

Southern Sun Limited
(Registration number 2002/006356/06)
Audited Annual Financial Statements
for the year ended 31 March 2025

Southern Sun Limited

(Registration number 2002/006356/06)

Audited Annual Financial Statements for the year ended 31 March 2025

Corporate information and advisers

Country of incorporation and domicile	South Africa
Directors	JA Copelyn (Chairman) MH Ahmed (Lead Independent) JR Nicolella SC Gina ML Molefi JG Ngcobo CC September MN von Aulock (CEO) L McDonald (CFO)
Registered office and business address	4th Floor South Tower Nelson Mandela Square Corner 5th and Maude Streets Sandton 2196
Postal address	Private Bag X200 Bryanston 2021
Banker	Nedbank Limited 1st Floor, Corporate Park, Nedcor Sandton, 135 Rivonia Road, Sandown, 2196
Auditors	Deloitte & Touche 5 Magwa Crescent, Waterfall City, Waterfall, 2090
Secretary	Southern Sun Secretarial Services Proprietary Limited and represented by Laurinda Rosalind van Onselen.
Sponsor and corporate advisor	Investec Bank Limited 100 Grayston Drive, Sandown, Sandton, 2196
Transfer secretaries	JSE Investor Services Proprietary Limited (previously Link Market Services South Africa Proprietary Limited) 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001

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Statement of Responsibility and Approval by the Board of Directors

The company's directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and to prepare financial statements for each financial year which fairly presents the state of affairs of the company at the end of the financial year and of the results of operations and cash flows for the period. In preparing the accompanying audited annual financial statements, the Listings Requirements of the Johannesburg Stock Exchange Limited (JSE) together with IFRS® Accounting Standards have been followed, suitable accounting policies have been used, applied consistently, and reasonable and prudent judgements and estimates have been made. Any changes to accounting policies are approved by the board of directors and the effects thereof are fully explained in the annual financial statements. The audited annual financial statements incorporate full and responsible disclosure. The directors have oversight for the information included in the audited annual financial statements and are responsible for both its accuracy and its consistency with the audited annual financial statements.

The directors have reviewed the company's budget and cash flow forecast for the year to 31 March 2026. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the company is a going concern and they have accordingly adopted the going concern basis in preparing the audited annual financial statements. The company's independent auditors, Deloitte & Touche, have audited the audited annual financial statements and the unqualified report appears on pages 9 to 12. Deloitte & Touche were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate.

The board recognises and acknowledges its responsibility for the company's system of internal financial control. The company's policy on business conduct, which covers ethical behaviour, compliance with legislation and sound accounting practice, underpins its internal financial control process. The control system includes written accounting and control policies and procedures, clearly defined lines of accountability and delegation of authority, and comprehensive financial reporting and analysis against approved budgets. The responsibility of operating this system is delegated to the directors who confirm that they have reviewed the effectiveness thereof. The directors consider that the systems are appropriately designed to provide reasonable, but not absolute, assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal financial control systems is monitored through management reviews, comprehensive reviews and testing by internal auditors and the independent auditors' testing of appropriate aspects of the internal financial control systems during the course of their statutory examinations of the company and the underlying subsidiaries.

Competence of the company secretary


The board of directors has considered and satisfied itself of the appropriateness of the competence, qualifications and expertise of the Company Secretary, Southern Sun Secretarial Services Proprietary Limited (represented by Laurinda Rosalind van Onselen). The Company Secretary has direct access to the board. The board confirms that Laurinda Rosalind van Onselen is not a director of the company and provided the board with independent guidance and support. An arm's-length relationship exists between the Company Secretary and the board.

Directors' Approval of the Annual Financial Statements for the year ended 31 March 2025

The preparation of the audited annual financial statements set out on pages 13 to 40, the Directors' Report set out on pages 6 to 8 and the supplementary information set out on pages 41 to 43 (which is unaudited) were approved by the board of directors on 31 July 2025 and were signed on their behalf by:



MN von Aulock
Chief Executive Officer



L McDonald
Chief Financial Officer

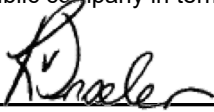
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Declaration by the Company Secretary

In terms of Section 88(2)(e) of the Companies Act of South Africa, ("the Act"), I, confirm that for the year ended 31 March 2025, Southern Sun Limited has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns and notices are true, correct and up to date.



Laurinda Rosalind van Onselen
on behalf of Southern Sun Secretarial Services
Proprietary Limited
Company secretary

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Report of the Audit and Risk committee

Committee mandate and terms of reference

In terms of the Companies Act of South Africa, the audit and risk committee (the committee) reports that it has adopted formal terms of reference, and that it has discharged all of its responsibilities for the year in compliance with the terms of reference.

Statutory duties

The committee is satisfied that in respect of the financial year it has performed all the functions required by law to be performed by an audit and risk committee, including as set out in section 94 of the Companies Act of South Africa and in terms of the committee's terms of reference and as set out in the corporate governance report. In this connection, and with specific regard to the preparation of the annual financial statements, the committee has:

- evaluated the independence and effectiveness of the existing external auditors, Deloitte & Touche, and is satisfied that the existing external auditors are independent of the company having given due consideration to the parameters enumerated under section 92 of the Companies Act of South Africa.
- ensured and satisfied itself that the appointments of the external auditors, the designated auditor and IFRS adviser are in compliance with the Companies Act of South Africa, the Auditing Profession Act, 2005 and the Listings Requirements of the JSE;
- evaluated and is satisfied with the quality of the external audit and reports issued by the external auditors;
- in consultation with executive management, agreed to the engagement letter, terms, external audit plan and fees for the 2025 financial year;
- in accordance with the company's non-audit services policy, considered and pre-approved all non-audit services provided by the external auditors, ensuring that the independence of the external auditors is not compromised;
- reviewed and assessed the company's risk identification, measurement and control systems and their implementation;
- reviewed and approved the company accounting policies (refer note 1 to the audited annual financial statements);
- considered all significant transactions and accounting matters that occurred during the year and evaluated whether the accounting treatment is appropriate in terms of IFRS;
- considered the impact of auditing, regulatory and accounting developments during the year, particularly the implications of new standards that became effective during the year;
- established appropriate financial reporting procedures for the company in accordance with paragraph 3.84(g)(ii) of the Listings Requirements of the JSE;
- considered the JSE's most recent report on proactive monitoring of financial statements, and where necessary those of previous periods, and taken appropriate action where necessary to respond to the findings as highlighted in the JSE report when preparing the annual financial statements for the year ended 31 March 2025;
- evaluated and is satisfied with the effectiveness of the Chief Audit Executive and the outsourced internal audit function;
- considered the outsourced internal audit service provider and is satisfied with their independence and ability to effectively complete the internal audit plan;
- reviewed the written assessment of internal audit on the design, implementation and effectiveness of the internal financial controls, in addition to the findings noted by the external auditors during the course of their annual audit in support of their annual audit opinion. Based on these results, the committee is of the opinion that the internal financial controls provide reasonable assurance that financial records may be relied upon for the preparation of reliable annual financial statements; and
- dealt with concerns or complaints relating to accounting practices and internal audit of the company, the content or auditing of the annual financial statements, the internal financial controls of the company, or any other related matter.

Competence of the Chief Financial Officer

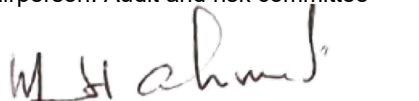
The committee has also considered and satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer, Mrs L McDonald, and the finance function.

Recommendation of the annual financial statements

The committee has evaluated the audited annual financial statements of Southern Sun Limited for the year ended 31 March 2025 and based on the information provided to the committee, the committee recommends the adoption of the audited annual financial statements by the board.

MH Ahmed

Chairperson: Audit and risk committee



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Audited Annual Financial Statements for the year ended 31 March 2025

Directors' Report

1. Nature of business

The company is a South African incorporated public company domiciled in the Republic of South Africa engaged principally in investment holding.

There have been no material changes to the nature of the company's business from the prior year.

2. Company results

The financial results of the company for the year are set out in the audited annual financial statements and accompanying notes thereto. Revenue and other income amounting to R 445.7 million was received in the year under review (2024: R 1.9 million) and the profit for the year under review amounted to R 503.1 million (2024: R 757.9 million).

3. Share capital

Southern Sun Limited has authorised share capital of 2 000 000 000 ordinary no par value shares and the issued share capital of the company including treasury shares is 1 342 150 415 (2024: 1 336 690 132) ordinary no par value shares (refer to note 15).

