

**Dated 15 March 2024**

**DUGONG IWS HAZ LIMITED  
(as Borrower)**

**and**

**IWS ENGINEERING COMPANY LIMITED  
(as Lender)**

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**SUPPLEMENTAL AGREEMENT II  
to  
FACILITY AGREEMENT  
dated 11 September 2019  
for RMB28,800,000 loan facility**

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**THIS SUPPLEMENTAL AGREEMENT II** is dated 15 March 2024 and is made

**BETWEEN:**

- (1) **DUGONG IWS HAZ LIMITED**, a company incorporated and existing under the laws of Hong Kong, having its registered office at 10F COFCO Tower, 262 Gloucester Road, Hong Kong and business registration number 70583587 (the “**Borrower**”); and
- (2) **IWS ENGINEERING COMPANY LIMITED**, a company incorporated and existing under the laws of Hong Kong, having its registered office at Integrated Waste Solutions Building, 8 Chun Cheong Street, Tseung Kwan O Industrial Estate, New Territories, Hong Kong and business registration number 64661058 (the “**Lender**”).

**WHEREAS:**

- (A) Pursuant to the terms of a facility agreement (the “**Facility Agreement**”) dated 11 September 2019 between the Borrower as borrower and Intelligent Goal Holdings Limited (“**Intelligent Goal**”) as lender, Intelligent Goal made available to the Borrower a loan facility (the “**Facility**”) in the total principal amount of RMB28,800,000.00.
- (B) By a deed of assignment (the “**Assignment Deed**”) dated 23 January 2020 between Intelligent Goal as vendor, the Lender as purchaser and the Borrower as debtor, Intelligent Goal assigned in favour of the Lender all Intelligent Goal’s rights, titles, benefits and interests in and to the Facility Agreement.
- (C) Subsequent to the execution of the Assignment Deed, the Lender advanced to the Borrower pursuant to the Facility Agreement two Tranches (as defined in the Facility Agreement): the first Tranche (“**Tranche One**”) in the principal amount of RMB14,400,000.00 on 16 March 2020 and the second Tranche (“**Tranche Two**”) in the principal amount of RMB14,400,000.00 on 28 September 2020.
- (D) Further by a supplementary agreement to the Facility Agreement (the “**Supplementary Agreement I**”) dated 17 March 2023, the parties have agreed to extend the Maturity Date by 1 (one) year upon the terms and subject to the conditions as set out in the Supplemental Agreement I. Accordingly, Tranche One (together with all interest accrued thereon or arising therefrom) will fall due and repayable on 16 March 2024 whereas Tranche Two (together with all interest accrued thereon or arising therefrom) will fall due and repayable on 28 September 2024.
- (E) As at the date hereof, the total principal amount outstanding from the Borrower to the Lender in respect of the Loans (as defined in the Facility Agreement) is RMB28,800,000.00 and not all interests accrued on or arising from Tranche One or Tranche Two since their respective third (3<sup>rd</sup>) anniversary dates of Drawdown Dates have been paid by the Borrower to the Lender.
- (F) The Borrower has requested, and the Lender has agreed, to extend the respective Maturity Dates (as defined in the Facility Agreement) of Tranche One and Tranche Two by another one (1) year, whereas all interest accrued on or arising from Tranche

One and Tranche Two in accordance with the terms of the Facility Agreement as of the respective fourth (4<sup>th</sup>) anniversary dates of Drawdown Dates (i.e. 16 March 2024 for Tranche One and 28 September 2024 for Tranche Two) shall be capitalized on the same dates.

**NOW IT IS HEREBY AGREED as follows:**

**1. Definitions and Interpretation**

- 1.1 In this Supplemental Agreement II (including the Recitals), except where otherwise provided herein and except where the context otherwise requires, expressions defined in the Facility Agreement or Supplemental Agreement I shall have the same meaning when used herein.
- 1.2 Clauses 1.2 to 1.14 of the Facility Agreement shall be deemed to be incorporated herein *mutatis mutandis*.

**2. Acknowledgment of Indebtedness**

- 2.1 The Borrower hereby acknowledges and confirms to the Lender that as at the date hereof, the Loans in the total principal amount of RMB28,800,000.00 remains owing from the Borrower to the Lender.
- 2.2 It is further confirmed that, as at the date hereof, only RMB1,972.60 of the interest accrued on or arising from Tranche One since its third (3<sup>rd</sup>) anniversary date of Drawdown Date has been paid by the Borrower to the Lender, while no interest accrued on or arising from Tranche Two since its third (3<sup>rd</sup>) anniversary date of Drawdown Date has been paid by the Borrower to the Lender.

