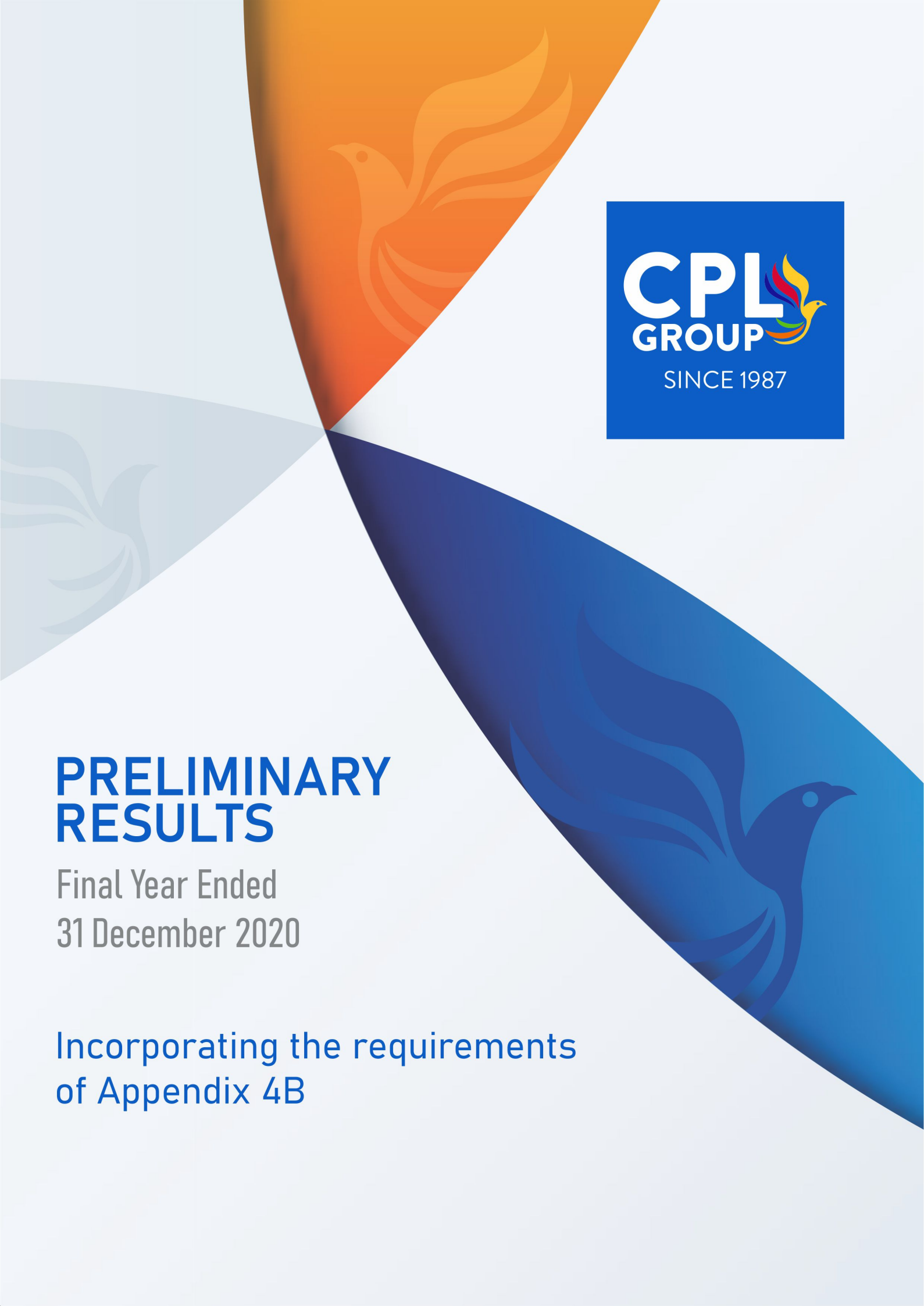

PRELIMINARY RESULTS

Final Year Ended 31 December 2020

Incorporating the requirements of Appendix 4B

Rules 4.1, 4.3

Appendix 4B (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		✓	YEAR ENDED 31 DECEMBER 2020

