Drakensberg Sun Hotel Share Block Proprietary Limited

Registration No. 1967/007156/07

Annual Report

for the year ended 31 December 2025



Southern Sun
RESORTS

Drakensberg Sun Hotel Share Block Proprietary Limited
Annual Financial Statements
for the year ended 31 December 2025

COMPANY INFORMATION

Registration number:	1967/007156/07
Registered address:	Nelson Mandela Square 4th Floor, South Tower Corner 5th and Maude Streets Sandton 2196
Postal address:	Private Bag X200 Bryanston 2021

CONTENTS

	PAGES
Chairman's Annual Review	**1 – 3**
Notice of Meeting	**4**
Form of Proxy	**5**
• Statement of Directors' Responsibility	6
• Declaration by the Company Secretary	6
• Report of the Audit Committee	7
• Report of the Social and Ethics Committee	8 - 9
• Report of the Directors	10 -11
• Report of the Independent Auditors	12 - 13
• Statement of Comprehensive Income	14
• Statement of Financial Position	15
• Statement of Changes in Equity	15
• Statement of Cash Flows	16
• Notes to the Annual Financial Statements	17 - 24

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

• Detailed Levy Fund Operating Statement	25 - 26
Minutes of the Previous Annual General Meeting	**27 - 29**

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 Drakensberg Sun Hotel Share Block Proprietary Limited, supervised the preparation of the annual financial statements.

Drakensberg Sun Hotel Share Block Proprietary Limited

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

On behalf of the Board of Directors of Drakensberg Sun Hotel Share Block ("the Company"), I present this review of the Company's operations for the year ended 31 December 2025.

Drakensberg Sun Resort continued to provide Shareholders, exchange guests and visitors with a high standard of holiday experiences during the year, as reflected in the guest feedback surveys received. Staff continued to deliver strong service and maintained the standards of the resort to the levels expected by all visitors.

Guests continued to enjoy both the range of activities available at the resort and the surrounding mountain setting. Drakensberg Sun Resort remains a highly sought-after holiday destination in Southern Africa.

I extend my appreciation to the Directors for their contributions during the year and to the managing agent, Southern Sun, for its continued support and attention to detail.

The onsite management team continued working with neighbouring properties regarding the condition of the main access road. High traffic volumes and increased rainfall continued to affect repair efforts. Management, together with local civic organisations, continued engaging the municipality to expedite the required road repairs. The road from the turnoff to the resort remained in a better condition and was easier to maintain. I extend my appreciation to Southern Sun and its team for their continued efforts in this regard. Municipal involvement remained largely limited to work undertaken on the main R600 road.

Projects and upgrades completed in 2025

Refurbishment of apartments

The refurbishment of the apartments continued during the year and 29 apartments had been completed at the date of this report. Guest feedback on the upgraded units was positive, particularly in relation to the new design, improved comfort and the larger appliances provided for long-stay guests.

I would like to thank the design and technical teams for their work on the project and the management team for facilitating its implementation. Appreciation is also extended to guests affected by the works for their patience during the construction phases. These improvements are expected to enhance the holiday experience for Shareholders and guests.

Maintenance and infrastructure improvements

7 of the 10 first-floor units' outdoor dining tables and chairs were replaced to improve guest comfort.

Following the replacement of the water heat pumps and the renewal of most of the bellows feeding the pumps to improve water flow and shower pressure, electricity consumption reduced by 46%.

Recreational additions

Three additional paddle boats were added during the year and have been well used by fishing and birding enthusiasts.

A new pool table and table tennis equipment were also introduced for younger guests.

Other enhancements

The Grotto Lounge Bar was fully renovated during the year. Feedback on the new furniture, design and overall comfort has been very positive.

Restoration of access to the Blue Grotto Trail

Additional directional signage was installed on the Blue Grotto Trail to keep guests on the designated route. Ropes were also added in steeper areas as an additional safety measure. Management remained vigilant, and staff continued to inspect the trails regularly. Further improvements were made where necessary.

The safety of all persons on the property remains a priority. Guests are strongly discouraged from hiking alone and are required to notify the entertainment desk when leaving the resort and to sign back in on return. This measure assists staff should an incident occur while a guest is on the trails.

Financial position

The Board continued to review all income and expenditure closely. At each meeting, consideration was given to reducing expenditure and improving sources of income. Management was tasked with expanding marketing channels to increase apartment sales and rentals, working with the chalet and hotel entities on the property to secure additional rentals and sales, and approaching current and new markets to attract entertainment, sporting events and other business to the resort and surrounding area.

Occupancy

Occupancy for 2025 decreased to 83.3% (2024: 85.5%). Should you find yourself unable to utilise your designated timeshare week, you could deposit your week with the SunSwop team for an exchange into the resort at another time or into another resort property, either locally or internationally.

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 income and expenditure of the Company in a summarised format. The detailed levy fund operating statement that is not audited and is presented as supplementary information only, appears on pages 25 and 26.

