

VACANT LAND-FACTORY FACILITY

SWAP AGREEMENT

BETWEEN

MR. FEISAL MOHAMED NAHDI

AND

MING XIN COMPANY LIMITED

This **Land-Factory Facility Swap Agreement** (the "Agreement") is made and entered into as of this 01st day of September, 2016, by and between the following parties:

1. **FEISAL MOHAMED NAHDI** of P.O. Box 42288 with Contact: +255766787878, NIN:19780217151030000223, TIN:110-561-008, an individual residing at Chang'ombe, Maduka Mawili, Temeke, Dar es Salaam; acting on his own behalf.

AND

2. **MING XIN COMPANY LIMITED** of P.O. Box 42255, with TIN: 131 - 167 - 741 and Certificate of Incorporation Number 126080, an investor and a corporation duly organized and existing under the laws of United Republic of Tanzania, with its principal office located at Minazi Mikinda SEZ, Mlandizi Area, Kibaha, Coast Region

Both parties may collectively be referred to as the "**Parties**" and individually as a "**Party**", hence, the Parties to this Agreement have outlined the terms and conditions under which the FEISAL MOHAMED NAHDI and MING XIN COMPANY LIMITED agree to exchange values, as described in more detail below. The swap transaction is intended to benefit both Parties through a **mutual exchange property** and a **factory facility cost consideration** respectively, and in so doing, by providing satisfaction to both Parties involved.

RECITALS

WHEREAS, FEISAL MOHAMED NAHDI, is the legal owner of a vacant land located at Minazi Mikinda, Mlandizi Area, Kibaha in the Coast Region, with a total of three hundred (300) acres, and identified by plots No.6384, 6385, 6386, 6387, 6388 and 6389.

WHEREAS, FEISAL MOHAMED NAHDI is desirous to relinquish the rights of the interest in the land and transfer the rights to MING XIN COMPANY LIMITED.

WHEREAS, in consideration of conveyance of the land property, MING XIN COMPANY LIMITED is desirous to establish torch factory facility on the land owned by FEISAL MOHAMED NAHDI, the torch factory set up is to be accomplished at a future date.

WHEREAS, FEISAL MOHAMED NAHDI is willing to accept a swap consideration at a **thirty percent (30%)** and MING XIN COMPANY LIMITED is entitled a **seventy percent (70%)** of the estimated cost value, represented in *EXHIBIT A*, for the torch manufacturing factory, whereby the factory shall be constructed one of FEISAL MOHAMED NAHDI's plots of the vacant land.

WHEREAS, represented in *EXHIBIT A*, is the estimated cost value for the torch manufacturing factory, whereby the factory shall be constructed on one of FEISAL MOHAMED NAHDI's plots of the vacant land, for future generation of business income.

WHEREAS, FEISAL MOHAMED NAHDI represents to MING XIN COMPANY LIMITED that, once this Agreement is dully signed by both Parties, MING XIN COMPANY LIMITED shall with immediate effect, be entitled rights of access to the land and hence initiate process and incur all expenses subjected to the transfer of the rights in favor of MING XIN COMPANY LIMITED.

WHEREAS, FEISAL MOHAMED NAHDI also represents to MING XIN COMPANY LIMITED that, none of these swapping land plots are subject to conveyance pursuant to any known legal third-party possessory rights.

NOW, THEREFORE, in consideration of their mutual promises and other good and valuable consideration, the Parties hereto covenant and agree as follows:-

AGREEMENT

- A. The Parties agree to the exchange of state land property-factory facility interests set forth in the following paragraphs and agree to be bound thereby. The Parties agree that the exchange is made pursuant to the Land Laws of the United Republic of Tanzania.
- B. Because the number of acres (which do not exceed 300 acres) and value of the acreage comprising the exchanged land will be determined upon a full completion of a torch factory, then its design, survey and valuation cost, will be adjusted to equalize the value of the exchange. To accomplish this:
 1. The factory be constructed on the land conveyed to MING XIN COMPANY LIMITED, pursuant to this Agreement ("Vacant Land-Factory Facility") shall be constructed to the standards suitable for 'Export Processing Zone' establishment requirements.

2. The Factory facility construction is estimated to cost TZS 500,000,000/=, say, **Tanzanian Shillings Five Hundred Million Only**, such that, FEISAL MOHAMED NAHDI is hereby entitled a thirty percent (30%) ownership, that is TZS 150,000,000/= say, **Tanzanian Shillings One Hundred and Fifty Million Only**; this amount being his **consideration for the exchange** of his land property to MING XIN COMPANY LIMITED at the date of signing this agreement.
 3. The Factory shall be used primarily for the production of torches and generally for export trading as stipulated in the Export Processing Zones Authority requirements.
 4. Upon receipt from FEISAL MOHAMED NAHDI, a detailed legal property description of the exchange land, as in *EXHIBIT B*, then MING XIN COMPANY LIMITED shall at his own expense have appraisals prepared and copies of the completed appraisals will be provided to the Parties and other relevant authorities on demand.
 5. Notwithstanding the foregoing paragraphs C, in addition to conveying the FEISAL MOHAMED NAHDI's exchanged land, he will relinquish his rights of interest on the property under 300 acres located within Minazi Mikinda SEZ, Mlandizi Area. The Parties agree that the relinquishment has no monetary value.
- C. The Parties agree that once the legal descriptions are available, they will utilize their best efforts and negotiate in good faith the final legal descriptions of the lands to be conveyed.
- D. Both Parties agree that both the land property and the cost consideration of the proposed factory, be mutually inspected. If any issues are identified during the inspection of the property and the cost consideration, the Parties will mutually agree on how to resolve such issues
- E. The Parties agree not to do, nor cause others to do, any act by which the value or title to lands owned by them (and referenced in this Agreement) may be diminished or encumbered, during the term of this Agreement. It is further agreed that any loss or damage occurring prior to the exchange by reason of the unauthorized cutting or removal of products therefrom, or because of fire, shall be borne by the owner in title of the loss or damaged land at the time of loss or damage.

- F. During the period covered by the Agreement, the officers, employees, and authorized visitors for and on behalf of either Party, shall, subject to any restrictions required by law and requirements of the land owner, have the right and privilege to enter upon the lands described in *EXHIBIT B* in order to conduct physical examination, provided written notice is served sufficiently in advance to process a permit if required, or if not needed at least five (5) days in advance of any site visit.
- G. It is mutually understood and agreed by the Parties that this Agreement may not be assigned or transferred in whole or in part by either of the Parties, and any assignment or transfer in violation hereof shall be null and void and of no force or effect.
- H. This Agreement shall become effective only upon its execution by both Parties, and the effective date of the Agreement shall be the date upon which the last of the subscribed Parties signs the Agreement.
- I. Unless extended by written agreement of the Parties or otherwise terminated pursuant to the terms of this Agreement, this Agreement shall expire on August 30, 2027 when the torch factory is expected to be fully operational and the ownership thereon be fully realized to the effect of this Agreement.
- J. General Provisions:
1. The Parties mutually covenant and agree that this Agreement and the Exhibits embody the whole agreement of the Parties regarding the land exchange, and there are no promises, terms, conditions, or obligations other than those contained or referred to in this Agreement.
 2. This Agreement may be amended, modified, or supplemented only by a written amendment signed by the Parties hereto with the effective date of any amendment being the date upon which the last of the subscribed Parties signs the amendment.
 3. The Parties agree that clerical and typographical errors contained herein may be corrected upon written notice to the other Party, unless such errors are deemed substantive or otherwise objected to by any Party by written notice within thirty (30) days of the original notice.

