

# Pine Lake Share Block Proprietary Limited

Registration No. 1981/008079/07

## Annual Report

for the year ended 31 December 2025

**Pine Lake Share Block Proprietary Limited**  
**Annual Financial Statements**  
for the year ended 31 December 2025

**COMPANY INFORMATION**

Registration number: 1981/008079/07  
Registered address: Nelson Mandela Square  
4th Floor, South Tower  
Cnr 5th and Maude Streets  
Sandton  
2196

Postal address: Private Bag X200  
Bryanston  
2021

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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 Pine Lake Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

# Pine Lake Share Block Proprietary Limited

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

On behalf of your Directors of Pine Lake Share Block Proprietary Limited ("the Company"), I report on the operations, financial results, and prospects of Pine Lake Resort ("the resort") for the year ended 31 December 2025. Where relevant, reference is also made to matters of subsequent significance, indicated as post period notes.

## Facilities management

It is a pleasure to share with you that the reputation of the resort as a jewel of the Lowveld continues to be upheld in all respects. From the beautifully maintained gardens to the spick-and-span up-market chalets, guests consistently express their appreciation for both the physical environment and the high standard of guest service provided. I have booked chalets for overseas friends and family, and the feedback has always been highly complimentary. Ms Julie Esquino, the resort manager, manages and leads a small but highly trained and dedicated team that is always ready and willing to go the extra mile to ensure consistently high levels of guest satisfaction.

Overall occupancy for the year declined from 67.1% in 2024 to 65.9% in 2025. Whilst the rate of decline is not alarming, the shortfall relative to the timeshare industry average is symptomatic of the rising number of repossessions. Rental pool bookings are now more than 10% of overall occupancy and, as such, are an important contributor to revenue. As reported last year, this trend results in a more diverse mix of guests in terms of age, purpose of visit and expectations.

As a preventative measure aimed at mitigating noise pollution between the chalets, we have now enclosed the patio dividing walls to roof height. This initiative has been implemented as both a practical enhancement and a proactive response to changing guest dynamics.

Your Board has continued its policy of focussing capital expenditure on chalet maintenance and enhancements but not at the expense of essential maintenance and upgrades in common areas and administration. Capital expenditure spent in 2025 was R1.413m, which is slightly higher than in 2024. The major capital projects undertaken during the year included:

• Lounge and sofa reupholstering	R157k
• Kitchen cupboard replacements	R95k
• Chimney repairs	R191k
• Contribution to external road resurfacing	R136k
• Irrigation upgrades	R63k
• Mattresses	R115k
• Tree felling	R77k

• Plumbing upgrades	R54k
• Patio dividing wall enclosures	R64k
• Initial fee for rezoning consultants	R46k
• Parking shade cloth	R46k

This expenditure supports the long-term upkeep of the resort and contributes to preserving both asset value and guest satisfaction.

## Environmental, social and governance

Climate change has had a major impact on the area, and our resort has not escaped unscathed. Rainfall recorded in White River from January to March 2025 was 489mm compared with 191mm in 2024. Extended periods of ground saturation resulted in mould developing in some chalets, requiring urgent attention.

The access road to the resort, specifically the 900m which was tarred in 2016 through contributions from neighbours and major users, had deteriorated significantly and needed resurfacing. Thanks to contributions again received from several neighbours and the local public transport company, Buscor, the road was resurfaced in September at a cost to the resort of R136k.

## Post-period note

*Rainfall in January 2026 exceeded that of 2025 by a further 100mm. The intensity of the flooding below the dam wall has unfortunately caused serious damage to approximately 240 square metres of the newly resurfaced road. We have been advised to pave this section to avoid such damage recurring, and we are in the process of obtaining quotes and pledges of contributions from predominant beneficiaries.*

Control of water consumption remains a high priority for the resort, but aging infrastructure has produced several leaks during the year, resulting in a 1% increase in consumption versus 2024. Capital funding has been allocated to progressively replace old plumbing.

Despite a 12.7% tariff increase on electricity, total expenditure increased by 2.5%, indicating a significant reduction in usage, supported by a policy of identifying more energy-efficient replacements for appliances.

Corporate Social Investment activities focussed on supporting community outreach programmes, particularly those benefiting underprivileged babies and children. The major beneficiaries included:

- Paediatric Care Africa;
- Grace Baby Haven;

# Pine Lake Share Block Proprietary Limited

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

- Feed the Need; and
- A community Christmas party where every child received a physical education kit as a gift.

In addition to financial support, sincere appreciation is extended to several team members who volunteered their personal time to assist with these projects.

## Timeshare Exchange Activity – 2025

Exchange demand from Shareholders remained resilient in 2025, with overall activity continuing to grow, albeit at a more measured pace than the previous year. The upward trend in exchanges reflects an ongoing preference among owners to leverage exchange opportunities rather than utilise their owned weeks at the resort.

Owner occupation of owned weeks declined during the year, falling to 3.7%, thereby reversing the modest improvement seen in 2024. This level of direct occupation remains well below the benchmark observed across other Southern Sun managed Resorts and underscores the growing reliance on exchange platforms to meet Shareholders' holiday needs.

A total of 1,943 exchanges were completed by Pine Lake Shareholders during 2025. The majority of this activity was directed toward Southern Sun and SunSwop affiliated resorts, accounting for 1,019 exchanges. Domestic travel through RCI affiliated resorts within South Africa remained strong, with 781 exchanges recorded, while international exchanges increased to 143, indicating sustained interest in offshore travel options.

## Financial results for the year ended 31 December 2025

Please refer to the annual financial statements published on pages 12 to 21 of this annual report.

The statement of comprehensive income for the year ended 31 December 2025 reflects total income (including net finance income) of R18.275m (2024: R18.433m) and total expenditure of R16.081m (2024: R14.933m).

