Drakensberg Sun Chalets
Share Block Proprietary Limited

Registration no:1988/002500/07

Annual Report

for the year ended 31 December 2025



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

COMPANY INFORMATION

Registration number:	1988/002500/07
Registered address:	Nelson Mandela Square 4th Floor, South Tower Corner 5th and Maude Streets Sandton 2196
Postal address:	Private Bag X200 Bryanston 2021

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

• Detailed Levy Fund Operating Statement	23 - 24
Minutes of the Previous Annual General Meeting	**25 - 27**

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

Drakensberg Sun Chalets Share Block Proprietary Limited

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

As your Chairman, I am pleased to report on the operations, developments, financial performance and position of Drakensberg Sun Chalets Share Block ("the Company") for the year-ended 31 December 2025.

Drakensberg Sun Resort ("our resort") continues to provide exceptional holiday experiences to our Shareholders, exchange guests and visitors, as reflected in consistently positive guest feedback surveys. Our staff members remain committed to delivering memorable experiences, ensuring that every visit is enjoyable. Our resort is widely regarded as a premier destination, offering the perfect setting to relax and enjoy the pristine mountain environment, and it remains one of the most sought-after holiday destinations in Southern Africa.

The onsite management team has seen some positive development, particularly with efforts from local property owners to maintain and repair the access road. High levels of traffic and increased rainfall have made this challenging. Despite this, our management team, in collaboration with local civic organisations, will continue to engage with the municipality to expedite the necessary and urgent repairs. Fortunately, the road from the turnoff to the resort remains in relatively good condition and is easier to maintain, benefiting both staff and guests.

I extend my sincere gratitude to the Southern Sun team for their continued guidance and perseverance in addressing these matters.

Projects and upgrades completed in 2025

Refurbishment of chalets

The refurbishment programme is progressing steadily and successfully. A key focus has been addressing exterior structural issues to ensure safety, and I am pleased to report that all critical repairs have been completed in the first 16 refurbished chalets. While the remaining 14 chalets show signs of deteriorating exterior woodwork, the units do not presently pose any safety risks. In the interim, braai areas have been completed for 10 of the chalets yet to be refurbished.

As the refurbishment project progresses, I am confident that these improvements will significantly enhance the timeshare experience. The updated interiors, featuring improved layouts, modern design and enhanced comfort, have been very well received. Notable upgrades include larger refrigerators and microwave ovens, as well as improvements to outdoor deck or patio areas.

On behalf of the Board, I would like to express our appreciation to the designers and technical teams for their dedication to the success of the project, as well as to the management team for overseeing its implementation. I would also like to extend my thanks to guests affected by the refurbishment works for their patience and understanding during the unavoidable disruption caused by construction activities.

Maintenance and infrastructure improvements

The chalet swimming pool has been resurfaced, and surrounding paving has been levelled and replaced where necessary. In addition, a new ladder to enter the swimming pool has been installed to improve accessibility.

A new water and sewage pump has been procured for the sewage treatment plant.

Recreational additions

The trout population in the dam has been increased, with trout fishing proving popular among guests, particularly for fly-fishing enthusiasts. Three paddle boats have also been introduced, providing additional recreational opportunities for both fishing and birdwatching enthusiasts.

Other enhancements

New pool and table tennis tables have been installed in the Escape Centre, enhancing indoor entertainment options for guests during inclement weather and winter months.

The Grotto Lounge and Bar has undergone a complete refurbishment with an updated layout and new furnishings, enabling guests to enjoy themselves in a more comfortable and stylish environment.

Access to the Blue Grotto Trail

Additional directional signage has been installed to ensure guests remain on designated trail routes. Furthermore, ropes have been added in steeper sections to enhance safety. Certain areas may remain slippery after rainfall, and management continues to monitor conditions closely, with staff regularly inspecting the trails to ensure guest safety and implement improvements where necessary.

The safety of all individuals on the property remains a top priority. Guests are strongly discouraged from hiking alone. All hikers, whether experienced or not, are requested to notify the entertainment desk before departing and to sign back in upon return. This precaution ensures that, in the event of an emergency, a search party can be effectively directed. Guests are encouraged to liaise with the entertainment team to ensure a safe and enjoyable hiking experience.

