Umhlanga Sands Share Block Proprietary Limited

Registration No. 1972/003573/07



Annual Report

for the year ended 31 December 2025

Umhlanga Sands Share Block Proprietary Limited
Annual Financial Statements
for the year ended 31 December 2025

COMPANY INFORMATION

Registration number:	1972/003573/07
Registered address:	Nelson Mandela Square 4th Floor, South Tower Corner 5th and Maude Streets Sandton 2196
Postal address:	Private Bag X200 Bryanston 2021

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The following supplementary information does not form part of the financial statements and is unaudited:

• Detailed Levy Fund Operating Statement	25 - 26
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The financial statements have been audited as required by Section 30(2)(b)(1) of the South African Companies Act 71, of 2008. Mr Darren Park CA(SA), in his capacity as Financial Manager of Umhlanga Sands Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Umhlanga Sands Share Block Proprietary Limited

Chairman's Annual Review for the Year Ended 31 December 2025

On behalf of the Board of Directors, it is my privilege to report on the progress and achievements of Umhlanga Sands Share Block ("the Company") for the 2025 financial year.

Resort update - projects

The past year has been characterised by meaningful progress across several key areas of the resort, with continued focus on enhancing safety, sustainability, guest comfort, and the overall experience. These initiatives reflect a balanced approach to maintaining our standards while preparing the property for future improvements.

A major milestone achieved during the year was the successful completion of a comprehensive upgrade to the resort's fire safety systems. These enhancements ensure full compliance with current regulatory requirements and significantly strengthen the safety of all occupants. The project included the replacement of corridor smoke doors with certified fire-rated doors, the creation of designated refuge areas, the pressurisation of stairways and lift shafts, the installation of automatic smoke extraction systems, and improvements to hydrant water pressure throughout the building. Collectively, these measures provide a safer and more resilient environment for staff, guests and visitors.

In preparation for the planned refurbishment scheduled for 2027, two mock-up rooms were completed to showcase proposed design concepts and allow for practical evaluation. These rooms incorporate a full renewal of furniture and fixed cupboards, upgraded bathrooms with modern fittings, and new soft furnishings throughout. Notably, the kitchen layout in the four-sleeper units has been reconfigured to a more central position, improving accessibility without disturbing bedroom occupants. Additional improvements include enhanced bathroom ventilation to address moisture control and the installation of new fan coil units to improve air conditioning efficiency and guest comfort, particularly during the summer months. Owners are encouraged to view these rooms during their visits and share feedback, which will assist in refining the final refurbishment plans. Further details regarding the phased rollout of this project will be communicated in due course.

Progress was also made in strengthening the resort's water security. Following a feasibility study that confirmed sufficient groundwater availability, drilling for an additional borehole commenced in late November, with water successfully reached at a depth of 120 metres. The project will continue into 2026, with an anticipated yield of approximately 50 kilolitres per day upon completion. This will be the resort's second borehole and will increase the total yield to just over 100 kilolitres per day, reducing reliance on municipal supply and enhancing resilience against potential service interruptions.

General improvements

Several general improvements were undertaken across the property during the year to enhance both functionality and the overall guest experience. The Xscape children's play area was refreshed with upgrades to its soft-play facilities, while the water slides at the family pool were re-lined to improve safety and usability. Coco's Bar underwent a soft refurbishment to enhance lighting, sound quality, and overall ambience. Perimeter fencing was repaired, treated, and replaced where necessary, contributing to improved safety and visual appeal. The resort vehicle was also upgraded, offering increased comfort for guests participating in organised excursions.

In addition, a phased upgrade of the resort's hot water system commenced during the year, with the introduction of more energy-efficient heat pump units that significantly reduce energy consumption per unit. Upon completion in 2027, the system will comprise six units, ensuring a reliable, efficient and sustainable hot water supply throughout the resort.

Resort amenities

The resort continues to offer a wide range of amenities and activities designed to cater to guests of all ages. Four onsite restaurants feature carefully curated menus that appeal to a wide variety of tastes and dietary preferences. Supporting facilities, including a hair salon, spa and convenience shop, further enhance the comfort and convenience of the guest experience.

Xscape remains a central attraction for younger guests, while outdoor facilities and poolside activities encourage family participation and leisure. Evening entertainment, including live performances and karaoke at Coco's Bar, adds to a vibrant, yet relaxed social atmosphere. These offerings are supported by a dedicated and energetic entertainment team, ensuring a consistently engaging and enjoyable experience for all guests.

Gardens and surrounds

The resort's gardens and grounds continue to play an integral role in enhancing its overall appeal and guest experience. Situated along the uMhlanga Promenade, the landscaping is maintained to complement the natural coastal environment while providing a welcoming and relaxing setting for guests. Ongoing efforts are made to incorporate indigenous and water-wise plant species, supporting both sustainability objectives and long-term cost efficiency.

The resort also continues to benefit from its close working relationship with the uMhlanga Promenade Urban Improvement Precinct ("uMhlanga UIP"), through board representation and active participation in initiatives relating to security, infrastructure and the ongoing upkeep of the promenade and beachfront. This collaboration enhances the broader environment in which the resort operates and enhances the overall experience of guests and visitors alike.

Guest relations

Guest feedback remains a critical driver of continuous improvement at the resort. Through the GuestRevu platform, management actively monitors and responds to feedback across multiple channels, including Google Reviews, TripAdvisor, and RCI. The resort has successfully maintained its four-star grading and Gold Crown status with RCI and is currently ranked number one on TripAdvisor. These achievements reflect a consistently high level of guest satisfaction and the collective commitment of management and staff to deliver excellent service and memorable experiences.

Overall, the progress achieved during the year positions the resort strongly for the future, with ongoing focus on maintaining standards, improving operational efficiencies, and continually enhancing the experience for all who visit the resort.

Financial results for the year ended 31 December 2025

The statement of comprehensive income as set out on page 14 of the annual financial statements reflects the Company's income and expenditure in a summarised format. The detailed levy fund operating statement has not been audited and is presented as supplementary information on pages 25 to 26.

Total income for the year ended 31 December 2025, including net finance income, amounted to R120.8m (2024: R113.6m). Total expenditure was R81.6m (2024: R77.7m) resulting in a levy surplus after taxation of R35.6m (2024: R32.8m). This surplus was transferred to the reserve for property, plant and equipment.

Income

Total income, including net finance income, increased by 6.3% year-on-year. The detailed levy fund operating statement reflects a 21.4% increase in rental pool income, a 41.4% decrease in short-term rental income and a 44.4% increase in non-levy income. Non-levy income comprised rental from commercial tenants as well as parking revenue. Interest received increased by approximately R1m primarily due to higher levels of invested cash, due to the timing of capital expenditure during the year.

Shareholders wishing to place their weeks into the rental pool system are required to notify the Company in writing at least 90-days prior to the commencement of their timeshare week. All outstanding levy amounts must be settled in full before participation can be approved.

Expenditure

Total expenditure for the year increased by 5% to R81.6m (2024: R77.7m).

- **Rooms expenditure** increased by 5.6% mainly due to higher guest supplies 7.8% and increased guest entertainment and DSTV costs (12.8%);
- **Administration and general expenditure** decreased by 1.5%, mainly due to a R138k credit to the bad debt provision arising from a reduction in the provision for repossessed debtors;
- **Electricity, water, and refuse expenditure** increased by 15.1% mainly due to higher municipal electricity costs increasing on prior year by R1.6m, attributable to increased consumption;
- **Repairs and maintenance expenditure** decreased by 3%, primarily due to a provision write-back relating to radios and televisions;
- **Corporate charges** increased by 6.2% mainly due to higher municipal rates and taxes; and
- **Management fees** increased by 1.4%.