4. Dividends

Having reviewed the group's working capital requirements and cash resources, the board approved and declared final dividend (number 2) of 25.00 cents per ordinary share (gross) (2024: 12.50 cents per ordinary share) in respect of the year ended 31 March 2025. The dividend is subject to dividend tax. In accordance with paragraphs 11.17(a)(i) to (ix) and 11.17(c) of the Johannesburg Stock Exchange (JSE) Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of distributable reserves;
- The local dividend tax rate is 20% (twenty per centum);
- The gross local dividend amount is 25.00000 (2024: 12.50000) cents per ordinary share for shareholders exempt from the dividend tax;
- The net local dividend amount is 20.00000 (2024: 10.00000) cents per ordinary share for shareholders liable to pay the dividend tax;
- The number of shares in issue at declaration date was 1 342 936 721 (2024: 1 337 136 958); and
- The company's income tax reference number is 9878091140.

The dividend was paid to shareholders on 17 June 2025.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Directors	Designation
JA Copelyn (Chairman)	Non-executive
JR Nicolella	Non-executive
MH Ahmed (Lead Independent)	Non-executive Independent
SC Gina	Non-executive Independent
ML Molefi	Non-executive Independent
JG Ngcobo	Non-executive Independent
CC September	Non-executive Independent
MN von Aulock (CEO)	Executive
L McDonald (CFO)	Executive

There have been no changes to the directorate during the year under review.

6. Directors' interests in contracts

No material contracts in which the directors have an interest were entered into during the year under review.

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Directors' Report

7. Majority shareholder

The company's ultimate majority shareholder is Hosken Consolidated Investments Limited (HCI) (a company listed on the JSE) which, at the statement of financial position date, directly and indirectly owned 45.0% (2024: 44.9%) of the company's issued share capital (including treasury shares). HCI directly owned 0% (2024: 10.4%) and is the majority shareholder of TIHC Investments (RF) Proprietary Limited (TIHC) and TIHC directly owns 0% (2024: 31.2%) of Southern Sun Limited. TIH Prefco Proprietary Limited is a wholly owned subsidiary of HCI and TIH Prefco Proprietary Limited directly owns 41.4% (2024: 0%) of Southern Sun Limited. HCI also controls the HCI Foundation which directly owns 3.6% (2024: 3.3%) of the company.

8. Events after the reporting period

On 12 June 2025, subsequent to year end, subsidiaries of Southern Sun Limited declared dividends. These dividends were received on the 13 June 2025, R 138.6 million from Hospitality Property Fund Limited and R 201.1 million from Southern Sun Investments Proprietary Limited.

Please refer to note 4 in the Directors report for the dividends paid to shareholders.

Between 6 June 2025 and 30 June 2025, the Group bought back 8.9 million shares at an average price of R 8.83 and issued 4.6 million shares between 22 April 2025 and 30 June 2025 to employees participating in the Southern Sun Share Appreciation Rights Plan.

The directors are not aware of any other material matters or circumstance arising since the statement of financial position date and the date of this report.

9. Going concern

The audited annual financial statements are prepared on the going-concern basis. Based on the cash flow forecasts and available cash resources, management believes that the company has sufficient resources to continue operations as a going concern in a responsible and sustainable manner. Refer to note 26 for further details. The board of directors of the company has assessed the cash flow forecasts and is of the view that the company has sufficient liquidity to meet its obligations over the next 12 months.

As at 31 March 2025, the company has net cash and cash equivalents of R 1 million (2024: R 2 million). Liquidity risk is mitigated by the company's access to sufficient internal funding and cash reserves of the subsidiaries to meet its obligations as they become due. The majority of the current liability balance relates to balances with subsidiaries, who are unlikely to call on the loans within the next 12 months.

The current liabilities exceed the current assets by R 832 million (2024: R 1 142 million). Included in current liabilities of R 856 million (2024: R 1 148 million), are loans from subsidiary companies of R 852 million (2024: R 1 141 million), if required, the company is in a position to obtain support from the group to settle these liabilities.

10. External auditors

Deloitte & Touche will continue in office in accordance with section 90 of the Companies Act of South Africa until the forthcoming annual general meeting.

11. Company Secretary

Southern Sun Secretarial Services Proprietary Limited, as represented by LR van Onselen.

Postal address:

Private Bag X200
Bryanston
2021

Business address:

4th Floor South Tower
Nelson Mandela Square
Corner 5th and Maude Streets
Sandton
2196

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Audited Annual Financial Statements for the year ended 31 March 2025

Directors' Report

12. Consolidated annual financial statements

Consolidated annual financial statements have been prepared in terms of IFRS 10, Consolidated Financial Statements, available for public use that comply with IFRS Accounting Standards. These group annual financial statements are available on the company's website at www.southernsun.com. Details of the company's subsidiaries are included in note 9 to these annual financial statements.

Independent Auditor's Report To the Shareholders of Southern Sun Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Southern Sun Limited (the company) set out on pages 13 to 40, which comprise the statement of financial position as at 31 March 2025; and the statement of profit or loss; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of Southern Sun Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for 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 Separate 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule). We report:

Final Materiality

We define materiality as the magnitude of misstatement in the separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced.

We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.



Managing Partner: ML Tshabalala

A full list of partners and directors is available on request

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



**Independent Auditor's Report
To the Shareholders of Southern Sun Limited (continued)**

Final Materiality (continued)

Based on our professional judgement, we determined materiality for the separate financial statements as a whole as follows:

Overall materiality	R104.4 million (2024: R100.0 million)
How we determined it	Based on 1% of Net asset value
Rationale for benchmark applied	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. We determined that Net asset value remained the key benchmark.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on our assessment, there were no key audit matters to report on in our audit of the separate financial statement.

Other Information

The directors are responsible for the other information. The other information comprises the information included; in the document, titled Southern Sun Limited Audited Annual Financial Statements for the year ended 31 March 2025, which includes the Directors' Report, the Report of the Audit and Risk Committee and the Declaration by the Company Secretary, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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.



**Independent Auditor's Report
To the Shareholders of Southern Sun Limited (continued)**

Responsibilities of the Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements, in accordance with IFRS Accounting Standards 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**Independent Auditor's Report
To the Shareholders of Southern Sun Limited (continued)**

Auditor's Responsibilities for the Audit of the Separate Financial Statements (continued)

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

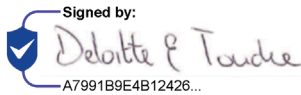
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Southern Sun Limited for two years.



Deloitte & Touche
Registered Auditors
Per: Dirk Steyn CA(SA); RA
Partner
31 July 2025

5 Magwa Crescent
Waterfall City
Waterfall
Johannesburg
2090

Southern Sun Limited

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Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Profit or Loss for the year ended 31 March

	Notes	2025 R '000	2024 R '000
Revenue	4	445 691	-
Other income	5	-	1 944
Fair value adjustment of financial guarantee	6	(3 412)	-
Amortisation of financial guarantee	6	4 145	1 533
Impairment reversal of investments in subsidiaries	10	-	718 880
Income from share-based payment	16	61 380	38 849
Other operating expenses	7	(4 905)	(3 381)
Operating profit		502 899	757 825
Finance income	8	240	168
Profit before taxation		503 139	757 993
Taxation	9	(61)	(42)
Profit for the year		503 078	757 951
Earnings per share			
Per share information			
Number of shares in issue*		1 342 150 415	1 336 690 132
Weighted average number of ordinary shares	20	1 340 333 829	1 387 012 834
Basic earnings per share (cents)	20	37.53	54.65
Diluted earnings per share (cents)	20	36.46	53.61

*Net of treasury shares

The statement of other comprehensive income has not been presented as there has been no movements recognised in other comprehensive income for 2025 or 2024.

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Statement of Financial Position as at 31 March

	Notes	2025 R '000	2024 R '000
Assets			
Non-Current Assets			
Investments in subsidiaries	10	10 508 222	10 483 475
Investment in associate	11	690 973	690 973
Other financial assets	12	8	8
		11 199 203	11 174 456
Current Assets			
Trade and other receivables	13	23 253	4 150
Cash and cash equivalents	14	1 041	1 817
		24 294	5 967
Total Assets		11 223 497	11 180 423
Equity and Liabilities			
Equity			
Share capital	15	4 727 076	4 693 271
Share-based payment reserve	16	46 882	83 515
Retained income		5 593 360	5 257 424
Total Equity		10 367 318	10 034 210
Liabilities			
Current Liabilities			
Financial guarantee contracts	17	3 414	4 147
Loans from group companies	18	852 402	1 141 286
Trade and other payables	19	360	738
Current tax payable		3	42
		856 179	1 146 213
Total Equity and Liabilities		11 223 497	11 180 423

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Statement of Changes in Equity for the year ended 31 March

	Ordinary share capital	Treasury shares	Share-based payment reserve	Retained income	Total equity
	R '000	R '000	R '000	R '000	R '000
Balance at 01 April 2023	5 333 022	(44 066)	-	4 499 473	9 788 429
Profit for the year	-	-	-	757 951	757 951
Total comprehensive income for the year	-	-	-	757 951	757 951
Purchase of treasury shares ¹	-	(617 299)	-	-	(617 299)
Cancellation of shares ²	(661 365)	661 365	-	-	-
Issue of ordinary shares ³	21 614	-	-	-	21 614
Share-based payments charge	-	-	122 364	-	122 364
Release of share-based payment reserve to the Statement of Profit or Loss	-	-	(38 849)	-	(38 849)
Total contributions by and distributions to owners of company recognised directly in equity	(639 751)	44 066	83 515	-	(512 170)
Balance at 01 April 2024	4 693 271	-	83 515	5 257 424	10 034 210
Profit for the year	-	-	-	503 078	503 078
Total comprehensive income for the year	-	-	-	503 078	503 078
Issue of ordinary shares ³	33 805	-	-	-	33 805
Share-based payments charge	-	-	24 747	-	24 747
Release of share-based payment reserve to the Statement of Profit or Loss	-	-	(61 380)	-	(61 380)
Dividends paid	-	-	-	(167 142)	(167 142)
Total contributions by and distributions to owners of company recognised directly in equity	33 805	-	(36 633)	(167 142)	(169 970)
Balance at 31 March 2025	4 727 076	-	46 882	5 593 360	10 367 318

Notes

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¹ The company bought back R 135 million Southern Sun Limited shares at an average price of R 4.56.

² The company cancelled all 145 million shares bought back between FY'23 and FY'24 on 12 December 2023 and 28 March 2024.

³ The company issued five million shares (2024: four million) during the year to employees participating in the Southern Sun Share Appreciation Rights Plan.

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Audited Annual Financial Statements for the year ended 31 March 2025

Statement of Cash Flows for the year ended 31 March

	Notes	2025 R '000	2024 R '000
Cash flows from operating activities			
Profit before interest and taxation		502 899	757 825
Adjustments for non-cash movements		(505 522)	(759 938)
Changes in working capital	21	2 709	(41 642)
Cash generated from / (used in) operations	21	86	(43 755)
Interest received	8	240	168
Tax paid		(100)	-
Net cash generated from / (used in) operating activities		226	(43 587)
Cash flows from investing activities			
Loans to group companies repaid		-	20 585
Dividends received		423 500	676
Net cash from investing activities		423 500	21 261
Cash flows from financing activities			
Purchase of treasury shares	15	-	(617 299)
Issue of ordinary share	15	-	21 614
(Repayment of) / proceeds from loans from group companies	18	(257 360)	618 841
Dividends paid		(167 142)	-
Net cash (used in) / from financing activities		(424 502)	23 156
Net (decrease) / increase in cash and cash equivalents		(776)	830
Cash and cash equivalents at the beginning of the year		1 817	987
Cash and cash equivalents at the end of the year	14	1 041	1 817

Southern Sun Limited

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Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in *IFRS Practice Statement 2: Making Materiality Judgements*, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB'), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the listing requirements of the JSE and the requirements of the Companies Act of South Africa and have been prepared under the historical cost convention. The term IFRS includes IFRS Accounting Standards, International Accounting Standards ('IAS') and interpretations issued by the IFRS Interpretations Committee ('IFRS IC') or the former Standing Interpretations Committee ('SIC'). The standards referred to are set by the International Accounting Standards Board ('IASB').

Consolidated annual financial statements have been prepared in terms of IFRS 10, Consolidated Financial Statements, available for public use that comply with International Financial Reporting Standards. These group annual financial statements are available on the company's website at www.southern.sun.com. Details of the company's subsidiaries and associate are included in note 10 and 11 respectively, to these annual financial statements.

1.2 Investments

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investment in subsidiaries are included in the annual financial statements from the date control commences until the date control ceases.

The investment is recognised at cost at initial recognition, including transaction costs that are directly attributable to the acquisition of the investment. Any other acquisition-related costs are expensed as incurred. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the investment at the time of its acquisition. Investment in subsidiaries are subsequently measured at cost less any impairment charges.

Associates

Associates are entities over which the company has directly or indirectly significant influence but not control, generally accompanying a shareholding of 20% to 50%, where significant influence is the ability to influence the financial and operating policies of the entity.

Investments in associates are accounted for using the cost method at initial recognition and is net of impairment losses.

1.3 Investments and other financial assets

Classification

The company classifies financial assets into the following measurement categories:

- Those to be measured at fair value through profit or loss; and
- Those to be measured at amortised cost (debt instruments).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

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Audited Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.3 Investments and other financial assets (continued)

Recognition and derecognition

Financial assets are recognised when the company becomes a party to the contractual provisions of the respective instrument. Financial assets 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 risks and rewards of ownership. Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within other operating expenses. A change is considered substantial if the qualitative factors are considered substantial and if the net present value of the cash flows under the new terms discounted at the original effective interest rate is at least 10% different from the carrying amount of the original debt. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes. If the terms are not substantially different for financial assets or financial liabilities, the company recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within other operating expenses (for all other modifications).

Measurement

At initial recognition, the company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

- Debt instruments
These are the assets held to collect contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss included in other operating expenses. Interest income is recognised using the effective interest method.
- Equity investments
The company subsequently measures all equity investments (where the group does not have control) at fair value. Where the company has elected to present fair value gains and losses on equity investments in profit or loss. Dividends on these equity investments are recognised in profit or loss as part of other income when the company's right to receive payments is established.

Impairment

The company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost.

The company applies the simplified approach to measuring expected credit losses ("ECL") which uses lifetime expected losses to be recognised from initial recognition of trade receivables. The balance of the company's financial assets measured at amortised cost comprise loan receivables and cash and cash equivalents to which the general model is applied.

Impairment losses are presented in other operating expenses.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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Accounting Policies

1.4 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the company are initially measured at fair value and are subsequently measured at the higher of:

- The expected credit loss ("ECL") in accordance with IFRS 9; or
- The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with IFRS 15.

The ECL's are a probability weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are the expected payments to reimburse the holder for the credit loss that it incurs. No fee is charged by the company for providing the guarantee to group companies. The fair value of the liability on initial recognition is recognised through profit and loss.

1.5 Share capital and equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds and are included in the share capital account.

1.6 Loans from group companies

These include loans from holding companies, fellow subsidiaries, subsidiaries and associates and are recognised initially at fair value plus direct transaction costs.

Loans from group companies are classified as financial liabilities measured at amortised cost.

1.7 Impairment of non-financial assets

This policy covers all assets, except financial assets (refer note 1.3) and deferred income tax assets (refer note 1.10).

At each statement of financial position date the company reviews the carrying amounts of its investments in subsidiaries and associates to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an investment, the company estimates the recoverable amount of the cash generating unit ("CGU") to which the investment belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. For the purposes of assessing impairment, investments are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). If the recoverable amount of a CGU is estimated to be less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period. An impairment loss reversal is recognised immediately in profit or loss.

1.8 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

1.9 Income

Interest income

Interest income is recognised using the effective interest rate method.

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Accounting Policies

1.9 Income (continued)

Dividend income

Dividend income is recognised when the right to receive payment is established, and is included in revenue.

1.10 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

The current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The company's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is provided in full using the liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit or loss.

Deferred tax liabilities are recognised where the carrying value of an asset is greater than its tax base, or where the carrying value of a liability is less than its tax base. Deferred tax is recognised in full on temporary differences arising from investment in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that future taxable profit will be available against which the temporary differences (including carried forward tax losses) can be utilised.

Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at statement of financial position date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax relate to income taxes levied by the same taxation authority on either the taxable entity, or different taxable entities where there is an intention to settle the balances on a net basis.

1.11 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company financial statements in the period in which the dividends are approved by the company's board of directors.

1.12 Share-based payments – equity-settled schemes

The company operates an equity-settled, share-based compensation plan. The fair value of the employee services received by the company and/or its subsidiaries in exchange for the grant of the options is recognised as an expense.

1.13 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Principles of critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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Accounting Policies

1.13 Critical accounting estimates and judgements (continued)

Impairment testing

The recoverable amounts of cash-generating unit and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that an impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of non-financial assets are inherently uncertain and could materially change over time. They are significantly affected by a number of economic factors.

Investments in subsidiaries and associates

The company tests investments in subsidiaries and associates when there is an indicator for impairment in accordance with the accounting policy stated in note 1.7. The recoverable amounts of the assets have been determined based on the higher of fair value less costs to sell and the value-in-use calculations. These calculations require the use of estimates as noted in note 10 and note 11 of the annual financial statements.

