

THE LAND ACT NO.4 OF 1999

LEASE AGREEMENT

BETWEEN

SINO TAN KIBAHA INDUSTRIAL PARK LIMITED

AND

LUBSTAR TECHNOLOGY COMPANY LIMITED

**IN RELATION TO THE LEASE OF THE PREMISES LOCATED IN THE SINO TAN
KIBAHA INDUSTRIAL PARK SITUATED AT KWALA AREA, KIBAHA
DISTRICT PWANI REGION**

Lease Agreement

This lease agreement was signed on April 18, 2024.

Between

SINO TAN KIBAHA INDUSTRIAL PARK LIMITED, a limited liability company registered under the laws of the United Republic of Tanzania, with the address at P.O. Box 10848, Dar es Salaam (referred to as the "Landlord," which includes and extends to the seller, its successors, and assigns);

and

LUBSTAR TECHNOLOGY COMPANY LIMITED, a limited liability company registered under the laws of the United Republic of Tanzania, with the address at P.O. Box 10848, Dar es Salaam (referred to as the "Tenant," which includes and extends to the seller, its successors, and assigns);

Key Points

as follows:

- A. The Landlord is the owner of the land property in the KWALA area of the KIBAHA district in PWANI (Coastal) region of Tanzania, approximately 2,500 acres, where SINO TAN has established an industrial park. The plot leased by the Tenant is identified as **A18**.
- B. The said land property has been designated by the Tanzania Investment Center for investment to establish an industrial park.
- C. The Landlord has agreed to lease a **2158** square meters factory space to the Tenant.
- D. The Tenant has agreed to lease the above-mentioned factory space under the following terms.

Lease Terms Details

as follows:

Article 1

1. Definitions

1.1. In this lease agreement, unless otherwise specified, the definitions are as follows:

"Agreement" refers to the lease agreement between the Landlord and the Tenant for the factory property, which is the property of 2158 square meters located in the KWALA area of the KIBAHA district in PWANI (Coastal) region industrial park (approximately 10 million square meters).

"Parties" refer to the signatories of this lease agreement.

"Lease Price" means USD amount, 3 USD per square meter per month, VAT and stamp duty free.

"USD" refers to the United States dollar.

1.2. The following definitions apply to this agreement, any reference to the singular includes the plural, and vice versa.

1.3. Words denoting the male gender include the female gender and vice versa, words denoting "person" include companies.

1.4. The headings used in this agreement are for reference only and do not affect the interpretation of any term or provision of this agreement.

Article 2

2. Designated Factory Space for Lease and Area

The **2158** square meters leased by the Landlord to the Tenant is located in the KWALA area of the KIBAHA district in the PWANI (Coastal) region industrial park

(with a total area of approximately 10 million square meters). The layout plan of the property is attached as Annex 1.

2.1. Rent-Free Period

The lessee shall enjoy a rent-free period for three months starting from the date of signing this agreement, namely from April 18, 2024, to July 18, 2027, exempting the rent for the factory building for three months, excluding property fees.

2.2. Lease Term

This agreement stipulates a lease term of three years and three months, from April 18, 2024, to July 18, 2027. The first three months after the contract is signed are rent-free. If renewal is needed, a renewal application must be submitted within three months before the term expires.

Article 3

3. Payment Method

- 3.1.1. In the first year, the lessee shall pay the lessor a rent of \$77,688 in USD, VAT and stamp duty free. This amount serves as the rent for the property for the first year.
- 3.1.2. In the second year, the lessee shall pay the lessor a rent of \$77,688 in USD, VAT and stamp duty free. This amount serves as the rent for the property for the second year.

- 3.1.3. In the third year, the lessee shall pay the lessor a rent of \$77,688 in USD, VAT and stamp duty free. This amount serves as the rent for the property for the third year.
- 3.1.4. Within seven (7) working days after signing this agreement, the lessee shall pay 40% of the annual rent for the property, which is **\$31,075.2** USD, to the lessor on April 25, 2024; when the three-month rent-free period ends on July 18, 2024, the lessee shall pay another 40% of the annual rent for the property, which is **\$31,075.2** USD, to the lessor; the remaining 20% of the annual rent for the property, which is **\$15,537.6** USD, shall be paid within seven (7) working days after the official start of production.
- 3.1.5. In the second year, if the lessee temporarily cannot produce due to operational procedures, the lessee shall pay the rent for the second year based on the actual extension period, which aligns with the rent-free period.

Payments made by the lessee to the lessor shall be deposited into the lessor's bank account with the following details:

Account Name: STANINO - KIBAHA INDUSTRIAL PARK LTD
Account Number: 008010003230
Bank Name: AZANIA BANK
Swift Code: AZANTZTZ

The lessor shall issue a confirmation receipt upon receiving the payment.

4. Lessee's Obligations

- 4.1.1. The lessee hereby commits to commence internal construction of the factory within one month after the handover of the factory building and to start formal production within three months after receiving all licenses, approvals, and permits required for factory construction and operation.
- 4.1.2. The lessee further commits to obtaining the necessary qualification certificates for production and operation as required by the laws of the United Republic of Tanzania.
- 4.1.3. Additionally, the lessee pledges to ensure that pollutants generated during the production process meet the park emission standards and are discharged to designated locations.
- 4.1.4. Moreover, the lessee shall pay a property service fee to the lessor at a rate of \$1.5 USD per square meter per year, payable annually at \$3,237 USD, within seven days after signing the contract. The service list to be provided by the lessee to the lessor starts from the date of rent payment and is attached as Annex 2.
- 4.1.5. During the lease term, the lessee is also responsible for (1) water fees and (2) electricity fees, payable based on actual monthly usage within seven days after the beginning of the following month.