Statement of financial position

The statement of financial position, as set out on page 15 of the annual financial statements together with the related notes, reflects the financial position of the Company as at year-end. The reserve for property, plant and equipment increased to R147.9m (2024: R117.9m). Fixed deposits held with bank increased to R161.5m (2024: R146.5m) while cash and cash equivalents increased to R14.6m (2024: R5.9m). Levies receivable decreased to R1.6m (2024: R2.4m) while levies received in advance increased to R30.7m (2024: R29.5m).

Capital expenditure

Capital expenditure amounted to R5.6m (2024: R8.3m). Major items of expenditure included:

	R
• Fire rationale	2,468,452
• Motor vehicle	1,135,120
• Heat pump replacement	535,892
• Bed mattresses	269,736
• Cocos refurbishment	254,545
• Rooms refurbishment	183,605
• Entertainment	124,841

Levy budget

As in prior years, the Board examines each category of expenditure on a line-by-line basis and is satisfied that management has made every effort to limit cost increases wherever possible, without compromising the standards, facilities and overall experience enjoyed by all Shareholders and guests at the resort. Levies for the forthcoming financial year will be approved in August and communicated to all Shareholders in due course.

Vacation ownership association of South Africa ("VOASA")

For the benefit of new Shareholders and as a reminder to existing Shareholders, VOASA is a self-regulatory, member-based trade association representing the shared vacation ownership industry in South Africa. VOASA exists to protect consumer rights and to promote the responsible growth and sustainability of the timeshare industry in a structured and ethical manner. The Company remains a member of VOASA and continues to support its principles and objectives.

Legal matter: Municipal rates objection

The legal objection to the eThekwini Municipality's reclassification and change to the category rating of uMhlanga Sands Resort remains ongoing. The municipality imposed a category change several years ago, reclassifying the property from a residential category status to a commercial category status. This reclassification has had a significant financial impact on the resort, resulting in substantially higher municipal rates charges being imposed.

In collaboration with other similar properties in the area, the Board continues to pursue this matter and awaits a court date to resolve what is believed to be a misinterpretation of the nature and use of the property. The Board remains committed to achieving a fair and appropriate outcome in this regard and will keep Shareholders informed of any material developments.

Special thanks

I would like to thank all Shareholders and guests who make use of the dedicated smokers' room located to the left of the Spur restaurant, as well as all guests and visitors who consistently adhere to the resort's house rules whilst on the property. As mandated by the Board, management continues to address the small number of guests and visitors who do not comply with these rules, ensuring that the comfort and enjoyment of all are maintained.

Shareholders can be assured that the resort continues to be well managed by the Southern Sun Group management team and its dedicated supporting staff. The Board maintains a healthy and productive working relationship with the management team, and I extend my sincere thanks to all staff members who go the extra mile for guests and Shareholders alike. Their reliability, willingness and enthusiasm contribute significantly to maintaining the high standards expected of both them and the resort, and to ensuring a memorable guest experience.

I also wish to record my special appreciation to my fellow Directors Messrs. Ajith Ramsarup, Nicholas Dickson, Mzwandile ("Al") Zoya, Dr Mahomed Mia and Ms Louise McMillan, as well as to the management team, for their time, energy, professionalism and guidance throughout the past year.

Conclusion

I wish every Shareholder a prosperous year ahead and invite you all to attend the forthcoming annual general meeting. Should you be unable to attend, please ensure that the enclosed form of proxy, available on page 5 of this annual report, is completed and returned in accordance with the instructions provided.



AN Ridl
Chairman

Umhlanga Sands Share Block Proprietary Limited
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("the Company")

Registered Office:
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Private Bag X200, Bryanston, 2021
Telephone (031) 366 7061
Facsimile (086) 765 2272
Resorts.companysecretarialservices@southernsun.com

Notice is hereby given to the Shareholders of the Company that the Annual General Meeting ("AGM") of the Company will be held on **Thursday, 13 August 2026 at 10h00 at uMhlanga Sands Resort, 44 Lagoon Drive, uMhlanga** for the purposes of considering the following business to be transacted and, if deemed fit, passing with or without amendment, the ordinary and special resolutions set out hereunder, and considering any other matters raised by Shareholders at the AGM.

1. **Presentation of annual financial statements of the Company including reports of the Directors, independent auditors, Audit Committee and Social and Ethics Committee for the year ended 31 December 2025**
   The audited financial statements of the Company together with the reports of the Directors, Audit Committee and independent auditors for the financial year ended 31 December 2025 as required in terms of Section 30(3)(d) of the Companies Act, are hereby presented to Shareholders as required in terms of Section 61(8)(a) of the Companies Act. The Social and Ethics Committee report is included in the annual financial statements and is presented to Shareholders for information purposes.

2. **Appointment of auditors**
   Ordinary resolution 1: Resolved as an ordinary resolution upon the recommendation of the Board of Directors that BDO South Africa Incorporated ("BDO") be and are hereby re-appointed as independent auditors of the Company until the conclusion of the next AGM of the Company.
3. **Election of Directors**
   The Board is limited by the Memorandum of Incorporation ("MOI") to no less than four and no more than seven Directors in number. Directors shall retire at each AGM and be eligible for re-election. **It would facilitate secretarial procedures if nominations for the appointment of those Directors representing the Shareholders be received by no later than 10h00 on Tuesday, 11 August 2026 at the registered office of the Company or email address. Nominations must be in writing with the name of the proposer and seconder and be accompanied by the acceptance of such nomination by the nominee and their curriculum vitae ("CV").**
   Ordinary resolution 2.1: Resolved as an ordinary resolution that Mr Nicholas Dickson who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company;
   Ordinary resolution 2.2: Resolved as an ordinary resolution that Ms Louise McMillan who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company;
   Ordinary resolution 2.3: Resolved as an ordinary resolution that Dr Mahomed Mia who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company;
   Ordinary resolution 2.4: Resolved as an ordinary resolution that Mr Ajith Ramsarup who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company;
   Ordinary resolution 2.5: Resolved as an ordinary resolution that Mr Anthony Ridl who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company; and
   Ordinary resolution 2.6: Resolved as an ordinary resolution that Mr Mzwandile Zoya who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company.
4. **Appointment of Audit Committee**
   Ordinary resolution 3.1: Resolved as an ordinary resolution that Mr Nicholas Dickson be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI;
   Ordinary resolution 3.2: Resolved as an ordinary resolution that Mr Ajith Ramsarup be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI; and
   Ordinary resolution 3.3: Resolved as an ordinary resolution that Mr Anthony Ridl be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI.
5. **Approval of insured value of property**
   Ordinary resolution 4: Resolved as an ordinary resolution the recommended insured value of the property, as tabled at the meeting at which this resolution was proposed, be and is hereby approved.
6. **Non-executive Directors' fees**
   Special resolution 1: ***The reason for and effect of this special resolution:***
   In terms of Section 66(8) of the South African Companies Act 71, of 2008, the Company may pay remuneration to its Directors for their service as Directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by the Shareholders within the previous two years. Section 66(12) requires that any particular Director appointed to more than one Committee of the Company, be calculated only once. Directors will be entitled to be paid attendance fees/emoluments in respect of the above period.

   Resolved as a special resolution that the fees of R9,000 (vat payable to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors of the Company and as members of sub-Committees, per meeting or cluster of meetings, in respect of the period from 14 August 2026 until the next AGM of the Company, and tabled at the meeting at which this resolution was proposed, be and is hereby approved.

Subject to the provisions of the Companies Act 71, of 2008, no business shall be transacted at any AGM unless a quorum of Shareholders is present at the time when the meeting proceeds to business. The quorum at any AGM shall be no less than three Shareholders present, holding at least five percent (5%) of the share capital and voting rights, personally or by proxy, and who are entitled to be exercised at the meeting.

In the event of a quorum not being present within half an hour of the appointed time for the meeting to begin, the AGM will be automatically adjourned for one business day, to Friday, 14 August 2026 and if at such adjourned meeting a quorum is not present within half an hour of the start time, the Shareholders there present in person or by proxy shall be deemed to constitute the necessary quorum.