Occupancy

Occupancy for 2025 ended on 84.6% (2024: 81.9%). Should you be unable to utilise your timeshare week, you are encouraged to notify the resort, as your week may be placed in either the long-term rental pool (with 90-days' advance notice), or the short-term rental pool, benefiting both yourself and the Company. Alternatively, you may deposit your week with SunSwop for exchange into the resort at another time or into another property, either locally or internationally.

Financial position

I assure you that the Directors on your Board closely review all income and expenditure, with thorough deliberation taking place at each Board meeting on opportunities to further reduce costs and enhance income streams for the Company. The management team has been tasked to consistently improve and expand marketing channels to increase chalet sales and rentals; collaborating with the apartments and hotel entities on the property to drive additional business; and explore both existing and new markets to attract entertainment, sporting events, and other activities to the resort and surrounding area.

Financial results for the year ended 31 December 2025

The statement of comprehensive income as set out on page 13 of the annual financial statements reflects income and expenditure in a summarised form. The detailed levy fund operating statement is included as supplementary information on pages 23 and 24.

The statement of comprehensive income and expenditure for the year ended 31 December 2025 reflects total income, including net finance income of R18.6m (2024: R17.6m) and total expenditure of R14.5m (2024: R14.6m).

The levy surplus after taxation amounted to R4m (2024: R2.9m) which has been transferred to the reserve for property, plant and equipment. Set out below is a more detailed review of variances in income and expenditure:

Income

Total income increased by 5.8% year-on-year and as mentioned the management team continues to pursue opportunities to further enhance revenue, particularly through short-term rentals and the rental pool system.

Expenditure

Total expenditure of R14.5m (2024: R14.6m) decreased year-on-year by 0.4%. A more detailed review of the expenditure is recorded below:

- **Rooms** increased by 7.1% compared to prior year due to the annual increase in the outside cleaning service contract, cleaning supplies, guest supplies and stationary costs;
- **Administration and general** decreased by 35% primarily due to the decrease in provision for repossessed debtors, insurance premiums and savings generated in telephone costs;
- **Electricity, water and refuse** increased by 11.6% 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** increased by 12.3% due to additional maintenance works, additional costs for gardens and grounds, geyser replacements and purchasing fire blankets and signs to comply with health and safety requirements; and
- **Corporate charges** increased by 6.5% due to the annual increase in rates and taxes; and
- **Personnel costs** increased by 7% due to the annual increase in salaries and the payroll burden related cost.

Statement of financial position

The statement of financial position detailed on page 14 together with the related notes thereto, reflects the financial position of the Company.

The reserve for property, plant and equipment increased to R2.9m (2024: R2.6m); levies receivable increased to R1.3m (2024: 1.2m); and fixed deposits held with bank increased to R6.4m (2024: R4.9m); while cash and cash equivalents decreased to R772k (2024: R2m); and levies received in advance was unchanged at R4.6m (2024: R4.6m).

The Company incurred capital expenditure of R3.8m (2024: R3.1m) in respect of the following major projects:

	R
Chalets' refurbishment	3,072,962
Swimming pool resurfacing	281,804
Staff accommodation drainage upgrade	146,278
Unit equipment (Televisions, fridges etc)	115,323

Levy budget

Your Board examines each item of expenditure on a line-by-line basis and is satisfied that the management team makes every effort to ensure that cost increases are kept to a minimum, without compromising the standards and facilities enjoyed by all. Levies for the forthcoming year will be approved in August 2026 and 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 representing the shared vacation ownership industry in South Africa. Its purpose is to protect consumer rights and promote the ongoing growth of the timeshare industry in a positive and structured manner. The Company remains a member of VOASA.

Surrounding developments

I confirm that neither the Board nor the management team is aware of any new land claims having been lodged, nor of any material developments relating to existing claims.

Conclusion

You are assured that the Company remains well managed, and in a sound financial position, supported by the highly capable and dependable Southern Sun team. I am confident that Directors, Shareholders and guests will continue to benefit from the high standards of service and attention to detail that define our wonderful resort.

Our staff consistently go the extra mile for guests, and those who visit the resort will experience their friendliness, dedication, and enthusiasm first-hand.

