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阳光油砂
SUNSHINE OILSANDS LTD.

SUNSHINE OILSANDS LTD.
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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUANCE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE – ANNOUNCEMENT ON PROFIT FORECAST

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

Hong Kong, September 9, 2025
Calgary, September 9, 2025

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. Xijuan Jiang and Mr. Yonglan Chen as non-executive directors; and Mr. Yi He, Mr. Guangzhong Xing and Ms. Jue Pang as independent non-executive directors.

**For identification purposes only*

Reference is made to the announcement of Sunshine Oilsands Ltd. (the ''**Company**'') dated 19 August 2025 (Hong Kong time) (the ''Announcement'') in relation to the Acquisition of 51% Equity Interests in the Target Company involving Issuance of Consideration Shares under Specific Mandate. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, in determining the Consideration, the Company made references to, among other things, the valuation of the Target Company as at 1 August 2025 based on the preliminary valuation results of LCH (Asia-Pacific) Surveyors Limited, (the ''**Valuer**''), an independent professional valuer. In performing the valuation of the Target Company, discounted cashflow valuation ("**DCF**") approach was applied which involves discounting of future estimated cash flow of the Target Company and therefore constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is made in compliance with Rule14.60A of the Listing Rules.

For the purpose of Rule 14.60A(1) of the Listing Rules, set out below are details of the principal assumptions (the ''**Assumptions**''), including commercial assumptions, upon which the valuation of the Target Group was based.

Summary of the Valuation Report

Pursuant to the report dated 19 August 2025 prepared by the Valuer on the indicative fair market valuation of the Target Company as at 1 August 2025 (the "Valuation Report"), the Valuer has considered the applicability of vast asset valuation approaches, and was of the view that it is appropriate to consider the results of a discounted cash flow method under the income approach, when forming their view on an appropriate valuation range for Target Company. The discounted cash flow method relies on projections which predict the future cash flows of Target Company based on assumptions about Target Company's future performance. Other valuation approach such as the market approach may not be as appropriate given that the Target Company is a private company with relatively short operating history.

Discounted Cashflow ("DCF") valuation

The Valuer has relied on the financial projection of the Target Company for the forecasting period, then adopted a long-term growth of 2% (per annum) onward to assume the business will continue grow constantly. The key assumptions of the valuation is set out below:

(i) Discount rate

The discount rate was selected based on, amongst others, (a) the required rate of return of comparable companies; (b) the capital structure of comparable companies; (c) the cost of equity derived from applying the capital asset pricing model ("CAPM"), where the Valuer took into account a number of factors including (1) risk free rate; (2) equity market risk premium; and (3) equity and asset betas of broadly comparable companies; (d) company specific risks; and (e) market conditions as at the valuation date.

In estimating beta in the valuation, the Valuer has adopted the market-derived beta using the market data of a group of selected company.

The selection criteria of the guideline companies were as follows:

- the companies have certain exposures on district heating and/or cooling businesses;
- the financial information of the companies is available; and
- the companies have sufficient listing and operating history.

After adjustments, the Valuer has adopted a (relevered) beta of 0.869, a risk-free rate of 1.7% and a market premium of 8.2% and the cost of equity adopted in this valuation was approximately 11.5%.

The risk-free rate and market premium is based on the China 10-Year Government Bond Yield and average return of the China stock market as of the Valuation Date, sourced from S&P Capital IQ Pro.

(ii) Long-term Growth Rate

The Valuer is given to understand that the Target Company is only expected to have a minimal and stable growth in the foreseeable future. Therefore, they have adopted long-term growth rate of 2% making reference to the CPI growth of the China in the long run, sourced from Bloomberg.

(iii) Tax Rate

Standard Corporate income tax rate in China of 25% was adopted.

(iv) Investment in working capital

As the Valuer assumes that the Target Company is only expected to have a minimal and stable growth in the foreseeable future. Therefore, the Company is not expected to put in a significant amount of investment in working capital. Therefore, it would be reasonable to expect the Net working capital will be reminded at a stable level of 5% as of its annual revenue.