4. Nothing in the Agreement shall be interpreted to require the obligation or payment of funds by the MING XIN COMPANY LIMITED, but he will have funds that are presently available to carry out the necessary initial obligations required by this agreement. The obligations of MING XIN COMPANY LIMITED under this Agreement are contingent upon the full establishment of the Factory, from which the 30% value sharing obligations can be executed.
5. This Agreement contains the entire agreement between the Parties hereto and supersedes all prior and contemporaneous agreements, representations, warranties and undertakings of the parties. The Parties agree that any oral or written representations made by any Party hereto during the negotiation of this Agreement which are not incorporated by writing into this Agreement are not binding.
6. This Agreement may be executed in counterparts, including by facsimile signature, and all such counterparts taken together shall be one and the same instrument.
7. All notices, requests, orders, and other communications under this Agreement shall be in writing unless expressly provided otherwise and shall be deemed to have been duly given if delivered personally to the addressee, upon receipt if mailed by certified or registered mail, return dispatch request or upon confirmation of facsimile by the transmitting machine if faxed or sent by e-mail.
8. Should litigation be brought by either party or by a third party which results in a delay of the times for action set out in this Agreement, the deadline for such action shall be extended for ninety (90) days beyond the date after which the delay caused by such litigation terminates.
9. Time is of the essence of this Agreement. The Parties jointly agree to use their best efforts to expedite all aspects and tasks of this Agreement, including but not limited to appraisals, permits, determination, and any other decision needed to fully implement this Agreement.
10. Should circumstances or events occur that are not covered by this Agreement, the Parties agree to use their best efforts to resolve any problems arising out of such circumstances in a spirit of good faith and fair dealing.

11. Severability - If a Clause in this Agreement is determined by final judgment of any court of competent jurisdiction to be unlawful and/or unenforceable, the other Clauses of this Agreement will continue in effect and remain binding on the Parties; provided, however, that either Party may terminate this Agreement within ninety (90) days of such final judgment declaring a Clause unlawful Clause was a fundamental term or condition of this Agreement.
12. Payment of Stamp Duty - A person acquiring property bears the obligation of paying for stamp duty on the transfer of property in their favor. The Stamp Duty rate is 1% for properties located in urban and rural areas. The stamp duty will be assessed on the market value of the properties being exchanged. Once stamp duty is paid, the parties shall present the transfer documents at the respective land's registry for stamping.
13. Registration and grant of possession - Once the documents have been stamped with stamp duty, the parties should conclude the transaction by exchanging the properties simultaneously, upon successful registration and grant of possession as appropriate. Thereafter, the parties will be issued with their Title Deeds or applicable title documents.
14. Payment of Capital Gains Tax (CGT) - Capital Gains Tax chargeable on the net gain accruing to a company or individual (whether resident or non-resident) upon the transfer of property situated in the United Republic of Tanzania shall be determined and be charged accordingly, where the market value of the property being acquired exceeds the agreed establishment cost and such that the market value of the facility at the time of transfer is compared to the consideration cost, that is 30% of the Factory value.

IN WITNESS WHEREOF: The persons signing below represent to me that they have legal authority to sign this Swap Agreement and have duly executed it on the day and year herein before mentioned.

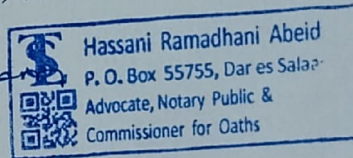
SEALED and DELIVERED with the COMMON SEAL of the said FEISAL MOHAMED NAHDI, in the presence of us, this 09th day of September, 2016


NAMES: FEISAL MOHAMED NAHDI
DESIGNATION: BUSINESSMAN
ADDRESS: P.O.BOX 42288
DAR ES SALAAM

SIGNATURE: 

SIGNED BEFORE ME,

NAMES: HASSANI RAMADHANI ABEID
DESIGNATION: ADVOCATE
ADDRESS: P.O.BOX 55755 Dar es Salaam
DAR ES SALAAM

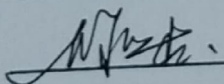


SIGNATURE: 

SEALED and DELIVERED with the COMMON SEAL of the said MING XIN COMPANY LIMITED, in the presence of us, this 09th day of September, 2016

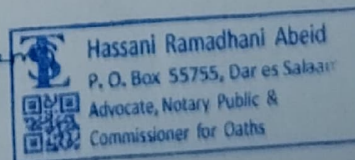
NAMES: MR. ZUJIE YOU
DESIGNATION: DIRECTOR,
ADDRESS: P.O.BOX 42288
DAR ES SALAAM



SIGNATURE: 

SIGNED BEFORE ME,

NAMES: HASSANI RAMADHANI ABEID
DESIGNATION: ADVOCATE
ADDRESS: P.O.BOX 55755 Dar es Salaam
DAR ES SALAAM



SIGNATURE: 