### Income

Income, excluding net finance income, decreased by 1% year-on-year. Management continues to pursue opportunities to increase revenue particularly through the short-term rental and rental pool options.

### Expenditure

Total expenditure for the year of 2025 increased by 8% to R16.081m (2024: R14.933m). Below is a more detailed year-on-year review of the expenditure:

- **Rooms** – expenditure increased by 6%;
- **Administration and general** - expenditure increased by 22%. The provision for repossessed debtors was reviewed and increased by R2.8m in line with prudent risk management principles and now stands at R8.2m;
- **Electricity, water and refuse** – expenditure increased by 2%;
- **Repairs and maintenance** - expenditure increased by 24%;
- **Corporate charges** – expenditure increased by 6%;
- **Personnel costs** – expenditure decreased by 12%; and
- **Management fees** – expenditure increased by 4% in line with CPI as per the management agreement.

### Statement of financial position

The statement of financial position together with the related notes thereto, reflect the financial position of the Company as at 31 December 2025.

Fixed deposits held with bank amounted to R12m. Levies received in advance amounted to R4.298m (2024: R4.131m). The reserve for property, plant and equipment was R10.891m at the end of 2025 compared to R10.314m in the prior year.

I would like to highlight the fact that, despite there being almost no increase in the levy rate for 2025, the resort yielded an increase in the reserve for property, plant and equipment from R10.314m to R10.891m. This is a testament to the professional resource husbandry of Southern Sun Resorts' management team.

My thanks are also extended to the vast majority of Shareholders for paying their levies timeously.

### Sustainability

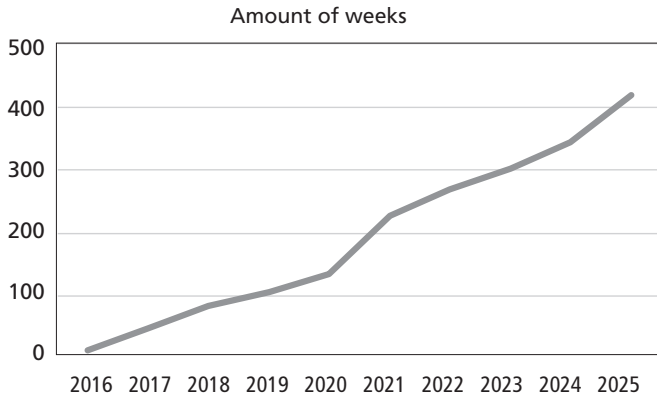
As reflected in the annual financial statements and the external Auditors' report, there is no immediate or short-term threat to the sustainability of the resort, but it is the fiduciary duty of the Directors to serve in the best interests of Shareholders over the longer term.

When the Board announced two years ago that we were investigating a potential change of use for the resort, all trading of the Company's shares was suspended to prevent any opportunistic transactions that could be disadvantageous to Shareholders, during the period of

# Pine Lake Share Block Proprietary Limited

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

uncertainty. This inevitably has an impact on the movement in numbers of repossessions, as illustrated in the graph below:



In progressing plans for the eventual closure of the resort, the Board is actively working through the legal and statutory requirements associated with the orderly winding up of a share block company. This includes obtaining necessary Shareholder approvals, settlement of all liabilities and ensuring full compliance with the Share Blocks Control Act and the Companies Act.

As part of this process, the closure plan also includes the rezoning of the land to support its optimal future use, and thereby, maximising its value. To this end, the Board has engaged a specialist consultancy with experience in the rezoning of large properties. This is a long road with multi-phased processes, requiring engagement with various government departments, so it is difficult to prescribe an accurate timeline.

Once these processes have been concluded, the Board will communicate with Shareholders the related options available to them and a way forward.

## Chairman's Conclusion

Despite the uncertainty surrounding its future, the Resort has delivered another solid performance, both financially and in terms of guest satisfaction. I would like to congratulate Ms Esquino and her team for their dedication and professionalism, ably supported and guided by Southern Sun Resorts division, under the leadership of Ms Samantha Croft. Thanks also to my fellow Directors, Ms Louise McMillan and Mr Anthony Ridl, for their continued commitment, guidance and support.

I was particularly appreciative of the engagement from Shareholders both prior to and following last year's AGM, specifically in relation to concerns around their investment in the Company, and similarly, I encourage all Shareholders to attend the forthcoming AGM to be held on 15 July 2026. Should you be unable to attend, please ensure that the form of proxy enclosed on page 5 of this report is completed and returned in accordance with the instructions provided.

In closing, the team at Pine Lake Resort would love to welcome you back as guests to enjoy all that your pristine resort has to offer.

In these uncertain times, I wish you all the best for a happy, healthy and prosperous 2026.



**James Olive**  
Chairman

Notice is hereby given to the Shareholders of the Company that the Annual General Meeting ("AGM") of the Company will be held on **Wednesday 15 July 2026 at 14h00 at Southern Sun Hyde Park, 1st Road, Hyde Park, Sandton** 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 also 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 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 five Directors in number however, due to the size of the share block Company, the Board recommends that the Directors be kept to a maximum of three. It would facilitate secretarial procedures if **nominations for the appointment of those Directors representing the Shareholders be received by no later than 14h00 on Monday, 13 July 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 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 2.2: Resolved as an ordinary resolution that Mr James Olive 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 2.3: 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.

**4. Appointment of Audit Committee**

Ordinary resolution 3.1: Resolved as an ordinary resolution that Ms Louise McMillan 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 James Olive 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.

