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阳光油砂

SUNSHINE OILSANDS LTD.

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陽光油砂有限公司*

(a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada with limited liability)

(HKEX: 2012)

WAIVER FROM STRICT COMPLIANCE OF RULES 3.10(1), 3.10A, 3.11 and 3.21

The Board of Directors (the “**Board**”) of Sunshine Oilsands Ltd. (the “**Corporation**” or “**Sunshine**”) (**HKEX: 2012**) announces that following the retirement of Mr. Alfa Li at the annual general meeting of the Company held on June 28, 2023 (Hong Kong time), the Company failed to comply with Rules 3.10(1), 3.10A, 3.11 and 3.21 under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) that the Board must include at least three independent non-executive directors (“**INEDs**”); the number of INEDs must represent at least one-third of the Board; and the audit committee must comprise a minimum of three members.

Since the retirement of the former INED, the Board took considerable time to consult whether there is change of Canadian law and regulations in relation to the composition of the Board. Upon clarification, the Board received several candidates from internal referral.

Interviews were then conducted by the two existing INEDs from the Board for initial screening. The initial screening involves consideration of the candidates’ independence, academic background, working experience and industry knowledge. Shortlisted ones with better knowledge of the Listing Rules and/or Canadian rules were invited to a second-round interview by two or more Directors from the rest of the Board. In-depth discussion was held around the culture of the Company, current operational status and challenges faced by the Company, responsibilities of the INED position, knowledge of the Listing Rules and Canadian rules, and expectation from the Board on the candidate e.g. amount of time to be devoted in performance of the role, collaboration/communication with the Company’s auditors as a member of the audit committee, etc.

**For identification purposes only*

Nevertheless, the Company was not able to get hold the right candidate either because the candidate did not wish to pursue further as he/she wished to devote more time on his/her business engagement, or the other candidate was considered not to be fit and proper given his lack of knowledge of the oil and energy industry, the oil sector in North America in particular.

Given the great difficulties in identifying suitable candidates and the impending expiry of the 3-month period under Rule 3.11 on September 28, 2023, the Company submitted an application to the Stock Exchange applying for a waiver from strict compliance of Rules 3.10(1), 3.10A, 3.11 and 3.21 under the Listing Rules for a period of 3 months to December 29, 2023 (the “**Waiver**”). The Waiver was granted on October 10, 2023.

The Company has some more referral candidates and expected to conduct interviews with them in October. The process may have taken slightly longer than INED-search by other companies as some of the candidates are in North America with time zone differences and some are frequent business travelers.

In addition to the referral candidates for interview upcoming, before making final decision, it is expected that the Company will interview a few more potential candidates after searching and screening.

The Board is fully aware of the urgent need for an INED to be on board and will speed up the whole process for identifying suitable candidates. The Company will issue proper announcement reporting the new appointment immediately upon selection of the suitable candidate.

By Order of the Board of Sunshine Oilsands Ltd.
Kwok Ping Sun
Executive Chairman

Hong Kong, October 12, 2023
Calgary, October 12, 2023

As at the date of this announcement, the Board consists of Mr. Kwok Ping Sun and Ms. Gloria Pui Yun Ho as executive directors; Mr. Michael John Hibberd, Ms. Linna Liu and Ms. Xijuan Jiang as non-executive directors; and Mr. Yi He and Mr. Guangzhong Xing as independent non-executive directors.