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~~	3.6%	to	581,429
Abnormal items after tax attributable to shareholders *(item 2.5)*	Gain (loss) of	-		-
+Operating profit after tax (before impairment of goodwill) attributable to shareholders *(item 1.26)*	~~Up~~ / down	2.5%	to	14,543
+Operating profit after tax attributable to shareholders *(item 1.10)*	~~Up~~ / down	2.5%	to	14,543
+Operating profit and extraordinary items after tax attributable to shareholders *(item 1.16)*	~~Up~~ / down	2.5%	to	14,543

Dividends (distributions)	Amount per +security	
Final dividend *(Preliminary final report only - item 15.4)* ***(Proposal for Annual Meeting authorisation)***	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)*	Nil

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 as shown in last Annual Report K'000
1.1	Sales (or equivalent operating) revenue	581,429	561,081
1.2	Other revenue	11,350	20,600
1.3	**Total revenue**	**592,779**	**581,681**
1.4	**+Operating profit before abnormal items and tax**	**12,977**	**5,560**
1.5	Abnormal items before tax (detail in item 2.4)	-	-
1.6	+Operating profit before tax (items 1.4 + 1.5)	12,977	5,560
1.7	Less tax	(1,566)	(6,681)
1.8	+Operating profit after tax but before outside +equity interests	14,543	12,241
1.9	Less outside +equity interests	(115)	87
1.10	**+Operating profit after tax attributable to shareholders**	**14,658**	**12,154**
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 and extraordinary items after tax** (items 1.8 + 1.11)	14,543	12,241
1.15	+Operating profit and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	(115)	87
1.16	**+Operating profit and extraordinary items after tax attributable to shareholders** (items 1.10 + 1.13)	**14,658**	**12,154**
1.17	Retained profits at beginning of financial period	64,383	51,507

1.18	If change in accounting policy as set out in IAS 8 Accounting policies, changes in accounting estimates and errors, adjustments as required by that clause (include brief description)	-	722
1.19	Aggregate of amounts transferred from reserves	-	-
1.20	Total available for appropriation *(carried forward)*	79,041	64,383

Consolidated profit and loss account continued

1.20	Total profit available for appropriation *(brought forward)*	79,041	64,383
1.21	Dividends provided for or paid	-	-
1.22	Aggregate of amounts transferred to reserves	-	-
1.23	**Retained profits at end of financial period**	**79,041**	**64,383**

Profit restated to exclude Impairment of goodwill

		Current period - K'000	Previous corresponding period as shown in last Annual Report K'000
1.24	+Operating profit after tax before outside +equity interests (items 1.8) and impairment of goodwill	14,543	12,241
1.25	Less (plus) outside +equity interests	(115)	87
1.26	+Operating profit after tax (before impairment of goodwill) attributable to shareholders	14,658	12,154

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	Impairment of goodwill	-	-	-	-
2.2	Impairment of other intangibles	-	-	-	-
2.3	**Total impairment of intangibles**	-	-	-	-
2.4	Abnormal items Amalgamation adjustment	-	-	-	-
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 as shown in in last Annual Report - K'000
3.1	Consolidated *operating profit after tax attributable to shareholders reported for the *1st* half year (item 1.10 in the half yearly report)	4,974	5,822
3.2	Consolidated *operating profit after tax attributable to shareholders for the *2nd* half year	9,684	6,332

Consolidated balance sheet

(See note 5)

