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The Directors
City Lodge Hotels Proprietary Limited
Bryanston Gate Office Park
Corner Homestead Avenue and Main Road
Bryanston
2191

24 July 2020

Dear Sirs

**Independent reporting accountant's review report on the reviewed
Special Purpose Consolidated Financial Statements of City Lodge Hotels
Limited and its subsidiaries for the ten months ended 30 April 2020 and
the year ended 30 June 2020**

Introduction

We have reviewed the Special Purpose Consolidated Financial Statements of City Lodge Hotels Limited ("City Lodge") and its subsidiaries ("the Group"), which have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards for purposes of compliance with paragraph 8.45(b) of the JSE Listings Requirements ("**Special Purpose Consolidated Financial Statements**").

The Special Purpose Consolidated Financial Statements comprise of the following historical financial information:

- 1 The consolidated revenue, total salaries, interest expense (including BEE interest and BEE preference dividend), interest expense – leases, depreciation, depreciation - leases and impairments to property, plant and equipment and right-of-use assets for the ten months ended 30 April 2020 (collectively "**April 2020 Selected -Financial Statement Captions**") as extracted from the unaudited consolidated management accounts of the Group for the ten months ended 30 April 2020 and set out in Column A of Table 1 of the Special Purpose Financial Statements; and



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- 2 The consolidated revenue, total salaries, interest expense (including BEE interest and BEE preference dividend), interest expense – leases, depreciation, - depreciation - leases and impairments to property, plant and equipment and right-of-use assets for the twelve months ended 30 June 2020 (collectively “June 2020 Selected Financial Statement Captions”) as extracted from the unaudited consolidated management accounts of the City Lodge Hotel Group for the twelve months ended 30 June 2020 and set out in Column B of Table 1 of the Special Purpose Consolidated Financial Statements.

Directors' Responsibility for the Special Purpose Consolidated Financial Statements

The directors of City Lodge Hotel Group (the “**Directors**”) are responsible for the selection of and preparation and presentation of the Special Purpose Consolidated Financial Statements on the basis of preparation set out therein and as required by paragraph 8.45(b) of the JSE Limited Listings Requirements.

Reporting Accountant's responsibility

Our responsibility is to express a review conclusion on the Special Purpose Consolidated Financial Statements. We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information performed by the Independent Auditor of the Entity* read together with ISA 805 (Revised), *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*.

A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Special Purpose Consolidated Financial Statements are not prepared in all material respects, in accordance with the basis of preparation set out therein and as required by paragraph 8.45(b) of the JSE Limited Listings Requirements.

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Purpose of this Report

This Report has been prepared for the purpose of satisfying the requirement of paragraph 8.45(b) of the JSE Listings Requirements, and for no other purpose.

Yours faithfully

KPMG Inc

A handwritten signature in black ink, appearing to read 'DD Thompson', written over a light blue rectangular background.

Per DD Thompson
Chartered Accountant (SA)
Registered Auditor
Director