

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

ODD-LOT OFFER PRICE AND FINALISATION ANNOUNCEMENT

1. Background and Odd-lot Offer Price

City Lodge Shareholders are referred to the circular distributed to Shareholders on Thursday, 26 October 2023 relating to, *inter alia*, the Odd-lot Offer (“**Circular**”) and related announcements, the last of which was released on SENS on Friday, 24 November 2023, wherein it was advised that the Resolutions required to implement the Odd-lot Offer were approved by the requisite majority of Shareholders at the Annual General Meeting. Unless otherwise defined, the definitions and interpretations contained in the Circular apply, *mutatis mutandis*, to terms used in this announcement.

The Odd-lot Offer Price is equal to 470.23454 cents, being a 5% premium to the 30-day VWAP of a Share at the close of business on Friday, 1 December 2023, being 447.84242 cents.

Odd-lot Holders can elect to retain their Odd-lot Holdings or sell their Odd-lot Holdings at the Offer Price. Those Odd-lot Holders who do not make an election by 12:00 on Thursday, 14 December 2023 will automatically be regarded as having accepted the Odd-lot Offer and chosen to dispose of their Odd-lot Holdings to City Lodge at the Odd-lot Offer Price and to receive the Odd-lot Consideration.

2. Transaction costs for Odd-lot Holders

Shareholders eligible to participate in the Odd-lot Offer will not bear any transaction costs in respect of the Odd-lot Offer.

Securities transfer tax, if any, will be paid by City Lodge at a rate of 0.25% calculated on the taxable amount as determined in section 5(1)(a) of the Securities Transfer Tax Act No. 25 of 2007.

3. Tax consequences

As set out in the Circular, the Board has resolved that the Odd-lot Offer will be distributed as a return of capital (paid out of ‘contributed tax capital’ as defined in section 1 of the Income Tax Act). The Odd-lot Consideration will therefore not be regarded as a dividend for South African income tax purposes but as proceeds (either on revenue account or on capital account, depending on the intention with which the Shareholder acquired, held and disposed of the Shares) on the disposal of City Lodge Shares. In terms of section 9C of the Income Tax Act, if the Shareholder held the Shares for at least 3 years, the proceeds on disposal will automatically be deemed to be of a capital nature.

The Odd-lot Offer may be subject to tax in the relevant jurisdiction of the Odd-lot Holder arising from the disposal of the Odd-lot Holdings by the Odd-lot Holders who make an election to sell their Odd-lot Holdings to City Lodge or who do not make an election or who do not return their Form of Election and Surrender (*blue*) timeously to the Transfer Secretaries.

Shareholders are referred to **Annexure 1** of the Circular, which contains a general summary of the tax consequences for South African Odd-lot Holders who make an election to sell their Odd-lot Holdings to City Lodge or who do not make an election.

Shareholders should, however, seek their own tax and/or other professional advice regarding the taxation implications of the Odd-lot Offer.

4. Salient dates and times

Accordingly, following publication of the Odd-lot Offer Price above, the Odd-lot Offer is now unconditional and the remaining salient dates and times in respect of the implementation of the Odd-lot Offer are set out below:

	2023
Last day to trade to participate in the Odd-lot Offer	Monday, 11 December
Shares commence trading ex Odd-lot Offer	Tuesday, 12 December
Forms of Election and Surrender to be received by the Transfer Secretaries by 12:00	Thursday, 14 December
Odd-lot Offer closes at 12:00	Thursday, 14 December
Odd-lot Offer record date	Thursday, 14 December
Payment of Odd-lot Offer consideration to certificated Odd-lot Holders who have accepted the Odd-lot Offer or who have made no election	Monday, 18 December
Dematerialised Odd-lot Holders who have accepted the Odd-lot Offer or who have made no election will have their accounts at their CSDP or broker credited with the Odd-lot consideration	Monday, 18 December
Results of Odd-lot Offer released on SENS	Monday, 18 December
Cancellation and termination of Shares repurchased in terms of the Odd-lot Offer on	Tuesday, 19 December

Notes:

1. All dates and times indicated above are South African Standard Time.
2. Shareholders are reminded that City Lodge Shares can only be traded in dematerialised form.
5. **Odd-lot Offer:**
 - 5.1 Dematerialised Odd-lot Holders are requested to notify their duly appointed CSDP or broker of their election by the cut off time stipulated by their CSDP or broker. This will be before the closing date of the Odd-lot Offer.
 - 5.2 In the case of Certificated Odd-lot Holders who elect to sell their Odd-lot Holdings for the Odd-lot Consideration, payment will be made on Monday, 18 December 2023 by electronic funds transfer into the bank accounts of the Odd-lot Holders, which must be provided by the Odd-lot Holders on the Form of Election and Surrender (blue).
 - 5.3 Odd-lot Holders who are non-residents of the Common Monetary Area and who have never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, and who elect to sell their Odd-lot Holdings for the Odd-lot Consideration, are referred to paragraph 2.10 of the Circular regarding processing and payment of the Odd-lot Consideration.
 - 5.4 Those Odd-lot Holders who do not make an election or do not return their Form of Election and Surrender (blue) timeously to the Transfer Secretaries will automatically be deemed to have accepted the Odd-lot Offer

and shall be deemed to have agreed to dispose of their Odd-lot Holdings to City Lodge at the Odd-lot Offer Price and to receive the Odd-lot Consideration.

- 5.5 Shareholders may not dematerialise or rematerialise their Shares between the last day to trade to participate in the Odd-lot Offer and the Odd-lot Offer Record Date.

Bryanston

4 December 2023

Investment Bank, Corporate Advisor and Sponsor

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