The statement of comprehensive income for the year 31 December 2025 reflects total income including net finance income of R18.7m (2024: R17.9m) and total expenditure of R15.3m (2024: R14.3m). The levy surplus after taxation was R3.3m (2024: R3.4m) and this has been transferred to the reserve for property, plant and equipment. Below is a more detailed review of variances in income and expenditure.

Income

Total income increased by 4.4% year-on-year.

Expenditure

Total expenditure of R15.3m (2024: R14.3m) reflected an increase of 6.9% year-on-year and a detailed review of the expenditure is recorded below:

- **Rooms** increased by 7.5% compared to prior year due to the annual increase in the outside cleaning service contract, cleaning supplies, guest supplies and stationary cost;
- **Administration and general** increased by 3.5% primarily due to a decrease in insurance premiums and telephone cost and a higher provision for repossessed debtors;
- **Electricity, water and refuse** increased by 26% due to additional Legacy and Generator Capacity charges billed by Eskom. Less frequent episodes of power outages resulted in lower consumption of generator diesel;
- **Repairs and maintenance** decreased by 2.7% as majority of units are refurbished, therefore reducing maintenance expenses; and
- **Personnel costs** increased by 6.8% due to the annual increase in salaries and payroll burden related cost.

Statement of financial position

The statement of financial position as detailed on page 15 together with the related notes thereto, reflects the financial position of the Company. The reserve for property, plant and equipment decreased to R6m (2024: R8m), cash and cash equivalents decreased to R1.5m (2024: R1.7m), fixed deposits held with bank decreased to R9.3m (2024: R10.3m), while levies received in advance increased to R5.3m (2025: R5m); and levies receivable increased to R1m (2024: R971k).

The Company incurred capital expenditure of R5.2m (2024: R3.6m) in respect of the following major projects:

	R
• Refurbishment	2,237,848
• Heat pumps upgrade	1,142,819
• Pool upgrade	501,281
• Painting of building	260,620
• Replace door locks	260,016
• Unit equipment (fridges, televisions etc)	148,209
• Staff accommodation drainage upgrade	146,278
• Outside furniture	130,255

Levy budget

As already alluded, the Board examines each item of expenditure on a line-by-line basis and has been satisfied that the management team makes every effort to ensure that cost increases are as minimal as possible, without affecting the standards and facilities enjoyed by all timesharers and guests.

Levies for the upcoming year will be approved in August 2026 and will be communicated to all Shareholders in due course.

Vacation ownership association of Southern Africa ("VOASA")

For new Shareholders and as a reminder to all, VOASA is a self-regulatory member-based trade association for the shared vacation ownership industry in South Africa.

It exists to protect consumer rights and commits to ongoing growth within the timeshare industry in a positive and organised manner. The Company remains a member of VOASA.

Sunswop and RCI affiliation

Sunswop's affiliation with RCI continues to provide both local and international holiday exchange options for its members.

Surrounding developments

I confirm that neither the Board, nor the management team is aware of any new land claims having been lodged, or any advancement regarding any existing claims.

In closing

The Company remains well managed and financially sound, with continued support from the management team of Southern Sun. Directors, Shareholders and guests continue to receive the high standard of service associated with Drakensberg Sun Resort.

Shareholders are encouraged to attend the forthcoming Annual General Meeting to consider the required resolutions and raise any matters of concern. Shareholders unable to attend are encouraged to complete and return the form of proxy enclosed with the annual report.

In closing, I extend my thanks and appreciation to all staff members for their continued commitment, service and willingness to assist Shareholders and guests. I appreciate my fellow Directors and the management team for their focus, guidance and commitment during the year.

Best wishes to all Shareholders for the year ahead.





Peter Pienaar

Drakensberg Sun Hotel Share Block Proprietary Limited
Registration Number: 1967/007156/07
("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.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 **Friday, 14 August 2026 at 11h30 at uMhlanga Sands Resort, 44 Lagoon Drive, uMhlanga** for the purpose 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 is 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"). In terms of clause 21.1 of the MOI, at each AGM all Directors representing the 'C' Class Shareholders shall retire. The Chairman and Directors representing the 'A', 'B', 'D', 'E' and 'F' Class Shareholders shall remain in office until they resign or become disqualified from holding office. The 'C' Class Shareholders shall be entitled to appoint three Directors. **It would facilitate secretarial procedures if nominations for the appointment of those Directors representing the 'C' Class Shareholders be received by no later than 11h30 on Wednesday, 12 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 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 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; 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 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 3.2: 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. **Insured value of the property**
   Ordinary resolution 4: Resolved as an ordinary resolution that 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 R4,500 (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 15 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 South African 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 Monday, 17 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 Shareholder's voting rights is Friday, 7 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 11h30 on Wednesday, 12 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
7 May 2026

Drakensberg Sun Hotel Share Block Proprietary Limited
Registration Number: 1967/007156/07
("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.companysecretarialservices@southernsun.com

Form of proxy for use by Shareholders at the Annual General Meeting ("AGM") of the Company to be held on **Friday, 14 August 2026 at 11h30, 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 Louise McMillan			
2.2 Ajith Ramsarup			
2.3 Anthony Ridl			
Ordinary resolution 3: Appointment of Audit Committee			
3.1 Ajith Ramsarup			
3.2 Anthony Ridl			
Ordinary resolution 4: Approval of Insured value of property			
Special resolution 1: Non-executive Directors' fees (R4,500)			

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 11h30 on Wednesday, 12 August 2026.