For an ordinary resolution to be adopted by Shareholders at the AGM, it must be supported by more than fifty percent (50%) of the voting rights in favour of such a resolution. For a special resolution to be adopted by Shareholders at the meeting, it must be supported by more than sixty percent (60%) of the voting rights in favour of such a resolution.

The record date for determining Shareholders' voting rights is Thursday, 6 August 2026.

Any Shareholder entitled to attend and vote is entitled to appoint a proxy to attend, vote and speak in his/her stead, and such proxy need not be a Shareholder of the Company. **Forms of proxy should be forwarded to reach the registered office of the Company for the attention of the Company Secretary by no later than 10h00 on Tuesday, 11 August 2026. A form of proxy is enclosed on page 5 for this purpose.**

By order of the Board
Southern Sun Secretarial Services Proprietary Limited
8 May 2026

Umhlanga Sands Share Block Proprietary Limited
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("the Company")

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Resorts.companysecretarialservices@southernsun.com

Form of proxy for use by Shareholders at the Annual General Meeting ("AGM") of the Company to be held on **Thursday, 13 August 2026 at 10h00 at uMhlanga Sands Resort, 44 Lagoon Drive, uMhlanga.**

Form of proxy

I/We ……, being the Shareholder/s of ..... ordinary

shares in the Company, with right of use of unit ....., week ……....., hereby appoint:

1. ……, or failing him/her,

2. ……, or failing him/her,

3. the Chairman of the AGM,

as my/our proxy to vote for me/us on my/our behalf at the AGM of the Company, to be held on the above-mentioned date and at any adjournment thereof as follows:

	In Favour Of	Against	Abstain
Ordinary Resolution 1: Appointment of auditors			
Ordinary Resolution 2: Election of Directors			
2.1 Nicholas Dickson			
2.2 Louise McMillan			
2.3 Mahomed Mia			
2.4 Ajith Ramsarup			
2.5 Anthony Ridl			
2.6 Mzwandile Zoya			
Ordinary Resolution 3: Appointment of Audit Committee			
3.1 Nicholas Dickson			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
Ordinary resolution 4: Insured value of property			
Special Resolution 1: Non-executive Directors' fees (R9,000)			

Signed at …… this …… day of …… 2026.

Signature …… assisted by …… (where applicable)

Unless otherwise instructed specifically as above, the form of proxy will vote as the appointee deems fit.

Any alteration or correction made to this form of proxy (excluding the deletion of alternatives and excluding the deletion of singular/plural alternatives) must be initialled by the signatory/ies. **Documentary evidence establishing the authority of a person signing this form of proxy in an appointee/representative capacity (e.g. on behalf of a company, close corporation, body corporate or trust) must be attached to this form, failing which the proxy will be invalid.**

The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the meeting and speaking and voting in person thereat, to the exclusion of any proxy appointed in terms thereof, should such Shareholder wish to do so. Any Shareholder entitled to attend and vote, is entitled to appoint a proxy to attend, vote and speak in his/her stead and such proxy need not be a Shareholder of the Company.

Forms of proxy should be forwarded to reach the registered office of the Company for the attention of the Company Secretary by no later than 10h00 on Tuesday, 11 August 2026.

Umhlanga Sands Share Block Proprietary Limited

Statement of Directors' Responsibility for the Year Ended 31 December 2025

The Directors and management are responsible for the preparation, integrity and fair presentation of the annual financial statements of Umhlanga Sands Share Block Proprietary Limited. The annual financial statements presented on pages 14 to 24 have been prepared in accordance with the IFRS for SMEs Accounting Standard and in the manner required by the South African Companies Act 71, of 2008.

The Directors and management are also responsible for maintaining the Company's systems of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Directors and management have the responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position, financial performance and cash flows of the Company to enable the Directors to ensure that the annual financial statements comply with the relevant legislation. The Directors are satisfied that the information contained in the annual financial statements fairly presents the results of operations for the year and the financial position of the Company at year-end.

The going concern basis has been adopted in preparing the annual financial statements. The Directors have no reason to believe that the Company will not be a going concern in the foreseeable future.

The Company's external auditors, BDO South Africa Incorporated, audited the financial statements and their report is presented on pages 12 and 13.

Approval of annual financial statements

The annual financial statements set out on pages 14 to 24 were approved by the Directors on 8 May 2026 and are signed by:



AN Ridl
Chairman



RN Dickson
Director (Chairman - Audit Committee)

Declaration by the Company Secretary

I hereby certify in my capacity as Company Secretary of Umhlanga Sands Share Block Proprietary Limited, that for the year ended 31 December 2025, the Company has filed all required returns and notices in terms of the South African Companies Act 71, of 2008, and that all such returns and notices are to the best of my knowledge and belief, true, correct and up to date.



LR van Onselen
For Southern Sun Secretarial Services Proprietary Limited

Umhlanga Sands Share Block Proprietary Limited

Report of the Audit Committee for the Year Ended 31 December 2025

The Audit Committee has pleasure in submitting this report in compliance with the requirements of Section 94 of the South African Companies Act 71, of 2008 ("Companies Act"). The Audit Committee is an independent statutory committee appointed by the Shareholders at each Annual General Meeting ("AGM").

1. Members of the Audit Committee

The Audit Committee comprises three non-executive Directors, namely Mr Nicholas Dickson (Chairman), Mr Ajith Ramsarup and Mr Anthony Ridl.

2. Frequency of meetings

The Audit Committee met twice during the financial year under review. Provision is made for additional meetings to be held as and when required.

3. Attendance

The external auditors, in their capacity as auditors to the Company, attended and reported to the meetings of the Audit Committee. Relevant members of senior management attended meetings by invitation, as required.

4. Duties of the Audit Committee

The work of the Audit Committee during the financial year under review focused on the following key areas:

4.1 Evaluating the independence and effectiveness of the external auditors, including the audit fees and terms of engagement;
4.2 Ensuring that the appointment of the audit firm complies with the provisions of the Companies Act and all other relevant legislation relating to the appointment of auditors;
4.3 Reviewing and approving external and internal audit plans;
4.4 Determining, subject to the provisions of applicable legislation, the nature and extent of any non-audit services that the auditors may provide to the Company;
4.5 Reviewing changes to prospective accounting standards and assessing their potential impact on the Company;
4.6 Evaluating the Company's financial reporting procedures;
4.7 Reviewing the annual financial statements and recommending them to the Board for approval;
4.8 Assessing the internal control environment, with particular emphasis on internal financial controls; and
4.9 Performing such other oversight functions as may be determined by the Board, from time to time.

5. Independence of external auditors

The Audit Committee is satisfied that the external auditors are independent of the Company, as contemplated in Section 94(8) of the Companies Act. The Committee has further received the necessary assurances from the auditors confirming that internal governance processes within the audit firm support and demonstrate their independence.



RN Dickson
Chairman
8 May 2026

Umhlanga Sands Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2025

The Social and Ethics Committee ("the Committee") of Umhlanga Sands Share Block is a statutory committee governed by the South African Companies Act 71 of 2008, guided by King IV, and includes any other responsibilities allocated to it by the Board.

Composition and functioning

The Committee currently comprises three Directors, namely myself, Ms Louise McMillan (Chairman), Mr Mzwandile ("AL") Zoya and Dr Mahomed Mia. The resort's management team provides operational support.
The Committee holds comprehensive meetings twice a year.

Role of the committee

The Committee ensures that the resort's corporate social investment ("CSI"), energy, water and waste management programmes are in place. It also promotes good corporate citizenship, monitors employee engagement and development, and ensures that health and public safety remain a key focus.

Corporate citizenship – CSI sustainability

The Committee places strong emphasis on corporate citizenship, highlighting its social, cultural and environmental responsibilities, as well as sustainability. Local CSI initiatives are supported not only through donations of time and written-off operating equipment, but also through training and guidance to help organisations and initiatives become more sustainable.

Social and economic development

The resort remains committed to making a positive contribution to the communities in which it operates through targeted social investment initiatives and employee-led community engagement programmes.