Financial guarantee contract

The financial guarantees are valued at the higher of the IFRS 9 expected credit loss (ECL) allowance or the initial amortised fair value on day one.

The valuation of the guarantees includes assumptions on credit default rates, credit risks, credit ratings and expected credit losses. The ECL model includes estimates relating to the probability of a default by the borrower and the resultant loss to the guarantor for each underlying borrower.

The capital on the loans is repayable at the end of the loan term. Management has assessed whether the day-one fair value of the guarantees should be amortised and concluded that amortisation on a straight-line basis is appropriate (Refer to note 17).

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Notes to the Audited Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The effective date of the amendments is for years beginning on or after 01 January 2024.

The company has adopted the amendments for the first time in the 2025 audited annual financial statements.

The impact of the amendments is not material.

Amendments to IAS 1 Presentation of Annual Financial Statements - Non-Current Liabilities with Covenants

The amendments apply to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of annual financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendments is for years beginning on or after 01 January 2024.

The company has adopted the amendments for the first time in the 2025 audited annual financial statements.

The impact of the amendments is not material.

Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendments is for years beginning on or after 01 January 2024.

The company has adopted the amendments for the first time in the 2025 audited annual financial statements.

The impact of the amendments is not material.

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Notes to the Audited Annual Financial Statements

2. New standards and interpretations (continued)

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2025 or later periods:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 brings three categories of income and expenses being operating, investing and financing, two income statement subtotals and one single note on management performance measures. These, combined with enhanced disaggregation guidance, set the stage for better and more consistent information for users – and will affect all companies.

The effective date of the standard is for years beginning on or after 01 January 2027.

The company expects to adopt the standard for the first time in the 2028 audited annual financial statements.

Management is yet to assess the possible impact of the standard on the annual financial statements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments state that a currency is exchangeable when an entity is able to exchange that currency for another currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. A currency is not exchangeable into another currency if an entity can only obtain an insignificant amount of the other currency.

If a currency is not exchangeable at the measurement date, the entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions. If a currency is not exchangeable, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

An entity does not apply the amendments retrospectively. Instead, an entity recognises any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. If an entity uses a presentation currency other than its functional currency, it recognises the cumulative amount of translation differences in equity.

The effective date of the amendments is for years beginning on or after 01 January 2025.

The company expects to adopt the amendments for the first time in the 2026 audited annual financial statements.

The impact of the amendments are not expected to be material.

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Notes to the Audited Annual Financial Statements

2. New standards and interpretations (continued)

Amendment to IFRS 9 and IFRS 7- Classification and Measurement of Financial Instruments

The amendments clarify the classification of financial assets with environmental, social and corporate governance ("ESG") and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendments also clarify the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendments is for years beginning on or after 01 January 2026.

The company expects to adopt the amendments for the first time in the 2027 annual financial statements.

It is unlikely that the amendments will have a material impact on the annual financial statements.

Annual Improvements to IFRS accounting Standards- Volume 11

It contains amendments to five standards namely; IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, as a result of the International Accounting Standards Board's annual improvements project.

The effective date of the amendments is for years beginning on or after 01 January 2026.

The company expects to adopt the amendments for the first time in the 2027 annual financial statements.

It is unlikely that the amendments will have a material impact on the financial statements.

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Notes to the Audited Annual Financial Statements

3. Financial instruments and risk management

Financial risk management

Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management process

The company applies the same financial risk management policies as the group. The capital risk management policy is written from a group perspective and disclosed below.

The Southern Sun board recognises that the management of business risk is crucial to the group's continued growth and success and this can only be achieved if all three elements of risk - namely threat, uncertainty and opportunity - are recognised and managed in an integrated fashion. The audit and risk committee is mandated by the board to establish, coordinate and drive the risk management process throughout the group. It has overseen the establishment of a comprehensive risk management system to identify and manage significant risks in the operational divisions, business units and subsidiaries. Internal financial and other controls ensure a focus on critical risk areas and are closely monitored and are subject to management oversight and internal audit reviews.

The systems of internal control are designed to manage rather than eliminate risk, and provide reasonable, but not absolute, assurance as to the integrity and reliability of the annual financial statements, the compliance with statutory laws and regulations, and to safeguard and maintain accountability of the group's assets. The board and executive management acknowledge that an integrated approach to the total process of assurance improves the assurance coverage and quality in addition to being more cost-effective.

In addition to the risk management processes embedded within the group, the group executive committee identifies, quantifies and evaluates the group's risks annually, utilising a facilitated risk assessment workshop. The severity of risks is measured in qualitative (e.g. zero tolerance for regulatory risks) as well as quantitative terms, guided by the board's risk tolerance and risk appetite measures. The scope of the risk assessment includes risks that impact on shareholder value or that may lead to a significant loss, or loss of opportunity. Appropriate risk responses to each individual risk are designed, implemented and monitored.

The risk profiles, with the risk responses, are reviewed by the audit and risk committee at least once every six months. This methodology ensures that identified risks and opportunities are prioritised according to the potential impact on the group and cost-effective responses are designed and implemented to counter the effects of risks and take advantage of opportunities.

Financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the board of directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the group's operating units. The board provides principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments and investing excess liquidity.

Credit risk is managed at an entity level for trade receivables.

Credit risk

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company has no significant concentrations of credit risk. Overall credit risk is managed on a group basis with exposure to trade receivables managed at entity level.

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Notes to the Audited Annual Financial Statements

3. Financial instruments and risk management (continued)

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to the company's customer base, including outstanding receivables and committed transactions. For banks and financial institutions, only company audit and risk committee approved parties are accepted (on behalf of the board). The company has policies that limit the amount of credit exposure to any bank and financial institution. The company limits its exposure to banks and financial institutions by setting credit limits based on their credit ratings and generally only with counterparties with a minimum credit rating of BBB by Standard and Poor's and Baa3 from Moody's. For banks with a lower credit rating, or with no international credit rating, limits are set by the audit and risk committee on behalf of the board. The utilisation of credit limits is regularly monitored.

The company is exposed to credit risk arising from financial guarantee contracts issued by the company and certain subsidiaries that may require a payment to be made to reimburse the holder for a loss it incurs due to a specified debtor failing to make payment when due, in accordance with the terms of the debt instrument. The total outstanding balance on the loans, for which the financial guarantee contracts are provided are R 662 million (2024: R 1 663 million), refer note 17 for details regarding these financial guarantee contracts.

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available. The majority of the current liability balance is balances with subsidiaries, whom are unlikely to call on the loans in the next 12 months.

Management monitors rolling forecasts of the company's liquidity headroom on the basis of expected cash flow and the resultant borrowing position compared to available credit facilities. This process is performed during each financial year for five years into the future in terms of the company's long-term planning process.

The company, through Group Treasury, sources its funding from four large South African banks thereby reducing liquidity concentration risk. The facilities comprise a mix of short, medium and long-term nature.

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2025

	Notes	Less than 1 year R '000	Contractual cash flows R '000	Carrying amount R '000
Inclusive of capital and interest:				
Trade and other payables	19	360	360	360
Loans from group companies	18	852 402	852 402	852 402
Financial guarantee contracts*	17	3 414	3 414	3 414
		856 176	856 176	856 176

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Notes to the Audited Annual Financial Statements

3. Financial instruments and risk management (continued)

2024

	Notes	Less than 1 year R '000	Contractual cash flows R '000	Carrying amount R '000
Inclusive of capital and interest:				
Trade and other payables	19	738	738	738
Loans from group companies	18	1 141 286	1 141 286	1 141 286
Financial guarantee contracts*	17	4 147	4 147	4 147
		1 146 171	1 146 171	1 146 171

* The company's maximum exposure to liquidity risk amounts to the total outstanding balance on the loans for R 662 million (2024: R 1 663 million).

Market risk

Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company does not have significant exposure to currency risk as most of its operations are in South Africa with a limited number of its subsidiaries operating in countries outside of South Africa. Those subsidiaries operating outside of South Africa mitigate the currency risk by sourcing debt in US Dollar due to their cash generated from operations being largely denominated in US Dollar. As a result, no forward cover contracts are required and therefore currency risk is not hedged.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At 31 March the interest rate profile of the company's interest-bearing financial instruments was:

Variable rate instruments

	Carrying amount 2025 R '000	Carrying amount 2024 R '000
Cash and cash equivalents	1 041	1 817

The company had no fixed rate instruments in the current and prior year and the carrying amount of cash and cash equivalents approximate the fair value.

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates would have increased / (decreased) profit or loss by R 10 410 (2024: R 18 170). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024.