Drakensberg Sun Hotel 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 Drakensberg Sun Hotel 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 to 13.

Approval of annual financial statements

The annual financial statements set out on pages 14 to 24 were approved by the Directors on 7 May 2026 and are signed by:



PM Pienaar
Chairman



AB Ramsarup
Director (Chairman - Audit Committee)

Declaration by the Company Secretary

I hereby certify in my capacity as Company Secretary of Drakensberg Sun Hotel 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

Drakensberg Sun Hotel 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 two non-executive Directors, namely Mr Ajith Ramsarup (Chairman) and Mr Anthony Ridl as well as a Director of Drakensberg Sun Chalets Share Block Proprietary Limited, Mr Brent Dickson.

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.



AB Ramsarup
Chairman
7 May 2026

Drakensberg Sun Hotel 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 Drakensberg Sun Hotel Share Block Proprietary Limited ("the Company") is a statutory committee established in terms of the South African Companies Act 71, of 2008. The Committee operates in alignment with the principles of King IV and executes the responsibilities delegated to it by the Board.

Composition and functioning

The Committee comprises four Directors drawn from both the Drakensberg Sun Chalets and the Drakensberg Sun Hotel Share Block Boards, namely: myself, Ms Louise McMillan; Mr Peter Pienaar; and Ms Marike van Wyk. Mr van Rooyen served on the Committee until his resignation from the Board of Drakensberg Sun Chalets Share Block effective 24 January 2025.

The Committee meets formally at least twice a year. The staff of Drakensberg Sun Resort provide valuable support to the Committee by actively participating in various initiatives and presenting detailed reports at each meeting.

Role of the Committee

The Committee is responsible for monitoring the Company's activities in relation to:

- social and economic development;
- good corporate citizenship;
- environment, health and public safety matters;
- consumer relations; and
- labour and employment practices.

Social and economic development

The Committee places significant emphasis on fostering strong corporate citizenship, supported by social, cultural, and environmental responsibility, as well as the sustainability of its initiatives. Local corporate social investment efforts are primarily supported through the donation of time and written-off operating equipment. These contributions are often recycled and/or repurposed by recipient organisations, enhancing their value for the benefit of local communities.

The Committee notes with appreciation that the General Manager and Deputy General Manager of Drakensberg Sun Resort are active members of the Central Drakensberg Experience. Their involvement ensures that the resort plays a leading and influential role in tourism-related initiatives and decision-making processes that impact both the immediate and surrounding areas.

The Committee has identified the following key objectives for the forthcoming period:

- Maintaining a strong commitment to the training and development of staff members;
- Expanding and strengthening recycling initiatives;
- Enhancing community outreach programmes through increased engagement with local stakeholders and participation in collaborative initiatives; and
- Resuming recycling programmes and equipping staff with additional skills to support both environmental objectives and personal development.

Corporate citizenship

The Committee strives to support organisations and initiatives within the resort's local community. During the reporting period, contributions were made through donations of accommodation prize letters, food and beverage prize letters, written-off linen, and food parcels, amounting to approximately R107,525.

These contributions included:

- food donations to Snethembu Edu Care and Tholithemba High School;
- linen donations to Ikhwezi Lokusa Creche and Otandweni Creche; and
- accommodation sponsorship at Garden Court OR Tambo for Kwazamokuhle Special School, in support of a tennis tournament for learners with disabilities.

Environmental health and public safety

The Committee ensures that the resort's energy, water, and waste management programmes are effective and aligned with its sustainability objectives.

Energy and water consumption is monitored through live-tracking software, that records usage levels via a network of online meters. The system alerts management when consumption falls outside of projected targets, allowing for proactive intervention and minimising waste. In addition, the system enables trend analysis and promotes optimal usage of resources during efficient operating periods. Over time, this has contributed significantly to both reduced utility consumption and cost savings.

Subsequent to the installation of a new heat pump at the end of 2025, management had recorded a noticeable reduction in energy consumption.

The resort has partnered with WasteCo to ensure responsible waste management and recycling practices. General waste is disposed of at a licensed landfill site, while recyclable materials, including glass, cans, plastic, paper, and cardboard, are sorted and processed through reputable recycling partners.