During the year, support was provided to Shepherd's Keep, a home that provides lifesaving care for abandoned and vulnerable infants. The resort funded stormwater drainage improvements, ongoing pest control measures and the provision of essential amenities and paper supplies through one of its suppliers.

The resort also supported Lake Haven Child and Youth Care Centre, which provides care, education and life-skills development for children who have been abandoned or removed from abusive environments. Contributions included general building repairs, flooring and ceiling restoration, electrical repairs and the installation of additional storage facilities.

Mission Thando, which operates a daily feeding scheme for school children and provides support to elderly women, single mothers and underprivileged families, received assistance through facility upgrades including the construction of a new roof over the feeding area, electrical and lighting improvements, perimeter fencing and general repairs.

In addition, the resort donated usable condemned linen to a number of organisations providing care and support services to vulnerable members of the community, from infants to the elderly.

Employee and guest participation in community and environmental initiatives continued throughout the year and included weekly beach clean-up campaigns, the CANSA Shavathon, Slipper Day, CHOC's Flip-Flop Friday, Mandela Day, support for Rise Against Hunger, and hosting twenty-five dreamers from the Reach For a Dream Foundation. Other activities included Earth Hour, Arbor Day and World Water Day. These initiatives reflect the resort's ongoing commitment to responsible corporate citizenship and sustainable community development.

Environmental health and public safety

The Committee ensures that the resort's energy, water and waste management programmes are effective and contribute to its sustainability goals. The resort has recorded significant water savings and improved monitoring of electricity consumption year-on-year through constant monitoring of the live tracking system. Deviations from set targets are investigated immediately.

Many energy-saving initiatives are already in place, with the most recent addition being motion sensors in all public toilets. Challenges experienced with the borehole system have been resolved. The supply of borehole water is monitored closely by management and the service provider to ensure optimal yield and the highest quality of water. Many other cost-saving initiatives are in place, such as the use of grey water for irrigating the gardens and washing waste bins, vehicles and so on.

The waste management programme at the resort is managed by Don't Waste Services through a live online system. With waste separation and recycling being of key importance, guests and staff are continuously reminded and encouraged to follow better environmental practices and contribute positively to the recycling process.

Organisational resilience management system ("ORMS")

The Southern Sun Group's Organisational Resilience Management System ("ORMS") remains fully implemented across all properties, providing a comprehensive framework for managing safety, security, environmental impact, business continuity, risk assessment and asset protection. The system is reviewed and updated quarterly and is subject to an annual audit by Southern Sun's risk department. I am pleased to report that the resort continues to perform exceptionally well in this area.

In addition, Southern Sun maintains an internal crisis call centre that is available to all staff members, ensuring immediate support and assistance in the event of an emergency involving guests or other employees.

Guest relations and correspondence

The Committee and management team place significant importance on guest feedback and continuously monitor responses received through various platforms. It is encouraging to note that guest satisfaction levels remain consistently high, with positive reviews regularly received via Google Reviews, TripAdvisor and RCI. These results reflect the commitment and professionalism of both the staff and management team in delivering exceptional service and hospitality.

Umhlanga Sands Share Block Proprietary Limited

Report of the Social and Ethics Committee for the Year Ended 31 December 2025

I am proud to confirm that the resort has once again achieved RCI Gold Crown status and retained its 4-Star Tourism Grading, reinforcing its reputation for quality, consistency and excellence within the hospitality industry.

Labour, employment relations, training and B-BBEE

The resort complies with the Labour Relations Act of South Africa. Employee engagement is carefully monitored, and the management team assists in developing, maintaining and improving employee relationships through communication, performance management, and the processing of grievances and/or disputes. Staff working at the resort is its most valuable asset, and every employee receives ongoing development and training not only to improve their skills, but also to encourage personal development.

In addition to helping employees perform their jobs more competently, Southern Sun offers training programmes. The use of other platforms such as Microsoft Teams and Zoom has afforded staff an opportunity to attend an even wider array of courses at a more economical cost.

The resort falls under the Southern Sun Group's Level One B-BBEE rating.

In closing, I am very proud of all that has been achieved by the Committee and the resort's staff, and I wish to thank all role players for their support over the past year.



Louise McMillan
Chairman

Umhlanga Sands Share Block Proprietary Limited

Report of the Directors for the Year ended 31 December 2025

The Directors present their annual report of the Company for the year ended 31 December 2025.

1 Business activity

The Company owns the land and buildings known as uMhlanga Sands Resort that are utilised by the Shareholders on a timeshare basis with respective Shareholders' time interest being apportioned through the issue of shares according to share block regulations. These regulations provide for the following:

1. Shares are issued in predefined blocks that are linked by a use agreement relating to specific units during specific weeks of the year;

2. Linked to the respective share blocks, are obligations on the Shareholders to make loans to the Company; and

3. Obligations on Shareholders to contribute levies to enable the Company to defray its expenditure.

2 Financial results

The financial results of the Company are set out in the attached annual financial statements.

In accordance with the provisions of the Share Blocks Control Act and in common with other timeshare operations in South Africa, the Company has since its inception as a share block company, raised an annual levy making a provision for the maintenance and upkeep of the property. Asset replacement costs and additions to property, plant and equipment have been charged annually against this amount. Before providing for property, plant and equipment additions and replacements, a surplus of R35,632,782 (2024: R32,785,223) was transferred to the reserve for property, plant and equipment.

No dividends have been declared during the year and none are recommended (2024: R Nil).

3 Share capital

The authorised and issued share capital has remained unchanged.

4 Insurance

The resort buildings and its contents are insured at current replacement values under an all-risk policy. In addition, Sasria (Riot) cover has been arranged for the sum insured. The Company does not insure personal belongings of the individual timesharers. The Company does not guarantee the provision of alternative accommodation in the event of a disaster and does not take out insurance for this.

5 Directors and secretary

The Directors in office during the year under review and at the date of this report are:

RN Dickson *		(Alternate: AL Faulds)
LE McMillan ^		
MF Mia ^		
AB Ramsarup *		
AN Ridl *	Chairman	(Alternate: MN Ridl)
JPF van Rooyen ^		(Resigned: 24 January 2025)
MA Zoya ^		

* Audit Committee members
^ Social and Ethics Committee members

The secretary of the Company is Southern Sun Secretarial Services Proprietary Limited, whose business and postal addresses are:

Business:	**Postal:**
Nelson Mandela Square	Private Bag X200
4th Floor, South Tower	Bryanston
Corner 5th and Maude Streets	2021
Sandton	
2196	

6 Management

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited.

7 Material events after year-end

The Directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or in the annual financial statements, that would significantly affect the financial position of the Company or the results of its operations.

Umhlanga Sands Share Block Proprietary Limited

Report of the Independent Auditors

To the Shareholders of Umhlanga Sands Share Block Proprietary Limited

Opinion

We have audited the financial statements of Umhlanga Sands Share Block Proprietary Limited (the company) set out on pages 14 to 24, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Umhlanga Sands Share Block Proprietary Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Umhlanga Sands Share Block Proprietary Limited Annual Report for the yearended 31 December 2025", which includes the Declaration by the Company Secretary, Report of the Audit Committee, Report of the Social and Ethics Committee and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

Leanne Laxson
Director
Registered Auditor

29 June 2026

5A Rydall Vale Office Park
38 Douglas Saunders Drive
La Lucia, 4051

Umhlanga Sands Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2025

	Note	2025 R	2024 R
Income		**108 133 863**	102 011 136
Levy income		**100 875 769**	95 177 087
Other income		**7 258 094**	6 834 049
Expenses		**(81 572 529)**	(77 688 037)
Levy surplus before interest and taxation	3	**26 561 334**	24 323 099
Finance income	4	**12 682 852**	11 636 614
Levy surplus before taxation		**39 244 186**	35 959 713
Income tax expense	5	**(3 611 404)**	(3 174 490)
Levy surplus for the year		**35 632 782**	32 785 223

