-
7.26	**Cash at end of period**	**9,100**	**(8,940)**
	(see Reconciliation of cash)		

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

None

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period K'000	Previous corresponding period- K'000
8.1	Cash on hand and at bank	23,565	9,248
8.2	Deposits at call	-	-
8.3	Bank overdraft	(14,465)	(18,188)
8.4	Other (provide details)	-	-
8.5	**Total cash at end of period** (item 7.25)	**9,100**	**(8,940)**

Ratios		Current period	Previous corresponding Period
	Profit / (Loss) before abnormals and tax / sales	1,875 / 270,937	3,511 / 247,163
9.1	Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	= 0.69%	= 1.42%
	Profit / (loss) after tax / +equity interests	5,822 / 142,225	1,193 / 131,741
9.2	Consolidated +operating profit (loss) after tax attributable to shareholders (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.32)	= 4.09%	= 0.90%

Earnings per security (EPS)		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with IAS 33: *Earnings per Share*		
	(a) Basic EPS	2.95t	0.62t
	(b) Diluted EPS (if materially different from (a))	2.95t	0.62t
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	199,972,219	199,972,219

NTA backing (see note 7)		Current period	Previous corresponding period
11.1	+Net tangible asset backing per +ordinary security	K0.69	K0.63

Details of specific receipts/outlays, revenues/ expenses

		Current period K'000	Previous corresponding period - K'000
12.1	Interest revenue included in determining item 1.4	1,897	-
12.2	Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	8,490	1,761
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5	Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.6	Depreciation and amortisation (excluding amortisation of intangibles)	18,018	4,253

Control gained over entities having material effect

(See note 8)

13.1	Name of entity (or group of entities)	-

13.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	K -
13.3	Date from which such profit has been calculated	N /A
13.4	+Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	K -

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	-

14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	K -
14.3	Date to which the profit (loss) in item 14.2 has been calculated	-
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	K -
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	K -

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with IFRS 8: Operating Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to IFRS 8 and indicates which amounts should agree with items included elsewhere in this report.

Segments	Retail	Wholesale & Tender	Properties	Total
Operating Revenue (1.1)	263,393	7,544	-	270,937
Sales to customers outside the economic entity	-	-	-	-
Inter-segment sales	-	-	-	-
Unallocated revenue	4,949	-	-	4,949
Total revenue (consolidated total equal to item 1.3)	268,342	7,544	-	275,886
Segment result (including abnormal items where relevant)	-	-	-	-
Unallocated expenses	-	-	-	-
Consolidated +operating profit / (loss) before tax (before equity accounting) (equal to item 1.6)	(1,331)	3,206	-	1,875
Segment assets (includes revaluation of fixed assets)	433,745	13,209	-	446,954
Inter-segment assets	-	-	-	-
Unallocated assets	-	-	-	-
Total assets	433,745	13,209	-	446,954

Group Assets

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) paid	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received up to 5.00 pm	N/A
15.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	N/A

Amount per security

			Amount per +security	
	(Preliminary final report only)			
15.4	**Final dividend:**	Current year	N/A	
15.5		Previous year	N/A	
	(Half yearly and preliminary final reports)			
15.6	~~**Interim**~~ **dividend:**	Current year	Nil	
15.7		Previous year	Nil	

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	N/A	N/A
15.9	Preference +securities	N/A	N/A

Half yearly report - interim dividend (distribution) on all securities *or* Preliminary final report - final dividend (distribution) on all securities

		Current period K'000	Previous corresponding period - K'000
15.10	+Ordinary securities	Nil	Nil
15.11	Preference +securities	-	-
15.12	**Total**	**Nil**	**Nil**

The +dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans

-

Any other disclosures in relation to dividends (distributions)

N/A.

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in +associated entities must be disclosed in a separate note. See IAS 28: Investments in Associates.