As an opportunity to raise any matters or concerns, I encourage you to attend the forthcoming Annual General Meeting on 14 August 2026. Should you be unable to attend, please complete and return the form of proxy enclosed on page 5 of this annual report.

I wish you all a prosperous year ahead.



Anthony Ridl

Drakensberg Sun Chalets Share Block Proprietary Limited
Registration Number: 1988/002500/07
("the Company")

Registered Office:
Nelson Mandela Square
4th Floor, South Tower
Cnr 5th and Maude Streets
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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 10h30 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") to not less than three and not more than five Directors in number. **It would facilitate secretarial procedures if nominations for the appointment of those Directors representing the Shareholders be received by no later than 10h30 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 Mr Brent Dickson who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company;
   Ordinary resolution 2.2: Resolved as an ordinary resolution that Ms Louise McMillan who retires in terms of the Company's MOI and who is eligible and available for re-election, be and is hereby elected as a Director of the Company;
   Ordinary resolution 2.3: Resolved as an ordinary resolution that 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 2.4: 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 Brent Dickson be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI;
   Ordinary resolution 3.2: Resolved as an ordinary resolution that Mr Ajith Ramsarup be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI; and
   Ordinary resolution 3.3: Resolved as an ordinary resolution that Mr Anthony Ridl be and is hereby appointed as a member of the Company's Audit Committee in terms of the Company's MOI.
5. **Approval of insured value of property**
   Ordinary resolution 4: Resolved as an ordinary resolution 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, as 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 10h30 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 Chalets Share Block Proprietary Limited
Registration Number: 1988/002500/07
("the Company")

Registered Office :
Nelson Mandela Square
4th Floor, South Tower
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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 10h30 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 Brent Dickson			
2.2 Louise McMillan			
2.3 Ajith Ramsarup			
2.4 Anthony Ridl			
Ordinary resolution 3: Appointment of Audit Committee			
3.1 Brent Dickson			
3.2 Ajith Ramsarup			
3.3 Anthony Ridl			
Ordinary resolution 4: 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 10h30 on Wednesday, 12 August 2026.

Drakensberg Sun Chalets 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 Chalets Share Block Proprietary Limited. The annual financial statements presented on pages 13 to 22 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 ("BDO"), audited the financial statements and their report is presented on pages 11 to 12.

Approval of annual financial statements

The annual financial statements set out on pages 13 to 22 were approved by the Directors on 7 May 2026 and are signed by:



AN Ridl
Chairman



AB Ramsarup
Director (Chairman - Audit Committee)

Declaration by the Company Secretary

I hereby certify in my capacity as Company Secretary of Drakensberg Sun Chalets 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 Chalets Share Block Proprietary Limited

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

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

1. Members of the Audit Committee

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

2. Frequency of meetings

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

3. Attendance

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

4. Duties of the Audit Committee

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

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

5. Independence of external auditors

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



AB Ramsarup
Chairman
7 May 2026

Drakensberg Sun Chalets 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 Chalets 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
- Restarting 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.

Following the installation of a new heat pump, the resort achieved an energy saving of more than 35% year-on-year, with continued monthly savings being realised.

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

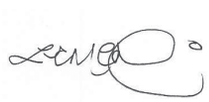
The Company complies fully with the Labour Relations Act of South Africa, ensuring that all employees are treated fairly and equitably. Employee engagement and wellbeing are actively monitored, reinforcing a positive and supportive working environment.

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 Chalets 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 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 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 R4,032,123 (2024: R2,930,104) 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 chalet 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:

BS Dickson *		
LE McMillan ^		
AB Ramsarup *		
AN Ridl *	(Alternate MN Ridl)	Chairman
JPF van Rooyen ^	(Resigned: 24 January 2025)	

* Audit Committee members
^ Social and Ethics Committee members

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

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

6 Management

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

8 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 Chalets Share Block Proprietary Limited

Report of the Independent Auditors

To the Shareholders of Drakensberg Sun Chalets Share Block Proprietary Limited

Opinion

We have audited the financial statements of Drakensberg Sun Chalets Share Block Proprietary Limited (the company) set out on pages 13 to 22, 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 Drakensberg Sun Chalets 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 Chalets 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.

