



11 February 2019

Mr. Andy Yong'Jun

General Manager

CRRC E-LoCo Supply (Pty) Ltd

1st Floor China Construction Bank Building

95 Grayston Drive

SANDTON

2196

WITHOUT PREJUDICE

Per e-mail:- sheyongjun@crrczelc.cc

Dear Andy

RE: DEMAND FOR PAYMENT OF AN AMOUNT OF VAT AND INTEREST RELATING TO THE MAINTENANCE & RELIABILITY SUPPORT AGREEMENT BETWEEN TRANSNET SOC LTD AND CRRC E-LOCO (PTY) LTD.

We refer to the above stated matter.

In August 2016, Transnet SOC Ltd through its operating division Transnet Engineering (TE) issued a Letter of Award (LOA) to CRRC E-LoCo (Pty) (CRRC).

In terms of the provisions of the Letter of Award (LOA) an advanced payment in the amount of **R704 703,250.44** was made in favor of CRRC and such amount was made up of **R618 160, 746.00** and VAT at 14% in the amount of **R86 542, 504.44**.

CRRC was required to utilize the money as a start-up costs and also to procure rotables. As a result of non-performance on the part of CRRC, TE proceeded to claim a refund of the total amount paid to CRRC. However CRRC refunded TE only the amount of **R618 160,746.00** and held back the VAT amount of **R86 542,504.44**. TE is entitled to be refunded the VAT amount and interests amounting to **R136 473,803.60**.

Therefore TE hereby demands a payment in the total amount of **R223 016,308.00** to be paid into the following bank account number:-

Transnet SOC Ltd
Registration Number
1990/000900/30

160 Lynette Street
Kilner Park
Pretoria
0186

P.O. Box 15912
Lynne East, Pretoria
South Africa, 0039
T +27 12 391 1311

Directors: Dr PS Molefe (Chairperson) TC Morwe* (Acting Group Chief Executive) UN Fikilepi RJ Ganda Prof EC Kleswetter ME Letlape OC Malshoga V McMenamin Adv OM Motsung Dr FS Mufamadi AP Ramiabana GT Ramphaka LL von Zeuner MS Mahomed* (Acting Chief Financial Officer)
*Executive

Group Company Secretary: NE Khumalo

www.transnet.net

Bank Name: Standard Bank, Johannesburg Branch direct via MT103
Bank Address: Standard Bank International Division, 5 Simmonds Street, Johannesburg
Account Name: Transnet Engineering
Account Number: 411111884
Swift Code: SBZAJJ
Branch Code: 010545.

We will appreciate if the above payment is made into the above account by no later than 7 (seven) days upon receipt of this letter, failing which TE will be left with no option, but to approach the appropriate forum to recover the amount.

Yours faithfully



Zondi Maswanganyi

General Counsel

Date: 11/2/2019