It is noted that an amount of R6,000 for the remuneration of non-executive Directors was approved at the previous AGM for the period up to 15 July 2026. Resolved that, as a special resolution, the retained fees of R6,000 (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 16 July 2026 until the next AGM of the Company, as 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 Thursday 16 July 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 shareholder's voting rights is Thursday, 9 July 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 14h00 on Monday, 13 July 2026. A form of proxy is enclosed on page 5 for this purpose.**

**Pine Lake Share Block Proprietary Limited**  
 Registration Number: 1981/008079/07  
 ("the Company")

Registered Office:  
 Nelson Mandela Square  
 4th Floor, South Tower  
 Cnr 5th and Maude Streets  
 Sandton 2196

Private Bag X200, Bryanston, 2021  
 Telephone (031) 366 7061  
 Facsimile (086) 765 2272

**Resorts.companyservices@southern.sun.com**

Form of proxy for use by Shareholders at the Annual General Meeting ("AGM") of the Company to be held on **Wednesday, 15 July 2026, at 14h00 at Southern Sun Hyde Park, 1st Road, Hyde Park, Sandton.**

**Form of proxy**

I/We ....., being the Shareholder/s of .....ordinary shares in the Company, with right of use of Chalet ....., 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
<b>Ordinary resolution 1: Appointment of auditors</b>			
<b>Ordinary resolution 2: Election of Directors</b>			
2.1 Louise McMillan			
2.2 James Olive			
2.3 Anthony Ridl			
<b>Ordinary resolution 3: Appointment of Audit Committee</b>			
3.1 Louise McMillan			
3.2 James Olive			
3.3 Anthony Ridl			
<b>Ordinary resolution 4: Insured value of property</b>			
<b>Special resolution 1: Non-executive Directors' fees (R6,000)</b>			

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 14h00 on Monday, 13 July 2026.**



# Pine Lake Share Block Proprietary Limited

Statement of Director's 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 Pine Lake Share Block Proprietary Limited. The annual financial statements presented on pages 12 to 21 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 10 to 11.

## Approval of annual financial statements

The annual financial statements set out on pages 12 to 21 were approved by the Directors on 4 May 2026 and are signed by:



**JS Olive**  
Chairman



**AN Ridl**  
Director (Chairman - Audit Committee)

## Declaration by the Company Secretary

I hereby confirm in my capacity as Company Secretary of Pine Lake 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

# Pine Lake 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 Ms Louise McMillan, Mr James Olive and Mr Anthony Ridl (Chairman).

## 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 Audit Committee has further received the necessary assurances from the auditors confirming that internal governance processes within the audit firm support and demonstrate their independence.



**AN Ridl**  
Chairman  
4 May 2026

# Pine Lake Share Block Proprietary Limited

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

It gives me great pleasure to present the report of the Social and Ethics Committee (“the Committee”) for the financial year ending 31 December 2025. The Committee is a statutory committee established in terms of the South African Companies Act 71, of 2008, guided by the principles of King IV, and is responsible for fulfilling all duties allocated to it by the Board.

## Composition and functioning

The Committee comprises myself as Chairperson and my fellow Directors, Mr James Olive; and Mr Anthony Ridl. The Committee continues to be well supported by Ms Samantha Croft and Mr Peter Pienaar of Southern Sun Resorts, as well as Ms Julie Esquino, our Resort Manager.

The Committee met twice during 2025, and the frequency of meetings was considered adequate to address and deliberate on matters within its mandate.

## Role of the committee

The Committee ensures that Pine Lake Resort (“the resort”) maintains effective corporate social investment (“CSI”) programmes, as well as robust energy, water and waste management programmes. The Committee further oversees good corporate citizenship, employee engagement and development initiatives, and ensures that health and safety remains a key operational focus.

## Social and economic development

The Committee supports and contributes to various local organisations and community initiatives with the objective of creating a positive and lasting impact. I am pleased to record the following donations and contributions made throughout 2025:

- **Paediatric Care:** Paediatric Care provides essential medical assistance to children in rural communities requiring specialised surgical intervention. Contributions to the value of R40,539 were made through the supply of steel shelving, trestle tables, a portable solar panel, a UPS system and solar lighting. This equipment was required for the effective operation of a mobile outreach pharmacy;
- **Grace Baby Haven:** Grace Baby Haven provides a safe, loving, and nurturing environment for abandoned and abused infants prior to placement in foster care or adoptive homes. Nappies, formula and baby accessories were donated to the value of R7,505;
- **Community Christmas Party:** The Community Christmas Party for the local underprivileged community exceeded all expectations in 2025. The initiative expanded from a small gathering of children in the prior year to a three-day programme across multiple locations, involving numerous volunteers and local businesses and benefiting thousands of children. An amount of R8,487 was allocated for gifts for 30 children, and five staff members volunteered their time to participate in the Christmas celebrations;
- **Feed the Need Missions:** A contribution of R6,938 was made to this food distribution initiative in White River, assisting vulnerable families with hot meals and food parcels;
- **The Power of 8000:** The Power of 8000 is a local initiative focussed on restoring and maintaining White River as a clean, functional and attractive town, including the rehabilitation of parks and green spaces. Two park benches manufactured from recycled plastic, valued at R17,396, were placed in local parks.

## Environmental, health and public safety

The Committee oversees the resort’s energy, water and waste management programmes to ensure sustainability and regulatory compliance.

Water and electricity consumption is closely monitored in relation to guest occupancy and tracked against annual targets to minimise waste and control costs.

Through the Livewire real-time monitoring system, several water leaks were identified, resulting in the commencement of a plumbing replacement project to upgrade aging infrastructure. As a result, water usage reflected a marginal increase of 1% during 2025.

