

Appendix 3B

New issue announcement

The information in this form must be given to POMS0X if an entity proposes to issue ⁺securities. Information or documents not available now must be given to POMS0X as soon as available.

Information and documents given to POMS0X become POMS0X's property and may be made public.

Name of entity

City Pharmacy Limited

We (the entity) give POMS0X the following information.

Part 1 - All issues

1 ⁺Class of ⁺securities to be issued

Ordinary

2 Number of ⁺securities to be issued

71,690,730

3 Issue price of the ⁺securities

60 PNG Toea per share

4 If the ⁺securities are ⁺convertible, a summary of their main terms

N/A

5 The amount to be raised by the issue

PGK 43,014,438

6 Is there a right to accept or retain over-subscriptions?

Yes

If so, give details

7 Purpose of the issue

Raise working capital. The proceeds of the 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

- 8 Will the *securities participate in dividends (in the case of a trust, distributions) or interest?

If so, give the date from which they will participate, and the extent to which they will participate.

The securities will participate with the other ordinary shares in all future dividends declared in respect of the company's ordinary shares.

- 9 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests).

No change to dividend policy.

Part 2 - Issue to a class of security holders

- 10 If the issue is to a *class of *security holders, is it renounceable or non-renounceable?

Non-renounceable

- 11 Ratio in which the *securities will be offered

1 for 2

- 12 *Class of *securities to which the offer relates

ordinary shares

- 13 *Record date to determine entitlements

9 January 2018

- 14 Will holdings on different registers be aggregated for calculating entitlements?

N/A

- 15 Policy for deciding entitlements in relation to fractions

Round down to the nearest whole share

- 16 Names of countries in which the entity has *security holders who will not be sent new issue documents

United States of America, Canada and England.

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

- 17 Closing date for receipt of acceptances or renunciations

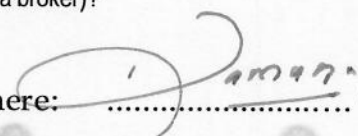
30 January 2018

18	Places where applications may be lodged	<p>PNG Registries Limited Level 2, AON Haus McGregor Street P O Box 1265 Port Moresby</p>
19	Amount payable on acceptance	<p>K0. 60 per share</p>
20	<p>If the *securities are partly paid, future call dates and amounts payable Cross reference: rule 2.1 Condition 4.</p>	<p>N/A</p>
21	Names of any underwriters	<p>MRL Capital Limited Rolex Investments Limited Almana Holdings Pte Ltd and Lokumal & Co. (Hong Kong) Limited.</p>
22	Amount of any underwriting fee or commission	<p>Each underwriter will receive 2% of the amount underwritten by that underwriter.</p>
23	<p>Are there any clauses in an underwriting agreement that may affect the obligations of an underwriter? If so, give details, and identify those that may be invoked before the issue opens and those that may be invoked after it opens</p>	<p>No</p>
24	Names of any brokers to the issue	<p>N/A</p>
25	Fee or commission payable to the broker to the issue	<p>N/A</p>

26	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	N/A
27	If the issue is contingent on *security holders' approval, the date of the meeting	N/A
28	Date documents will be sent to +persons entitled	10 January 2018
29	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
30	How will entitlements not taken up by *security holders be dealt with?	Entitlements not taken up by shareholders may be taken up by other shareholders. New Shares not taken up by any shareholder will revert to the Underwriters and shareholders will receive no benefit.
31	Will the securities be quoted? Cross reference: rule 2.8.	Yes
32	Date rights trading will begin (if applicable)	N/A
33	Date rights trading will end (if applicable)	N/A
34	How do *security holders accept their entitlements in full?	By completing the Entitlement & Acceptance Form and, as applicable, the Shortfall Application Form
35	How do *security holders sell their entitlements <i>in full</i> through a broker?	N/A
36	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

37 How do *security holders *dispose of their entitlements (except by sale through a broker)?

N/A

Sign here:  Date: 22 December 2017

Print name: **Raman Kumar**

Company secretary