	Investments in associated entities	Current period K'000	Previous corresponding period- K'000
16.1	Statutory carrying value of investments in +associated entities (SCV)	5,235	3,770
16.2	Share of +associated entities' retained profits and reserves not included in SCV:	-	-
	Retained profits (losses)	-	-
	Reserves	-	-
16.3	**Equity carrying value of investments**	**5,235**	**3,770**

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to +operating profit (loss) and extraordinary items after tax (item 1.14)	
17.1 Equity accounted +associated entities	Current period	Previous corresponding period	Current period – K'000	Previous corresponding period – K'000
			Equity accounted	
Paradise Cinemas (PNG) Limited	**46.2%**	**46.2%**	**-**	**-**
Jacks Retail (PNG) Limited	**50%**	**50%**	**194**	**325**
DFS (PNG) Limited	**50%**	**50%**	**253**	**231**
17.2 Other material interests	-	-	Not equity accounted (ie part of item 1.14)	
	-	-	-	

Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of +securities		Number issued	Number quoted	Amount paid per share (toea)	
18.1	**Preference +securities** *(description)*	-			
18.2	Issued during current period	-			
18.3	**+Ordinary securities**	199,972,219	199,972,219		
18.4	Issued during current period *(Included in above)*	-	-		
18.5	**+Convertible debt securities** *(description and conversion factor)*	-	-		
18.6	Issued during current period	-	-		
18.7	**Options** *(description and conversion factor)*	-	-	*Exercise Price*	*Expiry Date (if any)*
	Ordinary Shares	-		-	-
18.8	Issued during current period	-	-	-	-
18.9	Exercised during current period *(Included in 18.3 above)*	-	-	-	-
18.10	Expired during current period	-	-	-	-
18.11	**Debentures** *(totals only)*	-	-		
18.12	**Unsecured notes** *(totals only)*	-	-		

Comments by directors

Comments on the following matters are required by POMSoX or, in relation to the half yearly report, by IAS 34: Interim Financial Reporting. The comments do not take the place of the directors' report (as required by the Companies Act 1997) and may be incorporated into the directors' report. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Attached the Chairman's statement

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and IAS 34: Interim Financial Reporting. It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]

Additional disclosure for trusts

19.1	Number of +units held by the management company or a +related party of it	N/A
19.2	A statement of the fees and commissions payable to the management company. Identify: • initial service charges • management fees • other fees	N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	-
Date	-
Time	-
Approximate date the +annual report will be available	-

Compliance statement

1 This report has been prepared under accounting policies which comply with International Financial Reporting Standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other standards acceptable to POMSoX (see note 12).

Identify other standards used | - |

2 This report, and the financial statements prepared under the Companies Act 1997 (if separate), use the same accounting policies.

3 This report does/~~does not~~* *(delete one)* give a true and fair view of the matters disclosed (see note 2).

4 This report is based on financial statements to which one of the following applies.
(Tick one)

☐	The financial statements have been audited.	☑	The financial statements have been subject to review.
☐	The financial statements are in the process of being audited or subject to review.	☐	The financial statements have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor ~~is not attached~~, details of any qualifications are attached ~~/will follow~~ immediately they are available* *(delete one)*.

6 The entity has/~~does not have~~* *(delete one)* a formally constituted audit committee.

Sign here: M Patel ..... Date: 12/09/2019 .....
(Director/C~~ompany Secre~~tary)

Print name: Mahesh Patel .....

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in IAS 18*: Revenue*.

Item 1.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax but excludes taxes treated as operating expenses.

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

(a) **Format**

The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *IAS 34*.

(b) **Basis of revaluation**

If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 9.1-9.4 of *IAS 16 :Property,Plant and Equipment*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Statement of cash flows** For definitions of "cash" and other terms used in this report see IAS 7*: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of IAS 7. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a +net tangible asset backing per +ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated +operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest K1,000. However, an entity may report exact figures, if the K'000 headings are amended.

10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.

11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +Registrar under the Companies Act 1997 must also be given to POMSoX. For example, a directors' report and statement, if lodged with the +Registrar, must be given to POMSoX.

12. **Accounting Standards** POMSoX may for foreign entities accept, for example, the use of accounting standards not approved under the Companies Act 1997 if the entity is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997.

13. [Not used]