Management continues to encourage both staff and guests to switch off lights and appliances when not in use. Participation in Earth Hour further reinforced environmental awareness. Despite an Eskom tariff increase of 12.7% in 2025 and a 1% decline in occupancy, the Resort achieved an 8% reduction in electricity usage, largely due to the ongoing replacement of electrical applications with eco-friendly, energy-efficient alternatives. The phased approach of replacing air-conditioning units with inverter technology remains a priority as budgetary constraints permit.

## The organisational resilience management system (“ORMS”)

The ORMS system, implemented by Southern Sun properties, is a comprehensive management framework that covers fire protection, safety and security, business continuity, environmental impact and risk management.

The system is reviewed quarterly by management and audited annually by Southern Sun’s Risk Department. This process ensures regulatory compliance and confirms that proactive and preventative controls are effectively in place.

## Guest relations and correspondence

Guest satisfaction remains a critical priority. Feedback surveys are actively encouraged, monitored and responded to promptly. Staff are encouraged to engage proactively with guests to resolve issues and enhance the overall guest experience.

During 2025, the resort successfully retained:

- a 4-star Tripadvisor rating;
- Gold Crown status with RCI;
- 91% satisfaction score through Google Reviews;
- 92% satisfaction score through Booking.com; and
- an overall average guest satisfaction score of 92%.

These exceptional results reflect the dedication of management and staff, and I commend the team for their continued commitment to service excellence and sustainability.

## Labour, employment relations, training and BBBEE

The resort operates in compliance with the Labour Relations Act of South Africa. Management maintains regular engagement with staff, providing on-the-job training where required. Southern Sun’s online learning platform remains accessible to all staff to support ongoing skills development and role enhancement.

Within the Southern Sun hotel portfolio, Pine Lake Resort proudly maintains Level One BBBEE certification.

## Corporate citizenship

The resort continues to comply with all government-regulated health and safety requirements. The Committee remains committed to supporting social and economic development, fair labour practices, environmental responsibility, responsible supply chain management, and the highest standards of good corporate citizenship.



Louise McMillan  
Chairman

# Pine Lake 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 Pine Lake Resort ("the resort") that is 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 the 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 R1,990,835 (2024: R3,268,143) 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 ordinary 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:

JS Olive *^	(Alternate SJ Croft)	Chairman
LE McMillan *^	(Alternate DA Park)	
AN Ridl *^	(Alternate MN Ridl)	

\* 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:

<b>Business:</b> Nelson Mandela Square 4th Floor, South Tower Corner 5th and Maude Streets Sandton 2196	<b>Postal:</b> Private Bag X200 Bryanston 2021
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## 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.

## 8 Going concern

It was announced two years ago that the Directors were investigating a potential change of use for the resort. There is no immediate or short-term threat to the sustainability of the resort, but it is the fiduciary duty of the Directors to serve in the best interests of Shareholders over the longer term. The Directors are actively working through the legal and statutory requirements associated with the orderly winding up of a share block company for the eventual closure of the resort. This includes obtaining necessary Shareholder approvals, settlement of all liabilities and ensuring full compliance with the Share Blocks Control Act and the Companies Act. The closure plan also includes the rezoning of the land to support its optimal future use, and thereby, maximising its value. The Directors have engaged a specialist consultancy with experience in the rezoning of large properties, with R46,225 being spent during the year. It is difficult to prescribe an accurate timeline due to the multi-phased processes, requiring engagement with various government departments.

# Pine Lake Share Block Proprietary Limited

Report of the Independent Auditors

## To the Shareholders of Pine Lake Share Block Proprietary Limited

### Opinion

We have audited the financial statements of Pine Lake Share Block Proprietary Limited (the company) set out on pages 12 to 21, 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 Pine Lake 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 "Pine Lake Share Block Proprietary Limited Annual Report for the year ended 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.

# Pine Lake Share Block Proprietary Limited

Report of the Independent Auditors

## 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

8 June 2026

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

# Pine Lake Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2025

	Note	2025 R	2024 R
<b>Income</b>		<b>17 285 320</b>	17 443 739
Levy income		16 938 201	16 908 046
Other income		347 119	535 693
<b>Expenses</b>		<b>(16 081 258)</b>	(14 932 831)
Levy surplus before interest and taxation	3	1 204 062	2 510 908
<b>Finance income</b>	4	<b>989 994</b>	989 162
Levy surplus before taxation		2 194 056	3 500 070
<b>Income tax expense</b>	5	<b>(203 221)</b>	(231 927)
<b>Levy surplus for the year</b>		<b>1 990 835</b>	3 268 143

# Pine Lake Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2025

	Note	2025 R	2024 R
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	6	2 727 198	2 355 942
Levies receivable	7	1 513 145	1 372 503
Fixed deposits held with bank	11	12 000 000	11 800 000
Cash and cash equivalents	12	667 778	441 660
<b>Total current assets</b>		<b>16 908 121</b>	<b>15 970 105</b>
<b>Total assets</b>		<b>16 908 121</b>	<b>15 970 105</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	10	5 730	5 730
Reserve for property, plant and equipment	8	10 891 338	10 313 561
<b>Total equity</b>		<b>10 897 068</b>	<b>10 319 291</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1 519 667	1 288 103
Levies received in advance	13	4 297 865	4 130 784
Current tax liability		193 521	231 927
<b>Total current liabilities</b>		<b>6 011 053</b>	<b>5 650 814</b>
<b>Total liabilities</b>		<b>6 011 053</b>	<b>5 650 814</b>
<b>Total equity and liabilities</b>		<b>16 908 121</b>	<b>15 970 105</b>

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

	Note	2025 R	2024 R
<b>Share capital</b>			
Ordinary shares at the beginning and at year-end	10	5 730	5 730
<b>Reserve for property, plant and equipment</b>			
At beginning of year		10 313 561	8 444 667
Levy surplus for the year		1 990 835	3 268 143
Property, plant and equipment additions and replacements during the year	8	(1 413 058)	(1 399 249)
At year-end		<b>10 891 338</b>	<b>10 313 561</b>

