

**Addendum to Agreements**

signed between

**CRRC (Hong Kong) Co., Ltd.**

(Reg. No.: 39133264-000-04-14-4)

and

**Regiments Asia Limited.**

(Reg. No.: 2111284)

and

**Tequesta Group Ltd.**

(Reg. No.: 156268)

dated

August, 2016.



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## 1 PREAMBLE

1.1 Whereas the Parties have signed the following Agreements:

- a. the Business Development Services Agreement for 100 Electric Locomotives Project (100 Project Agreement) dated 2<sup>nd</sup> January, 2015 between CSR (Hong Kong) Co., Ltd. (hereafter as CSR HK) and Regiments Asia Limited (Regiments);
- b. the Business Development Services Agreement for 359 Electric Locomotives Project (359 Project Agreement) dated 15<sup>th</sup> May, 2015 between CSR HK and Tequesta Group Ltd. (Tequesta).

which outline the relationship between the Parties and the terms of business between the Parties with respect to each transaction;

- 1.2 Whereas the Parties had previously agreed that CSR HK would withhold 15% of each of the amounts due and payable respectively to Regiments and Tequesta for a period not longer than 30 days from the date CSR receives their final payment from Transnet;
- 1.3 Whereas the Parties have now agreed to make certain amendments to the above Agreements;
- 1.4 Whereas CSR (Hong Kong) Co., Ltd. has changed its name into CRRC (Hong Kong) Co., Ltd. (CRRC HK).

## 2 AMENDMENT

The Parties now hereby agree to re-structure the payment method as follows:

- 2.1 That with effectiveness of this Addendum CRRC HK will no longer withhold any amount from the amounts that are due and payable to Regiments and Tequesta against the above Agreements. The amounts due to Regiments and Tequesta will be paid by CRRC HK without any offset, deduction or adjustments against invoices supplied by Regiments and Tequesta except that (1) the Contract for Maintenance Project under the Business Development Services Agreement (No.: SA-2015-2450) between CSR ZELC and Regiments dated 10<sup>th</sup> June, 2015 is signed between Transnet and CRRC ZELC sixty (60) business days after received LOA as long as CRRC don't cause any delays and (2) E-maintenance for at least 95 Project or 100 Project have been effective and executed before October 2018 under the Maintenance Project as long as CRRC don't delay any process. If the above-mentioned two conditions are not achieved, CRRC HK will be entitled to withdraw 15% of all paid amount under 100 Project Agreement and 359 Project Agreement by the same amount due and payable under

359 Project Agreement signed between CSR HK and Tequesta dated 18<sup>th</sup> May 2015.

2.2 That within 10 working days after CRRC ZELC receives the Letter of Award (LoA) for the Maintenance Project, CRRC HK will release to Regiments, the previous accumulated amount of US\$ 15,144,510.88 being the 15% of the amounts withheld till date on 3<sup>rd</sup> August 2018 as per details below:

Detailed amount paid and withheld by CRRC HK to Regiments under 100 Project Agreement till date on 3<sup>rd</sup> August 2018:

Invoice No.	Invoice Date	Invoice Amount (\$)	Amount Paid (\$)	Amount Withheld (\$)	
INO00106	2015/1/12	3,200,000.00	2,720,000.00	480,000.00	} 11-488
INO00107	2015/1/13	3,000,000.00	2,550,000.00	450,000.00	
INO00108	2015/1/18	2,950,000.00	2,507,500.00	442,500.00	
INO00109	2015/1/19	2,850,000.00	2,422,500.00	427,500.00	
✓ INO00122	2015/7/25	2,941,935.00	2,500,644.75	441,290.25	12-617
✓ INO00123	2015/8/31	4,081,995.34	3,469,896.04	612,299.30	13-6398
✓ INO00124	2015/9/24	4,141,448.00	3,520,229.10	621,218.90	13-444
✓ INO00125	2015/10/21	4,192,590.00	3,563,701.50	628,888.50	13-28
✓ INO00126	2015/11/25	3,934,812.00	3,344,590.20	590,221.80	14-15
✓ INO00127	2015/12/28	3,249,586.00	2,762,148.10	487,437.90	15:23
Total Amount Withheld				USD 5,181,354.85	

Detailed amount paid and withheld by CRRC HK to Tequesta under 359 Project Agreement till date on 3<sup>rd</sup> August 2018:

Invoice No.	Invoice Date	Invoice Amount (\$)	Amount Paid (\$)	Amount Withheld (\$)	
✓ CSR001	2015/7/20	3,800,000.00	3,060,000.00	540,000.00	} 12-656
✓ CSR002	2015/7/23	2,950,000.00	2,507,500.00	442,500.00	
✓ CSR003	2015/8/5	3,150,000.00	2,677,500.00	472,500.00	
✓ CSR004	2015/8/6	2,400,000.00	2,040,000.00	360,000.00	
✓ CSR005	2015/8/17	2,900,000.00	2,465,000.00	435,000.00	} 12:656
✓ CSR006	2015/8/17	1,700,000.00	1,445,000.00	255,000.00	
✓ CSR007	2015/8/24	3,300,000.00	2,805,000.00	495,000.00	

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Invoice No.	Invoice Date	Invoice Amount (\$)	Amount Paid (\$)	Amount Withheld (\$)
CSR008	2015/8/24	1,680,000.00	1,402,500.00	247,500.00
CSR009	2015/9/1	3,800,000.00	2,875,000.00	525,000.00
CSR010	2015/9/1	1,500,000.00	1,275,000.00	225,000.00
CSR011	2015/9/5	2,750,000.00	2,337,500.00	412,500.00
CSR012	2015/9/8	2,100,000.00	1,785,000.00	315,000.00
CSR013	2015/9/15	2,950,000.00	2,507,500.00	442,500.00
CSR014	2015/9/15	2,025,000.00	1,721,250.00	303,750.00
CSR015	2015/9/22	2,200,000.00	1,870,000.00	330,000.00
CSR016	2015/9/22	2,450,000.00	2,082,500.00	367,500.00
CSR017	2015/9/29	3,125,000.00	2,856,250.00	468,750.00
CSR018	2015/9/29	1,900,000.00	1,615,000.00	285,000.00
CSR019	2015/10/6	2,875,000.00	2,443,750.00	431,250.00
CSR020	2015/10/6	2,100,000.00	1,785,000.00	315,000.00
CSR022	2016/5/28	3,181,364.00	2,704,159.40	477,204.60
CSR023	2016/7/4	5,803,785.00	4,933,200.25	870,584.75
CSR024	2016/8/2	6,310,912.50	5,364,275.63	946,636.88
Total Amount Withheld				USD 9,963,156.23

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In consideration of the previous arrangement, the Parties hereby agree that CRRC HK will withhold 100% of the amounts due and payable to Regiments and Tequesta for the last 95 locomotives under the 359 Project Agreement, even if the quantity of 359 locomotives may be changed by customer. This translates to 15% of the agreed amount under the 100 Project Agreement and 359 Project Agreement. The amount so withheld will be released to Regiments or Tequesta by CRRC HK within 90 days after the final payment is received by CRRC from Transnet, provided there is no claim by any interested party during this 90 days period. Retentions on account of performance guarantee will not be considered for this purpose.

2.4

The Parties agree that the amounts withheld as per Clause 2.3 above may be used by CRRC to offset any amounts that CRRC might have to pay any interested party up to a maximum of 15% of the total amount due and payable to Regiments and Tequesta. In such an event, CRRC will advise Regiments of such claim and provide Regiments with proof of such payment to the interested party.

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2.5 The Parties further agree that once final payment is made to Regiments or Tequesta as per Clause 2.3 above, CRRC will have no further claim on Regiments or Tequesta for the amounts paid over to Regiments or Tequesta for any reason whatsoever.

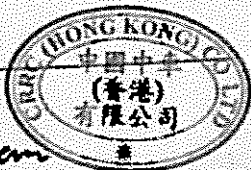
3 ALL OTHER TERMS AND CONDITIONS CONTAINED IN THE RESPECTIVE ORIGINAL AGREEMENTS WILL REMAIN UNCHANGED AND CONTINUE TO REMAIN IN FORCE FOR THE DURATION OF THE RESPECTIVE AGREEMENTS.

4 THIS ADDENDUM WILL BE EFFECTIVE WHEN ALL PARTIES SIGN AND STAMP ON IT.

For and on behalf of CRRC (Hong Kong) Co., Ltd.

Signature

*Ma Zhan*



Name:

*Director General Manager*

Position:

Witness: