



HENGYA CEMENT (TANZANIA) CO., LTD.

Add: Hengya Road 1#, Amboni, Mabokweni, Tanga Region, Tanzania.

P.O. BOX: 606 TANGA Contact: +255 765 996 666

Ref No.: HY-09-2020

Date: September 17, 2020

Executive Director

Tanzania Investment Center

P.O.Box 938

Dar Es Salaam

Tanzania



SUB: Application for Extension of Certificate of Incentive

Dear Sir:

Hengya Cement (T) Co., Ltd is the company duly incorporated in the United Republic of

Hengya Cement was incorporated in Tanzania in 2014 through TIC.

Hengya intended to invest in construction a building materials industrial park in Tanzania, including clinker cement production lines of 7500 TPD capacity with Twenty (20) MW waste heat recovery power system, Two (2) captive power stations which will produce Fifty (50)MW, construction of 150,000 TPA lime production line, cement production line with annual capacity of One Hundred (100) million pieces, aerated concrete block production line with annual capacity of 450,000 cubic meters and jetty with annual throughput of Twenty Thousand Million (20,000,000) tonnes , two (2) new thermal power plants projects of 660MW with expected annual power output of ten (10) Billion KWh.

However, the above-mentioned projects hasn't been achieve due to the following reasons:

1. Hengya's jetty application was rejected by TPA at August 2019, please refer to TPA's letter dated on 21st August, 2019.
2. Due to the jetty application wasn't approved by TPA, considering transportation costs and mining costs, Hengya has to shift the plant location to Amboni, Tanga. But Hengya hasn't get the derivative title of Amboni land which in under processing, Hengya just signed the MOU for acquisition of derivative rights and got the Certificate of Occupancy. Please refer to the attachment.



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3. According to the relevant regulations of NEMC, one project can't have two location, so Hengya has to change the plant location at NEMC and continue the process of getting the EIA certificate, the response letter to change of project site from NEMC please refer to the attachment.

Due to the above-mentioned factors Hengya didn't construct the project during the implementation period on the Certificate of Incentive, but Hengya still has confidence for constructing the project so that contribute to the economic development of Tanzania. Therefore, Hengya hereby sincerely invite TIC help to extend the implementation period for another 3 years on Certificate of Incentive as soon as possible so that push the smoothly construction of the project.

Thank you for your continuous help and support.

Hengya Cement (T) Co., Ltd

Managing Director – Mr. Ping Li

IN THE UNITED REPUBLIC OF TANZANIA
MEMORANDUM OF UNDERSTANDING
FOR ACQUISITION OF DERIVATIVE RIGHTS OVER THE LAND BY FOREIGN
COMPANY

THIS AGREEMENT is made this...16...day of...Nov...2017.

BETWEEN

TANGA CITY COUNCIL a local government authority in the United Republic of Tanzania of P.O. Box 178, Tanga, Tanzania hereinafter referred to as (the "Local Government Authority"), (which expression shall, unless the context allows otherwise, include her assignees, successors, administrators in title and or right), of one part.

AND

HENGYA CEMENT (TANZANIA) CO., LIMITED a limited liability company dully incorporated in Tanzania with the Certificate of registration no. 108839. P.O. Box. 105899 Dar es Salaam, Tanzania, hereinafter referred to as (the "Investor"), (which expression shall, where the context so permits, include its assigns and successors in title) of the second party

WHEREAS: The Local Government Authority has jurisdiction over Tanga City with powers and authority to enter into contract for acquisition of any land and or to enter into contract with any other person for conducting all the preliminary stages for land acquisition within Tanga City.

AND WHEREAS the Investor is the limited liability company dully incorporated in Tanzania with the objects among others to engage in the business of building materials production, such as cement and clinker production and has pointed out the land/premises located at Amboni-Mafuriko area in Tanga Region 282.58 Acres which they intend to construct the factory thereat.

AND WHERE AS the Investor has requested the Local Government Authority to assist them and be their agents for preliminary stages towards their acquisition of the said land from the



previous owners and the Local Government Authority has consented for that said task of assisting and be the agent for the Investor for conducting the following activities,

1. Supervising the whole process for paying compensation for land and all improvements to all the previous owners of any part of the land forming a part and parcel of the land the Investor has pointed out.
2. Assisting and cooperate with the Investor for having the right of occupancy over land mentioned herein be granted to Tanzania Investment Center (TIC) and the derivative rights thereof be granted to the Investor.