# Pine Lake Share Block Proprietary Limited

Statement of Cash Flows for the Year Ended 31 December 2025

	2025 R	2024 R
<b>Cash flow from operating activities</b>		
Levy surplus before taxation	2 194 056	3 500 070
Adjustments for		
Interest received	(989 994)	(989 162)
Net surplus before working capital changes	1 204 062	2 510 908
Changes in working capital		
Movement in levies receivable	(140 642)	(240 031)
Movement in trade and other receivables	(371 256)	84 892
Movement in levies received in advance	167 081	400 596
Movement in trade and other payables	231 564	(664 022)
Cash flows from operating activities	1 090 809	2 092 343
Interest received	989 994	989 162
Tax paid	(241 627)	(182 811)
Net cash inflow from operating activities	1 839 176	2 898 694
<b>Cash flow from investing activities</b>		
Property, plant and equipment additions and replacements	(1 413 058)	(1 399 249)
Movement in fixed deposits held with bank	(200 000)	(2 300 000)
Net cash outflow from investing activities	(1 613 058)	(3 699 249)
<b>Net movement in cash and cash equivalents</b>	<b>226 118</b>	<b>(800 555)</b>
Cash and cash equivalents at beginning of year	441 660	1 242 215
<b>Cash and cash equivalents at year-end</b>	<b>667 778</b>	<b>441 660</b>

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

## 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 the 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 are 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 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.

### 1.4 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 fixed deposits held with bank 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.

### 1.5 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.

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

## 1.6 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.

## 1.7 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.

## 1.8 Equity

Ordinary shares are classified as equity.

## 1.9 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.

## 1.10 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 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 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.

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

## **Credit risk**

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

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

	2025 R	2024 R
<b>3 Levy surplus before interest and taxation</b>		
The levy surplus before interest and taxation is stated after taking into account the following:		
Employee costs		
Salaries, wages and other benefits	2 541 583	2 944 781
Contributions to retirement funds	204 539	185 337
Management fees	1 072 447	1 026 920
Audit fees	95 928	131 679
Other operating expenses	12 166 761	10 644 114
	<b>16 081 258</b>	<b>14 932 831</b>
<b>4 Finance income</b>		
Interest income earned on fixed deposits, call deposits and current account	989 994	989 162
<b>5 Income tax expense</b>		
A provision is made for Company taxation on the net non-levy income of the levy fund.		
No tax is payable on levy income from the Shareholders, in terms of Section 10(i)(e) of the Income Tax Act.		
Current year	193 521	231 927
Prior year under provision	9 700	-
	<b>203 221</b>	<b>231 927</b>
A reconciliation of the taxation charge is not considered appropriate as share block companies are only liable for taxation on their net non-levy income.		
<b>6 Trade and other receivables</b>		
Trade receivables	10 587	4 745
Other receivables	260 382	201 355
Interest receivable	444 089	103 215
Prepayments	2 012 140	2 046 627
	<b>2 727 198</b>	<b>2 355 942</b>
<b>7 Levies receivable</b>		
Levy debtors	249 527	550 061
Repossessed debtors	9 498 672	6 305 409
Provision for repossessed debtors	(8 235 054)	(5 482 967)
Opening balance	(5 482 967)	(3 666 253)
Movement	(2 752 087)	(1 816 714)
	<b>1 513 145</b>	<b>1 372 503</b>
<b>8 Reserve for property, plant and equipment</b>		
At beginning of year	10 313 561	8 444 667
Levy surplus for the year	1 990 835	3 268 143
	<b>12 304 396</b>	<b>11 712 810</b>
Property, plant and equipment additions and replacements during the year	(1 413 058)	(1 399 249)
At year-end	<b>10 891 338</b>	<b>10 313 561</b>

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 for 2026 of R4,804,628 (2024: R4,465,766). There were capital commitments made for R18,740 at year-end (2024: R1,738).

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

	2025 R	2024 R
<b>9 Trade and other payables</b>		
Trade payables (refer note 15)	283 598	372 975
Other payables		
Accruals	279 627	348 673
Provision for auditor's remuneration	99 432	50 220
SARS - Vat	639 034	205 995
Sundry payables	217 976	310 240
	<b>1 519 667</b>	<b>1 288 103</b>
<b>10 Share capital</b>		
<b>Authorised</b>		
162,146 "A" Class ordinary shares of 4 cents each		
<b>Issued</b>		
143,248 "A" Class ordinary shares of 4 cents each	5 730	5 730
<b>11 Fixed deposits held with bank</b>		
Fixed deposits held with bank	12 000 000	11 800 000
<b>12 Cash and cash equivalents</b>		
Bank balances	667 778	441 660
<b>13 Levies received in advance</b>		
Levies received in advance	4 297 865	4 130 784

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.

## 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:

Portion 47 of the farm Klipkopje 228 registration division, JT Transvaal District, White River with buildings thereon, known as Pine Lake Resort.

Land and buildings were originally purchased for R6,238,858 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 R34,905,000 for rates purposes. There are no bonds on the property.

