

MEDIA STATEMENT

Embargoed:

25 November 2015 @ 15:00

NWDC converts Christiana Resort and Game Farm into a superb tourism destination, uplifting economic activity in the region.

The Chairperson of the NWDC Board of Directors, Mr Bheki Khumalo on 25 November released the following media statement and outline of facts on the recently acquired and operational Christiana Hotel and Game Farm.

History of Christiana Hotel and Game Farm

The original Christiana hotel was built in circa 1964 and in circa 1985 was taken over by Aventura Resorts. In circa 1999 the hotel's trading name became Protea Aventura and in 2001 the name changed to Aventura Vaal Spa. During this time the state had an interest in the Aventura Resorts.

In 2002 the Protea Hotel Group got involved and the trading name was Protea Hotel Vaal Spa Resorts.

In the year 2008 the previous owner took over the hotel and it was called Protea Hotel Christiana and traded with the last mentioned name until 2014 just before the company was liquidated. The hotel was then called Christiana Hotel and Conference Centre until it was purchased by the NWDC.

Now with the state, through the NWDC again purchasing this resort, it has come a full circle , allowing the state to be involved in economic development, and creating economic opportunities in the region.

On 9 February 2015 Ubique Auctioneers advertised the auctions of a Game Farm, Hotel, Spa, Garage and Retirement Village.



The properties were sub divided and to be auctioned as follows:

- a) PRIME GAME FARM with ± 10 km Vaal River front (remainder of Farm Kromellenboog 320, Measuring 1194 hectares). This included game listed as Springbok, Impala, Blesbok, Black Wildebeest, Red Wildebeest, Gemsbok, Waterbuck, Zebra and Giraffe.
- b) Hotel, Spa, Restaurant, Garage and Staff Accommodation – to be sold as a unit.

Said Board Chairperson Mr Khumalo: “The North West Provincial government in line with its focus on villages, townships and small dorpias (VTSD) and agriculture, culture and tourism (ACT) identified the resort as an integral asset for the growth of the area and thus mandated the NWDC to bid for the property.”

The Board of the NWDC, under the leadership of Chairperson Bheki Khumalo then authorised the Acting CEO together with two other board members, to represent the NWDC and bid for the property on its behalf. The auction took place on 12 March 2015.

NWDC’s closing bid for the day for the property was R27, 5 million, however, the bond holder/seller did not accept that amount. After several negotiations, the amount that was agreed upon was R38 million, exclusive of Vat, bringing the Vat inclusive amount to R43 million. This bid was for the hotel and game farm and excluded the retirement village. The creditor made an all-inclusive offer of R45 million which entailed the hotel, game farm, spa and the retirement village. The mandate from the Board was not to exceed R40 million. The final offer then ended up at R38 million excluding the retirement village. [Refer to the De Villiers Attorneys Letter.](#)

The Chairperson of the NWDC Board, Mr Bheki Khumalo, categorically states that in the Auctioneer’s documents there were no rhinos and lions specified. They only animals specified were:

- Springbuck (200),
- Impala (100),
- Blesbuck (100),
- Black wildebeest (80),



- Red hartebeest (60),
- Gemsbok (30),
- Waterbuck (50),
- Zebra (40),
- Giraffe (13).

After the auction NWDC further embarked on a census and the current annual count is as follows:

GAME COUNT FEEDBACK AT AVENTURA CHRISTIANA:

- Springbuck 146
- Kudu 22
- Impala 119
- Orix 42
- Waterbuck 42
- Giraffe 14
- Zebra 34
- Ostrich 29
- Hartebees 68
- Blesbuck 107
- Black Wildebees 114

As the transaction unfolded, the lawyers of the sellers delayed in settling the municipal rates and taxes, hence a delay in transferring the property to NWDC. Subsequently NWDC entered into a supplementary agreement with the previous owner whereby NWDC would settle the municipal rates and thus not pay the occupational rent from September until the complete transfer of the properties. By agreeing to pay the municipal clearance fees and municipal arrears on behalf of the seller the NWDC is saving R11 910.32 per day in occupation rent. This saving amounts to a total of R607 426.32 from 1 October to 20 November 2015.