Umhlanga Sands Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2025

	Note	2025 R	2024 R
ASSETS			
Current assets			
Inventories		**93 197**	116 299
Trade and other receivables	6	**21 185 012**	17 046 051
Levies receivable	7	**1 599 630**	2 404 746
Fixed deposits held with bank	11	**161 500 000**	146 500 000
Cash and cash equivalents	12	**14 605 526**	5 865 011
Total current assets		**198 983 365**	171 932 107
Total assets		**198 983 365**	171 932 107
EQUITY			
Capital and reserves			
Share capital	10	**3 537 184**	3 537 184
Reserve for property, plant and equipment	8	**147 895 742**	117 853 722
Total equity		**151 432 926**	121 390 906
LIABILITIES			
Current liabilities			
Trade and other payables	9	**13 228 750**	15 304 325
Levies received in advance	13	**30 718 040**	29 540 485
Current tax liabilities		**3 603 649**	5 696 391
Total current liabilities		**47 550 439**	50 541 201
Total liabilities		**47 550 439**	50 541 201
Total equity and liabilities		**198 983 365**	171 932 107

Statement of Changes in Equity for the Year Ended 31 December 2025

	Note	2025 R	2024 R
Share capital			
Ordinary shares at the beginning of the year and at year-end	10	**3 537 184**	3 537 184
Reserve for property, plant and equipment			
At the beginning of the year		**117 853 722**	93 369 300
Levy surplus for the year		**35 632 782**	32 785 223
Property, plant and equipment additions and replacements during the year	8	**(5 590 762)**	(8 300 801)
At year-end		**147 895 742**	117 853 722

Umhlanga Sands Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2025

	2025 R	2024 R
Cash flow from operating activities		
Levy surplus before taxation	**39 244 186**	35 959 713
Adjustments for		
Interest received	**(12 682 852)**	(11 636 614)
Net surplus before working capital changes	**26 561 334**	24 323 099
Changes in working capital		
Movement in inventories	**23 102**	38 188
Movement in levies receivable	**805 116**	(117 510)
Movement in trade and other receivables	**(4 138 961)**	(1 549 778)
Movement in levies received in advance	**1 177 555**	4 097 590
Movement in trade and other payables	**(2 075 575)**	(846 089)
Cash flows from operating activities	**22 352 571**	25 945 500
Interest received	**12 682 852**	11 636 614
Tax paid	**(5 704 146)**	-
Net cash inflow from operating activities	**29 331 277**	37 582 114
Cash flow from investing activities		
Property, plant and equipment additions and replacements	**(5 590 762)**	(8 300 801)
Movement in fixed deposits held with bank	**(15 000 000)**	(26 500 000)
Net cash outflow from investing activities	**(20 590 762)**	(34 800 801)
Net movement in cash and cash equivalents	**8 740 515**	2 781 313
Cash and cash equivalents at the beginning of the year	**5 865 011**	3 083 698
Cash and cash equivalents at year-end	**14 605 526**	5 865 011

1 Accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard and the South African Companies Act 71, of 2008. The annual financial statements have been prepared on the historical cost basis unless otherwise indicated in the policies set out below.

The accounting policies are consistent with previous periods.

The preparation of annual financial statements in conformity with IFRS for SMEs Accounting Standard requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting period, based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. During the current year, there were no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements.

1.2 Reserve for property, plant and equipment

Normal maintenance expenditure is written-off against the statement of comprehensive income.

A reserve for capital expenditure in respect of additions and replacements of property, plant and equipment is provided. This reserve is intended to provide for the expenditure incurred. Transfers are made to and from this reserve, having regard to surpluses if any, in the statement of comprehensive income and to amounts expended in respect of property, plant and equipment. The right of use of all property, plant and equipment is vested in the Shareholders.

All proceeds on the disposals of property, plant and equipment are credited to the statement of comprehensive income.

1.3 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out ("FIFO") method. Net realisable value is the estimate of the selling price in the ordinary course of business.

1.4 Leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1.5 Financial instruments

Fixed deposits held with bank are recognised when the Company becomes a party to the contractual provisions of the respective instrument and are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest. Fixed deposits held with bank are recognised initially at fair value and subsequently measured at amortised cost. Fixed deposits held with bank are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership. Interest income from these term deposits is included in finance income using the effective interest rate method.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for impairment. Such provision is established when there is evidence that the Company will not be able to collect the full amount owing. The provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written-off in the year during which they are identified.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

Gains and losses on subsequent measurement of financial instruments are reflected in the statement of comprehensive income.

1.6 Cash and cash equivalents

Cash and cash equivalents include deposits held on call with the bank. These are reflected in the statement of financial position and statement of cash flow at cost.

1.7 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

Interest income is recognised as it accrues, taking into account the effective yield on the asset.

Sundry revenue is recognised when it is earned.

1.8 Provisions

Provisions are recognised when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be established.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

1.9 Equity

Ordinary shares are classified as equity.

1.10 Current taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial year-end date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authority.

1.11 Retirement benefits

The Company participates in a defined contribution plan, the assets of which are held in a separate trustee-administered fund. The Company pays fixed contributions into a separate entity. Contributions are charged to the statement of comprehensive income in the year to which they relate. The Company has no further payment obligations once the contributions have been paid. The Pension Fund Act of South Africa governs the defined contribution plan. All permanent employees are required to belong to the defined contribution plan.

2 Financial risk management

Capital management

All costs associated with the maintenance of the resort, including the refurbishment of the property and replacements of movable property, plant and equipment, are financed out of levies from the Shareholders.

Financial risk factors

The financial risks to which the Company is exposed are liquidity, credit and interest rate risk.

Liquidity risk

In terms of the use agreements associated with the shares of the Company, Shareholders are obliged to contribute levies sufficient to cover the costs of the maintenance, upkeep, control and management of the resort.

In order to manage the liquidity requirements of the Company, a rolling 10-year capital replacement and refurbishment plan is maintained and reviewed regularly by the Directors. This plan provides for the orderly refurbishment of the property and maintenance of sufficient contingency reserves, based on increases in annual levies.

The financial instruments to which the Company is exposed represent bank balances and accounts receivable and payable in respect of the operation of the levy fund. Accounts payable are generally settled within 30 days. The carrying values of the financial instruments approximate fair value.

2 Financial risk management (continued)

Credit risk

Credit risk arises from bank balances and amounts due by Shareholders. There is no significant concentration of credit risk on amounts due by Shareholders.

The Company invests surplus cash on deposit and on call only with the four largest South African banking institutions.

Credit risk arising from levy amounts due is managed by close monitoring of outstanding balances and prompt repossession of defaulting units through the exercise of a lien on shares as provided in the Memorandum of Incorporation of the Company.

In terms of the Company's accounting policies, levies receivable are recognised in the statement of financial position only when the right to occupation arises.

Interest rate risk

The Company is exposed to interest rate risk to the extent that interest rates on bank balances with financial institutions may vary. As a matter of practice, adverse interest rate risk is minimised by conservative budgeting.