Other price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

Categories of financial instruments

The tables below reconciles the company's accounting categorisation of financial assets and liabilities (based on initial recognition) to the classes of assets and liabilities as shown on the face of the statement of financial position:

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Notes to the Audited Annual Financial Statements

3. Financial instruments and risk management (continued)

Categories of financial assets

2025

	Notes	Fair value through profit or loss - Designated R '000	Amortised cost R '000	Total R '000
Other financial assets	12	8	-	8
Trade and other receivables	13	-	23 253	23 253
Cash and cash equivalents	14	-	1 041	1 041
		8	24 294	24 302

2024

	Notes	Fair value through profit or loss - Designated R '000	Amortised cost R '000	Total R '000
Other financial assets	12	8	-	8
Trade and other receivables	13	-	4 150	4 150
Cash and cash equivalents	14	-	1 817	1 817
		8	5 967	5 975

Categories of financial liabilities

2025

	Notes	Amortised cost R '000	Financial guarantees R '000	Total R '000
Trade and other payables	19	360	-	360
Loans from group companies	18	852 402	-	852 402
Financial guarantee contracts	17	-	3 414	3 414
		852 762	3 414	856 176

2024

	Notes	Amortised cost R '000	Financial guarantees R '000	Total R '000
Trade and other payables	19	738	-	738
Loans from group companies	18	1 141 286	-	1 141 286
Financial guarantee contracts	17	-	4 147	4 147
		1 142 024	4 147	1 146 171

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and provide optimal returns for the shareholder through maintaining an optimal capital structure.

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Notes to the Audited Annual Financial Statements

	2025	2024
	R '000	R '000

3. Financial instruments and risk management (continued)

The company defines capital as equity funding provided by the shareholder and debt funding from external parties. Shareholder funding comprises permanent paid up capital and other reserves as disclosed in the statement of financial position. Debt funding comprises loans from the shareholder and banking institutions.

The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The board of directors monitors the cost of capital, which the company defines as the weighted average cost of capital, taking into account the company's internally calculated cost of equity (shareholder funding) and long-term cost of debt assumptions.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position. Debt funding is managed by Group Treasury and the company does not have any external borrowings on its statement of financial position.

In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the group may adjust the amount of dividends paid to shareholders or return capital to shareholders through share buybacks where appropriate.

Capital structure

Stated capital	4 727 076	4 693 271
Total capital	4 727 076	4 693 271

4. Revenue

Dividends received	445 691	-
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5. Other income

Legal fees - recovery	-	1 268
Dividends received	-	676
	-	1 944

6. Remeasurement on financial guarantees

Amortisation of financial guarantee (refer to note 17)	(4 145)	(1 533)
Fair value adjustment of financial guarantee (refer to note 17)	3 412	-
	(733)	(1 533)

7. Other operating expenses

Other operating expenses comprise the following:

Compliance costs	1 705	-
Consulting fees	33	48
Directors' fees - Non-executive directors	3 150	3 320
Other expenses	17	13
Total operating expenses	4 905	3 381

8. Finance income

Interest received from banks	240	168
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Notes to the Audited Annual Financial Statements

	2025 R '000	2024 R '000
9. Income tax expense		
Current tax - current year	61	42

Reconciliation of the tax expense

	2025 R '000		2024 R '000	
Profit before taxation	503 139		757 993	
Income tax thereon at 27% (2024: 27%)	135 848	27.0 %	204 658	27.0 %
Disallowed expenditure	201	0.0 %	567	0.1 %
Impairment reversal of investments in subsidiaries	-	-	(194 097)	(25.6)%
Remeasurement on financial guarantee	921	0.2 %	(414)	(0.1)%
Exempt income	(136 909)	(27.2)%	(10 672)	(1.4)%
	61	- %	42	- %

10. Investments in subsidiaries

Name of company	Issued share capital 2025	Issued share capital 2024	Effective holding 2025	Effective holding 2024	Shares at cost less impairment 2025 R '000	Shares at cost less impairment 2024 R '000
Acquisitive Investments Proprietary Limited	100	100	100.00 %	100.00 %	*	*
Vidual Investment Proprietary Limited	100	100	100.00 %	100.00 %	*	*
Elsivert Proprietary Limited	75 489	75 489	100.00 %	100.00 %	75 488	75 488
Holiday Inns Proprietary Limited	1 607	1 607	100.00 %	100.00 %	17 105	17 105
Majormatic 194 Proprietary Limited	132	132	100.00 %	100.00 %	11 494	11 494
Southern Sun Hotel Interests Proprietary Limited ⁽³⁾	1 061 000	1 061 000	100.00 %	100.00 %	2 860 206	2 835 459
Southern Sun Offshore Proprietary Limited ⁽¹⁾	200	200	100.00 %	100.00 %	1 930 123	1 930 123
Sun1 Hotels Proprietary Limited	4 000	4 000	100.00 %	100.00 %	*	*
Southern Sun Investments Proprietary Limited ⁽²⁾	100	100	100.00 %	100.00 %	5 613 806	5 613 806
Volnay Investments Proprietary Limited	1	1	100.00 %	100.00 %	*	*
					10 508 222	10 483 475

* Amount less than R1 000.

The group comprises a large number of companies. The list above only includes directly held subsidiary undertakings. In addition to the above mentioned subsidiaries, the company has interests in other indirectly held subsidiaries. A register detailing such information in respect of all subsidiaries of the company is available for inspection at the registered office of the company, which may be inspected by members or their duly authorised agents.

All the above subsidiaries are unlisted and are incorporated in South Africa.

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10. Investments in subsidiaries (continued)

Reconciliation of the movement in investment in subsidiaries

	Southern Sun Hotel Interests Proprietary Limited (3) R '000	Southern Sun Investments Proprietary Limited (2) R '000
31 March 2024		
Opening balance	2 713 095	4 894 926
Reversal of impairment ⁽²⁾	-	718 880
Share-based payment charge ⁽³⁾	122 364	-
Closing balance	2 835 459	5 613 806
31 March 2025		
Opening balance	2 835 459	5 613 806
Share-based payment charge ⁽³⁾	24 747	-
Closing balance	2 860 206	5 613 806

The recoverable amounts for certain of the subsidiaries (as listed below) were reassessed to determine if the recoverable amount had changed materially resulting in possible reversals of past impairments given the continued recovery of the hospitality industry and the improvement in trading in the underlying hotel operations.

All the above subsidiaries are unlisted.

Assessment of investments

Based on the out-performance of actual 2025 results versus 2025 group forecasts, management has adopted a more optimistic view of the recovery in trading levels and an overarching assumption has been made that the group will return to long-term average occupancy levels by 2030. The forecast period in which each individual hotel returns to its long-term average occupancy has been individually considered based on its specific regional and market dynamics.

Based on a review of the revenue and Ebitdar levels of each hotel, management is comfortable that the individual hotel trading assumptions are reasonable. Operating expenses were escalated by consumer price index (CPI) except for utilities, which escalate by an average of 8%, between 2026 and 2030. Payroll costs were escalated by CPI +1%. Maintenance capex has been reviewed by unit and prioritised to ensure that the properties are well maintained and in good condition.

- 1) The future trading conditions have been incorporated into the forecasted cash flows together with the change in the risk free rate and this has resulted in no material change to the value in use of the offshore investment. The future cash flows were revised, taking into account the average Ebitdar margin of 33.97% (2024: 33.79%). These cash flows have been discounted at rates between 10.98% (2024: 10.50%) and 16.97% (2024: 17.50%), depending on the economy of the trading entity generating the cash flows. The change in the discount rate is mainly driven by the change in the in-country risk premium. A terminal growth rate of 2.2% (2024: between 2.2% and 2.3%) was used to forecast future cash flows. As a result, and based on the assessments made there were no impairment reversals (2024: R Nil) made to the company's investment in Southern Sun Offshore Proprietary Limited.
- 2) The recoverable amount of Southern Sun Investments Proprietary Limited (SSI) was determined with reference to the fair value less cost to sell. SSI's main asset comprises an investment in HPF. The recoverable amount of HPF was determined with reference to the fair value less cost to sell. HPF's main asset comprises an investment in HPF Properties Proprietary Limited, which is a property owning company that fair values its property portfolio independently on an annual basis. HPF's recoverable amount at 31 March 2025 amounted to R 11.2 billion (2024: R 9.5 billion) and SSI's share of HPF amounts to R 6.6 billion (2024: R 5.6 billion) (59.20% (2024: 59.20%)) limited to a cost of R 5.6 billion. These cash flows have been discounted at a rate of 13.5% (2024: 13.5%). A terminal capitalisation rate of 10.0% (2024: 9.6%) was used in the valuation. Due to the improved market conditions and trading outperforming expectation, the fair value of the investment increased resulting in the fair value less cost to sell exceeding the carrying value of the investment (2024: a reversal of impairment of R719 million). The determination of the recoverable amount is a level 3 valuation.

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10. Investments in subsidiaries (continued)

- 3) The company operates a share-based payment - equity settled scheme which is settled with shares from the company to employees of the group. The group's employees are employed by the company's subsidiary, Southern Sun Hotel Interests Proprietary Limited (SSHI). The increase of R 25 million (2024: R 122 million) in the investment relating to SSHI is due to the increase in the fair value of the share-based compensation plan.

The key assumptions, as mentioned in above descriptions, used in determining the recoverable amount are as follows:

- Ebitdar – management determined budgeted gross Ebitdar based on past performance and its expectations of market developments to determine net cash flows;
- Terminal growth rate – cash flows beyond the first five-year period are extrapolated using estimated terminal growth rates in order to calculate the terminal recoverable amount. The growth rate estimations consider risks associated with the hospitality industry in which the CGUs operate;
- Pre-tax discount rate – the discount rate is calculated by using a bond risk-free rate and an equity premium adjusted for specific risks relating to the relevant operating segments; and
- Terminal capitalisation rate - used to estimate the recoverable amount of the underlying properties owned by HPF at the end of the holding period. The capitalisation rate estimations took into account market related data for similar properties in the hospitality industry.

The table below indicates the sensitivities of the changes in the recoverable amount of the investments taking into account the following changes to assumptions:

	2025		2024	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
5% change in net cash flow				
Southern Sun Investments Proprietary Limited	624 217	(624 217)	558 000	(558 000)
Southern Sun Offshore Proprietary Limited	61 798	(61 798)	57 751	(57 751)
25 bps change in the terminal capitalisation rate				
Southern Sun Investments Proprietary Limited	(216 984)	213 540	(192 000)	203 000
25 bps change in the terminal growth rate				
Southern Sun Offshore Proprietary Limited	27 054	(25 754)	30 292	(28 124)
50 bps change in the discount rate				
Southern Sun Investments Proprietary Limited	(231 359)	237 210	(209 000)	214 000
Southern Sun Offshore Proprietary Limited	(95 159)	106 512	(99 988)	112 040

11. Investment in associate

Name of company	%	%	Carrying amount 2025 R '000	Carrying amount 2024 R '000
	Ownership interest 2025	Ownership interest 2024		
Hospitality Property Fund Limited	40.75 %	40.75 %	690 973	690 973

Unlisted

The company owns 40.75% (2024: 40.75%) of the issued shares of Hospitality Property Fund Limited.

As at 31 March	690 973	690 973
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Management assessed the investment in associate for impairment indicators as at 31 March 2025 and none were noted.

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	2025 R '000	2024 R '000
12. Other financial assets		
At fair value through profit or loss - designated		
Investment in Western Province Rugby Union debentures	8	8
The other financial assets are denominated in SA Rand.		
The maximum exposure to credit risk at the reporting date is the fair value of the financial assets. The company does not hold any collateral as security.		
13. Trade and other receivables		
Financial instruments:		
Accrued interest income	3 932	3 932
Other receivables	19 321	218
Total trade and other receivables	23 253	4 150
The expected credit loss of the trade and other receivables balances were considered and was immaterial.		
The carrying amounts of the company's trade and other receivables are denominated in SA Rand.		
14. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Current accounts	1 041	1 817
The above cash and cash equivalents are available on demand and bear interest at market related rates. A master netting arrangement is in place with Nedbank Limited, however, the balances do not qualify for set off.		
The expected credit loss of the cash and cash equivalents balance was considered and was immaterial.		
The carrying amounts of the company's cash and cash equivalents are denominated in SA Rand.		
15. Share capital		
Authorised		
2 000 000 000 ordinary shares of no par value		
Issued:		
1 336 690 132 (2024: 1 468 067 179) Ordinary shares of no par value	4 693 271	5 288 956
Purchase of treasury shares (2024: 135 154 068) ^{1,2}	-	(617 299)
Issue of ordinary shares 5 460 283 (2024: 3 777 021) ³	33 805	21 614
1 342 150 415 (2024: 1 336 690 132) Ordinary shares of no par value	4 727 076	4 693 271

¹ The company bought back R 135 million Southern Sun Limited shares at an average price of R 4.56.

² The company cancelled all 145 million shares bought back between FY'23 and FY'24 on 12 December 2023 and 28 March 2024.

³ The company issued five million shares (2024: four million) during the year to employees participating in the Southern Sun Share Appreciation Rights Plan.

Unissued ordinary shares are under the control of the directors in terms of a resolution of the shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting. Directors are authorised to issue shares subject to the limits of the Companies Act, memorandum of incorporation and JSE requirements.

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	2025 R '000	2024 R '000
16. Share-based payments		
Opening balance	83 515	-
Share-based payments charge (note 10)	24 747	122 364
Release of Share-based payment reserve to the Statement of Profit or Loss	(61 380)	(38 849)
Closing balance	46 882	83 515
17. Financial guarantee contracts		
Hospitality Guarantee SPV (RF) Proprietary Limited	3 414	4 147

The company, Southern Sun Investments Proprietary Limited, Southern Sun Hotel Interests Proprietary Limited, Hospitality Property Fund Limited, The Cullinan Hotel Proprietary Limited, Merway Fifth Investments Proprietary Limited, Fezisource Proprietary Limited and HPF Properties Proprietary Limited being the guarantor companies, have entered into a security sharing agreement between themselves and the bank, wherein they are jointly and severally liable. These guarantor companies have provided a guarantee to the security SPV, Hospitality Guarantee SPV (RF) Proprietary Limited, whom in turn has provided a guarantee to all the lenders (being FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Absa Bank Limited and Absa Bank Moçambique, SA).

The company's maximum exposure to liquidity risk amounts to the total outstanding balance on the loans of R 662 million (2024: R 1 663 million). The day one fair value has been determined as set out below.

The fair value of the guarantee is measured at the date of issue and amortised to the financial period end date. This amortised cost is compared to the expected credit losses (ECL) measured on a one year or lifetime basis depending on the stage and the higher of the two is recognised.

The allowance account for credit losses is determined with reference to the following:

- Stage 1: 12-month ECLs for those financial assets where there has not been a significant increase in credit risk since initial recognition;
- Stage 2: Lifetime ECLs for those financial assets where there has been a significant increase in credit risk on a collective basis;
- Stage 3: Lifetime ECLs for all credit impaired financial assets.

The ECL model also includes financial guarantees issued. Management has applied assumptions, judgements and estimates in developing the ECL model.

The risk of the guarantee on date of issue is determined by the cost of the guarantee where an arm's length price was paid. Where no payment was made, the cost is determined by the saving in interest rate that was achieved by the issuance of guarantee where such a guarantee is supporting a lending transaction. In the absence of either of these, the risk of the guarantee is determined as the expected credit losses that will be occurred over the lifetime of the guarantee.

Guarantees were valued based on the risk of the counter-party whose obligations have been guaranteed. The ECL on the guarantee is limited by the fair value of the guarantor. The net asset value has been used as the indicator of fair value.

Where cross guarantees have been issued by a number of group companies, the risk lies with the group.

For purpose of the ECL calculation, the probability of default ("PD's") and loss given default ("LGD's") were measured using Moody's Analytics RiskCalc. These are historical through-the-cycle PD and LGD measures.

The inputs into this were summarised information provided by management, extracted from the March 2024 audited financial statements and the March 2025 management accounts of the Group and of Southern Sun Mozambique Limitada. For the guarantees related to the South African borrowings, we have measured the risk of the Group and the Group entities that own the majority of Group assets are guarantors to the loans.

The resultant PD and LGD's were then converted into ECL's using Ratings or Moody's Analytics RiskCalc SA financial statement PD and LGD models, adjusted for such items as implied group support. Calculated through-the-cycle loss rates were converted into point-in-time (PIT) losses and then into ECL percentages using Moody's Analytics Impairment Calculation product and their GCorr economic forecast and scenarios.

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2025	2024
R '000	R '000

17. Financial guarantee contracts (continued)

Moody's Analytics does not disclose the specific macroeconomic variables that they have found to be best predictive of changes in credit risk in South Africa but do provide indicators of the impact of certain of their measures. The forecast GDP growth for the year to Q2 2025 ranges from -1.62% to 2.03% with the baseline at 0.64%. GDP is not the only factor that determines the extent of the adjustment but is described here to illustrate the extent of impact on the general economy that is being taken into account.

After margining the properties subject to the bond, the expected realisable value exceeds the total liability being guaranteed. While the lenders can choose to demand payment from any of the guarantors, we can assume that the demand will be made against entities that can most easily repay. A lender will thus firstly demand repayment from guarantors that have available cash or near cash investments. The next easiest class of assets is property where the claim is supported by a bond. The process of realising the collateral has a high degree of certainty and is relatively quick. It provides more certainty than other forms of collateral and a general claim against the assets of a guarantor. There is a high degree of certainty that any claim under the guarantee would be against the company holding the properties – HPF Properties Proprietary Limited.