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 Chalets Share Block Proprietary Limited

Statement of Comprehensive Income for the Year Ended 31 December 2025

	Note	2025 R	2024 R
Income		**18 093 386**	17 053 896
Levy income		**17 607 361**	16 737 784
Other income		**486 025**	316 112
Expenses		**(14 492 041)**	(14 550 135)
Levy surplus before interest and taxation	3	**3 601 345**	2 503 761
Finance income	4	**521 816**	541 144
Levy surplus before taxation		**4 123 161**	3 044 905
Income tax expense	5	**(91 038)**	(114 801)
Levy surplus for the year		**4 032 123**	2 930 104

Drakensberg Sun Chalets 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	**2 500 747**	2 456 426
Levies receivable	10	**1 295 564**	1 201 210
Fixed deposits held with bank	11	**6 411 452**	4 897 784
Cash and cash equivalents	12	**771 850**	2 031 957
Total current assets		**10 979 613**	10 587 377
Total assets		**10 979 613**	10 587 377
EQUITY			
Capital and reserves			
Share capital	9	**1 256**	1 256
Reserve for property, plant and equipment	7	**2 869 303**	2 609 686
Total equity		**2 870 559**	2 610 942
LIABILITIES			
Current liabilities			
Trade and other payables	8	**3 414 257**	3 285 255
Levies received in advance	13	**4 557 443**	4 576 379
Current tax liability		**137 353**	114 801
Total current liabilities		**8 109 053**	7 976 435
Total liabilities		**8 109 053**	7 976 435
Total equity and liabilities		**10 979 613**	10 587 377

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	**1 256**	1 256
Reserve for property, plant and equipment			
At the beginning of the year		**2 609 686**	2 745 134
Levy surplus for the year		**4 032 123**	2 930 104
Property, plant and equipment additions and replacements during the year	7	**(3 772 506)**	(3 065 552)
At year-end		**2 869 303**	2 609 686

Drakensberg Sun Chalets 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	**4 123 161**	3 044 905
Adjustments for		
Interest received	**(521 816)**	(541 144)
Net surplus before working capital changes	**3 601 345**	2 503 761
Changes in working capital		
Movement in levies receivable	**(94 354)**	404 195
Movement in trade and other receivables	**(44 321)**	(200 214)
Movement in levies received in advance	**(18 935)**	903 901
Movement in trade and other payables	**129 002**	(458 027)
Cash flows from operating activities	**3 572 737**	3 153 616
Interest received	**521 816**	541 144
Tax paid	**(68 486)**	(167 145)
Net cash inflow from operating activities	**4 026 067**	3 527 615
Cash flow from investing activities		
Property, plant and equipment additions and replacements	**(3 772 506)**	(3 065 552)
Movement in fixed deposits held with bank	**(1 513 668)**	(181 379)
Net cash outflow from investing activities	**(5 286 174)**	(3 246 931)
Movement in cash and cash equivalents	**(1 260 107)**	280 684
Cash and cash equivalents at the beginning of the year	**2 031 957**	1 751 273
Cash and cash equivalents at year-end	**771 850**	2 031 957

1 Accounting policies

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

1.1 Basis of preparation

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

The accounting policies are consistent with previous periods.

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

1.2 Reserve for property, plant and equipment

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

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

All 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 Shareholders.

Financial risk factors

The financial risks to which the Company is exposed include 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.

Liquidity risk (continued)

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 from bank balances and amounts due from 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	**4 198 978**	3 907 562
Contributions to retirement funds	**221 247**	222 736
Management fees	**821 464**	786 592
Audit fees	**116 055**	91 888
Other operating expenses	**9 134 297**	9 541 357
	14 492 041	14 550 135
4 Finance income		
Interest income earned on fixed deposits, call deposits and current account	**521 816**	541 144
5 Income tax expense		
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 term of Section 10(1)e of the Income Tax Act.		
Current year	**137 353**	114 801
Prior year over provision	**(46 315)**	-
	91 038	114 801
A reconciliation of the taxation charge is not considered appropriate as share block companies are only liable for taxation on the Company's net non-levy income.		
6 Trade and other receivables		
Trade and other receivables (refer note 15)	**78 662**	99 466
Prepayments	**2 355 902**	2 225 214
Interest receivable	**66 183**	131 746
	2 500 747	2 456 426
7 Reserve for property, plant and equipment		
At the beginning of the year	**2 609 686**	2 745 134
Levy surplus for the year	**4 032 123**	2 930 104
	6 641 809	5 675 238
Property, plant and equipment additions and replacements during the year	**(3 772 506)**	(3 065 552)
At year-end	**2 869 303**	2 609 686