(v) Fixed capital investment

Based on the Target Company's business model (light asset model without doing any construction), the Valuer assumes that the Target Company will not make any Fixed capital investment in the foreseeable future.

To arrive at the valuation as the company is a private company, the Discount of Lack of Marketability ("DLOM") of 26% is applied. The DLOM adopted is estimated with reference to different reliable sources including Mergerstat review by Factset and Stout Restricted Stock Study Companion Guide' by Stout Risius Ross, LLC.

Result of valuation

Based on the abovementioned methodology, assumptions and input, the Valuer concluded that as at Benchmark Date, the value for full equity of the Target Company to be HKD100,000,000. Hence the value of 51% of the equity interest of the Target Company is HKD51,000,000.

General assumptions

1. The Valuation assumes that the external economic environment as at the Valuation Benchmark Date remains unchanged and the country's current macroeconomic situation does not undergo major changes;

2. It is assumed that there will be no significant changes in the main business, revenue and cost composition of the valuation subject in the future projection periods; and

3. The Valuation assumes that the basic information and financial information provided by the entrusting party and the appraised entity are true, accurate and complete.

The Board has reviewed the Assumptions and is of the view that the profit forecast was made after due and careful enquiry. Prism Hong Kong Limited, the reporting accountant of the Company, has performed an assurance engagement on the profit forecast. The discounted cash flows do not involve the adoption of accounting policies. Pursuant to Rules 14.60A(2) - (3) of the Listing Rules, the letters from Prism Hong Kong Limited and the Board are included in Appendix I and Appendix II, respectively, to this announcement.

Set forth below is the qualifications of Prism Hong Kong Limited:

Name	Qualification
Prism Hong Kong Limited	Certified Public Accountants

As at the date of this announcement, Prism Hong Kong Limited has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualification) in the form and context in which they are included.

As of the date of this announcement, Prism Hong Kong Limited does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As Completion is subject to the fulfilment of the Condition under the Equity Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Appendix I

The following is the text of the report dated 9 September 2025 from Prism Hong Kong Limited, prepared for inclusion in this announcement.

9 September 2025

The Board of Directors
Sunshine Oilsands Limited
20/F., Two Chinachem Central,
No. 26 Des Voeux Road Central,
Central,Hong Kong

Report on the calculations of discounted future estimated cash flow forecast in connection with the valuation of the 51% equity interests in Nobao Technology Co., Limited

To the board of directors of Sunshine Oilsands Limited (the "Company")

We have examined the calculations of the discounted future estimated cash flow forecast on which the valuation dated 19 August 2025 prepared by LCH (Asia-Pacific) Surveyors Limited in respect of 51% equity interests in Nobao Technology Co., Limited (挪寶科技有限公司) (the "Target Company") as at 1 August 2025 is based (the "Valuations"). The Valuations based on the discounted future estimated cash flow forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and reference to the Valuations will be included in an announcement dated 9 September 2025 issued by the Company in connection with acquisition of the 51% equity interests in the Target Company (the "**Announcement**").

Directors' responsibilities

The directors of the Company (the "**Directors**") are solely responsible for the reasonableness and validity of the assumptions as set out in the Announcement (the "**Assumptions**"), based on which the discounted future estimated cash flow forecast and the Valuations are prepared.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

It is our responsibility to form an opinion on the calculations of the discounted future estimated cash flow forecast on which the Valuations is based and to report sole to you, as a body, as required by paragraph 14.60A(2) of the Listing Rules, and for no other purpose. The discounted future estimated cash flow forecast does not involve the adoption of accounting policies. We do not assume responsibility towards or accept liability to any other person in respect of, arising out of or in connection with our work.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the discounted future estimated cash flow forecast in accordance with the Assumptions.