		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	21,896	16,221	8,840
4.2	Receivables	33,824	29,361	25,352
4.3	Investments	-	-	-
4.4	Inventories	85,667	91,234	84,744
4.5	Other – Prepayments	1,857	3,460	7,551
4.6	**Total current assets**	**143,244**	**140,276**	**126,487**
	Non-current assets			
4.7	Receivables	63	3,526	-
4.8	Investments	6,864	5,282	5,143
4.9	Inventories	-	-	-
4.10	Exploration and evaluation expenditure capitalised	-	-	-
4.11	Development properties (*mining entities)	-	-	-
4.12	Other property, plant and equipment (net)	102,828	87,722	96,736
4.13	Intangibles (net)	4,825	4,825	4,825
4.14	Other (provide details if material) (Net Future Income Tax Benefit & IFRS 16)	188,156	199,426	189,093
4.15	**Total non-current assets**	**302,736**	**300,781**	**295,797**
4.16	**Total assets**	**445,980**	**441,057**	**422,284**
	Current liabilities			
4.17	Accounts payable	64,862	82,718	57,629
4.18	Borrowings	-	7,836	15,209
4.19	Provisions	5,588	3,557	4,713
4.20	Other (provide details if material) – IFRS 16	14,052	17,397	15.422
4.21	**Total current liabilities**	**84,502**	**111,508**	**92,973**
	Non-current liabilities			

4.22	Accounts payable	744	274	641
4.23	Borrowings	11,160	-	-
4.24	Provisions	4,635	5,609	5,999
4.25	Other (provide details if material) - IFRS 16	181,389	175,380	169,428
4.26	**Total non-current liabilities**	**197,928**	**181,263**	**176,068**
4.27	**Total liabilities**	**282,430**	**292,771**	**269,041**
4.28	**Net assets**	**163,550**	**148,286**	**153,243**

Consolidated balance sheet (continued)

	Equity			
4.29	Capital	70,867	70,867	70,867
4.30	Reserves	12,625	11,640	11,623
4.31	Retained profits (accumulated losses)	79,041	64,383	69,427
4.32	Equity attributable to shareholders of the parent entity	162,533	146,890	151,917
4.33	Outside +equity interests in controlled entities	1017	1,396	1,326
4.34	**Total equity**	**163,550**	**148,286**	**153,243**
4.35	Preference capital included as part of 4.32	-	-	-

Exploration and evaluation expenditure capitalised – NOT APPLICABLE

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 – NOT APPLICABLE

(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	598,938	570,780
7.2	Payments to suppliers and employees	(555,911)	(542,084)
7.3	Dividends received	-	-
7.4	Interest and other items of similar nature received	2,981	3,066
7.5	Interest and other costs of finance paid	(617)	(2,072)
7.6	Income taxes paid	(340)	(3,645)
7.7	Other income	2,613	2,360
	Insurance claims	93	3,347
7.8	**Net operating cash flows**	**47,757**	**31,752**
	Cash flows related to investing activities		
7.9	Payment for purchases of property, plant and equipment	(26,044)	(28,652)
7.10	Proceeds from sale of property, plant and equipment	53	489
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**	**(25,991)**	**(28,163)**
	Cash flows related to financing activities		
7.17	Proceeds from issues of +securities (shares, options, etc.)	-	-

7.18	Proceeds from borrowings	4,621	208
7.19	Repayment of borrowings	(25,091)	(19,108)
7.20	Dividends paid	-	-
7.21	Other (provide details if material, i.e. bank overdraft)	4,379	(1,135)
7.22	**Net financing cash flows**	**(16,091)**	**(20,035)**
7.23	**Net increase (decrease) in cash held**	**5,675**	**(16,446)**
7.24	Cash at beginning of period *(see Reconciliation of cash)*	**16,221**	**32,667**
7.25	Exchange rate adjustments to item 7.24.		
7.26	**Cash at end of period** *(see Reconciliation of cash)*	**21,896**	**16,221**

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.

