

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement (this “**Agreement** “) is entered into

BETWEEN

KARIBU TEXTILE MILLS LIMITED (a private company incorporated with limited liability in the United Republic of Tanzania, hereafter (the “**Landlord**) of P.O Box 6035 Dar es Salaam.

AND

MIDEA IMPORT EXPORT ELECTRONIC COMPANY LIMITED (a private company incorporated with limited liability in the United Republic of Tanzania), hereafter (the “**Tenant**”) of, P.O Box 38588 Dar Es Salaam.

STATEMENT OF AGREEMENT

IN CONSIDERATION OF the Landlord leasing Factory Building/ godown covering 800 square meters and seven room accommodation building located at Plot No. 125-127, Mission, Mbagala, Temeke, Dar Es Salaam. Premises to the Tenant. The Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged.

Hereinafter the parties to the Agreement agree as follows:

<p>1. DEFINITIONS</p>	<p>When used in this Agreement, the following expressions will have the meanings indicated below:</p> <ul style="list-style-type: none">a) “Landlord “ shall mean KARIBU TEXTILE MILLS LIMITED :b) “Tenant” shall mean MIDEA IMPORT EXPORT ELECTRONIC COMPANY LIMITEDc) “Base Rent” shall have the meaning ascribed to it in clause 2(b);d) “Premises/Building” means the entire property including a factory building sized 800 Square meters, outer surrounding space and structures and shared common Areas and Facilities, located on Plot No.125 Block 127 Mission, Mbagala, Temeke, Dr Es Salaa.Tanzania, of which the Landlord is the registered owner.e) “ Utilities Services Charges “ shall have the meaning ascribed to it in clause 6(c);f) “ Landlord’s Insurance” means the insurance policy of policies maintained by the landlord in respect of the building cover damages, as placed by the Landlord from time to time, acting prudently;
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Commercial Lease Agreement

	<p>f) “ Hazardous Material” means items that might unreasonably increase the danger of fire or explosion, or that might be deemed hazardous or extra hazardous by Insurance industry standards;</p> <p>g) “ Common Area and Facilities” means all areas and facilities within the Building that are not designated by the Landlord for the exclusive use of the Tenant or any other tenants or occupants of the Building, including the parking areas, trash enclosures, recreation areas, and other amenities;</p> <p>k) “Warehouse” means part of the building used for storage.</p>
<p>2. LEASE COMMENCEMENT, BASE RENT AND TERMS.</p>	<p>The Term of this Agreement shall be constructed and governed in accordance with the laws of The United Republic of Tanzania.</p> <p>a) Term: This Agreement will commence on 01/10/2024 (DD/MM/YYYY), (THE “Commencement Date “). Unless terminated early or extended in accordance with the Agreement, the lease shall continue for a period of Five (5) Years, ending on 30/09/2027 at 11:59 am EAT (THE “Termination Date”)</p> <p>b) Handover date, being that date on which the Landlord hands the keys to the Premises to the Tenant and the Tenant accepts such keys. The handover date shall be on the date of signing the contract. Upon handover, the tenant shall have all rights to use the premises in installations, fittings, renovations, testing and modification of the building or construction of pools for machine washings and other facilities upon consent with land lord.</p> <p>c) Base Rent: The Tenant shall pay to the Landlord, from the date of signing this contract, in Tanzania Shillings Six Million (6,000,000.00) VAT inclusive/Exclusive per month.</p> <p>d) Base Rent Terms: The Base Rent shall be payable annually in advance on every 1st October, that is the commencement of every year.</p>

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	<p style="text-align: center;">Warehouse Schedule (excluding Vat):</p> <p>e) Taxes Payable:</p> <ul style="list-style-type: none">i. Value Added Tax: Payable by tenant to the Landlord.ii. Withholding Tax: Deducted from the Base Rent and payable by the Tenant on behalf of the Landlord, currently 10% (ten percent). Only be applicable for Base Rent.iii. Stamp Duty; Payable annually by the Tenant at the applicable rate, currently 1% one percent) of the Base Rent. <p>f) Payment Method; All payment under this Agreement shall be payable by direct deposit or TT transfer to the Landlord's designated account number 0150580640200,/ USD ACCOUNT NUMBER 02150580640200 CRDB BANK PLC.</p>
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Commercial Lease Agreement