A 24-hour medical assistance service is available to all staff and guests, providing medical advice and emergency response services related to health incidents, violence, fire, flooding, and natural disasters.

The Organisational Resilience Management System, implemented by Southern Sun across all its properties, serves as a comprehensive platform for recording and monitoring data related to fire protection, health and safety, security, environmental impact, business continuity, and risk management. This system supports informed decision-making and enhances operational resilience. The system is subject to quarterly internal audits conducted by staff, as well as an annual audit by Southern Sun's risk department.

The trails at the resort have been awarded the prestigious Green Flag Trail Status. The Committee is extremely proud of this achievement, as this international accreditation enhances public awareness and confidence in the resort's trails. The recognition confirms that:

- trails are subject to regular and ongoing management and maintenance;
- accurate and up-to-date trail information is provided;
- environmental impact is minimised; and
- risks associated with each trail are clearly identified and communicated.

Guest relations and correspondence

The Committee and the resort's management team place significant value on guest feedback as a means of continuously improving service delivery and overall business operations. Guests are encouraged to engage directly with staff and management during their stay, ensuring that concerns are addressed promptly.

In addition, feedback is collected through various formal channels, including the GuestRevu electronic guest satisfaction survey, as well as widely recognised online platforms such as TripAdvisor, Google Reviews, and RCI. These insights enable management to monitor performance trends and implement improvements where necessary.

Labour and employment relations

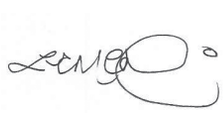
The Company complies fully with the Labour Relations Act of South Africa, ensuring that all employees are treated fairly and equitably. Employee engagement and wellbeing are actively monitored, reinforcing a positive and supportive working environment.

Staff are regarded as one of the resort's most valuable assets. As such, management places strong emphasis on the training and development of employees, with the aim of enhancing self-confidence, improving skills, and supporting individuals in reaching their full potential.

Internal training programmes are primarily delivered through the Southern Sun Training Department, ensuring that staff receive structured and high-quality development opportunities.

The resort is proud to have achieved recognition as the Top Performing Resort in terms of training participation, with a score of 113%, reflecting its commitment to staff development and continuous learning.

As part of the Southern Sun Resorts portfolio, the resort also proudly maintains a Level One Broad-Based Black Economic Empowerment (BBBEE) certification, demonstrating its commitment to transformation and inclusive economic participation.



Louise McMillan
Chairman

Drakensberg Sun Hotel 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 Drakensberg Sun Resort that comprises a hotel and an apartment timesharing scheme. The apartments are utilised by the "C" Class Shareholders on a timeshare basis with 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.

The "A", B" and "D" Class Shareholders have the right of use of the hotel property excluding the timesharing apartments and the business portion.

The "E" Class Shareholders have the exclusive right of use of the business portion of the Drakensberg Sun Hotel buildings.

The "F" Class Shareholders have the exclusive right of use of the land and buildings on the property, excluding the Drakensberg Sun Hotel buildings.

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 R3,276,166 (2024: R3,406,484) was transferred to the reserve for property, plant and equipment.

No dividend has 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 hotel buildings and their 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:

Representing "A", "B", "D", "E" and "F" Class Shareholders

PJ Boshoff	(Alternate SJ Croft)
DA Park	
PM Pienaar ^	Chairman
M van Wyk ^	

Representing "C" Class Shareholders

LE McMillan ^	
AB Ramsarup *	
AN Ridl *	(Alternate MN Ridl)

* Audit Committee members
^ Social and Ethics Committee members

5 Directors and secretary (continued)

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.

Drakensberg Sun Hotel Share Block Proprietary Limited

Report of the Independent Auditors

To the Shareholders of Drakensberg Sun Hotel Share Block Proprietary Limited

Opinion

We have audited the financial statements of Drakensberg Sun Hotel 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 yearthen 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 Drakensberg Sun Hotel 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 "Drakensberg Sun Hotel 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

30 June 2026

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

Drakensberg Sun Hotel Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2025

	Note	2025 R	2024 R
Income		**17 825 894**	16 904 965
Levy income		**17 655 572**	16 654 385
Other income		**170 322**	250 580
Expenses		**(15 274 588)**	(14 293 736)
Levy surplus before interest and taxation	3	**2 551 306**	2 611 229
Finance income	4	**838 160**	972 802
Levy surplus before taxation		**3 389 466**	3 584 031
Income tax expense	5	**(113 300)**	(177 547)
Levy surplus for the year		**3 276 166**	3 406 484