	2025 R	2024 R
3 Levy surplus before interest and taxation		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
Salaries, wages and benefits	**16 733 856**	16 109 525
Contributions to retirement funds	**1 163 441**	1 097 169
Management fees	**2 711 451**	2 674 235
Audit fees	**265 256**	249 323
Internal audit, legal fees and professional fees	**163 418**	444 895
Other operating expenses	**60 535 107**	57 112 890
	81 572 529	77 688 037
4 Finance income		
Interest income earned on fixed deposits, call deposits and current account	**12 682 852**	11 636 614
5 Income tax expense		
Provision is made for Company taxation on the non-levy income.		
No tax is payable on levy income from the Shareholders in terms of Section 10(1)e of the Income Tax Act.		
Current year	**3 603 648**	3 171 168
Prior year under provision	**7 756**	3 322
	3 611 404	3 174 490
A reconciliation of the taxation charge is not considered appropriate as share block companies are only liable for taxation on the Company's net non-levy income.		
6 Trade and other receivables		
Trade receivables (refer note 15)	**317 602**	207 559
Prepayments	**14 919 697**	12 943 430
Interest receivable	**3 784 830**	1 785 530
Sundry receivables (refer note 15)	**2 162 883**	2 109 532
	21 185 012	17 046 051
7 Levies receivable		
Levy debtors	**1 238 469**	1 791 678
Repossessed debtors	**496 485**	885 972
Provision for repossessed debtors	**(135 324)**	(272 904)
Opening balance	**(272 904)**	-
Movement	**137 580**	(272 904)
	1 599 630	2 404 746

	2025 R	2024 R
8 Reserve for property, plant and equipment		
At the beginning of the year	**117 853 722**	93 369 300
Levy surplus for the year	**35 632 782**	32 785 223
	153 486 504	126 154 523
Property, plant and equipment additions and replacements during the year	**(5 590 762)**	(8 300 801)
At year-end	**147 895 742**	117 853 722

The Directors have reviewed a forward estimate, prepared by management, of the costs of property, plant and equipment additions and replacements over the next 10 years.

The Directors have approved capital expenditure of R11,539,214 for 2026 (2024: R36,810,910). There were capital commitments made for R2,968,726 at year-end (2024: R3,500,383).

The Directors have approved a major rooms refurbishment to be carried out over 2027 and 2028, with a projected spend of R232,364,436. A special levy is not anticipated for this project.

9 Trade and other payables		
Trade payables (refer note 15)	**3 758 722**	5 663 499
Other payables		
Accruals	**3 224 343**	3 204 566
Provision for auditor's remuneration	**262 724**	249 619
SARS - Vat	**3 353 816**	2 579 283
Sundry payables (refer note 15)	**2 629 145**	3 607 358
	13 228 750	15 304 325
10 Share capital		
Authorised and issued		
35,371,840 Class "A" ordinary shares of 10 cents each	**3 537 184**	3 537 184
11 Fixed deposits held with bank		
Fixed deposits held with bank	**161 500 000**	146 500 000
12 Cash and cash equivalents		
Bank balances	**14 573 563**	5 828 298
Cash on hand	**31 963**	36 713
	14 605 526	5 865 011
13 Levies received in advance		
Levies received in advance	**30 718 040**	29 540 485

Shareholders are billed 12 months in advance. This represents levies received in advance (for the future year) that have been received at the end of the financial year.

	2025 R	2024 R

14 Property, plant and equipment

The Company complies with the SAICA Guide on Financial Reporting for Share Block Companies with respect to the treatment of property, plant and equipment. In terms of the SAICA Guide the right of use of property vested with the Shareholders, has been offset against the loan from Shareholders with the balance transferred to the reserve for property plant and equipment.

Land and buildings comprise the following property:

Lot 1076, Umhlanga Rocks Township, Kwa-Zulu Natal with buildings thereon, known as uMhlanga Sands Resort.

Land and buildings were originally purchased for R13,882,239 and are not recognised. Although the Company has legal title to the property, it effectively only owns the bare dominium over the property that is considered to be of no value. The property is currently valued by the municipality at R355,000,000 for rates purposes. There are no bonds on the property.

15 Related party transactions

The operations of the Company are managed by Southern Sun Hotel Interests Proprietary Limited ("SSHI"). The Company is charged the following fees in terms of the management agreement:

Short-term rentals	**238 752**	366 229
Rental pool	**1 333 737**	1 085 672
Management fee	**2 711 451**	2 674 235
Central accounting and levy collection fees	**4 117 586**	3 942 789

The Company receives rental income from SSHI for the letting of office space:

Rental income	**(156 022)**	(145 815)

Southern Sun Timesharing Proprietary Limited ("SST") is the accredited rental and resale services provider. During the financial year the Company received the following fee in terms of the management agreement:

Commission on resale and rental of weeks - SST	**(107 064)**	(130 659)

Share Registry Management Services Proprietary Limited ("SRMS") provides an exclusive transfer of shares service to Shareholders. During the financial year the Company (received)/paid the following fees in terms of the management agreement:

Commission on transfer of ownership - SRMS	**(95 564)**	(83 786)
Secretarial fees on repossessed debtors - SRMS	**173 870**	162 978

During the year, the Company concluded 2 bulk deals with SunSwop (a division of SSHI), selling repossessed weeks in order to reduce the number of repossessed weeks and to secure future levy collection. SunSwop purchased 127 repossessed weeks from the Company for R1,131,887 and 149 repossessed weeks from the Company for R1,407,514 (2024: purchased 123 repossessed weeks from the Company for R828,657 and 50 repossessed weeks from the Company for R623,710).

During the financial year the Company paid the following SSHI internal charges:

Administration - Information technology, industrial relations, training, etc	**975 099**	1 400 543
Training related	**9 948**	7 705
Frequent guest loyalty program	**98 545**	88 875

	2025 R	2024 R

15 Related party transactions (continued)

Certain costs are incurred by SSHI in terms of contracts negotiated on behalf of members of the Southern Sun Group, including the Company. These costs, that include insurance and certain maintenance and operating lease contracts, are recovered from the Company via a loan account. The balance of the loan account is as follows:

Due (to)/by SSHI and its subsidiaries:

Included in trade payables (refer note 9)	**(1 575 526)**	(1 442 613)
Included in sundry payables (refer note 9)	**-**	(129 706)
Included in trade receivables (refer note 6)	**28 781**	8 567
Included in sundry receivables (refer note 6)	**69 363**	-
	(1 477 382)	(1 563 752)

Balances due (to)/by the following entities, related through common directorship, are as follows:

Cabana Beach Share Block Proprietary Limited - included in trade payables (refer note 9)	**(18 329)**	-

SSHI own weeks in the Company as follows:

	Number of weeks	Levies paid R	Levies received in advance R
SunSwop (a division of SSHI) - 2025 shareholding	1 182	9 735 530	2 762 640
SunSwop (a division of SSHI) - 2024 shareholding	906	6 830 600	2 075 420

The following entities, related through common directorship, own weeks in the Company as follows:

2025 - shareholding

RN Dickson - Dream Vacation Club	683	6 390 180	1 805 900
AB Ramsarup - The Leisure Holiday Club	579	5 429 820	1 749 520
AN Ridl - Club Leisure Group	1 151	11 036 910	3 372 700

2024 - shareholding

RN Dickson - Dream Vacation Club	673	5 878 860	1 712 600
AB Ramsarup - The Leisure Holiday Club	579	5 123 070	1 650 600
AN Ridl - Club Leisure Group	1 151	10 413 410	3 412 000

	2025 R	2024 R
16 Directors' emoluments		
For their services to the Company, the Directors have been remunerated an agreed upon fee per meeting attended and are reimbursed for costs incurred whilst performing the Company's business. Further, the Directors are insured for medical costs and personal accident. The Directors are also covered by insurance taken out by the Company as indemnification against all liability of any Director towards the Company in respect of negligence, default, breach of duty or breach of trust.		
Directors' emoluments paid for the year:		
RN Dickson	**25 800**	25 200
AL Faulds	**8 400**	8 400
LE McMillan	**25 800**	33 600
MF Mia	**34 200**	33 600
AB Ramsarup	**34 200**	33 600
AN Ridl	**34 200**	33 600
JPF van Rooyen	**-**	25 200
MA Zoya	**34 200**	33 600
MN Ridl	**-**	-
	196 800	226 800

Umhlanga Sands Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements
Detailed Levy Fund Operating Statement for the Year Ended 31 December 2025