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

	2025 R	2024 R
<b>15 Related party transactions</b>		
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	6 609	10 265
Rental pool	205 211	172 279
Management fee	1 072 447	1 026 920
Central accounting and levy collection	685 579	656 475
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	(981)	(2 753)
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	(1 607)	(11 062)
Secretarial fees on repossessed debtors - SRMS	49 870	30 678
The Company did not conclude a bulk deal with SunSwop (a division of SSHI) during the year (2024: SunSwop purchased mid-week occupation usage of 190 repossessed weeks from the Company for R437,000 in order to reduce accumulated debt on the weeks).		
During the financial year the Company paid the following SSHI internal charges:		
Administration - Information technology, training, industrial relations, etc.	202 213	202 337
Training	-	14 415
Frequent guest loyalty programme	1 637	1 023
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, certain maintenance and operating lease contracts are recovered from the Company via loan accounts.		
Due (to)/by SSHI and its subsidiaries: Included in trade payables (refer note 9)	<b>(266 778)</b>	<b>(275 760)</b>

	Number of weeks	Levies paid R	Levies received in advance R
SSHI owns weeks in the Company as follows:			
SunSwop (a division of SSHI) - 2025 shareholding	15	160 950	43 000
SunSwop (a division of SSHI) - 2024 shareholding	15	160 650	42 920

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

AN Ridl - Club Leisure Group - 2025 shareholding	163	1 757 550	926 650
AN Ridl - Club Leisure Group - 2024 shareholding	163	1 981 340	579 420

# Pine Lake Share Block Proprietary Limited

Notes to the Annual Financial Statements for the Year Ended 31 December 2025

	2025 R	2024 R
<b>16 Directors' emoluments</b>		
For their services to the Company, non-executive 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. All costs relating to DA Park and SJ Croft are borne by Southern Sun.		
Directors' emoluments for the year:		
LE McMillan	21 900	21 200
JS Olive	21 900	21 200
AN Ridl	21 900	15 900
MN Ridl	-	-
SJ Croft	-	-
DA Park	-	-
	<b>65 700</b>	<b>58 300</b>

## 17 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.

## 18 Going concern

It was announced two years ago that the Directors were investigating a potential change of use for Pine Lake Resort ("the resort"). There is no immediate or short-term threat to the sustainability of the resort, but it is the fiduciary duty of the Directors to serve in the best interests of Shareholders over the longer term. The Directors are actively working through the legal and statutory requirements associated with the orderly winding up of a share block company for the eventual closure of the resort. This includes obtaining necessary Shareholder approvals, settlement of all liabilities and ensuring full compliance with the Share Blocks Control Act and the Companies Act. The closure plan also includes the rezoning of the land to support its optimal future use, and thereby, maximising its value. The Directors have engaged a specialist consultancy with experience in the rezoning of large properties, with R46,225 being spent during the year. It is difficult to prescribe an accurate timeline due to the multi-phased processes, requiring engagement with various government departments.

# Pine Lake 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
<b>INCOME</b>		
Levies	16 938 201	16 908 046
Rental pool	18 397	93 186
Short-term rentals	34 978	236 981
Sale of capital assets	63 739	3 478
Net sundry income		
- unclaimed surpluses, penalties, etc.	230 005	202 048
	<b>17 285 320</b>	<b>17 443 739</b>
<b>EXPENDITURE</b>		
<b>Rooms expenses</b>		
Cleaning supplies	44 799	55 025
Guest entertainment and DSTV	145 483	134 831
Guest supplies	201 877	157 089
Laundry	985 160	888 652
Personnel costs - outside services	1 262 635	1 203 470
Pest control	25 873	19 499
Plants and decorations	1 044	325
Printing and stationery, including reception	59 054	85 757
Replacement of cutlery, crockery, linen, towels, uniforms, etc.	191 515	212 962
Security and banking services	817 522	768 113
	<b>3 734 962</b>	<b>3 525 723</b>
<b>Administration and general</b>		
Audit fees		
- current year	83 598	79 428
- prior year over provision	(1 824)	-
- expenses current year	15 834	10 506
- expenses prior year over provision	(1 680)	41 745
Bank charges	3 264	13 634
Central accounting and levy collection fee	685 579	656 475
Corporate social initiatives	89 974	109 035
Credit card commission	87 680	81 095
Directors' emoluments	65 700	42 400
Information technology costs	693 920	636 939
Insurance - premium	208 753	234 430
Licences and permits	14 938	18 596
Loss on repossessed debtors	-	57 529
Marketing	173 252	156 932
Postage	184	(28)
Professional fees	153	-
Provision for repossessed debtors	2 752 087	1 816 714
Railage, cartage and hire transport	5 991	4 896
Subscriptions	31 095	25 718
Telephone	40 658	54 705
Travel - management and Directors	28 028	33 317
Vehicles - fuel and oil	10 271	8 867
	<b>4 987 455</b>	<b>4 082 933</b>

# Pine Lake 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
<b>Electricity, water and refuse</b>		
Electric bulbs	17 286	22 271
Electricity	1 151 599	1 123 387
Water	12 623	18 045
	<b>1 181 508</b>	<b>1 163 703</b>
<b>Repairs and maintenance</b>		
Air-conditioning	15 182	20 496
Buildings	261 544	68 345
Electrical and mechanical	174 714	165 186
Tools	2 364	3 255
Furniture and fixtures	15 646	25 955
Gardens and grounds	865 512	843 426
Painting and redecorating	36 645	19 417
Plumbing and heating	161 605	92 130
Radio and TV	17 837	14 028
Room care	7 249	5 015
Swimming pool cleaning and repairs	35 116	27 868
Vehicles	14 536	6 824
	<b>1 607 950</b>	<b>1 291 945</b>
<b>Corporate charges</b>		
Annual report and statutory costs	38 865	39 297
Municipal rates and taxes	711 949	672 192
	<b>750 814</b>	<b>711 489</b>
<b>Personnel costs</b>		
Rooms	1 176 062	1 092 481
Administration and general	719 782	1 180 118
Repairs and maintenance	850 278	857 519
	<b>2 746 122</b>	<b>3 130 118</b>
<b>Management fee</b>	<b>1 072 447</b>	<b>1 026 920</b>
<b>Total expenditure</b>	<b>16 081 258</b>	<b>14 932 831</b>
Excess of income over expenditure before finance cost and taxation	<b>1 204 062</b>	<b>2 510 908</b>
<b>Finance income</b>		
Interest received	<b>989 994</b>	<b>989 162</b>
Excess of income over expenditure before taxation	<b>2 194 056</b>	<b>3 500 070</b>
<b>Taxation</b>		
Current year	<b>193 521</b>	<b>231 927</b>
Prior year under provision	<b>9 700</b>	<b>-</b>
	<b>203 221</b>	<b>231 927</b>
Excess of income over expenditure after taxation for the year transferred to reserve for property, plant and equipment	<b>1 990 835</b>	<b>3 268 143</b>