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 R3,354,938 (2024: R4,047,217). There were no capital commitments made at year-end (2024: R62,139).

	2025 R	2024 R
8 Trade and other payables		
Trade payables (refer note 15)	**28 769**	29 497
Accruals	**332 047**	350 012
Provision for auditor's remuneration	**96 713**	45 945
Sundry payables (refer note 15)	**1 308 555**	713 699
SARS - Vat	**197 947**	838 009
Drakensberg Sun Hotel Proprietary Limited (refer note 15)	**1 450 226**	1 308 093
	3 414 257	3 285 255
9 Share capital		
Authorised		
635,250 ordinary shares of 1 cent each	**6 352**	6 352
Issued		
125,580 ordinary shares of 1 cent each	**1 256**	1 256
10 Levies receivable		
Levy debtors	**715 726**	540 527
Repossessed debtors	**4 543 682**	5 584 817
Provision for repossessed debtors	**(3 963 844)**	(4 924 134)
Opening balance	**(4 924 134)**	(3 840 118)
Movement	**960 290**	(1 084 016)
	1 295 564	1 201 210
11 Fixed deposits held with bank		
Fixed deposits held with bank	**6 411 452**	4 897 784
12 Cash and cash equivalents		
Bank balances	**771 850**	2 031 957
13 Levies received in advance		
Levies received in advance	**4 557 444**	4 576 379

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:
Sub-division 112 of sub-division 4 of the Farm Driefontein No 1389, situated in the regulated area of Cathkin Park, Administrative District of KwaZulu Natal, in extent 20,1798 hectares.

	2025 R	2024 R

14 Property, plant and equipment (continued)

Land and buildings were originally purchased for R7,848,970 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 R17,000,000 for rates purposes. There are no bonds on the property.

15 Related party transactions

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

Short-term rentals	**6 770**	19 631
Rental pool	**112 834**	93 487
Management fee	**821 464**	786 592
Central accounting and levy collection fees	**292 686**	283 764

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

Commission on resale and rental of weeks - SST	**(22 969)**	(17 757)

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	**(17 587)**	(35 823)
Secretarial fees on repossessed debtors - SRMS	**43 130**	43 461

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 174 repossessed weeks from the Company for R400,200 in order to reduce accumulated debt on the weeks.

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

Administration - Information technology, procurement, etc	**269 978**	286 316

Most costs of 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.

Amount owing (to)/from Drakensberg Sun Hotel Proprietary Limited, SSHI and its subsidiaries:

Owing to Drakensberg Sun Hotel Proprietary Limited (refer note 8)	**(1 450 226)**	(1 308 093)
Included in trade payables (refer note 8)	**(28 768)**	(29 496)
Included in sundry payables (refer note 8)	**-**	(2 940)
Included in trade and other receivables (refer note 6)	**1 678**	3 952
	(1 477 316)	(1 336 577)

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

Drakensberg Sun Hotel Share Block Proprietary Limited - included in sundry payables (refer note 8)	**(1 039 976)**	(46 581)
	(1 039 976)	(46 581)

	2025	2024
	R	R

15 Related party transactions (continued)

SSHI owns weeks in the Company as follows:

	Number of weeks	Levies paid	Levies received in advance
		R	R
SunSwop (a division of SSHI) - 2025 shareholding	27	343 810	66 650
SunSwop (a division of SSHI) - 2024 shareholding	27	323 410	63 200

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

2025 - shareholding

BS Dickson - Dream Vacation Club	88	1 178 100	186 590
AB Ramsarup - The Leisure Holiday Club	23	293 250	82 640
AN Ridl - Club Leisure Group	9	118 820	82 640

2024 - shareholding

BS Dickson - Dream Vacation Club	88	1 120 090	75 840
AB Ramsarup - The Leisure Holiday Club	23	275 850	78 370
AN Ridl - Club Leisure Group	9	171 220	78 370

16 Directors' emoluments

For their services to the Company, the Directors have been remunerated an agreed upon fee per meeting attended and are reimbursed for costs incurred whilst performing the Company's business. Further, the Directors are insured for medical costs and personal accident. The Directors are also covered by insurance taken out by the Company as indemnification against all liability of any Director towards the Company in respect of negligence, default, breach of duty or breach of trust.