	2025 R	2024 R
INCOME		
Levies	**100 875 769**	95 177 087
Rental pool	**2 006 749**	1 653 071
Short-term rentals	**1 758 576**	3 003 124
Net non-levy income		
- telephone, rentals and penalties etc	**3 144 943**	2 177 854
	108 133 863	102 011 136
EXPENDITURE		
Room expenses		
Cleaning supplies	**349 778**	354 417
Guest entertainment and DSTV	**2 745 446**	2 434 383
Guest supplies	**1 133 012**	1 051 232
Laundry	**4 078 193**	3 829 289
Pest control	**40 804**	43 248
Personnel costs - outside services	**9 073 727**	8 560 302
Plants and decorations	**30 895**	29 147
Printing and stationery, including reception	**364 378**	371 582
Replacement of cutlery, crockery, linen, towels, uniforms, etc	**1 875 465**	1 982 927
Security and banking services	**3 080 326**	2 917 783
	22 772 024	21 574 310
Administration and general		
Audit fees		
- current year	**262 724**	249 223
- disbursements prior year	**2 532**	100
Bank charges	**25 246**	24 653
Central accounting and levy collection fees	**4 117 586**	3 942 789
Corporate social initiatives	**81 187**	(5 347)
Covid related costs	**-**	(7 878)
Credit card commission	**465 847**	431 002
Directors' emoluments	**196 800**	226 800
Information technology costs	**2 536 183**	2 284 140
Insurance		
- premium	**1 471 018**	1 623 954
Legal fees	**95 758**	94 710
Licences and permits	**105 648**	(24 163)
Loss and damages	**14 478**	-
Loss on repossessed debtors	**5 525**	597
Marketing	**99 722**	95 173
Postage	**-**	348
Professional fees	**67 660**	350 185
Provision for repossessed debtors	**(137 580)**	272 904
Railage, cartage and hire transport	**1 186**	586
Subscriptions	**159 859**	175 773
Telephone	**15 929**	10 211
Travel - management and Directors	**60 574**	47 557
Vehicles - fuel and oil	**111 924**	114 100
	9 759 806	9 907 417

Umhlanga Sands Share Block Proprietary Limited

Unaudited Supplementary Schedules to the Annual Financial Statements
Detailed Levy Fund Operating Statement for the Year Ended 31 December 2025

	2025 R	2024 R
Electricity, water and refuse		
Electric bulbs	**50 452**	67 024
Electricity	**7 658 224**	6 077 762
Generator fuel	**42 152**	230 983
Refuse	**459 541**	338 756
Water	**2 866 255**	2 912 108
	11 076 624	9 626 633
Repairs and maintenance		
Air-conditioning	**1 097 775**	872 207
Buildings and elevators	**644 187**	600 685
Electrical and mechanical	**269 056**	315 822
Furniture, fixtures and room access cards	**831 725**	753 813
Gardens and grounds	**397 319**	384 950
Painting and redecorating	**238 859**	136 330
Plumbing and heating	**149 242**	165 404
Radio and TV	**(63 981)**	239 956
Room care	**223 912**	421 695
Swimming pool cleaning and repairs	**106 055**	103 342
Vehicles	**34 900**	56 781
	3 929 049	4 050 985
Capital charges		
Municipal rates and taxes	**12 603 388**	11 845 818
Urban improvement precinct	**822 890**	801 945
	13 426 278	12 647 763
Personnel costs		
Rooms	**12 440 788**	11 910 838
Administration and general	**2 147 460**	2 637 151
Repairs and maintenance	**3 309 049**	2 658 705
	17 897 297	17 206 694
Management fee	**2 711 451**	2 674 235
Total expenditure	**81 572 529**	77 688 037
Excess of income over expenditure before finance cost and taxation	**26 561 334**	24 323 099
Finance income		
Interest received	**12 682 852**	11 636 614
Excess of income over expenditure before taxation	**39 244 186**	35 959 713
Taxation		
Current year	**3 603 648**	3 171 168
Prior year under provision	**7 756**	3 322
	3 611 404	3 174 490
Excess of income over expenditure after taxation for the year, transferred to reserve for property, plant and equipment	**35 632 782**	32 785 223

Umhlanga Sands Share Block Proprietary Limited

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2024 HELD ON THURSDAY 14 AUGUST 2025 AT 10H04 AT UMHLANGA SANDS RESORT UMHLANGA AND/OR THROUGH THE ONLINE MICROSOFT OFFICE TEAMS PLATFORM

1 WELCOME AND PREAMBLE

As Chairman of the Company Mr Anthony Ridl welcomed all shareholders present both in person and online through the Microsoft Office Teams platform, to the 2024 Annual General Meeting ("AGM") of Umhlanga Sands Share Block. He introduced his fellow Directors at the meeting: Dr Mahomed Mia; Mr Ajith Ramsarup; and Mr Mziwandile ("Al") Zoya. Mr Nicholas Dickson was unable to attend but was represented by his Alternate Director, Ms Anthea Faulds. Ms Louise McMillan was traveling abroad and had tendered her apologies.

Members of the Senior Management team were in attendance, as was the Company Secretariat team and Auditors.

The Chairman noted that Mr Johannes ("John") van Rooyen had resigned from the Board effective 24 January 2025 and expressed sincere appreciation for Mr van Rooyen's many years of dedicated service and invaluable contribution to the Board.

2 QUORUM

Several Shareholders had tendered apologies for the meeting and had submitted forms of proxy for voting purposes. The Chairman noted that 8,853,451 ordinary shares were represented in person and by proxy at the start of this meeting and that this constituted a quorum of 25.03% of the Company's issued share capital. With the required quorum present, being at least 3 Shareholders holding a minimum of 5% of the Company's share capital, the Chairman declared the meeting duly constituted.

3 NOTICE OF MEETING

All Shareholders present consented that the notice of meeting dated 8 May 2025 be and is hereby taken as read.

4 VOTING

For an ordinary resolution to be carried, at least 50% of total votes exercised must be in favour of the resolution and for a special resolution to be carried, at least 60% of total votes exercised must be in favour of the resolution.

5 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS OF THE COMPANY INCLUDING REPORTS OF THE DIRECTORS, INDEPENDENT AUDITORS, AUDIT COMMITTEE AND SOCIAL AND ETHICS COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2024

The audited financial statements of the Company together with the reports of the Directors, Audit Committee and independent Auditors for the financial year ended 31 December 2024 as required in terms of Section 30(3)(d) of the Companies Act, were presented to Shareholders as required in terms of Section 61(8)(a) of the Companies Act. The Social and Ethics Committee report was included and presented for information purposes.

No questions were raised with regards to the financial statements, as presented.

6 APPOINTMENT OF AUDITORS - BDO SOUTH AFRICA INCORPORATED ("BDO")

ORDINARY RESOLUTION 1

Ordinary resolution 1 related to the appointment of BDO South Africa Incorporated ("BDO") as the independent Auditors of the Company until conclusion of the next AGM of the Company. It is unanimously RESOLVED that BDO be and is hereby appointed the independent Auditors of the Company for the ensuing year's audit.

7 ELECTION OF DIRECTORS

ORDINARY RESOLUTION 2

In terms of the Company's Memorandum of Incorporation ("MOI") the Board was limited to no more than 7 Directors. At a previous Board meeting held in May 2025 and again prior to this AGM, the Board discussed the adequacy and expertise of its members following the resignation of Mr van Rooyen and it was unanimously agreed that it retained the necessary skills and experience to effectively carry out its duties and maintain representation on its sub-Committees. The Board therefore recommended

that the number of Directors on the Board not be increased this year and that the current Directors who retired at this meeting, but being eligible and available for re-election, be considered for re-election. No additional nominations were received prior to this AGM and no nominations were received from the floor.

No objection was recorded and the Chairman proposed that the meeting take ordinary resolutions 2.1 to 2.6, as outlined in the notice as read and that the meeting vote for the 6 Directors en bloc. No objection was recorded against the proposed en bloc voting or to the election of any of the Directors and it is unanimously RESOLVED that Mr Nicholas Dickson, Ms Louise McMillan, Dr Mahomed Mia, Mr Ajith Ramsarup, Mr Anthony Ridl and Mr Al Zoya be and they are hereby re-elected as a Director of the Company.