NIL

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	21,669	9,728
8.2	Deposits at call	227	6,493
8.3	Bank overdraft	-	-
8.4	Other (provide details)		
8.5	**Total cash at end of period** (item 7.25)	**21,896**	**16,221**

Ratios

		Current period	Previous corresponding Period
	Profit before abnormals and tax / sales	12,977 / 581,429	5,560 / 561,081
9.1	Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	= 2.23%	= 1.00%
	Profit after tax / +equity interests	14,543 / 159,533	12,154 / 146,890
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)	= 9.11%	= 8.27%

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	K 0.07	K 0.06
	(b) Diluted EPS (if materially different from (a))	K 0.07	K 0.06
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	206,277,911	199,972,219

NTA backing (see note 7)		Current period	Previous corresponding period
11.1	+Net tangible asset backing per +ordinary security	K 0.77	K 0.72

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	2,981	3,511
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.)	15,283	16,930
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 impairment of intangibles)	33,868	36,775

Control gained over entities having material effect

(See note 8)

13.1	Name of entity (or group of entities)	N/A
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	
13.3	Date from which such profit has been calculated	

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	-

Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	N/A
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 K'000	Wholesale & Tender K'000	Total K'000
Operating Revenue	552,000	29,429	581,429
Sales to customers outside the economic entity	-	-	-
Inter-segment sales	-	-	-
Unallocated revenue	-	-	-
Total revenue (consolidated total equal to item 1.3)	552,000	29,429	581,429
Segment result (including abnormal items where relevant)	-	-	
Unallocated expenses	-	-	
Consolidated +operating profit before tax (before equity accounting) (equal to item 1.6)	6,371	6,606	12,977
Segment assets	429,875	13,105	442,980
Inter-segment assets	-	-	-
Unallocated assets	-	-	-
Total assets	428,875	13,105	442,980

Dividends (in the case of a trust, distributions)

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

Amount per security

			Amount per *security	
	(Preliminary final report only)			
15.4	**Final dividend:**	Current year	Nil	
	(Proposal to be put to Annual Meeting)			
15.5		Previous year	Nil	
	(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) – subject to authorisation

(Preliminary final report only)

		Current year	Previous year
15.8	*Ordinary securities	Nil	Nil
15.9	Preference *securities	Nil	Nil

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 – recommended	-	-
15.11	Preference *securities	-	-
15.12	**Total**	-	-

The *dividend or distribution plans shown below are in operation.b

N/A

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

Any other disclosures in relation to dividends (distributions)

NIL

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 AASB 1016: Disclosure of Information about Investments in Associated Companies.

	Investments in associated entities	Current period K'000	Previous corresponding period- K'000
16.1	Statutory carrying value of investments in +associated entities (SCV)	6,864	5,282
16.2	Share of +associated entities' retained profits and reserves not included in SCV:	-	-
	Retained profits	-	-
	Reserves	-	-
16.3	**Equity carrying value of investments**	**6,864**	**5,282**

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	**46.20%**	**46.20%**	**-**	**-**
Jacks Retail (PNG) Limited	**50%**	**50%**	**687**	**485**
DFS PNG Limited	**50%**	**50%**	**895**	**312**
17.2 Other material interests	-	-	Not equity accounted (ie part of item 1.14)	
Total	**-**	**-**	**1,582**	**797**

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 at 31/12/2020**	**206,277,911**	-		
18.4	Issued during current period (as a result of share split of 1:3)	-	-		
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)*
	At 31/12/2019	-	-	-	-
18.8	Issued during current period	-	-	-	-
18.9	Exercised during current period	-	-	-	-
18.10	Expired during current period	-	-	-	-
18.11	**Debentures** *(totals only)*	-	-		
18.12	**Unsecured notes** *(totals only)*	-	-		

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 IFRS. 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.]

Comments by directors

Comments on the following matters are required by POMSoX or, in relation to the annual report, by IFRS: Annual Accounts and Consolidated Accounts. 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

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Nil

Changes in accounting policies since the last +annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with IFRS: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with IFRS: Accounting Policies-Disclosure.)

Nil

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	NIL

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	City Pharmacy Ltd., Lamana Hotel NCD, Port Moresby
Date next	10 June 2021
Time	2:00pm
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: ..... Date: 17 MARCH 2021
(Director/Company Secretary)

Print name: SIR MAHESH PATEL, OBE

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 IFRS.

   (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]