



**LEASE AGREEMENT**

**REAL ESTATE**

**BETWEEN**

**NATIONAL DEVELOPMENT CORPORATION**

**AND**

**CHANGQING GROUP LIMITED**

**Prepared by**

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Tel: +255 22 2124379

THE LAND REGISTRATION ACT, [CAP 334 R.E.  
2019]TAMCO INDUSTRIAL PLOT - KIBAHA

LEASE AGREEMENT

THIS LEASE (Agreement) is made on the 19<sup>th</sup> day of May 2025

BETWEEN

**NATIONAL DEVELOPMENT CORPORATION**, a statutory corporation established and existing under the National Development Corporation (Establishment) Order G.N No.90 of 1969 having its principal office at **Development House Ohio Street/ Kivukoni Front of P. O. Box 2669 Dar es Salaam** (hereinafter referred to as "**the Lessor**" which expression shall, where the context so admits, include its successors and assigns) **OF THE FIRST PART**

AND

**CHANGQING GROUP LIMITED**, a limited liability company incorporated under the Companies Act, Cap 212, of **P.O. Box 4402, Dar es Salaam**, (hereinafter referred to as "**the Lessee**" which expression shall, where the context so admits, include its successors and assigns) **OF THE SECOND PART**

**WHEREAS:**

- A. The Lessor is the rightful and registered holder of the land situated on Plots No. 961,963 and 966 Block "B", Kange Industrial Area, Tanga Region (hereinafter "**the demised premises**");
- B. The Lessor is desirous of letting to the Lessee and the Lessee is desirous of renting the demised premises for Biomass Manufacturing Factory (hereinafter referred to as "**the development**")
- C. The Lessee has sufficient finances, skills and expertise to finance and implement the development in the demised premises

**NOW THIS DEED WITNESSETH** as follows:

**1.0 DEFINITIONS.**

Unless a contrary intention clearly appears -

- 1.1. The following terms shall have the meanings assigned to them hereunder, namely
- 1.1.1 "Building" means the building or buildings and appurtenances thereto to be erected on the demised premises in the course of the Works and includes every other building at any time erected on the demised premises.
- 1.1.2 "Contractual term" means the period of **Thirty-Three (33) years from 1<sup>st</sup> November, 2025**
- 1.1.3 "Demised premises" means piece or parcel of land commonly known as Plots No.961,963, and 966, measuring 15,499 square meter located at Kange Industrial Area, Tanga City.
- 1.1.4 "Insured risks" means the risks or damage from fire, storm, earthquake, lightning, explosion, riot, civil commotion, malicious damage, terrorism, impact by vehicles other than those resulting from wars, flood damage and bursting and overflowing of water pipes and tanks and any other risks, whether or not in the nature of the foregoing, that the Lessee acting reasonably from time to time decides to insure against.
- 1.1.5 "Permitted use" means the development to be carried out at the demised premises in accordance with the plan submitted by the Lessee to the Lessor.
- 1.1.6 "Plan" means the plan of the building or buildings and appurtenances thereto to be erected on the demised premises as may be agreed by the parties and approved by the Lessor.
- 1.1.7 "Tax" means any present or future tax, levy, import duty, charge, surcharge, fee, deduction or withholding in the nature of a tax, under whatever name, imposed, levied or assessed by any Authority including, without limitation, any interest, penalty, fine or surcharge in connection with any failure to pay or delay in paying of any of the aforesaid.
- 1.1.8 "Works" means the construction of a gas packaging, assembling and distribution plant on the demised premises.
- 1.2 The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in the interpretation

- of nor modify nor amplify the terms of this Agreement nor any clause hereof.
- 1.3 any reference to an enactment is to that enactment as at the date of signature hereof and as amended or re-enacted from time to time;
  - 1.4 if any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of the Agreement;
  - 1.5 when any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last Day unless the last Day falls on a Saturday, Sunday or public holiday, in which case the last Day shall be the next succeeding Day which is not a Saturday, Sunday or public holiday;
  - 1.6 where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail;
  - 1.7 reference to month/s or year/s shall be construed as Gregorian calendar month/s or year/s;
  - 1.8 where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this interpretation clause;
  - 1.9 any reference in this Agreement to a Party shall, if such Party is liquidated or sequestrated, be applicable also to and binding upon that Party's liquidator or trustee, as the case may be;
  - 1.10 any provision of this lease imposing a restraint, prohibition or restriction on a Party shall be so construed that the Party is not only bound to comply therewith but is also obliged to procure that the same restraint, prohibition or restriction is observed by everybody occupying or entering the Premises or any part thereof through, under, by arrangement with, or at the invitation of, the Party, including (without limiting the generality of this provision) its Associates and the directors, members, officers, employees, agents, customers and invitees of the Party or its Associates;
  - 1.11 whenever used in this Agreement, unless the context clearly indicates otherwise, the use of the singular includes the plural and vice versa and the use of any gender is applicable to any other gender.

## 2.0 DEMISE

In consideration of the rent and the mutual covenants hereinafter reserved and contained, the Lessor hereby demises unto the Lessee the demised premises from the 1<sup>st</sup> November, 2025 for the contractual term of **Thirty-Three (33)** years agreed herein.

### **3.0 THE LESSEE'S COVENANTS**

The Lessee hereby covenants with the Lessor to perform the following obligations:

#### **3.1 Planning and Development**

##### **3.1.1 Compliance with the Urban Planning Act, No.8 of 2007**

During or after the period of construction of the Works herein described, the Lessee shall observe and comply with the provisions and requirements of the Urban Planning Act, No.8 of 2007 or any other Acts or Regulations that may affect the demised premises and their use.

##### **3.1.2 Change of Use**

The Lessee shall not at any time change use of the Demised Premises unless written consent of the Lessor has been obtained.

#### **3.2 The Works**

##### **3.2.1 Works**

The Lessee shall erect upon, and develop, the demised premises in accordance with the construction plan on the demised premises approved by the Lessor.

##### **3.2.2 Construction Risk**

The Lessee shall, during the construction period and before the completion date, assume all the contractual risks. However, the Lessor shall cooperate with the Lessee in the event, wherever Lessor intervention is required.

##### **3.2.3 Entry for inspection**

During the Contractual term of the Agreement, the Lessee shall permit the Lessor during normal business hours to enter and inspect the demised premises to satisfy itself that the covenants herein stipulated have been observed and performed.

#### **3.3 Rent**

##### **3.3.1 Obligation to pay Rent**

The Lessee shall pay the Lessor a Rent of TZS 42,188,278 (being equivalent of 1 USD per square meter per annum payable in TZS Currency according to the prevailing exchange rate on the date of

signing the Lease Agreement), exclusive of VAT, payable one year in advance. Accordingly, the Lessee shall pay to the Lessor TZS 42,188,278 exclusive of VAT on the date of signing this Agreement and that date will be the date of rent payment.

### **3.3.2 Rent review**

Rent payable herein shall be reviewed after every five (5) years from the date of signing of this Agreement, at the rate not exceeding 5% increase from the previous rent payable.

### **3.3.3 Penalty on arrears of Rent**

The Lessee shall make rent payments upon receipt of an invoice from the Lessor. The Lessee shall have thirty (30) days from the date of the invoice to complete the payment. Failure to make the payment shall result in a penalty of five percent (5%) of the outstanding amount, which shall be added to the overdue balance.

### **3.4 Utility Charges**

The Lessee shall pay all bills and charges for water, electricity, telecommunications and other services consumed or used in respect of the demised premises during the Contractual term and shall comply with any lawful requirements, order or regulation in respect thereof. For avoidance of doubt, the Lessee shall not be bound to pay past bills which accrued prior to the occupation of the demised premises. All past bills shall be settled by the Lessor.

### **3.5 Alienation**

#### **3.5.1 Alienation prohibited**

The Lessee shall not hold the demised premises on trust for another nor shall it part with possession thereof or permit another person to occupy the demised premises except pursuant to a transaction permitted by and effected in accordance with this Agreement.

#### **3.5.2 Assignment, Mortgage, Subleasing and Charge**

- (a) The Lessee shall not, before and after completion date, assign, sublease, mortgage or charge the whole or any part of the demised premises under this Lease without a written consent of Lessor be it to a business entity that is owned or controlled by the Lessee or that is the survivor of any merger, acquisition, or corporate reorganization in which Lessee's shareholders control the survivor.
- (b) The Lessee shall comply with all the Municipal and Health Regulation in respect of the leased premises as may be promulgated from time to time by the City Commission/ Council.

### **3.6 The Permitted Use**

#### **3.6.1 Permitted Use**

The Lessee shall not, at any time on or after the signing of this Agreement, use the demised premises other than for permitted use in accordance with this Agreement.

**3.6.2 Nuisance and annoyance**

The Lessee shall not use the demised premises in such a way that creates nuisance or annoyance to the public and neighbors or disturb quite enjoyment of their adjoining premises.

**3.6.3 Illegal purposes**

The Lessee shall not use or permit to be used on the demised premises any dangerous, noxious, noisy, illegal or immoral activity.

**3.7 Indemnities**

The Lessor and the Lessee shall hold each other harmless from and against, and agree to defend the other party from and against, all damages, losses, changes, costs, expenses, actions, demands, proceedings, claims and liabilities concerning this Lease and the demised premises, arising out of the acts, negligence or omissions of the indemnifying party and the indemnifying party's agents, servants or licensees. In the event of negligence, the Lessor or Lessee shall indemnify the other only to the extent of the indemnifying party's own negligence (or that of its agents, servants or licensees).

**3.8 Encroachments**

The Lessee shall take all reasonable steps to prevent the construction of any structure, passage, pipe or the making of any encroachment or the acquisition of any easement in relation to the demised premises by any person and must notify the Lessor immediately of the same. At the request of the Lessor, the Lessee shall adopt such means as are reasonable to the Lessor in preventing the making of any encroachment or the acquisition of any easement, as the case may be.

**3.9 Insurance**

The Lessee shall keep the demised premises and the Works insured against insured risks.

**3.10 Payment of Property Taxes and Land rents.**

The Lessor shall pay to the Government, Local Authority or any Agent authorized on that behalf all existing and future land rents. The Lessee shall pay property tax relating to the demised premises and stamp duty during the Contractual term of this Agreement.

All taxes, duties and levies related to the business of the Lessee shall be paid by the Lessee.

**3.11 Compliance with Licensing Requirements**

The Lessee shall comply with legal requirements and procedures for obtaining licenses from respective Government institutions and agencies for operating the assembly plant and the Lessor shall cooperate and assist the Lessee as the case may be

**3.12 Reversion of improvements made on the demised premises**

At the expiry of the lease term provided herein or its sooner determination, all improvements, construction which were made, improved, developed, constructed, fixed by the Lessee on the property for the purposes of construction and operating a Biomass Manufacturing Factory, shall continue to remain the property of the Lessor and the Lessee shall leave with only the movable properties.

**4.0 THE LESSOR'S COVENANTS**

The Lessor covenants with the Lessee to perform the following obligations: -

**4.1 Quiet Enjoyment**

Subject to payment of rent herein reserved and observing and performing the covenants herein contained or implied, the Lessor shall permit the Lessee to peacefully and quietly possess and enjoy the demised premises during the term herein granted without any interruption from the Lessor or any person acting on his behalf.

**4.2 No Encumbrances Relating to Demised Premises**

The Lessor shall ensure that the demised premises are free from all encumbrances, charges, claims, mortgages, lien, attachments, injunctions, litigation, disputes and that the Lessor confirms that no notice thereof has been received by the Lessor and the Lessor confirms that it shall keep the demised premises free from any encumbrances whatsoever during the subsistence of this Agreement.

**4.3 Consent Giving Effect to the Agreement**

In case the demised premises are proposed to be sold or transferred by the Lessor during the subsistence of this Lease, the Lessor shall immediately in writing, notify the Lessee such proposed sale or transfer or at the very least 360 days in advance and such sale/transfer shall be expressly subject to the terms and conditions of this Agreement.

