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**MEDIA STATEMENT
FOR IMMEDIATE RELEASE
20 FEBRUARY 2025**

ANGLO GOLD ASHANTI HOSPITAL LEASE AND REFURBISHMENT CONTRACTS WORTH OVER R600 MILLION DECLARED INVALID AND UNLAWFUL

The Special Tribunal has declared the lease and refurbishment contracts worth over R600 million awarded by two Gauteng government departments concerning the AngloGold Ashanti Hospital during COVID-19 unlawful, unconstitutional, and invalid. The order comes after the Special Investigating Unit (SIU) applied to the Special Tribunal to set aside these contracts and recover the state's losses.

The Special Tribunal order—dated 18 February 2025—reviewed and set aside multiple decisions made by the Gauteng Department of Health (GDOH) and the Gauteng Department of Infrastructure Development (GDID), including lease agreements entered into with AngloGold Ashanti Limited and Golden Core Trade and Invest (Pty) Ltd for the use of the hospital and residential premises. These agreements were inconsistent with the Constitution, unlawful, and invalid.

All lease agreement extensions or amendments were found to be unconstitutional and illegal. The appointment of eleven Professional Service Providers (PSPs) for the hospital renovation was deemed unlawful due to non-compliance with procurement requirements. Consequently, all contracts for this work have been set aside between the GDOH, GDID, and the service providers.

The Special Tribunal found that contracts worth over R600 million that were irregularly awarded must be set aside. The contracts include R 494 541 374.29 comprising of the following:

- Diphatse Trading & Projects CC – R132,227,265.03
- Makhado Project Management (Pty) Ltd – R118,452,735.52
- Yikusasa Building Contractors (Pty) Ltd – R89,406,591.58
- NJR Projects (Pty) Ltd – R56,808,184.33
- Thenga Holdings (Pty) Ltd – R49,540,108.20

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- Mvusuludzo Projects (Pty) Ltd– R48,106,489.63;

Additional invalid contracts worth R12,056,225.24 and Professional Service Providers (PSPs) contracts of R94 million.

The Special Tribunal has deferred the matter of establishing a just and equitable order sought by the SIU to ascertain the amount to be paid to the State to be heard at a later stage.

The order comes after an SIU investigation found that during the height of the COVID-19 pandemic, the GDOH and GDID sought to expand healthcare capacity and entered into a lease agreement for Western Levels Deep Mine Hospital, formerly owned by AngloGold Ashanti. The hospital was intended to provide additional beds for COVID-19 patients, but the procurement processes were riddled with irregularities.

The SIU investigation revealed that the procurement process was unlawful as it failed to adhere to the required transparent and competitive bidding procedures. This is a contravention of the Public Finance Management Act and National Treasury's regulations, causing the GDoH to incur fruitless and wasteful for goods and services supplied.

The investigation also found no feasibility study was conducted to evaluate the hospital's capacity to treat COVID-19 patients. Furthermore, the GDoH was misled into believing that only minor renovations were needed at the AGA Hospital. Initially estimated at R50 million, the cost surged to over R600 million without justifiable explanation. Service providers were appointed without proper contracts and began work before finalising agreements. Furthermore, the hospital was not operational during the critical first three waves of the pandemic, making the expenditure wasteful.

The order continues implementing the SIU investigation outcomes and consequence management to recover assets and financial losses suffered by State institutions and/or prevent further losses.

The SIU was mandated through Proclamation No. R. 23 of 2020 to investigate the affairs of all State institutions regarding procurement or contracting for goods, works, and services during or in respect of the National State of Disaster by or on behalf of State institutions.

The Special Investigating Units and Special Tribunals Act 74 of 1996 empowers the SIU to institute civil action in the Special Tribunal or the High Court to correct any wrongdoing it uncovers in its investigation. Where evidence points to criminal conduct, the SIU refers the evidence to the National Prosecuting Authority for further action.

END.

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