The 1 year PD of the Group measured by RiskCalc is 0.44% (2024: 0.42%) which maps to a Baa3. This is a minor one notch decrease on the prior period. We have notched this up by 1 credit grade to Baa2 to reflect the quite significant impact of the collateral in preventing a claim against the guarantors. A one notch up is consistent to last year.

The general election in Mozambique in October 2024 had a disputed outcome that gave rise to violent protests. This has had a negative impact on the tourism industry and consequently trading at Southern Sun Mozambique, leading several investors in gas and minerals projects to pull all personnel out of the country. This has had a significant negative impact on Southern Sun Mozambique. Support has been provided via intercompany loans to ensure that all debt service requirements can be met. It is uncertain when operations of the hotel will return to normal. Based on this, we assume that there has been a significant increase in credit risk and the guarantee is thus in Stage 2. We therefore recognise lifetime losses. The PD has deteriorated from last year to this year from 7.28% to 9.09%. The PD of Southern Sun Mozambique was measured by the Moody's Analytics Emerging Markets model with the country set to Mozambique. This is a one notch down from last year's B3. This is not a significant deterioration and supports management's view that the risk would subside once normal trading was restored. The loans have a remaining term of 17 months. The Group's decision to continue to support the subsidiary is not solely based on the guarantee commitments but rather to protect the value of the investment. This implies a confidence that the current situation is not permanent. This indicates that the guarantee is not credit impaired requiring recognition as Stage 3.

Credit impairment charges recognised in profit or loss

Amortisation of financial guarantee	(4 145)	(1 533)
Fair value adjustment on financial guarantee	3 412	-
Net ECL recognised	(733)	(1 533)

Reconciliation

The following tables show the movement in the loss allowances for financial guarantee contracts.

Opening balance	4 147	5 680
Fair value adjustment of financial guarantee	3 412	-
Amortisation of financial guarantee*	(4 145)	(1 533)
Closing balance	3 414	4 147

*Financial guarantees are amortised on a straight-line basis over the life of each guarantee.

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	2025 R '000	2024 R '000
18. Loans from group companies		
Subsidiaries		
Holiday Inns Hotel Corporation Proprietary Limited	17 105	17 105
Marseille Trust	3 465	3 465
Southern Sun Hotel Interest Proprietary Limited	355 404	618 841
Sun 1 Hotels Proprietary Limited	476 428	476 428
The Beaufort West Hotel Trust	-	3 087
Vidual Investments Proprietary Limited	-	22 360
	852 402	1 141 286
The loans are unsecured, interest-free and are repayable on demand.		
19. Trade and other payables		
Financial instruments:		
Accruals	360	738
The carrying amounts of trade and other payables are denominated in SA Rand.		
20. Earnings per share		
Basic and diluted earnings per share		
Basic earnings per share (cents)	37.53	54.65
Diluted earnings per share (cents)	36.46	53.61
Basic earnings per share was based on profit for the year of R 503 078 175 (2024: R 737 308 390) and a weighted average number of ordinary shares of 1 340 333 829 (2024: 1 387 012 834).		
Diluted earnings per share is calculated after taking into account the dilutive impact of the shares to be issued on exercise of share appreciation rights that may be exercised in future.		
21. Cash generated from/(used in) operations		
Profit before taxation	503 139	757 993
Adjustments for:		
Issue of ordinary shares	33 806	-
Non-cash inflow on group loans	5 369	-
Non-cash outflow on group loans	(36 893)	-
Fair value adjustment of financial guarantee liability	3 412	-
Amortisation of financial guarantee	(4 145)	(1 533)
Impairment reversal of investments in subsidiaries	-	(718 880)
Release of share-based payment reserve	(61 380)	(38 849)
Finance income	(240)	(168)
Dividends received	(445 691)	(676)
Changes in working capital:		
Decrease in trade and other receivables	3 087	-
Decrease in trade and other payables	(378)	(41 642)
Total changes in working capital	2 709	(41 642)
	86	(43 755)
22. Commitments		
There are no commitments at year end.		

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	2025 R '000	2024 R '000
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23. Contingencies and guarantees

Refer to note 17 for financial guarantees issued.

24. Related parties

Relationships

Majority shareholder	Hosken Consolidated Investments Limited
Subsidiaries and associates	Refer to note 10 and 11 for a list of subsidiaries and associates

The company's ultimate majority shareholder is Hosken Consolidated Investments Limited (HCI) (a company listed on the JSE) which, at the statement of financial position date, directly and indirectly owned 45.0% (2024: 44.9%) of the company's issued share capital (including treasury shares). HCI directly owned 0% (2024: 10.4%) and is the majority shareholder of TIHC Investments (RF) Proprietary Limited (TIHC) and TIHC directly owns 0% (2024: 31.2%) of Southern Sun Limited. TIH Prefco Proprietary Limited is a wholly owned subsidiary of HCI and TIH Prefco Proprietary Limited directly owns 41.4% (2024: 0%) of Southern Sun Limited. HCI also controls the HCI Foundation which directly owns 3.6% (2024: 3.3%) of the company.

Related party transactions include intergroup loans. Refer to note 18.

Directors' of the company are considered to be key management, refer to note 25 for details in respect of key management compensation.

The company has recognised a financial guarantee contract due to the fact that the company together with other companies in the group provided guarantees for debt securities issued to subsidiaries of Southern Sun Offshore Proprietary Limited as well as borrowings raised in Southern Sun Investments Proprietary Limited. Refer to note 17.

Related party balances

Owing to related parties

Holiday Inns Hotels Corporation Proprietary Limited	(17 105)	(17 105)
Marseille Trust	(3 465)	(3 465)
Southern Sun Hotel Interests Proprietary Limited	(355 404)	(618 841)
Sun 1 Hotels Proprietary Limited	(476 428)	(476 428)
The Beaufort West Hotel Trust	-	(3 087)
Vidual Investments Proprietary Limited	-	(22 360)
	(852 402)	(1 141 286)

25. Directors' emoluments

Directors' of the company are considered to be the company's key management personnel. All executive directors' remuneration are paid by subsidiary companies. Remuneration and IFRS 2 Share-Based Payments and fees paid to key management during the year by the group are as follows:

Executive

2025

	Basic Remuneration R '000	Benefits R '000	Short term Incentives R '000	Long term Incentives R '000	Total R '000
MN von Aulock (CEO)	8 657	576	10 950	23 066	43 249
L McDonald (CFO)	2 966	519	2 876	5 692	12 053
	11 623	1 095	13 826	28 758	55 302

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25. Directors' emoluments (continued)

2024

	Basic remuneration R '000	Benefits R '000	Short-term incentives R '000	Long-term incentives R '000	Total R '000
MN von Aulock (CEO)	8 211	587	10 484	-	19 282
L McDonald (CFO)	2 819	502	2 725	210	6 256
	11 030	1 089	13 209	210	25 538

Details of unexpired awards granted to executive directors and prescribed officers prior to 1 April 2025 are set out below:

Fair value of Share Appreciation Rights (SARs) – executive directors and prescribed officers

Name	Award date	SARs awarded and still outstanding 2025	Award price R	Strike price R	Fair value of SARs awarded R '000	Expiry date
MN von Aulock	13 January 2021 [^]	1 142 857	1.49	1.50	819	13 January 2027
	14 January 2022 ^{*^#}	3 302 633	3.03	3.05	3 975	30 September 2027
	14 January 2022 [*]	3 302 632	3.03	3.05	4 128	30 September 2027
	14 January 2022 [*]	3 302 633	3.03	3.05	4 266	30 September 2027
	1 April 2023	888 435	4.30	4.50	1 222	31 March 2027
	1 April 2024	1 180 080	5.08	5.05	1 419	31 March 2028
	1 October 2024	1 297 219	7.75	7.75	1 297	30 September 2028
L McDonald	13 January 2021 [^]	1 142 857	1.49	1.50	819	13 January 2027
	14 January 2022 ^{*^#}	1 651 316	3.03	3.05	1 987	30 September 2027
	14 January 2022 [*]	1 651 316	3.03	3.05	2 064	30 September 2027
	14 January 2022 [*]	1 651 316	3.03	3.05	2 133	30 September 2027
	1 April 2022 [^]	1 048 752	3.34	3.45	1 786	31 March 2028
	1 April 2023	1 332 653	4.30	4.50	1 834	31 March 2027
	1 April 2024	885 060	5.08	5.05	1 891	31 March 2028
	1 October 2024	648 609	7.75	7.75	2 594	30 September 2028

* SARs awarded on 14 January 2022 vest in three equal tranches on the third, fourth and fifth anniversary from 30 September 2021.