Drakensberg Sun Hotel Share Block Proprietary Limited

Statement of Financial Position as at 31 December 2025

	Note	2025 R	2024 R
ASSETS			
Current assets			
Trade and other receivables	6	**3 268 034**	2 653 737
Levies receivable	10	**1 018 424**	970 807
Fixed deposits held with bank	11	**9 324 896**	10 326 245
Cash and cash equivalents	12	**1 463 504**	1 671 848
Total current assets		**15 074 858**	15 622 637
Total assets		**15 074 858**	15 622 637
EQUITY			
Capital and reserves			
Share capital	9	**6 500**	6 500
Reserve for property, plant and equipment	7	**6 011 872**	7 979 202
Total equity		**6 018 372**	7 985 702
LIABILITIES			
Current liabilities			
Trade and other payables	8	**3 631 402**	2 474 384
Levies received in advance	13	**5 322 282**	5 017 438
Current tax liability		**102 802**	145 113
Total current liabilities		**9 056 486**	7 636 935
Total liabilities		**9 056 486**	7 636 935
Total equity and liabilities		**15 074 858**	15 622 637

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	9	**6 500**	6 500
Reserve for property, plant and equipment			
At the beginning of the year		**7 979 202**	8 216 365
Levy surplus for the year		**3 276 166**	3 406 484
Property, plant and equipment additions and replacements during the year	7	**(5 243 496)**	(3 643 647)
At year-end		**6 011 872**	7 979 202

Drakensberg Sun Hotel 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	**3 389 466**	3 584 031
Adjustments for		
Interest received	**(838 160)**	(972 802)
Net surplus before working capital changes	**2 551 306**	2 611 229
Changes in working capital		
Movement in levies receivable	**(47 617)**	(43 589)
Movement in trade and other receivables	**(614 297)**	(436 395)
Movement in levies received in advance	**304 844**	762 276
Movement in trade and other payables	**1 157 018**	(112 555)
Cash flows from operating activities	**3 351 254**	2 780 966
Interest received	**838 160**	972 802
Tax paid	**(155 611)**	(224 227)
Net cash inflow from operating activities	**4 033 803**	3 529 541
Cash flow from investing activities		
Property, plant and equipment additions and replacements	**(5 243 496)**	(3 643 647)
Movement in fixed deposits held with bank	**1 001 349**	(736 946)
Net cash outflow from investing activities	**(4 242 147)**	(4 380 593)
Net movement in cash and cash equivalents	**(208 344)**	(851 052)
Cash and cash equivalents at the beginning of the year	**1 671 848**	2 522 900
Cash and cash equivalents at year-end	**1 463 504**	1 671 848

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 were 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 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.

1.5 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 flows at cost.

1.6 Revenue recognition

Revenue is stated exclusive of value-added tax.

Levy revenue is recognised when the right to occupation arises.

Special levy revenue is recognised when raised.

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 the Shareholders.

Financial risk factors

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

2 Financial risk management (continued)

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.

Credit risk

Credit risk arises primarily 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 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.

	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	**4 170 038**	3 886 792
Contributions to retirement funds	**221 247**	225 904
Management fees	**1 193 518**	1 142 851
Audit fees	**96 989**	87 439
Other operating expenses	**9 592 796**	8 950 750
	15 274 588	14 293 736
4 Finance income		
Interest income earned on fixed deposits, call deposits and current account	**838 160**	972 802
5 Income tax expense		
Provision is made for Company taxation on the net non-levy income of the "C" Class levy fund.		
No tax is payable on levy income from the Shareholders in terms of Section 10(1)e of the Income Tax Act.		
Current year	**135 236**	177 547
Prior year over provision	**(21 936)**	-
	113 300	177 547
A reconciliation of the tax charge is not considered appropriate as share block companies are only liable for tax on the Company's net non-levy income.		
6 Trade and other receivables		
Trade and other receivables (refer note 15)	**1 098 925**	94 674
Prepayments	**2 100 977**	2 260 360
Interest receivable	**68 132**	298 703
	3 268 034	2 653 737
7 Reserve for property, plant and equipment		
At the beginning of the year	**7 979 202**	8 216 365
Levy surplus for the year	**3 276 166**	3 406 484
	11 255 368	11 622 849
Property, plant and equipment additions and replacements during the year	**(5 243 496)**	(3 643 647)
At year-end	**6 011 872**	7 979 202

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 R7,136,891 (2024: R6,406,442). There were capital commitments made for R2,282,255 at year-end (2024: R440,941).

	2025 R	2024 R
8 Trade and other payables		
Trade payables (refer note 15)	**57 517**	30 539
Accruals	**346 230**	363 479
Provision for auditor's remuneration	**77 371**	45 945
SARS - Vat	**136 697**	376 392
Sundry payables (refer note 15)	**250 867**	356 203
Drakensberg Sun Hotel Proprietary Limited (refer note 15)	**2 762 720**	1 301 826
	3 631 402	2 474 384
9 Share capital		
Authorised and issued		
33,360 - "A" Class ordinary shares of 1 cent each	**334**	334
33,360 - "B" Class ordinary shares of 1 cent each	**334**	334
72,228 - "C" Class ordinary shares of 1 cent each	**722**	722
7,344 - "D" Class ordinary shares of 1 cent each	**73**	73
3,000 - "E" Class ordinary shares of 1 cent each	**30**	30
500,708 - "F" Class ordinary shares of 1 cent each	**5 007**	5 007
	6 500	6 500

Voting rights

The shares have equal voting rights.