5. Lessor's Commitments

5.1. The lessor hereby commits to the lessee as follows:

- 5.1.1. If the lease envisioned in this agreement fails not due to the fault of both parties (lessor and lessee), the parties shall restore the original state, and the amount paid by the lessee to the lessor for the lease shall be fully refunded by the lessor to the lessee for the current period, without the obligation to pay interest.
- 5.1.2. The lessor agrees to construct infrastructure within the industrial park and ensure the availability of social services such as water and electricity to meet the needs of the lessee.
- 5.1.3. Furthermore, the lessor undertakes to assist the lessee in handling railway transportation procedures for production materials (waste engine oil and waste mineral oil) and finished products, as well as the transportation procedures for production materials and finished products by railway.
- 5.1.4. The lessor also commits to actively implement and fulfill the various tax incentives promised by the industrial park (based on the lessor's promotional brochure).
- 5.1.5. Moreover, the lessor will provide one-stop services to the lessee for the procedures required for production and operation, ensuring timely acquisition of the necessary procedures for production and operation, as well as the transportation procedures for production materials and finished products by railway.

Article 6

6. Notification

6.1. Any notice or request under this agreement may be formally sent to any party by pre-paid postage or delivery by a special courier and formally acknowledged.

6.2. In order for one party to notify the other party under this agreement, the addresses of both parties are as follows:

Landlord's Address:

Managing Director,

Sino Tan Kibaha Industrial Park Limited

P.O.Box 10848, Dar es Salaam.

Tenant's Address:

Managing Director,

Lubstar Technology Company Limited,

Industrial Shed, A18, Plot 1 'B' Kwala, Pwani

Article 7

7. Applicable Law and Dispute Resolution

Any disputes arising from or related to this agreement shall be amicably resolved by both parties. Otherwise, they shall be submitted to a court within the jurisdiction of Dar es Salaam for coordination and resolution.

Article 8

8. Other Provisions

- 8.1. Unless expressly waived, the failure of either party to exercise all or any part of the rights granted by this agreement shall not constitute a waiver of the rights not exercised in any case.

- 8.2. All matters arising from or related to this lease agreement shall be governed and interpreted by the laws of the United Republic of Tanzania.

- 8.3. This agreement is in Chinese and has four (4) original copies, each of which is authentic.

Article 9

9. Force Majeure

If either party is unable to fulfill its duties and obligations under this agreement in whole or in part due to natural disasters, fires, government or state actions, war, civil unrest, rebellion, embargoes, or terrorist activities, then neither party shall violate this agreement, prevent the other party from performing, or hinder the ability of any party to fulfill the obligations promised under this agreement.

Article 10

10. Termination of Agreement

- 10.1. Without affecting the foregoing provisions, this agreement may be terminated if one or more of the following events occur:
 - 10.1.1. By mutual agreement of both parties;


- 10.1.2. Fundamental breach of the terms of this agreement, and such breach is not remedied within 90 days from the date of notification or any other extended period to remedy such breach;
- 10.1.3. Occurrence of any force majeure event;
- 10.1.4. Tenant fails to fully pay the rental price to the landlord in accordance with Article 3.0 of this agreement in a timely manner;
- 10.1.5. Tenant fails to commence construction within the time specified in Article 4.1 above;
- 10.1.6. Either party becomes insolvent, bankrupt, and/or liquidates;
- 10.1.7. Failure to perform all obligations stipulated in this agreement;
- 10.1.8. **However**, upon termination of this agreement for any reason, both parties agree to immediately compensate each other to restore the other party to the original state before the signing of this agreement, and any amounts paid by the tenant to the landlord shall be refunded to the tenant within 180 days from the date of termination of this agreement.

Both parties signed this lease agreement on the above-mentioned date and year in the following manner, as witnessed by: Common seal affixed.

SINO TAN KIBAHA INDUSTRIAL PARK LIMITED

Signed and submitted in Dar es Salaam
on April 18, 2024 by the lessor

Name: Chen Xing
Signature: [Handwritten Signature]
Mailing Address Designated: P.O. Box 10848
Recipient: DIRECTOR




Common seal affixed

LUBSTAR TECHNOLOGY COMPANY LIMITED

Signed and submitted in Dar es Salaam
on April 18, 2024 by the lessee.

Name: REN GUANG ZHAN
Signature: [Handwritten Signature]
Mailing Address Designated: P.O. Box 10848, DSM
Recipient: DIRECTOR



Attachment 2: Service List Provided by the Lessor

- One-stop office services for government main functional departments
- Security patrols, cleaning, maintenance of public areas, facilities, and equipment in the park
- Rainwater and wastewater monitoring and treatment in the park
- Landscape and greenery maintenance in the park

Attachment 3: Tax Incentives Eligible for Enjoyment with the Tanzania Investment Center Incentive Certificate

- Construction Period: 4 years
 - 100% exemption: Import duties and value-added tax on capital goods (factories, machinery, equipment, etc.) and goods deemed as capital goods (building materials, production and transportation vehicles, office supplies, etc.)
- Operational Period: 10 years
 - 100% exemption: Corporate income tax, value-added tax on raw materials, stamp duty, interest withholding tax

Note: The raw materials referred to in the incentive policy are those listed as 0% in the Tanzania Customs Catalog, not necessarily the raw materials companies consider for production. The final determination of tariffs for all products subject to tariffs will be based on the corresponding tariff codes in the Tanzania Customs HS Code. (Enterprises entering the park enjoy relevant tax incentives under the tax incentive agreement signed between the China-Tanzania Industrial Park and the Tanzania Investment Center. The Tanzanian government reserves the right to interpret this policy.)