	<p>g) Termination: The Agreement may be terminated at any time by the Landlord and/or the Tenant, upon written signed notice to the other party six (6) months in advance. If termination is initiated by landlord no base rent shall be liable in lieu of notice otherwise rent shall be paid.</p> <p>h) Notice shall be deemed to have been sufficiently given when either party is served personally or when sent by the registered or certified mail to the address set forth in this Agreement.</p> <p>i) Renewal: Provided the Tenant is not in default in the performance of this Agreement, the Tenant shall have the option to renew the Agreement for an additional term(s) commencing on the Termination Date. All of the terms and conditions stipulated in this Agreement shall apply during each renewal term, except that the Base Rent shall be reassessed at each renewal interval.</p> <p>j) Notice of Renewal: The Tenant's option to renew the Agreement shall be exercised by written notice given to the Landlord not less than Three (3) months prior to the Termination Date. If notice is not given in the manner provided herein within the time specified, this option shall lapse and cease.</p> <p>k) Holding Over; If the Tenant remains in the possession of the Premises after the expiration of the initial Lease Term or any renewal Term without the execution of a new lease Agreement, it shall be deemed</p>
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	to be a lease extension of (6) months, subject to all conditions, provisions and obligations of this Agreement insofar as the same are applicable to the Tenant.
3 PREMISES USE OCCUPANCY AND RESTRICTIONS	<p>With respect to the terms and conditions of this agreement and the subsequent use and occupancy herein:</p> <p>a) use and occupancy: he Tenant shall use and occupy the premises for commercial requirements and as contractually agreed, shall lease the property for Factory Operations and warehousing only, the premises shall be used for no other purpose without the advance written consent of the landlord. Tenant shall operate the premises in a clean and dignified manner and in compliance with all applicable laws, bylaws regulations, rules, and ordinances, the tenant shall provide use the premises for no unlawful purpose or act: shall commit or permit no waste or damage to the premises: shall at the tenant's expense, comply with</p>

Commercial Lease Agreement

	<p>Anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building: and shall comply with all the rules and requirements promulgated by the Landlord with respect to the Building as the same may be amended from time to time Tenant agree as follows:</p> <ol style="list-style-type: none"> i. All loadings and unloading, delivery, and transportation of goods shall be conducted in such areas and through specific entrances/exits designated by the Landlord. ii. There shall be no obstruction of any kind of any of the public spaces or common areas. iii. No permanent coverings, such as shades, coverings or roofs shall be fitted in the Premises unless approved by the Landlord. iv. All garbage and refuse shall be kept in the size and kind of container, and refuse shall be kept in the size and kind of container, and in a location approved by the Landlord. v. Tanat must comply with the laws and bylaws of the national environment management authority and any such disposals of items deemed harmful must be done so In the rightful and safest manner. vi. Garbage, Industrial waste, odor sound pollution shall be controlled in manner permissible by underlying regulations and the landlord shall allow installation and construction of infrastructures for passage se of such pollutants if any. vii. The Tenant shall not permit or place any obstructions or merchandise in any common areas, including but not limited to corridors,
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	<p>sidewalks, driveways, storage areas, mechanical and electrical rooms, and green areas</p> <p>viii. The plumbing facilities on the Premises shall not be used for any purpose other than that for which they are constructed, and no foreign substance of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by the Tenant.</p> <p>ix. The Tenant shall be responsible for the proper storage and disposal of all items and products handled in their care. The Tenant will be required to provide their own garbage bins at the recommended size and at all items</p>
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Commercial Lease Agreement

	<p>x. The Tenant must keep all windows, windowsills, window frames, and any additional interior signs of the Premises clean.</p> <p>xi. No merchandise shall be stored in the Premises except that which the Tenant is handling and/or selling in the normal course of business.</p> <p>xii. No auctions of tent sales shall be held within the Premises or on or within any portion of the Building, except with the prior written consent of the Landlord.</p> <p>xiii. The Tenant shall keep the Premises (including without limitation interior portions of all windows, vents, light fixtures, air systems, doors and all other glass) in a neat, clean and sanitary condition, free of all insects, rodents, vermin and pests of every type and kind.</p> <p>xiv. The Landlord shall have the right, but not the duty, to inspect the Premises and conduct inspections thereon should Landlord have a reasonable belief there is Hazardous Material on the Premises. In the event such material has been found present, and the Tenant has not removed the Hazardous Material on demand, Landlord shall have the right to immediately enter the Premises to remedy any contamination found thereon.</p>
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Commercial Lease Agreement