**5.0 DISPUTE RESOLUTION**

**5.1** Any dispute arising from or in connection with this Agreement shall be settled amicably by the Parties through negotiations without recourse to legal proceedings.

**5.2** If the Parties fail to resolve their dispute amicably within 14 days; such dispute shall be settled by a court of competent jurisdiction in

Tanzania.

## **6.0 RENEWAL**

The Lessee may, not less than six (6) months before the expiry of the contractual term hereby granted, by notice in writing, inform the Lessor of its desire to renew the Lease and the Lessor may, on such terms and conditions and at such increased rent as the Lessor and the Lessee may mutually agree, renew the same.

## **7.0 TERMINATION**

**7.1** The Lessor may terminate the Lease Agreement upon issuance of a written six (6) months' Notice of Intention to terminate only when:

7.1.1 Any rent is unpaid for one month after the due date for payment whether or not a demand in writing for payment has been made by the Lessor or an agent of the Lessor;

7.1.2 The Lessee has failed for a period of one month to perform any condition, covenant or other term, the performance of which has been assumed by the Lessee expressly or impliedly in the lease.

**7.2** The Lessee can terminate this Lease Agreement by issuance of six (6) months' written Notice of Intention to Terminate.

**7.3** The balance of rental payments that were made in advance by the Lessees shall immediately be due and payable to the Lessee by the Lessor upon the lapse of six (6) months' notice of intention to terminate.

## **8.0 LAWS APPLICABLE**

This Lease shall be governed by and shall be construed in accordance with the Laws of Tanzania.

## **9.0 MISCELLANEOUS PROVISIONS**

### **9.1 Notices**

A notice under this Lease shall be in writing and, unless the receiving party or his authorized agent acknowledges receipt, shall be valid if: -

9.1.1 it is given by hand, sent by registered post or recorded delivery, or sent by fax provided that a confirmatory copy shall be given by hand or sent by registered post or recorded delivery on the same day; or

9.1.2 sent by email through prior designated email addresses of both parties

9.1.3 where the receiving party is the Lessee, at the demised premises; or

9.1.4 where the receiving party is the Lessor, at the physical address

shown in this Lease or at any address specified in a notice given by the Lessor to the Lessee and acknowledged by the receiving party

9.2 Each party shall notify the other party of any change of address within forty-eight hours of such change.

9.3 Each party chooses the address set out opposite its name below as its *domicilium citandi et executandi* at which all notices, legal processes and other communications must be delivered for the purposes of this Agreement:

NDC at:  
Development House  
Ohio Street/ Kivukoni Front,  
P. O. BOX 2669,  
**Dar es Salaam.**  
Fax +255 22 211 3618  
Email: ndc@cats-net.com

Managing Director,  
Changqing Group  
Limited, P. O. Box 4402,  
**Dar es Salaam.**

**9.4 Amendments to the Lease**

The covenants and terms herein contained may, from time to time, be amended by the Parties subject to mutual agreement and acceptance of amendments and such amendments shall be in writing and shall be supplemental to this Lease.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the day and year aforementioned

SEALED with the Common Seal of the said NATIONAL DEVELOPMENT CORPORATION and DELIVERED in our presence this 19<sup>th</sup> day of May 2025.

Name: NICOLAUS HERMANUS HOMBE

Signature: [Handwritten Signature]

Designation: MANAGING DIRECTOR



Witness to the above Signature:

Name: Ernesto J. Doruje

Signature: [Handwritten Signature]

Designation: Ag. Corporate Secretary

SIGNED and SEALED with the Common Seal of the said CHANGQING GROUP LIMITED and DELIVERED in our presence this day of.....2025.

Name: 常青

Signature: 常青

Designation: CEO



Witness to the above Signature:

Name: Inuom Kang

Signature: [Handwritten Signature]

Designation: ADVOCATE



Handwritten calculations: S/P = 5,062,593.36; COPY = 6500; WT H => 50,625,933.6; 55,690,026.96