8 APPOINTMENT OF AUDIT COMMITTEE

ORDINARY RESOLUTION 3

In terms of the Company's MOI, the Company was required at each AGM to appoint an Audit Committee comprising at least 3 members. As with the election of the Directors, the Chairman proposed that the meeting take ordinary resolutions 3.1 to 3.3 as outlined in the notice as read and proposed that the meeting vote for the Audit Committee members en bloc.

No objection was recorded against the proposal to vote en bloc or to the appointment of any of the current members and it is unanimously RESOLVED that Mr Nicholas Dickson, Mr Ajith Ramsarup and Mr Anthony Ridl be and are hereby re-appointed as a member of the Company's Audit Committee for the ensuing year.

9 INSURED VALUE OF PROPERTY

ORDINARY RESOLUTION 4

As recommended by independent Quantity Surveyors Brian Heineberg and Associates and duly approved by the Board of Directors, the insured value of the property amounted to R1,138,033,160. This resulted in an approximate year-on-year increase of 15.4% and included costs in the event of destruction. Buildings were valued at R1,028,209,474 and furniture, fittings and equipment were valued at R109,823,686. It is unanimously RESOLVED that the insured value of the property be and is hereby approved at R1,138,033,160.

10 NON-EXECUTIVE DIRECTORS' FEES

SPECIAL RESOLUTION 1

Special resolution 1 related to the approval of fees payable to non-executive Directors for their services as a Director. The Chairman advised that the fees remained unchanged for the past 5 years and that a small increase from R8,400 to R9,000 was proposed for the year ahead. It is unanimously RESOLVED in terms of the provisions of Section 66(9) of the Companies Act 71 of 2008 that R9,000 (Vat payable to the extent applicable to this remuneration) payable to the non-executive Directors of the Company for their services as Directors and/or members of the sub-Committees, per meeting or cluster of meetings in respect of the period from 15 August 2025 until the next AGM of the Company, be and is hereby approved.

11 OTHER BUSINESS

As mentioned in his Chairman's Report, the Chairman mentioned that Mr Antony Larsen who had served as General Manager of the resort for the last 5-years was transferred to Cabana Beach Resort in October 2024. The Chairman thanked Mr Larsen, who was in attendance, for his outstanding efforts and dedication in managing the resort over the past few years and acknowledged his contribution to the property's success, particularly highlighting his involvement in refurbishment projects such as the adult lounge and boardroom space.

The management team of Southern Sun Resorts underwent a significant reshuffle with General Managers transferring between various properties. The General Manager of Cabana Beach Resort moved to Sabi River Sun and following Mr Larsen's transfer, Mr Pranesh Sukhdeo was appointed General Manager of uMhlanga Sands Resort, having transferred from Drakensberg Sun Resort. Mr Sukhdeo brought with him valuable experience from his time at Drakensberg Sun Resort as well as from his previous role as Deputy General Manager at uMhlanga Sands Resort. He had already made a positive impact on operations with the resort continuing to be maintained in pristine condition.

Feedback and suggestions received from shareholders over the year were taken into account and the concept for the planned rooms refurbishment project was not only to upgrade the rooms' facilities but to relocate the kitchen area and create more user-friendly spaces. Two mock-up units would soon be created for shareholders to test and provide input before proceeding with the full-scale project. Although the initial cost estimates were high, the Board and management team had time to negotiate the scope of works and associated costs where possible and still provide shareholders with a high-quality product.

The Chairman thanked all members of the management team who assisted in compiling the comprehensive 2024 year-end annual report and he invited Mr Sukhdeo to present the detail to shareholders.

GENERAL MANAGER'S PRESENTATION AND REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Together with a slide show presentation, the following achievements, projects and results were shared:
- BBBEE status: Level One contributor;
- Organisational Resilience Management Services ("ORMS") audit: 98% score;
- Energy consumption: decrease of 3% year-on-year;
- Water consumption: increase of 32% year-on-year due to poor performance of the borehole facility;
- Borehole water consumption: considerably lower year-on-year following issues with the pump and filtration system, as well as less water available below ground;
- Waste: 51% of total waste recycled;
- Landscape audit: 90% score;
- Tourism Grading: 4-Star Tourism Grade awarded;
- RCI Award: Gold Crown Resort;
- Tripadvisor: Resort ranked 5th best out of 15 properties in the area;
- Guest satisfaction: RCI 90% (195 reviews); Google Reviews 91% (527 reviews); and Booking.com, 84% (10 reviews); and
- VOASA Award: Best Refurbishment of a Public Area, referring to the new adult lounge and boardroom facilities.

The following projects were carried out to enhance the facilities and improve guest-experience:
- Disabled bathrooms were upgraded;
- Ironing room on 7th floor was upgraded;
- Deck outside Miami Spur tenant was sanded and varnished;
- Additional backrests were purchased for the family swimming pool area;
- A children's sand box was created at the family swimming pool area;
- The deck overlooking the beach at the family swimming pool was replaced;
- Phase 1 of the critical spalling repair works was completed;
- Hot water tanks were relined and epoxy coated to improve the quality of water on site;
- Seating at the volleyball court was improved for a more comfortable experience;
- The reception ceiling was repaired to prevent the build-up of condensation experienced mainly during hot summer months, to reduce further damage and avoid slipping hazards;
- Waste-water drainage was addressed;
- Automatic doors to the terrace were replaced; and
- As per instruction from the Fire Engineer, the major fire rationale project was undertaken to comply with current fire safety regulations. The work included: addressing the hydrant water supply; installing booster pumps; providing additional escape routes; creating places of refuge with openable windows; replacing smoke doors on each corridor with fire doors; pressurising lift shafts and stairwells; installing a smoke detector at the adult swimming pool; and extending the generator's exhaust. All work was completed and approval from the fire chief was awaited.

Corporate Social Investment ("CSI") initiatives included:
- Hands of Heart Children's Home: donation of linen and towels;
- St Martin's Diocesan Home for Children: donation of written-off linen;
- Rise Against Hunger: staff volunteered to make food packages on Mandela Day;
- Reach for a Dream: terminally ill children were accommodated to experience the beach and the resort's hospitality. The children were treated to a game of The Amazing Race around the property;
- CHOC: staff and guests participated in fundraising events such as Flip Flop Day and the Cansa Shavathon; and
- Miami Spur hosted a Burger Bust-Up for underprivileged children in the area, to enjoy and celebrate a lunch at the resort.

Environmental initiatives included:
- Arbor Day was celebrated, and an indigenous tree was planted.

The Chairman thanked Mr Sukhdeo for his presentation and wished to add that most of the environmental and CSI projects were run by the staff members, for the benefit of the less fortunate in the community.

Referring to correspondence received prior to this meeting, the Chairman shared that a shareholder had requested that a Halaal restaurant be made available on the property. In response, he explained that the food and beverage outlets were outsourced and not owned by the Company. Rental income from these tenants benefited all shareholders but the Board could not dictate the type of offering served, as leases were awarded based on suitability and commercial viability. No Halaal operator had expressed interest in leasing space to date however, there were Halaal establishments nearby, within walking distance, in the uMhlanga area. The Board had discussed this request and was open to reviewing proposals from Halaal service providers when leases came up for renewal. Shareholders present at the meeting agreed that the current food and beverage offering was sufficient for the general guests.

A Shareholder noted that there were too few bar stools around the bar area and at the back of Coco's Bar when entertainment and live bands were scheduled. The Chairman thanked the Shareholder for her valid point and requested that Mr Sukhdeo look into improving the seating arrangements. Mr Sukhdeo responded that Coco's Bar was already under review as a potential improvement project and that management was finalising quotations for small upgrades.

The Chairman thanked all Shareholders for attending this meeting and extended special thanks to his fellow Directors and management team for the support and assistance provided over the last year.

12 CLOSURE

There being no further business, the Chairman declared the meeting closed at 10h40.



Chairman

GRAPHITE