This process was approved as an NWDC Board resolution in October 2015, endorsed and supported by the Chairperson of the Board, Mr Khumalo.

Below follows the high level financial report:

Details of the Capital Expenditure on the purchase to date are as follows

Capital Expenditure of the Property

Purchase Price including VAT	43,320,000.00
Occupational rent from (April to September)	2,251,015.00
	45,571,015.00
Deposit 10%	3,800,000.00
Municipal rates	3,168,889.27
	6,968,889.27
Sub Total due including VAT	38,602,125.73
Commission 6% paid inclusive of VAT	2,599,200.00
Paid to Date including Commission	9,568,089.27

***As a VAT Vendor, the NWDC will be claiming back the VAT portion at the end of the financial year. This will bring the net purchase price to roughly R38 million.**

In a media article published on www.iol.co.za on 8 November 2015 titled *Anger over 'missing' rhinos, lions*, by Baldwin Ndaba, the whereabouts of rhino and white lions were speculated about. In response, the NWDC, through its Chairperson of the Board, Mr Khumalo, now clearly states that during the time of the auction, the white lions and rhinos which the article refers to were *not included in the auction list*; as they were not part of the game farm by that time. In a past valuation of the property done by the Alliance Group dated 1 February 2010, rhinos and lions were listed; which was five years ago. This fact was also highlighted by the NWDC Acting CEO to the Portfolio Committee on Premier, Treasury and Enterprise Development during the meeting held on 3 November 2015.



The Christiana hotel has in the meantime been upgraded and is being maintained, and its 46 suites, which include 12 standard rooms, 16 luxury rooms, 5 executive rooms and 13 superior family suites are ready for occupation. The resort further has a functional restaurant and conference centre, while minor upgraders to the three outdoor swimming pools, indoor pool and theatre are being carried out.

Says Mr Khumalo: “We are proud to announce that the resort is open to both business and leisure travelers and is accepting bookings and generating revenue.”

[A full fact sheet on the Christiana hotel and game farm can be downloaded here.](#)

Acting CEO of the NWDC

With regards to the matter of the Acting CEO having been a Board Member of the NWDC; it is not an uncommon practice to appoint a non-executive director as CEO or Acting CEO, as the current cases in point of Transnet, Eskom and MTN illustrate. Mr Moletsane had been appointed following a collective decision by the NWDC Board of Directors.

In response to the salary matter, the Chairperson of the Board responded as follows: “The salary of the Acting CEO was determined in full compliance of the NWDC’s Human Resources Policy. Mr Moletsane’s current remuneration is in line with the NWDC’s salary structures and policies, and takes into account the Acting CEO’s qualifications, wealth of experience, the level at which he will be acting and the uncertainty and risk involved in taking up an acting position.”

Christiana Hotel and Game Farm paves the way for economic development and job creation

In closure, the Chairperson of the NWDC Board, Mr Bheki Khumalo remarked:

“ In the interest of the economic development of Villages, Townships and Small Dorpies (VTSD) in the province, the NWDC has already identified four co-operative opportunities to supply the hotel with soap, toilet paper and cleaning and gardening services. It is the intention of the NWDC, and the provincial government, under FEED, to develop this resort into a thriving attraction with positive economic spinoffs to the local community. These include job creation, the boosting of





tourism in the area and the strengthening of local businesses in the towns of Christiana and Bloemhof, the immediate neighbours of our newly acquired resort”

The NWDC remains committed to full transparency regarding all matters pertaining to the purchase of the Christiana hotel and game farm, as well as its day to day operations.

The Chairperson of the NWDC openly invites questions by members of the media, and is open to telephonic or face to face interviews. Members of the media may direct any queries on this matter through the marketing and communication division, whose details are provided below.

Release ends

Enquiries:

Marketing & Communications Division; NWDC

014 594 2570

Ms Sam Mudramuthoo - samm@nwdc.co.za - 082 879 0911

Ms Annemarie Marx – annemariam@nwdc.co.za - 082 878 2559