# Pine Lake Share Block Proprietary Limited

## MINUTES OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD ON WEDNESDAY 16 JULY 2025 AT 14H06 AT SOUTHERN SUN HYDE PARK HOTEL 1ST ROAD HYDE PARK SANDTON AND THROUGH THE MICROSOFT OFFICE TEAMS PLATFORM

### 1 WELCOME AND PREAMBLE

The Chairman Mr James Olive, representing the "A" class Shareholders of the Company, welcomed all Shareholders both in person and online through the Microsoft Office Teams Platform. He introduced his fellow non-executive Directors also representing the "A" class shareholders as being: Ms Louise McMillan and Mr Anthony Ridl.

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

### 2 QUORUM

Several Shareholders tendered apologies for the meeting and had submitted forms of proxy for voting purposes. The Chairman noted that 12,207 ordinary shares were represented in person and by proxy at the start of this meeting and that this constituted a quorum of 8.52% of the Company's issued share capital. With the required quorum being present, being at least 3 Shareholders present and holding at least 5% of the share capital, the Chairman declared the meeting duly constituted.

### 3 NOTICE OF MEETING

All Shareholders present consented that the notice of meeting dated 12 May 2025 be and is hereby taken as read.

### 4 VOTING

The Chairman informed the meeting that 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 annual financial statements.

### 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 as the independent auditors of the Company for the ensuing year's audit.

### 7 ELECTION OF DIRECTORS

In accordance with the Company's Memorandum of Incorporation ("MOI"), the Board was limited to 5 Directors but due to the size of the share block, the Board recommended that the number of Directors be kept to a maximum of 3. The Chairman stated that the Directors who retired at this meeting but being eligible, were available for re-election and that no additional nominations had been received.

He proposed that ordinary resolution 2.1 to 2.3 as outlined in the notice be taken as read and recommended that the shareholders vote for the eligible nominees en bloc. No objection was recorded against the proposed en bloc vote process and it is unanimously RESOLVED that Ms Louise McMillan, Mr James Olive and Mr Anthony Ridl be and they are hereby elected as a Director of the Company for the ensuing year.

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## 8 APPOINTMENT OF AUDIT COMMITTEE MEMBERS

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 resolution 3.1 to 3.3 as outlined in the notice of this AGM 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 re-appointment of any of the current members and it is unanimously RESOLVED that Ms Louise McMillan, Mr James Olive and Mr Anthony Ridl be and they are hereby re-appointed as a member of the Company's Audit Committee for the ensuing year.

## 9 INSURED VALUE OF PROPERTY

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 R162,095,855. This resulted in an approximate year-on-year increase of 16.9%. (Buildings were valued at R146,340,558 and furniture, fittings and equipment at R15,755,297). This included the cost of demolition, inflationary costs and so on. It is unanimously RESOLVED that the insured value of the property be and is hereby approved at R162,095,855.

## 10 NON-EXECUTIVE DIRECTORS' FEES

### 10.1 SPECIAL RESOLUTION 1

Special resolution 1 related to the approval of the fees payable to non-executive Directors for their services as a Director. The Chairman advised that the fees had not increased for the past 5 years and that a small increase from R5,300 to R6,000 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 R6,000 (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 17 July 2025 until the next AGM of the Company, be and is hereby approved.

## 11 OTHER BUSINESS

### 11.1 GENERAL MANAGER PRESENTATION AND REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Together with a slideshow presentation, the Resort Manager, Ms Julie Esquino, shared the following activities and achievements over the previous year:

Corporate Social Investment ("CSI"):

- Grace Baby Haven received donations of blankets, formula and baby essentials;
- Pediatric Care Africa received donations of gas bottles for use during scheduled medical treatment and surgeries;
- Feed the Need received donations of food parcels for distribution through an underprivileged community feeding scheme;
- Mbombela SPCA received donations of animal food;
- The Power of 8000 received a cash donation towards purchasing Clearview fencing to enclose the community funded play park that was constructed and opened in White River on 12 April 2025;
- In collaboration with Southern Sun Hotels and Resorts, the Mpumalanga Association for the Blind and Rehabilitation NPC received donations of used soap bars and with the Agricultural Research Council, trained the visually impaired students to create entrepreneurial opportunities and to sell reworked soap.

Improvements and Upgrades:

- Tile edging and touch ups carried out on the swimming pool;
- New umbrellas purchased for around the swimming pool area;
- Swimming pool filter replaced;
- Car port shade nets replaced for parking bays 33 and 34 and 17 and 20;
- Car port shade nets replaced outside reception;
- The large Pine Trees were trimmed and felled as a safety precaution;
- The wooden railing at the games room was replaced with steel;
- The support beams and wooden deck around the games room was replaced;
- The kitchen in the staff canteen was upgraded;
- Blinds in each 2nd bedroom were being replaced with a stronger roller blind where necessary;
- Couches were re-upholstered where necessary;
- Paddle boats were purchased for water activities;

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- The jetty was replaced;
- The irrigation pump motor was replaced;
- Adjoining patio walls were being extended to reduce noise traveling between two chalets;
- The small gardens between adjoining chalets were being extended for added privacy;
- The replacement of wooden window frames with aluminium was ongoing throughout the chalets;
- Galvanized copper piping was being replaced with PVC as required; and
- Water damaged kitchen cupboards were being replaced.