	<p>b) No Lien permitted: No person shall over be entitled to any Lien, directly or Indirectly, derived through or under tenant, or through or under any act or omission of Tenant, upon the Premises, or any improvements now or hereafter situated thereon, or upon any insurance policies taken out upon the Premises or the proceeds thereof, for or on account of any labor or materials furnished to the Premises, or for or on account of any matter or thing whatsoever; and nothing in the Agreement contained shall be constructed to constitute consent by the Landlord to the creation of any Lien. In the event that any such Lien shall be filed, the Tenant shall cause such Lien to be released within seven (7) days after actual notice of the filing thereof, or shall within such time certify to Landlord that Tenant has a valid defense to the such claim and such Lien and furnish to Landlord a bond,</p>
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TENANT INITIAL:

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	<p>satisfactory to Landlord, indemnifying Landlord against the foreclosure of such Lien. In addition to any other remedy herein granted, upon failure of Tenant to discharge such Lien or to post a bond indemnifying Landlord against foreclosure of any such Lien as above provided, Landlord, after notice to Tenant, may discharge such Lien, and all expenditures and costs incurred thereby, with interest thereon, shall be payable as Additional Rent hereunder at next rent payment date.</p>
<p>4. REPAIRS, IMPROVEMENTS AND MAINTENANCE</p>	<p>a) Condition and Acceptance of Premises: The Tenant accepts the Premises only if it is in its good condition, the good condition is identified by a flat dance floor with capacity to carry heavy vibrating machines, undamaged roofing and walls and well painted building, proper gates, doors, ventilations and windows.</p> <p>b) During inspection, the premises were not in good condition, the landlord is bound to ensure good condition within sixty (60) days after signing the contract.</p> <p>c) Right to Improvements: The tenant shall improve the premises to suit operation requirements upon consent from landlord. Henceforth all and henceforth all improvements including trade fixtures, such as Machines, petitions, pool equipment, light fixtures and ventilation and electrical equipment, office structure, shall remain the property of the tenant. All Tenants trade fixtures shall remain the property of the Tenant, subject at all times to any of Landlord's liens for rental and other sums which may become due to Landlord under this Agreement or otherwise. Tenant shall be allowed to remove all such trade fixtures upon termination of this Agreement, provided that Tenant is not in default in any of the terms and provisions of this Agreement.</p>

Commercial Lease Agreement

	<p>c) Risk and Loss of Tenant’s Personal Property All parties are responsible for repair and maintenance of their properties.</p>
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Commercial Lease Agreement

<p>5. INSURANCE AND INDEMNIFICATION</p>	<p>a) Landlord's Insurance: The Landlord shall keep the Building (but not the contents thereof or any personal property or trade or business fixture of Tenant) adequately Insured against loss or damage normally covered by standard insurance providers chosen by Landlord at their sole discretion. Landlord may also maintain any other Insurance policy related to the Building as Landlord deems appropriate.</p> <p>b) Tenant Insurance: The Tenant takes full responsibility to insure the contents of all personal property, trade and/business fixtures of the</p>
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	<p>Tenant within the Premises against lessor damages by fire and other perils.</p> <p>c) Mutual Hold Harmless: It is agreed that the Tenant shall defend, hold harmless and indemnify Landlord, its officers, agents and employees from any and all claims for injuries to persons or damage to the Premises which results from the negligent acts or omissions of Tenant, its officers, agents or employee, in the performance of this Agreement.</p>
<p>6. SIGNAGE AND UTILITY SERVICE CHARGE</p>	<p>a) Signage: The Tenant is permitted to install signage acceptable on the front of the Premises, subject to request and approval from the Landlord. Any such signage must comply with the requirements of the Landlord, who reserves the right to reject any signage design or sizing it fees is inappropriate for any reason in its sole discretion. Tenant shall be solely responsible for the cost of fabrication, installation, and maintenance of the signage. Landlord shall pre-approve signage package to be attached to the Lease for the duration of the Lease and all renewals thereof.</p> <p>b) Parking Space: At no additional cost and on a reserved and assigned basis, the Tenant is permitted to use one (1) designated vehicle parking space within the Building, along with any undesignated parking spaces on the exterior of the Building on an unreserved and unassigned basis. The Tenant shall not permit or allow any vehicle that belongs to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded or parked in areas other than those designated by Landlord for such</p>

Commercial Lease Agreement

	<p>activities.</p> <p>(c) Utility Service: Commencing on the date on which the Landlord delivers possession of the Premises to the Tenant, the landlord shall ensure availability of</p> <ul style="list-style-type: none"> i. Water ii. Electricity iii. Shared 900KVA Transformer iv. Access to national Grid (TANESCO) v. Parking space vi. Garbage disposal vii. Sewage disposal <p>c) Utility charges</p> <ul style="list-style-type: none"> (i) While other utilities as highlighted (c i-x) are provided by the land lord, the tenant shall pay for sewage treatment / disposal, electricity and water bills according to use. The bills shall be paid accordingly on the monthly basis.
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	(ii) The tenant has right to install own transformer and standby generators.
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Commercial Lease Agreement