[^] SARs vested and still outstanding.

[#] SARs exercised on 21 July 2025.

SARs are equity-settled and will therefore have a dilutionary impact on shareholders on settlement. Based on the closing share price on 31 March 2025 of R 8.30 and the average SSU share price for the 12 months to 31 March 2025 of R 7.35, all SARs that have a dilutionary impact have been taken into account for the calculation of the diluted headline and diluted adjusted headline profit and the diluted number of weighted average shares.

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25. Directors' emoluments (continued)

Non-executive

Directors' fees - paid by the company

	2025 R '000	2024 R '000
JA Copelyn (Chairman)	489	461
MH Ahmed (Lead Independent)	604	568
JR Nicolella	316	298
SC Gina	460	440
ML Molefi	475	445
JG Ngcobo	475	437
CC September	331	311
	3 150	2 960

26. Going concern

The audited annual financial statements are prepared on the going-concern basis. Based on the cash flow forecasts and available cash resources, management believes that the company has sufficient resources to continue operations as a going concern in a responsible and sustainable manner. The board of directors of the company has assessed the cash flow forecasts and is of the view that the company has sufficient liquidity to meet its obligations over the next 12 months.

As at 31 March 2025, the company has net cash and cash equivalents of R 1 million (2024: R 2 million). Liquidity risk is mitigated by the company's access to sufficient internal funding and cash reserves of the subsidiaries to meet its obligations as they become due. The majority of the current liability balance relates to balances with subsidiaries, who are unlikely to call on the loans within the next 12 months.

The current liabilities exceed the current assets by R 832 million (2024: R 1 142 million). Included in current liabilities of R 856 million (2024: R 1 148 million), are loans from subsidiary companies of R 852 million (2024: R 1 141 million) and if required, the company is in a position to obtain support from the group to settle these liabilities.

27. Events after the reporting period

On 12 June 2025, subsequent to year end, subsidiaries of Southern Sun Limited declared dividends. These dividends were received on the 13 June 2025, R 138.6 million from Hospitality Property Fund Limited and R 201.1 million from Southern Sun Investments Proprietary Limited.

Having reviewed the group's working capital requirements and cash resources, the board approved and declared final dividend (number 2) of 25.00 cents per ordinary share (gross) (2024: 12.50 cents per ordinary share) in respect of the year ended 31 March 2025. The dividend is subject to dividend tax. In accordance with paragraphs 11.17(a)(i) to (ix) and 11.17(c) of the Johannesburg Stock Exchange (JSE) Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of distributable reserves;
- The local dividend tax rate is 20% (twenty per centum);
- The gross local dividend amount is 25.00000 (2024: 12.50000) cents per ordinary share for shareholders exempt from the dividend tax;
- The net local dividend amount is 20.00000 (2024: 10.00000) cents per ordinary share for shareholders liable to pay the dividend tax;
- The number of shares in issue at declaration date was 1 342 936 721 (2024: 1 337 136 958); and
- The company's income tax reference number is 9878091140.

The dividend was paid to shareholders on 17 June 2025.

Between 6 June 2025 and 30 June 2025, the Group bought back 8.9 million shares at an average price of R 8.83 and issued 4.6 million shares between 22 April 2025 and 30 June 2025 to employees participating in the Southern Sun Share Appreciation Rights Plan.

The directors are not aware of any other material matters or circumstance arising since the statement of financial position date and the date of this report.

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Audited Annual Financial Statements for the year ended 31 March 2025

Notes to the Audited Annual Financial Statements

28. Consolidated annual financial statements

Consolidated annual financial statements have been prepared in terms of IFRS 10, Consolidated Financial Statements, available for public use that comply with International Financial Reporting Standards. These group annual financial statements are available on the company's website at www.southernsun.com. Details of the company's subsidiaries are included in note 9 to these annual financial statements.

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Audited Annual Financial Statements for the year ended 31 March 2025

Analysis of shareholding

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 - 1 000	17 548	86.62	1 358 246	0.10
1 001 - 10 000	1 651	8.15	6 153 691	0.46
10 001 - 100 000	659	3.25	22 517 683	1.68
100 001 - 1 000 000	291	1.44	95 867 537	7.14
Over 1 000 000	109	0.54	1 216 253 258	90.62
Total	20 258	100.00	1 342 150 415	100.00

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance companies	18	0.09	15 587 070	1.16
Close corporations	28	0.14	1 116 421	0.08
Collective investment schemes	206	1.02	315 175 691	23.48
Control accounts	2	0.01	52	-
Custodians	16	0.08	686 017	0.05
Foundations and charitable funds	29	0.14	52 688 328	3.93
Hedge funds	28	0.14	55 337 033	4.12
Insurance companies	3	0.01	3 564 823	0.27
Investment partnerships	17	0.09	377 813	0.03
Managed funds	17	0.09	1 281 697	0.10
Medical aid funds	10	0.05	4 451 545	0.33
Organs of state	7	0.03	116 446 730	8.68
Private companies	149	0.74	613 462 666	45.71
Public companies	15	0.07	5 781 628	0.43
Retail shareholders	18 797	92.79	36 461 808	2.72
Retirement benefit funds	679	3.35	54 410 226	4.05
Scrip lending	7	0.03	28 196 508	2.10
Sovereign funds	1	-	4 302 074	0.32
Stockbrokers and nominees	22	0.11	17 631 043	1.31
Trusts	203	1.00	15 190 650	1.13
Unclaimed scrip	4	0.02	592	-
Total	20 258	100.00	1 342 150 415	100.00

In terms of section 56(3)(a) and (b) and section 56(5)(a), (b) and (c) of the Companies Act, foreign disclosures have been incorporated into this analysis (increasing the number of shareholdings).

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	10	0.05	630 021 703	46.94
>35% TIH Prefco Proprietary Limited and subsidiaries	3	0.02	604 508 966	45.04
Directors and associates	7	0.03	25 512 737	1.90
Public shareholders	20 248	99.95	712 128 712	53.06
Total	20 258	100.00	1 342 150 415	100.00

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Allan Gray	137 662 363	10.25
Public Investment Corporation	96 751 393	7.21
Steyn Capital Management	83 182 037	6.20
PSG Asset Management	70 950 085	5.29
Total	388 545 878	28.95

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Audited Annual Financial Statements for the year ended 31 March 2025

Analysis of shareholding

Beneficial shareholders with a holding greater than 3% of the issued shares

	Numbers of shares	% of issued capital
TIH Prefco Proprietary Limited	554 037 186	41.28
Allan Gray	105 460 860	7.86
Government Employees Pension Fund	104 063 573	7.76
PSG Asset Management	70 915 196	5.28
HCI Foundation	48 618 289	3.62
Steyn Capital	47 635 675	3.55
Total	930 730 779	69.35

	Number of shareholdings
Total number of shareholdings	20 258
Total number of shares in issue	1 342 150 415
Share price performance	
Opening price 2 April 2024	R5.05
Closing price 31 March 2025	R8.30
Closing high for period	R9.28
Closing low for period	R4.98
Number of shares in issue	1 342 150 415
Volume traded during period	402 701 620
Ratio of volume traded to shares issued (%)	30.00
Rand value traded during the period	R2 961 519 735
Price/earnings ratio as at 31 March 2025	13.28
Earnings yield as at 31 March 2025	7.53
Dividends yield as at 31 March 2025	1.20
Market capitalisation as at 31 March 2025	R11 139 848 445

Directors' interests at 31 March 2025

	Direct beneficial	Indirect beneficial ⁽¹⁾	Associates	Total
Executive directors				
MN von Aulock	-	9 860 933	-	9 860 933
L McDonald	476 799	260 188	-	736 987
Non-executive directors				
JA Copelyn	-	14 855 338	-	14 855 338
JR Nicolella	-	-	59 479	59 479
Total	476 799	24 976 459	59 479	25 512 737

Directors' interests at 31 March 2024

	Direct beneficial	Indirect beneficial ⁽¹⁾	Associates	Total
Executive directors				
MN von Aulock	-	7 789 196	-	7 789 196
L McDonald	68 313	260 188	-	328 501
Non-executive directors				
JA Copelyn	-	14 855 338	-	14 855 338
JR Nicolella	-	-	59 479	59 479
Total	68 313	22 904 722	59 479	23 032 514

1) Certain directors are nominees of HCI and they (or their associates) may have an indirect interest in the company as a result of those interests held in HCI.

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Analysis of shareholding

As announced on SENS, the following directors increased their shareholdings in the company subsequent to year end:

	Date	Direct beneficial	Indirect beneficial
Laurelle McDonald	1 July 2025	548 898	-
Marcel von Aulock	1 July 2025	-	548 898