The staff of Southern Sun were empowered to learn new skills and on-the-job training through Southern Sun's training portal and both Ms Precious Hlope and Ms Carol Ngwenyama achieved certification for completing the 3-month online reception course.

## 11.2 SHAREHOLDERS' DISCUSSION

As mentioned in his Chairman's Report for the past two years, the Chairman mentioned that the future of Pine Lake Resort was a concern given the increased number of repossessed timeshare weeks held by the share block Company. The Board was investigating many considerations for the property and was calculating when the resort was likely to close as a result of repossessions further increasing. The Board would endeavor to keep Shareholders informed of the options as processes progressed. Each consideration would take time, and the Board therefore encouraged all shareholders to continue utilizing their timeshare at Pine Lake Resort and exchanging their timeshare week. On behalf of Resorts Company Secretarial Services, Ms Lisa Sutton read out correspondence received from Shareholders regarding the potential closure of the resort.

Mr Walker enquired whether: existing Shareholders were effectively covering the levies for repossessed weeks; Southern Sun would back all the weeks for the conversion of the property; the Company would engage in rezoning and subsequent sales; and the Company would sell the scheme to a potential developer. The Chairman addressed each point as follows: The existing Shareholders did indirectly cover the unpaid levies as the reserves were held for all operational and capital expenditure however, to mitigate the loss, management rented repossessed weeks through the rental pool system for the Company to earn a dividend from the rental. While chalets were vacant however, it was not a full levy burden as there was a slight saving on housekeeping, cleaning, electricity and water costs. The Chairman confirmed that Southern Sun would back the repossessed weeks. He advised that considerations were already in discussion with various consultants that are in turn engaging with the Municipality regarding the conversion of the property to sectional title status. As an interim measure, the Board was investigating possible long-term rental opportunities to fill the vacant weeks. An option was indeed to sell the share block scheme to a developer but there were a few other options that the Board would also like to investigate further prior to confirming how the process would unfold and what the result would be. It was still too early to have a definitive answer. The Directors were aware of their fiduciary duties and were working in the best interest of each shareholder to confirm the best possible way forward, to the benefit of all shareholders.

Mr and Ms Hermus enquired whether: red timeshare weeks would be phased out and if so, for what reason; why the chalets received ongoing updates, new appliances and internal updates over the past few years while there was no corresponding increase in value of their timeshare investment; a new levy calculation should be introduced whereby a shareholder paid based on the value their timeshare; the red weeks were still carrying the repossessed weeks and peak weeks, thereby disadvantaging shareholders of red weeks. They further enquired what a December period levy was and what was being done to preserve the value of red weeks to align the levy system better.

In replying to the correspondence, Mr Peter Pienaar the Southern Sun Resorts' Business Development Manager replied that there was no intention of changing the allocation or phasing out any timeshare weeks. The 12-13 peak weeks for each chalet attracted a higher levy given that these periods accommodated more visitors both in the chalets and on the property. This resulted in higher occupancy but higher operating costs. The 10 white weeks and remaining red timeshare weeks were differentiated according to the SunSwop exchange demand. The increase in repossessed weeks, being a combination of either the non-payment of levies or voluntary relinquishment of the timeshare, was experienced across the timeshare industry. Peak weeks were rarely repossessed given that they provided a higher exchange of points and higher rental opportunities. Mr Pienaar added that timeshare was not sold as a financial investment but rather as an investment in future holidays with the benefit being in the usage of the timeshare period.

There was significant decline in the resale of timeshare weeks across all timeshare establishments, not only at Pine Lake Resort or at Southern Sun managed properties, to the extent that many other establishments were concerned about the long-term viability of timeshare schemes, with several resorts already having closed or were embarking on similar restructuring processes that this Board was currently investigating. The market value of timeshare weeks remains uncertain as it was determined entirely on negotiations between a willing seller and a willing buyer. The Chairman acknowledged Mr Pienaar's input and wished to expand on several key points. Levies were calculated to cover operational costs and ensure that the high standard of the facilities were maintained. As these costs increased each year, the Board was obliged to ensure that the quality of the chalets and the resort overall was preserved for the benefit of all Shareholders. The Board had little control over market-related forces when

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selling timeshare weeks however the levy for a peak week currently stood at approximately R12,800, with an 18% differential. It was noteworthy for him to mention that there was no levy increase in the previous financial year and for the current financial year, only a negligible R20 increase would be implemented, primarily to differentiate between the 2025 and 2026 years. The Chairman finally explained that the allocation of shares within the Company was historical and varied by week, ranging from 45 to 150 shares. In this specific case of Mr and Ms Hermus', their timeshare, week 33, carried a value of 80 shares.

Mr Weber noted that the value of timeshare weeks varied according to the time of year. The Chairman confirmed this, clarifying that the Company applied 2 levy tiers, being R12,800 for a peak week and approximately R10,707 for an off-peak week. This differentiation was purely a result of how the annual budget was apportioned. Mr Weber enquired what percentage of the current levies remained unpaid. Mr Pienaar stated that 18% of the total levy obligation currently related to repossessed weeks and Mr Darren Park the Financial Manager of Southern Sun Hotels, added that after recoveries recorded through the rental pool system, this amount equated to approximately 15% of total levies.

## 12 CLOSURE

There being no further business to discuss, the Chairman thanked all for their attendance and declared the meeting closed at 14h40.

  
CHAIRMAN