Our work does not constitute any valuation of the 51% equity interests of the Target Company. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuations and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, discounted future estimated cash flow forecast, so far as the calculations are concerned, have been properly compiled, in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Prism Hong Kong Limited
Certified Public Accountants

Hong Kong

Appendix II

The following is the text of the letter dated 9 September 2025 from the Board prepared for inclusion in this announcement.

9 September 2025

To: The Listing Division

The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Dear Sirs,

Re: Discloseable and Connected Transaction — the Acquisition of 51% Equity Interests in the Target Company involving Issuance of Consideration Shares under Specific Mandate

Reference is made to the announcement of Sunshine Oilsands Ltd. (the ''**Company**'') dated 19 August 2025 (the ''**Announcement**'') in relation to the Acquisition of 51% Equity Interests in the Target Company involving Issuance of Consideration Shares under Specific Mandate. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, in determining the Consideration, the Company made references to, among other things, the valuation of the Target Group as at 1 August 2025 based on the preliminary valuation results of LCH (Asia-Pacific) Surveyors Limited, (the ''**Valuer**''), an independent professional valuer, using the income approach with discounted cash flow (''**DCF**'') valuation. The DCF valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Board has (i) reviewed the basis and the Assumptions (as defined in the announcement of the Company dated the even date); (ii) reviewed the report to the Board from the Valuer regarding the calculations of the DCF valuation; (iii) reviewed the relevant work conducted by Valuer in relation to the DCF valuation and (iv) considered the report from the Company's reporting accountant, Prism Hong Kong Limited, regarding the calculations of the DCF valuation.

Based on the above, the Board confirms that the profit forecast in the aforesaid DCF valuation has been made after due and careful enquiry.

The Board of Directors
Sunshine Oilsands Ltd.

ABOUT SUNSHINE OILSANDS LTD.

The Company is a Calgary based public corporation, listed on the Hong Kong Stock Exchange since March 1, 2012. The Company is focused on the development of its significant holdings of oil sands and heavy oil leases in the Athabasca oil sands region. The Company owns interests in oil sands and petroleum and natural gas leases in the Athabasca region of Alberta. The Company is currently focused on executing milestone undertakings in the West Ells project area. West Ells Phase 1 is operational and has an initial production target of 5,000 barrels per day.

For further enquiries, please contact:

Kwok Ping Sun
Executive Chairman
Tel: + 852-3188-9298

Email: investorrelations@sunshineoilsands.com
Website: www.sunshineoilsands.com

FORWARD LOOKING INFORMATION

This announcement contains forward-looking information relating to, among other things, (a) the future financial performance and objectives of Sunshine; (b) the plans and expectations of the Company; and (c) the anticipated closings of the current private placements and the timing thereof. Such forward-looking information is subject to various risks, uncertainties and other factors. All statements other than statements and information of historical fact are forward-looking statements. The use of words such as “estimate”, “forecast”, “expect”, “project”, “plan”, “target”, “vision”, “goal”, “outlook”, “may”, “will”, “should”, “believe”, “intend”, “anticipate”, “potential”, and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on Sunshine’s experience, current beliefs, assumptions, information and perception of historical trends available to Sunshine, and are subject to a variety of risks and uncertainties including, but not limited to, those associated with resource definition and expected reserves and contingent and prospective resources estimates, unanticipated costs and expenses, regulatory approval, fluctuating oil and gas prices, expected future production, the ability to access sufficient capital to finance future development and credit risks, changes in Alberta’s regulatory framework, including changes to regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon and other laws or regulations and the impact thereof and the costs associated with compliance. Although Sunshine believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this announcement are not exhaustive and readers are not to place undue reliance on forward-looking statements as the Company’s actual results may differ materially from those expressed or implied. Sunshine disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this announcement, except as required under applicable securities legislation. The forward-looking statements speak only as at the date of this announcement and are expressly qualified

by these cautionary statements. Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. For a full discussion of the Company's material risk factors, see risk factors described in other documents we file from time to time with securities regulatory authorities, all of which are available on the Hong Kong Stock Exchange's website at www.hkexnews.hk or the Company's website at www.sunshineoilsands.com.