Dividends

Only the "F" Class Shareholders have the right to dividends.

"E" Class shares

The holders of the "E" Class shares may require the holders of the "C" Class shares to:

- purchase an undivided share in all the "E" Class shares and the relevant linked loan obligations.

- accept the cession and assignment of an undivided share of the holder of the "E" Class shares rights and obligations in terms of the "E" Class use agreement.

"C" Class shares

In terms of the various use agreements the "A", "B" and "D" Class shares may be re-classified as "C" Class shares on the conversion of the respective accommodation to timeshare.

Winding-up

In terms of the Memorandum of Incorporation, should the Company be wound up and have funds remaining for distribution to Shareholders, after paying all liabilities other than the loan obligation, the liquidator shall obtain a separate valuation for the land on the one hand and the hotel buildings on the other.

The balance available for distribution will be distributed as follows:

An amount equal to the value of the land will be distributed to the holders of the "F" Class shares. The balance will be distributed to the holders of the other classes of shares. Such distribution will be deemed to firstly discharge the Shareholders loan obligations and thereafter, a liquidation dividend.

	2025 R	2024 R
10 Levies receivable		
Levy debtors	**250 326**	382 039
Repossessed debtors	**5 720 528**	4 546 193
Provision for repossessed debtors	**(4 952 430)**	(3 957 425)
Opening balance	**(3 957 425)**	(3 042 626)
Movement	**(995 005)**	(914 799)
	1 018 424	970 807
11 Fixed deposits held with bank		
Fixed deposits held with bank	**9 324 896**	10 326 245
12 Cash and cash equivalents		
Bank balances	**1 463 504**	1 671 848
13 Levies received in advance		
Levies received in advance	**5 322 282**	5 017 438

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:

The remainder of Sub 4 of the farm Driefontein No. 1389, Development Area of Driefontein, KwaZulu Natal, and the farm Stijlberg No. 7283, County of Weenen, KwaZulu Natal.

Land and buildings were originally purchased for R22,052,939 and are not recognised because 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 R68,182,000 for rates purposes. There are no bonds on the property.

The holders of the "F" Class shares have an option to purchase a portion of the land and buildings for R14,400,000.

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	**6 238**	20 502
Rental pool	**91 742**	59 932
Management fee	**1 193 518**	1 142 851
Central accounting and levy collection	**292 686**	283 764

	2025 R	2024 R

15 Related party transactions (continued)

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

Commission on resale and rental of weeks - SST	**(6 667)**	(4 353)

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	**(16 793)**	(6 853)
Secretarial fees on repossessed debtors - SRMS	**28 561**	19 174

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

Administration - Information technology, procurement, etc	**270 323**	286 711

The Company did not conclude a bulk deal with SunSwop (a division of SSHI) during the year. In 2024, SunSwop purchased mid-week occupation usage of 140 repossessed weeks from the Company for R322,000 in order to reduce accumulated debt on the weeks.

During the year, the Company concluded resale deals with SunSwop, selling repossessed weeks in order to reduce the number of repossessed weeks and to secure future levy collection. SunSwop purchased 6 repossessed weeks from the Company for R64,730. In 2024, there were no resale deals concluded with SunSwop.

Most costs of the Drakensberg Sun Resort, including costs in terms of contracts negotiated on behalf of members of the Southern Sun Group, are initially incurred by Drakensberg Sun Hotel Proprietary Limited. The portion of costs applicable to the Company is recovered via a current account. The balance of the current account is as follows:

Amount owing (to)/from SSHI and its subsidiaries:

Included in trade payables (refer note 8)	**(28 816)**	(30 539)
Included in sundry payables (refer note 8)	**(67 204)**	(735)
Drakensberg Sun Hotel Proprietary Limited (refer note 8)	**(2 762 720)**	(1 301 826)
Included in trade and other receivables (refer note 6)	**875**	732
	(2 857 865)	(1 332 368)

Balances due by the following entities, related through common directorship, is as follows:

Drakensberg Sun Chalets Share Block Proprietary Limited - included in trade and other receivables (refer note 6)	**1 039 977**	46 582

	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	25	317 970	76 960
SunSwop (a division of SSHI) - 2024 shareholding	19	226 060	72 890

		2025 R	2024 R

15 Related party transactions (continued)

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

2025 - shareholding

AB Ramsarup - The Leisure Holiday Club	469	5 555 430	2 430 260
AN Ridl - Club Leisure Group	66	987 850	582 340

2024 - shareholding

AB Ramsarup - The Leisure Holiday Club	469	5 233 920	2 301 760
AN Ridl - Club Leisure Group	79	1 126 850	284 500

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. All costs relating to PJ Boshoff, DA Park, PM Pienaar, SJ Croft and M Van Wyk are borne by Southern Sun.