	<p>d) The Tenant will be required to share with the Landlord all specifications of any machinery and/or equipment wished to be utilized on the premises for verification purposes.</p> <p>e) The landlord shall repair utilities infrastructures, namely but limited to transformers, water supply pipes, sewage systems and others incases of any damage whatsoever, failure to repair such in seven working days shall compel the tenant to repair or replace the same on reimbursement.</p>
<p>7. ACCESS, SURRENDER AND ASSIGNMENT</p>	<p>a) Access: The Tenant shall permit the Landlord to inspect or examine the Premises during business hours upon advance notice or at any time without notice in the event of an emergency, and shall permit Landlord to enter and make any such repairs, alterations, improvements, or additions in the Premises or the Building, of which the Premises is a part of, that the Landlord may deem necessary.</p> <p>b) Surrender: The Tenant shall deliver and surrender to the Landlord possession of the Premises upon expiry of this Agreement, or upon early termination as herein provided, in as good condition and repair as the same shall be on the Commencement Date detailed in Section 2, save for wear & tear.</p> <p>C)Removal and Restoration: Any and all trade fixtures and equipment installed by the Tenant may be removed by the Tenant at any time, provided that the Tenant shall not be in default in the performance of any of Tenant's obligations hereunder and provided that Tenant shall repair any and all damage(s) caused to the Premises by the removal of any such trade fixtures and equipment, Any property not so removed at the expiration of the Term hereof shall be deemed to have been abandoned by the Tenant and may be retained or disposed by the Landlord. The Tenant shall not remove any leasehold improvements or non-trade fixtures and shall surrender the Premises upon termination of the tenancy created by this Agreement in the same condition as the Premises were required to have been in on the Commencement Date, ordinary wear and tear and damage by fire or other insured casualty accepted.</p>

Commercial Lease Agreement

	<p>d) Assignment and Subletting: The Tenant shall not assign this Agreement as to any portion or all of the Premises or make or permit any total or partial sublease or other transfer to any third party. The Landlord at its sole discretion has the power and authority to lease any additional and/or unused space in the warehouse to any other third party.</p>
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	<p>e) Substantial Damage: In the event the Premises or the Building of which the Premises constitutes a part of shall be damaged or destroyed by fire or other casualty to the extent that the cost of repairing or to placing the same will equal or exceed 50% of the then placement value thereof, then the parties may, at their option, within thirty (60) days after the occurrence of such casualty, terminate this Agreement upon written notice.</p>
<p>8. REPRESENTATIONS AND WARRANTIES</p>	<p>a) Landlord: The Landlord represents and warrants to the Tenant that, as of the date of this Agreement:</p> <ul style="list-style-type: none"> i. Landlord is the registered and free and clear owner of the Building; ii. Landlord has the right and authority to enter into this Agreement and grant the Tenant possession of the Premises and the other rights set forth herein; iii. Tenant shall at all times during the Term of this Agreement have the right to peacefully and quietly have, hold, occupy and enjoy the Premises, subject to the terms of this Lease without hindrance or molestation from the Landlord or any person claiming by, from or under the Landlord; iv. The persons executing this Agreement on behalf of the Landlord are duly authorized to bind the Landlord. <p>b) Tenant: The Tenant represents and warrants to the Landlord that, as of the date of this Agreement:</p> <ul style="list-style-type: none"> i. All Action necessary to authorize the execution of this Agreement has been taken by the Tenant; ii. Tenant has the power to enter into this Agreement; iii. The persons executing this Agreement on behalf of the Tenant are duly authorized to bind the Tenant; iv. The Tenant is duly recognized, valid and in good standing in accordance with the laws of The United Republic of Tanzania; v. This Agreement is legal, valid and binding upon the Tenant and Landlord, and this Agreement is enforceable in accordance with its terms.