NOWHEREFORE IT IS HEREBY AGREED as follows:

1. That for a consideration of the Investor having an intention to invest in Tanga Region and thereafter to employ a number of local Tanzanian in their factory to be constructed in premises the subject herein, the Local Government Authority has freely and without cheating, misrepresentation, whatsoever consented and agreed to be the Investor's agent for the activities mentioned herein above.
2. The Investor has appointed the land 282 58 acres located at Amboni-Mafuriko area in Tanga City and they have already made an application for having granted the rights over that said land and the Local Government Authority has already approved the Investor's application and has already assisted by connecting the Investor with the individual owners of interested land.
3. That the Local Government Authority had informed the Investor to the effect that, they should pay compensation say a total of Tanzanian Shillings Two Billion Five Hundred Sixty One Million One Hundred Twenty Seven Thousand Eight Hundred and Eighty Six Only (TZS 2,561,127,886.00/=) for the land and all improvements done by inhabitants over the land/premises they have pointed so that other process for acquisition of the said land/premises could proceed.
4. That the Local Government Authority has averred further that, they have conducted a survey and valuation over the said 282 58 acres which revealed that, for all 282 58 acres there are in totality 255 households to be compensated - compensation including land transfer payments, allowances for (1) buildings, (2) graves, (3) crops, (4) disturbance allowance, (5) accommodation and (6) transportation; the total payment is/was Tanzanian Shillings Two Billion Five Hundred Sixty One Million One Hundred Twenty Seven Thousand Eight Hundred and Eighty Six Only (TZS 2,561,127,886 00/=) of which the Investor has already paid in full to the Local



Government Authority

5. That the local Government Authority shall and has already handed over to the Investor a complete original report containing photograph record of the 255 household members, names of the persons compensated and the amount each had received, compensation details, receipt and confirmation signatures on the compensation payments, all documents necessary to be issued and or signed by the local leaders having jurisdiction over the land/premises the subject herein during compensation, documents signed by certified valuation authority, signatures and stamps as required from Local Government Authority
6. That the Local Government Authority is/was responsible for paying the said compensation to 255 household members as contended herein. Further that, the Local Government Authority is affirming that, it has already paid compensations to all the beneficiary as stated herein above and do hereby guarantee and assure the Investor that, there is no any encumbrances over the land mentioned herein. Should there be any argument or dispute over the land the subject herein, the Local Government Authority shall be responsible for handling and settling the same as well as paying all the moneys, compensation, and damages whatsoever as may be required to be paid either by the court of law or any competent authority within the United Republic of Tanzania
7. That the Investor shall use the land the subject herein for Investment purposes and Industrial purposes.
8. That within the period of six months counting from the date of full payment made by the Investor, the Local Government Authority shall initiate assisting in the process for granting the right of occupancy over the land the subject herein to Tanzania Investment Center andx derivative rights thereof to the Investor, and the right of occupancy shall be effective for 99 years.
9. That at the time of construction and operation of the factory/plant over the lands the subject herein by the Investor, the Local Government Authority shall make sure that no any person shall disturb the construction and operation activities in any way as the Investor has already paid all the amount of money needed for compensation of the land and all the improvements thereat



10. That in the event of any claims from any person regarding compensation over and part of the land or any improvement in the land the subject herein from the date of signing of this MOU by both parties shall be settled by the Local Government Authority alone without even involving the Investor.
11. This MOU shall be governed by and construed in accordance with the laws of the United Republic of Tanzania.

SPECIAL CONDITIONS

- (a) The Local Government Authority shall obtain the necessary clearances, approval and consents for the relevant authority to grant the derivative right over the land mentioned herein to the Investor.
- (b) The Investor shall bear all costs for transfer and shall also be responsible for meeting the costs of all Stamp Duty, Registration Fees and other such disbursements payable with respect to the Transfer.

IN WITNESS whereof this Agreement has been executed and delivered as on the date and in the manner shown herein below:

SEALED with the COMMON SEAL of the said
TANGA CITY COUNCIL

and DELIVERED at Tanga, Tanzania

In the presence of us this...16...day of NOVEMBER...2017.

SEAL

Name: DAUDI MAYEJI

Designation: TANGA CITY COUNCIL DIRECTOR

Address: P.O. BOX 178 TANGA

Signature: 

Name: SELEBOSS MUSAFA

Designation: CITY MAYOR

Address: BOX 178 TANGA





Signature [Handwritten Signature]

SEALED with the COMMON SEAL of the said
HENGYA CEMENT (TANZANIA) CO., LIMITED
and DELIVERED at Tanga, Tanzania
In the presence of us this 16 day of NOVEMBER 2017



Name: PING LI
Designation: MANAGING DIRECTOR
Address: P.O. BOX 105899, DSM
Signature: [Handwritten Signature]

Name:
Designation:
Address:
Signature:

WITNESSED BY
SEBASTIAN DANDA
CITY SOLICITOR
[Handwritten Signature]
CITY SOLICITOR
TANGA

[Handwritten Signature]