

City Lodge Hotels Limited  
(Incorporated in the Republic of South Africa)  
(Reg. No. 1986/002864/06)  
Share Code: CLH ISIN Code: ZAE000117792  
("City Lodge" or the "Company" or the "Group")

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## **PUBLICATION OF RIGHTS OFFER CIRCULAR**

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Further to the Rights Offer declaration announcement released on SENS on 21 July 2020 and the Rights Offer finalisation announcement released on SENS on 30 July 2020, Shareholders are advised that the Rights Offer Circular has been made available on the City Lodge website at [www.clhg.com](http://www.clhg.com) and will be posted to Qualifying Certificated Shareholders today, 6 August 2020.

Where applicable, the Rights Offer Circular will be posted to Qualifying Dematerialised Shareholders on 11 August 2020.

The salient dates and times of the Rights Offer remain unchanged from those published in the declaration announcement on 21 July 2020.

**Capitalised terms used in this announcement bear the same meaning as the capitalised and defined terms used in the Rights Offer Circular.**

Johannesburg  
6 August 2020

**Financial Advisor, Underwriter, Bookrunner  
and JSE Transaction Sponsor to City Lodge**

The Standard Bank of South Africa Limited

**Legal Adviser to Standard Bank  
as to South African law**

Allen & Overy (South Africa) LLP

**Legal Adviser to Standard Bank  
as to US and English law**

Allen & Overy LLP

**Independent Reporting Accountants and  
Auditors**

KPMG Inc.

**Legal Adviser to City Lodge  
as to South African law**

Edward Nathan Sonnenbergs Inc.

**Legal Adviser to City Lodge  
as to US and English law**

Shearman & Sterling (London) LLP

**Transfer Secretaries of City Lodge**

Computershare Investor Services Proprietary Limited

**Independent Corporate Adviser to the Independent  
Board of City Lodge**

Questco Proprietary Limited

## **IMPORTANT NOTICE**

The Rights Offer is being made in accordance with the South African Companies Act No. 71 of 2008, as amended (the "Companies Act") and is only addressed to persons to whom it may lawfully be made. By subscribing for any Rights Offer Shares or purchasing any Letters of Allocation, you will be deemed to have represented and agreed that: (i) you are not (and any person

for whom you are acting is not) a Restricted Shareholder or otherwise (a) a resident in any jurisdiction in which such offer would be unlawful or (b) a person to whom the Rights Offer may not lawfully be made; and (ii) you have received all necessary information required to make an informed investment decision.

This Announcement is not an offer of new City Lodge Ordinary Shares, or an invitation to exercise any of the Rights pursuant to the Letters of Allocation, in any jurisdiction in which such offer would be unlawful. In a number of countries, in particular in the United States and the Restricted Territories, the distribution of this Announcement, the exercise of Rights pursuant to the Letters of Allocation, the offer of the Rights Offer Shares, as well as the sale of the Rights Offer Shares, are subject to restrictions imposed by law (such as registration, admission or other regulations). No action has been or will be taken by City Lodge or by the Underwriter to permit the possession or distribution of this Announcement (or any Letter of Allocation) in any jurisdiction where such distribution may otherwise lead to a breach of any law or regulatory requirement. The securities referred to in this Announcement (the "Securities") have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. No public offering of the Securities is being made in the United States.

Accordingly, neither this Announcement nor any advertisement nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will be in compliance with applicable laws and regulations. Persons into whose possession this Announcement may come are required to inform themselves about and comply with such restrictions, in particular not to publish or distribute this Announcement in violation of applicable securities regulations. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. This Announcement does not constitute an offer to sell the Letters of Allocation or the Rights Offer Shares to any person in any jurisdiction in which it is unlawful to make such offer to such person, or a solicitation of an offer to buy the Letters of Allocation or the Rights Offer Shares from a person in a jurisdiction in which it is unlawful to make such solicitation.

No person is or has been authorised to give information or to make any representation regarding this Rights Offer other than those contained in this Announcement and, if given or made, such information or representations shall not be relied upon as having been so authorised. In particular, save as expressly stated elsewhere in this Announcement, the contents of City Lodge's website are not incorporated by reference into this Announcement and do not form a part of this Announcement, and investors should not rely on them. No representation or warranty, express or implied, is made by the Underwriter as to or in respect of the contents of this Announcement, or in relation to the accuracy, completeness or verification of the information contained in this Announcement, and nothing contained in this Announcement is, or shall be relied upon as, a promise or representation by the Underwriter in this respect, whether as to the past or the future. The Underwriter assumes no responsibility for the accuracy, completeness or verification of the information contained in this Announcement and, accordingly, disclaims to the fullest extent permitted by applicable law any and all liability whether arising in tort (delict), contract or otherwise which they might otherwise be found to have in respect of this Announcement or any such statement. Information given or representations made in connection with this Rights Offer or the subscription or the sale of the Letters of Allocation or the Rights Offer Shares that are inconsistent with those contained in this Announcement are invalid.

Investors acknowledge that: (i) they have not relied on the Underwriter or any person affiliated with the Underwriter in connection with any investigation of the accuracy of any information contained in this Announcement or their investment decision; and (ii) they have relied only on the information contained in this Announcement, and that no person has been authorised to give any information or to make any representation concerning the Group, the Letters of Allocation or the Rights Offer Shares (other than as contained in this Announcement) and, if given or made, any such other information or representation should not be relied upon as having been authorised by City Lodge or the Underwriter.

The distribution of this Announcement does not mean that the data contained herein is current as of any time after the date of this Announcement. In particular, neither the delivery of this Announcement nor the offer, sale or delivery of the Letters of Allocation or the Rights Offer Shares means that no changes have occurred or no events have happened after the date of this Announcement which may or could result in an adverse effect on the Group's business, financial condition or results of operations and prospects.

Nothing contained in this Announcement is intended to constitute investment, legal, tax, accounting or other professional advice. This Announcement is for your information and nothing in this Announcement is intended to endorse or recommend a particular course of action. In making an investment decision, each investor must rely on its own examination, analysis and enquiry of the Group and the terms of the Rights Offer, including the merits and risks involved. Neither City Lodge, nor the Underwriter, nor any of their respective representatives or affiliates, is making any representation to any offeree, subscriber or purchaser of the Letters of Allocation or the Rights Offer Shares regarding the legality of acquiring the Letters of Allocation or subscribing for the Rights Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisers before acquiring the Letters of Allocation or subscribing for the Rights Offer Shares. Investors are required to make an independent assessment of the legal, tax, business, financial and other consequences of acquiring the Letters of Allocation or the Rights or subscribing for the Rights Offer Shares. They are also required to make their independent assessment of the risks involved in acquiring the Letters of Allocation or the Rights or subscribing for the Rights Offer Shares.

This announcement includes certain forward-looking statements, beliefs or opinions, including statements with respect to City Lodge's business, financial condition, results of operations and prospects. Forward-looking statements are typically identified by the use of forward looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes", "anticipates", "annualized", "goal", "target" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risk and uncertainties. These statements reflect the directors' beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. There are a number of risks, uncertainties and factors that could cause actual results and developments to differ materially from those expressed or implied by these statements and forecasts. Past performance cannot be relied on as a guide to

future performance. Forward-looking statements speak only as at the date of this announcement, and City Lodge expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. No statement in this announcement is intended to be a profit forecast. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.