**3. Amendments to the Facility Agreement**

- 3.1 All references in the Facility Agreement to “this Agreement”, “hereunder” and “herein” or other cognate expressions shall be construed as a reference to the Facility Agreement as supplemented and revised by the Supplemental Agreement I and this Supplementary Agreement II, all as amended from time to time.
- 3.2 The Facility Agreement shall be amended by deleting the definition of “Maturity Date” in clause 1.1 of the Facility Agreement in its entirety and replacing by the following:
- “**Maturity Date:** in respect of each Tranche, a date falling on the fifth (5<sup>th</sup>) anniversary of the Drawdown Date of such Tranche.”
- 3.3 It is agreed that interest shall accrue on Tranche One and Tranche Two from the third (3<sup>rd</sup>) anniversary dates of their respective Drawdown Dates (i.e. 16 March 2023 and 28 September 2023 respectively) to the fourth (4<sup>th</sup>) anniversary dates of their respective Drawdown Dates (i.e. 16 March 2024 and 28 September 2024 respectively) on a basis of 360 days per annum, and accordingly, interests in the amount of RMB732,000.00 shall accrue on Tranche One and Tranche Two respectively during the said period.

- 3.4 It is further agreed that, all interest accrued on or arising from the Loans in accordance with the terms of the Facility Agreement (as supplemented and revised by the Supplemental Agreement I and this Supplementary Agreement II) and unpaid as of the fourth (4<sup>th</sup>) anniversary dates of their respective Drawdown Dates shall be fully capitalized and added to the amount of the Loans owed under the Facility Agreement (as supplemented and revised by the Supplemental Agreement I and this Supplementary Agreement II) on the same dates. Accordingly, all interest accrued on or arising from Tranche One and unpaid as of 16 March 2024 in the amount of RMB730,027.40 shall be fully capitalized and added to the principal amount of Tranche One owed under this Agreement on 16 March 2024, while all interest accrued on or arising from Tranche Two and unpaid as of 28 September 2024 in the amount of RMB732,000.00 shall be fully capitalized and added to the principal amount of Tranche Two owed under this Agreement on 28 September 2024.
- 3.5 It is further agreed by the Parties that interest shall be accrued at a rate of 5.46% per annum on Tranche One and Tranche Two from the fourth (4<sup>th</sup>) anniversary dates of their respective Drawdown Dates, being 16 March 2024 and 28 September 2024 respectively, on a basis of 360 days per annum.

#### **4. Confirmation of the Facility Agreement**

- 4.1 This Supplemental Agreement II is supplemental to the Facility Agreement (as supplemented and revised by the Supplementary Agreement I) and, save as expressly provided herein, all the provisions of the Facility Agreement (as supplemented and revised by the Supplementary Agreement I) shall remain in full force and effect. Any provision in the Facility Agreement (as supplemented and revised by the Supplementary Agreement I) which is inconsistent with the changes contemplated by or provided in this Supplemental Agreement II shall cease to apply, or as the case may be, be modified accordingly.
- 4.2 The Facility Agreement, the Supplementary Agreement I and this Supplemental Agreement II shall henceforth be read and construed as one document.

#### **5. Provisions by Incorporation**

Clauses 6 (*Costs*), 12 (*Remedies, Waivers, Amendments and Consents*), 13 (*Assignment*), 14 (*Further Assurance*), 15 (*Confidentiality*), 16 (*Severance*), 17 (*Counterparts*), 18 (*Third Party Rights*), 19 (*Notices*) and 20 (*Governing Law and Jurisdiction*) of the Facility Agreement shall be deemed to be incorporated herein *mutatis mutandis* as if they were expressly set out herein.

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IN WITNESS whereof this Supplemental Agreement II has been entered into on the day and year first above written.

**The Borrower**

SIGNED by Zhao Mingxi  
for and on behalf of  
DUGONG IWS HAZ LIMITED  
in the presence of:

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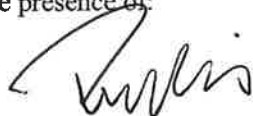


Zhao Chenyu

**The Lender**

SIGNED by Lam King Sang  
for and on behalf of  
IWS ENGINEERING COMPANY  
LIMITED  
in the presence of:

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Ng Sum Yu Phyllis