Commercial Lease Agreement

<p>9. DEFAULT TO TERMS AND CONDITIONS</p>	<p>a) Rights in Event of Default of Tenant: If the Tenant shall abandon or vacate the Premises or fail to pay Base Rent, Additional Rent or Utility Service Charges at the time prescribed in this Agreement, or if after twenty one (21) days written notice from the Landlord, Tenant shall fail to cure any other default in the performance of its obligations under this Agreement (unless Tenant is then proceeding in good faith to cure such default and continues to do so until the default is cured),</p>
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	<p>then, in addition to any other rights or remedies Landlord may have by law or otherwise, the right to re-enter and take possession of the Premises without legal process and remove all persons and property therefrom. The Landlord reserves the right to terminate the Tenant's rights under this Agreement and may re-let the Premises or any part thereof for such term and at such rent and upon such other terms and conditions as Landlord may deem fit and reserves the right to make alterations and repairs to the Premises at sole discretion.</p> <ul style="list-style-type: none">b) Cost and Payment of Rent: Should the Tenant at any time be in default under this Agreement, Tenant shall be liable for all costs Landlord may incur on account of such default, including the cost of recovering the Premises, any and all attorney fees and court costs relating thereto. In addition, should Landlord at any time terminate this Agreement and Tenant's rights under this Agreement for any default, the Landlord may rightfully recover from Tenant the default amount, along with cost on all damages landlord may incur by reason of such default, including the Rent reserved and charged in the Agreement for the remainder of the Term discounted to present value, less the present rental value of the Premises for the rest of the term.c) To keep the demised premises insured against loss or damage to fire.d) Not to do anything which might invalidate any insurance policy covering any part of the building or which might increase the premium.e) Not to use any part of the building for any activities which are dangerous, offensive, noxious, illegal or immoral, or which are or may become a nuisance or annoyance to the Landlord or to the owner or occupier of any other part of the building or any neighboring property.f) Not to display any advertisements on the outside of the property or which are visible from the outside the property unless the landlord consents (and the landlord is not entitled to withhold that consent unreasonably).g) If the whenever the rent hereby reserved or any part thereof shall be in arrears for the space of sixty (60) days where on the same ought to have been paid as aforementioned whether the same shall have been demanded formally or not or if and whenever the lessee shall not in all things well and truly observe, perform, fulfill and seek all the singular the covenants by the Lessee here in contained the Lessor in such a case can lawfully re-enter upon the demised premises and enjoy as in the former estate notwithstanding and without prejudice to any right of action or remedy of the Lessor in respect of any
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	<p>antecedent breach of any of the covenants conditions, stipulations and provisions herein before contained or implied and on the part of the Lessee to be performed and observed.</p> <ul style="list-style-type: none">h) Should the Lessee desire to vacate the demised premises during the period of this lease and Lessee shall give a (4) month notice in writing without refund of the prepaid rent or pay (1) month rent as damages in lieu of such notice which shall also be used to pay a guard and clean-up of the demised premises and other inconveniences such as brokage.i) Right of Removal of Tenant's Property: Following a written warning with a given period of Twenty-one (21) days to rectify, the Landlord shall have the right to remove all or any part of the Tenant's property from the Premises resulting from any default through this Agreement.j) Dispute Resolution: This Agreement shall be construed and governed by the laws of Tanzania. The Landlord and the Tenant shall aim to mutually resolve any disputes arising out of or in connection with this Agreement, failing which such dispute may be referred by either party to a court of competent jurisdiction in Tanzania
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Commercial Lease Agreement

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IN WITNESS WHEREOF THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED

SIGNED AND SEALED With the COMMON SEAL of the said) of THE MIDEA IMPORT EXPORT ELECTRONIC COMPANY LIMITED and delivered at Dare se Salaam) Tanzania) in the presence of:

Name: ZHANG LILI

Address:.DARESSALAM,ILALA,MSONGOLA

Position:...DIRECTOR.

Signature:



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(1) Authorized Email Address...info.midea2024@gmail.com

(2) Authorized Email Address...ifo.midea2024@gmail.com

BEFORE ME:

Name:INNOCENT RWENYEMAMU

Address:DAR ES SALAAM

Qualification:...ADVOCATE



Signature:

Signed and sealed WITH THE common seal OF THE SAID KARIBU TEXTILE MILLS LIMITED AND delivered AT Dar es Salaam, Tanzania) in the presence of:

Name:ADIL JETHA.....

Address:DAR ES SALAAM

Position: MANAGING DIRECTOR

TENANT INITIAL:

LANDLORD INITIAL;

Handwritten initials: JH2

Signature:.....

(1) Authorized Email Address.....

(2) Authorized Email Address.....

Commercial Lease Agreement

BEFORE ME:

Name:INNOCENT RWENYEMAMU

Address:DAR ES SALAAM

Qualification:...ADVOCATE

Handwritten signature: Rwenyemamu



Signature:

TENANT INITIAL:

LANDLORD INITIAL;