Directors' emoluments paid for the year:

BS Dickson	**17 220**	16 960
LE McMillan	**6 490**	8 480
AB Ramsarup	**8 610**	8 480
AN Ridl	**8 610**	4 240
JPF van Rooyen	**-**	12 720
MN Ridl	**-**	-
	40 930	50 880

Drakensberg Sun Chalets 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	**17 607 361**	16 737 784
Sale of capital assets	**18 698**	17 760
Short-term rentals	**60 930**	190 234
Net non-levy income		
- telephone, rentals and penalties etc	**406 397**	108 118
	18 093 386	17 053 896
EXPENDITURE		
Rooms expenses		
Cleaning supplies	**57 762**	46 639
Guest entertainment - DSTV, outside services, videos, cocktails, games and prizes	**611 941**	590 271
Guest supplies	**139 917**	124 468
Laundry	**636 892**	620 874
Personnel costs - outside services	**1 741 406**	1 592 307
Pest control	**13 980**	9 511
Printing and stationery, including reception	**123 992**	99 377
Replacement of cutlery, crockery, linen, towels, uniforms, etc	**54 718**	69 876
Security services	**874 174**	817 714
	4 254 782	3 971 037
Administration and general		
Audit fees		
- current year	**116 055**	91 888
- prior year over provision	**-**	(7 565)
- expenses current year	**1 597**	4 462
Bank charges	**3 850**	3 362
Central accounting and levy collection fees	**292 686**	283 764
Corporate social initiatives	**25 000**	26 330
Credit card commission	**44 636**	40 635
Directors' emoluments	**40 930**	63 600
Information technology costs	**646 570**	609 698
Insurance		
- premiums	**144 483**	177 476
Licences and permits	**18 102**	18 577
Loss on repossessed debtors	**1 378 317**	337 869
Provision for repossessed debtors	**(960 290)**	1 084 016
Subscriptions/marketing	**17 890**	19 844
Telephone	**11 433**	28 062
Travel - management and Directors	**8 679**	5 505
Vehicles - fuel and oil	**52 885**	48 983
	1 842 823	2 836 506
Electricity and refuse		
Electricity	**1 435 310**	1 179 071
Generator fuel	**42 314**	143 865
Refuse	**73 624**	66 987
	1 551 248	1 389 923

Drakensberg Sun Chalets 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	**97 234**	59 080
Furniture, fixtures, electrical and mechanical	**90 631**	164 381
Gardens and grounds	**928 797**	763 472
Painting and redecorating	**25 188**	18 121
General maintenance	**253 414**	237 140
	1 395 264	1 242 194
Company costs		
Annual report and statutory costs	**28 006**	23 091
Municipal rates and taxes	**178 229**	170 494
	206 235	193 585
Personnel costs		
Rooms	**1 181 727**	1 147 638
Administration and general	**2 282 189**	2 059 164
Repairs and maintenance	**956 309**	923 496
	4 420 225	4 130 298
Management fee	**821 464**	786 592
Total expenditure	**14 492 041**	14 550 135
Excess of income over expenditure before finance income and taxation	**3 601 345**	2 503 761
Finance income		
Interest received	**521 816**	541 144
Excess of income over expenditure before taxation	**4 123 161**	3 044 905
Taxation		
Current	**137 353**	114 801
Prior year over provision	**(46 315)**	-
	91 038	114 801
Excess of income over expenditure for the year transferred to reserve for property, plant and equipment	**4 032 123**	2 930 104