	2025 **R**	**2024** **R**
Directors' emoluments paid for the year:		
LE McMillan	**6 490**	8 480
AB Ramsarup	**8 610**	8 480
AN Ridl	**8 610**	4 240
MN Ridl	**-**	-
PJ Boshoff	**-**	-
SJ Croft	**-**	-
DA Park	**-**	-
PM Pienaar	**-**	-
M van Wyk	**-**	-
	23 710	21 200

Drakensberg Sun Hotel 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	**17 655 572**	16 654 385
Sale of capital assets	**18 698**	27 684
Short-term rentals	**56 141**	181 330
Net non-levy income		
- telephone, rentals, sundry recoveries and penalties	**95 483**	41 566
	17 825 894	16 904 965
EXPENDITURE		
Rooms expenses		
Cleaning supplies	**57 163**	46 449
Guest entertainment - DSTV, outside services, videos, cocktails, games and prizes	**620 267**	601 838
Guest supplies	**144 752**	131 881
Laundry	**638 469**	623 881
Personnel costs - outside services	**1 614 767**	1 463 694
Pest control	**13 980**	9 511
Printing and stationery, including reception	**129 184**	99 061
Replacement of cutlery, crockery, linen, towels, uniforms etc	**64 656**	72 923
Security services	**873 999**	817 720
	4 157 237	3 866 958
Administration and general		
Auditors remuneration		
- current year	**96 713**	91 888
- prior year over provision	**-**	(8 626)
- expenses current year	**276**	4 177
Bank charges	**2 923**	2 996
Central accounting and levy collection fees	**292 686**	283 764
Credit card commission	**29 867**	27 797
Directors' emoluments	**23 710**	21 200
Information technology costs	**646 283**	609 278
Insurance		
- premium	**94 265**	118 744
Licences and permits	**18 637**	19 633
Loss on repossessed debtors	**125 477**	158 981
Provision for repossessed debtors	**995 005**	914 799
Subscriptions/marketing	**52 329**	43 657
Telephone	**11 433**	28 062
Travel - management and Directors	**8 679**	4 448
Vehicles - fuel and oil	**52 878**	48 499
	2 451 161	2 369 297
Electricity and refuse		
Electricity	**1 425 323**	1 010 066
Generator fuel	**42 314**	143 865
Refuse	**64 626**	62 285
	1 532 263	1 216 216

Drakensberg Sun Hotel 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
Repairs and maintenance		
Buildings	**43 262**	38 486
Electrical and mechanical	**116 359**	180 610
Furniture and fixtures	**26 212**	56 129
Gardens and grounds	**897 141**	754 914
General maintenance	**167 049**	130 752
Painting and redecorating	**73 178**	25 145
Plumbing and heating	**27 340**	142 276
Suncare	**-**	59 892
	1 350 541	1 388 204
Corporate charges		
Annual report and statutory costs	**20 354**	27 020
Municipal rates and taxes	**178 229**	170 494
	198 583	197 514
Personnel costs		
Rooms	**1 181 798**	1 150 807
Administration and general	**2 248 281**	2 031 651
Repairs and maintenance	**961 206**	930 238
	4 391 285	4 112 696
Management fee	**1 193 518**	1 142 851
Total expenditure	**15 274 588**	14 293 736
Excess of income over expenditure before finance income and taxation	**2 551 306**	2 611 229
Finance income		
Interest received	**838 160**	972 802
Excess of income over expenditure before taxation	**3 389 466**	3 584 031
Taxation		
Current	**135 236**	177 547
Prior year over provision	**(21 936)**	-
	113 300	177 547
Excess of income over expenditure for the year transferred to reserve for property, plant and equipment	**3 276 166**	3 406 484

Drakensberg Sun Hotel Share Block Proprietary Limited

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2024 HELD ON FRIDAY 15 AUGUST 2025 AT 11H30 IN THE LOUNGE UMHLANGA SANDS RESORT UMHLANGA AND/OR THROUGH THE MICROSOFT OFFICE TEAMS PLATFORM

1 WELCOME AND PREAMBLE

The Chairman of the Company Mr Peter Pienaar welcomed all shareholders present both in person and online through the Microsoft Office Teams platform, to the 2024 Annual General Meeting ("AGM") of Drakensberg Sun Hotel Share Block.

He introduced his fellow Directors representing the "A", "B", "D", "E" and "F" class shareholders being: Ms Marike van Wyk, Mr Darren Park and Mr Jacobus ("Jaco") Boshoff who was attending online.

The Chairman then introduced his fellow non-executive Directors representing the "C" class shareholders being: Mr Ajith Ramsarup and Mr Anthony Ridl. Ms Louise McMillan was unable to attend this meeting and had tendered her apologies.