Drakensberg Sun Chalets 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 10H33 IN THE LOUNGE UMHLANGA SANDS RESORT UMHLANGA AND/OR THROUGH THE MICROSOFT OFFICE TEAMS PLATFORM

1 WELCOME AND PREAMBLE

As Chairman of the Company Mr Anthony Ridl welcomed all shareholders present both in person and online through the Microsoft Office Teams platform, to the 2024 Annual General Meeting ("AGM") of Drakensberg Sun Chalets Share Block. He introduced his fellow Directors present at the meeting being: Mr Ajith Ramsarup and Mr Brent Dickson who was attending online. Apologies were tendered on behalf of Ms Louise McMillan as she was traveling abroad and unable to attend. Mr Johannes ("John") van Rooyen had resigned from the Board effective 24 January 2025 and the Chairman took this opportunity to express the Board's gratitude for Mr van Rooyen's longstanding and valuable contribution to the Board over the many years.

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 12,190 ordinary shares were represented in person and by proxy at the start of this meeting and that this constituted a quorum of 9.71% 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 Board was limited to no more than 5 Directors. The Directors who retired at this meeting were eligible and available for re-election. No additional nominations were received prior to the meeting, and no nominations were presented from the floor.

The Board had over the past few months discussed the adequacy and expertise of its members following the resignation of Mr van Rooyen and it was unanimously agreed that it retained the necessary skills and experience to effectively carry out its duties and maintain representation on its sub-Committees. The Board therefore recommended that the number of Directors on the Board not be increased to the full 5 members this year and that the current Directors who retired at this meeting but being eligible and available to serve for another term, be considered for re-election.

There was no objection from the meeting and the Chairman proposed that the meeting take ordinary resolution 2.1 to 2.4 as outlined in the notice of this AGM as read and that the meeting vote for the 4 eligible Directors en bloc.

No objection was recorded against the proposed en bloc voting or to the re-election of any of the Directors and it is unanimously RESOLVED that Mr Brent Dickson, 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. 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 as read and further 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 Mr Nicholas Dickson, Mr Ajith Ramsarup and Mr Anthony Ridl be and are hereby re-appointed as a member of the Company's Audit Committee for the ensuing year.

9 INSURED VALUE OF PROPERTY

ORDINARY RESOLUTION 4

As recommended by independent Quantity Surveyors Brian Heineberg and Associates and duly approved by the Board of Directors, the insured value of the property amounted to R111,126,867. This resulted in an approximate year-on-year increase of 14% and included costs in the event of destruction. Buildings were valued at R97,225,135 and furniture, fittings and equipment were valued at R13,901,732. It is unanimously RESOLVED that the insured value of the property be and is hereby approved at R111,126,867.

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 Chairman advised that 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. He 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

11.1 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;
- 14 chalets were refurbished to date with 16 outstanding. The next phase commenced in January 2026; and
- Creation of a new jetty at the dam for canoes.

The Chairman was pleased that the resort was in great condition and thanked Ms van Wyk for her feedback.

11.2 SHAREHOLDERS' COMMENTS

Ms Cynthia Snedden thanked Ms van Wyk for her detailed report and acknowledged the resort's ongoing efforts. She shared a personal concern with regards to the wildlife as a baboon had entered her chalet during her last holiday. She appreciated that management was active in addressing the concern and removing alien invasive species from the property and dam. She and her husband had noted the visible overgrowth at the dam and was pleased with the improvements to paths, bridges and the jetty. She acknowledged the dam's full state and improvements also made to the water reticulation system. Ms Snedden enquired about a planned schedule for the remaining chalets in the refurbishment project and what work was still be carried out within the timeline. The Chairman thanked Ms Sneddon and encouraged her to connect with Ms van Wyk during her next visit to the resort to view a refurbished chalet and to learn more about the rollout plan. If available, Ms Snedden could be placed in a refurbished chalet to experience the improved unit. He explained that the refurbishment was phased over several years to avoid depleting the Company's reserves or having to impose a special levy. Ms van Wyk undertook to contact Ms Snedden after the meeting.

12 CLOSURE

There being no further business the Chairman thanked all shareholders and teams for their attendance. He appreciated everyone's presence and contribution to the meeting. The meeting was declared closed at 10h58.



Chairman

GRAPHITE