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

2 QUORUM

Several shareholders had tendered apologies for the meeting and had submitted forms of proxy for voting purposes. The Chairman noted that 26,610 ordinary shares were represented in person and by proxy at the start of this meeting and that this constituted a quorum of 37.33% 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 7 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 also included and presented for information purposes.

No questions were raised with regards to the annual 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 as 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 "C" class shareholders were entitled to appoint 3 Directors. The Directors representing the "C" class shareholders who retired at this meeting were eligible and available for re-election. No additional nominations were received prior to this meeting, and no nominations were presented from the floor.

The Chairman proposed that the meeting take ordinary resolution 2.1 to 2.3 as outlined in the notice of this AGM as read and that the meeting vote for the 3 eligible Directors en bloc. There were no objections to the proposal to vote en bloc or to the re-election of any of the Directors and it is unanimously RESOLVED that Ms Louise McMillan, Mr Ajith Ramsarup and Mr Anthony Ridl 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. The Audit Committee of the Company combined its meetings with the Audit Committee of Drakensberg Sun Chalets Share Block and as such, the members were joined by Mr Brent Dickson who was a Director of Drakensberg Sun Chalets Share Block. While an Audit Committee must comprise of 3 non-executive Directors to serve on the Committee, with Mr Dickson's appointment, it was only necessary to appoint 2 Committee members at this meeting.

As with the election of the Directors, the Chairman proposed that the meeting take ordinary resolution 3.1 and 3.2 as outlined in the notice as read and further proposed that the meeting vote for the Audit Committee members en bloc.

There was no objection to the proposal for voting en bloc or to the re-appointment of any of the current members and it is unanimously RESOLVED that Mr Ajith Ramsarup and Mr Anthony Ridl be and they are hereby re-appointed as a member of the Company's Audit Committee.

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 R69,975,888. This resulted in an approximate year-on-year increase of 11.8%. Buildings valued at R55,147,372 and furniture, fittings and equipment valued at R14,828,516. It is unanimously RESOLVED that the insured value of the property be and is hereby approved at R69,975,888.

10 NON-EXECUTIVE DIRECTORS' FEES

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 fees had not increased for the past 5 years and that a small increase from R4,240 to R4,500 was proposed for the year ahead. The Chairman explained that although each Company determined its own Directors' emoluments, as a cost-conscious and collaborative approach, the Board of both Drakensberg Sun Chalets and Drakensberg Sun Hotel Share Blocks held meetings jointly or on the same day and that the remuneration for each share block Company was usually split across the two entities where possible.

It is unanimously RESOLVED in terms of the provisions of Section 66(9) of the Companies Act 71 of 2008 that R4,500 (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 16 August 2025 until the next AGM of the Company, be and is hereby approved.

11 OTHER BUSINESS

GENERAL MANAGER PRESENTATION AND REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Together with a slide show presentation, the General Manager of Drakensberg Sun Resort, Ms Marike van Wyk presented an overview of the following achievements, projects and results during 2024:

- BBBEE Certification: Level One achieved;
- Organisational Resilience Management Services ("ORMS") audit scored 98%;
- Energy consumption year-on-year: saving of 4%;
- Water consumption year-on-year: loss of 13% mainly due to ongoing water leaks below ground;
- Tripadvisor ranked the resort 4th best property in the Drakensberg Valley;
- Resort was awarded the 4-Star Tourism Grade;
- Resort was awarded RCI Gold Crown status.

The Company's Corporate Social Investment ("CSI") spend was equivalent to R98k, with majority of the beneficiaries receiving support through prize letters and accommodation vouchers for their fundraising programmes. Other donations included food hampers to Umfolozi Creche on Mandela Day and gifts for the children at Christmas. Tholithemba High School also received donations of food hampers and written-off linen was donated to Kwazamokuhle School for the children with disabilities. The school made various items out of the linen to aid the children at school. Staff members continued to clean the roadside each month to help beautify the drive to and from the resort.

Ms van Wyk shared that while the wildlife at the resort still posed a concern, only 2 incidents were recorded since the last AGM. Management was actively monitoring the presence of monkeys and baboons. Security guards patrolling the property were armed with sticks to ward off the wildlife where necessary. Spray bottles were still being used but were no longer as effective.

Property improvements and upgrades included:

- Removal of alien and invasive plant species - quarterly;
- Refurbishment of the main swimming pool;
- Repair of the bridge towards the chalets;
- Repair of the bridge at the boat house;
- Rehabilitation of the gardens around the property;
- Replacement of wooden frames and painting around the berg-facing side of the apartments;
- 21 apartments were refurbished to date with 8 outstanding. The next phase commenced in January 2026; and
- Creation of a new jetty at the dam for canoes.

The Chairman thanked Ms van Wyk for her feedback.

12 CLOSURE

There being no further business to discuss the Chairman thanked all for their attendance and declared the meeting closed at 11h43.



Chairman

GRAPHITE