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If you are in doubt *as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.*

If you have sold or transferred *all your shares in* ***Sunshine Oilsands Ltd****., you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.*

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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阳光油砂

SUNSHINE OILSANDS LTD.

陽光油砂有限公司*

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

(HK stock code: 2012)

270, 333 24th Avenue SW
Calgary, AB, T2S 3E6
Canada
Telephone: 1-403-984-1450

PROPOSED ADOPTION OF SHARE AWARD SCHEME

AND

NOTICE OF SPECIAL MEETING

Meeting Date: March 27, 2026 at 11:30 a.m. (Hong Kong time) /

March 26, 2026 at 9:30 p.m. (Calgary time)

March 5, 2026

** for identification purpose only*

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DEFINITIONS

In this circular, unless the context otherwise requires, capitalized terms used shall have the following meanings:

"Acceptance Period"	the period to be set out in the letter of grant during which the grant of Awards will be open for acceptance by the Selected Participant and this period cannot be longer than thirty Business Days from the date of the letter of grant
"Adoption Date"	the date on which the Share Award Scheme is approved by the Shareholders at the SM
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Award(s)"	award(s) of the Awarded Shares by the Board to a Selected Participant
"Awarded Share(s)"	in respect of a Selected Participant, such number of Shares granted or to be granted under the Scheme
"Board"	the board of Directors of the Company
"Business Day"	any day on which the Stock Exchange in open for the business of dealing in securities
" Articles of Incorporation and By-laws"	the Articles of Incorporation and By-laws of the Company, as amended from time to time
"Compensation Committee" or "Committee"	the Compensation Committee of the Company
"Company"	Sunshine Oilsands Ltd, a corporation incorporated under the Business Corporations Act of the Province of Alberta, Canada, the Shares of which are listed on the Main Board of the Stock Exchange
"Control"	the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise
"close associates(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Eligible Participant(s)"	the individuals or entities who or which participate in the Share Award Scheme, who could be (i) an Employee Participant; (ii) a Related Entity Participant; or (iii) a Service Provider Participant
"Employee Participant(s)"	director(s) and employee(s) of the Employer, including persons who are granted Awards as an inducement to enter into employment contracts with the Employer but excluding an employee or a Director who has submitted his/her resignation or whose contract of employment has been terminated (summarily dismissed or otherwise) by his/her Employer, and excluding any Independent Non-Executive Director of the Company

"Employer"	in relation to (i) an Employee Participant, the Company and/or any member of the Group including wholly and non-wholly owned subsidiaries of the Company which employs or has appointed him/her and (ii) in relation to a Related Entity Participant, the Related Entity
"Grant Date"	when an Award has been accepted by the Selected Participant according to the Share Award Scheme and a letter of grant, the date of such letter of grant in respect of the accepted Award
"Grantee"	means a Selected Participant who has accepted the grant of an Award
"Group"	the Company and its subsidiaries, and "member of the Group" means any or a specific one of them
"HK$"	Hong Kong Dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	February 27, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Personal Representative(s)"	the person or persons who, according to the laws of succession applicable in respect of the death of an individual, is or are entitled to deal with the property of that individual
"Related Entity"	any holding company, fellow subsidiary or associated company of the Company
"Related Entity Participant(s)"	any Director or employee of any Related Entity
"Selected Participant(s)"	any Eligible Participant who is notified by the Board that he/she is eligible to participate in a grant of awards under the Share Award Scheme
"Scheme" or "Share Award Scheme"	the share award scheme proposed to be adopted by the Company
"Share(s)"	Class A common voting shares of the Company
"Shareholder(s)"	holder of Shares
"Share Award"	any award granted under the Scheme, which involve Shares granted or to be granted under the Scheme to Eligible Participant subject to vesting and other conditions specified thereto
"SM" or "Special Meeting"	the special meeting of the Company to be convened and held for the purposes of considering and, if thought fit, approving the resolution(s) contained in the notice of the SM or any adjournment thereof
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"treasury shares"	has the meaning ascribed to it under the Listing Rules; and for the purposes of the Scheme, references to new shares include treasury shares, and references to the issue of shares or securities include the transfer of treasury shares
"Trust Deed"	the trust deed as may be entered into by the Company as settlor and the Trustee as trustee (as amended, restated, supplemented or otherwise modified from time to time) in respect of the appointment of the Trustee for the administration of the Share Award Scheme
"Trustee"	the trustee as may be appointed by the Company from time to time for the administration of the Share Award Scheme

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SUNSHINE OILSANDS LTD.

陽光油砂有限公司*

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

(HK Stock Code: 2012)

NOTICE OF SPECIAL MEETING

TO BE HELD AT 11:30 A.M. ON MARCH 27, 2026 (HONG KONG TIME) AND 9:30 P.M. ON MARCH 26, 2026 (CALGARY TIME)

NOTICE IS HEREBY GIVEN that a special meeting (the "**SM**", the "**Special Meeting**" or the "**Meeting**") of the holders (the "**Shareholders**") of Class "A" Common Voting Shares (the "**Shares**") of Sunshine Oilsands Ltd. ("**Sunshine**" or the "**Company**") will be held at 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong on March 27, 2026 at 11:30 a.m. (Hong Kong Time) / March 26, 2026 at 9:30 p.m. (Calgary Time), for the purpose of considering and, if thought fit, passing the following resolution(s) with or without amendments, as ordinary resolution(s) of the Company.

Capitalized terms used herein without definition shall have the same meanings as in the circular issued by the Company dated March 5, 2026 (the "**Circular**"), unless the context otherwise requires:

ORDINARY RESOLUTION(S)

1. "BE IT RESOLVED:

1. **THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares (including treasury shares) issued or to be issued in respect of the Awarded Shares to be granted under the Share Award Scheme, a copy of which is tabled at the meeting and marked "**A**" and initialed by the Chairman of the meeting for identification purpose, the Share Award Scheme be and is hereby approved and adopted; and any Director of the Company and/or his/her delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Award Scheme, including but without limitation:

** for identification purpose only*

i) administering the Share Award Scheme under which Awarded Shares will be granted to Eligible Participants (as defined under the Share Award Scheme) under the Share Award Scheme;

ii) modifying and/or amending the Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Award Scheme relating to modification and/or amendment and subject to Chapter 17 of the Listing Rules;

iii) granting Award Shares under the Share Award Scheme and allotting and issuing from time to time such number of Shares as may be required to be allotted and issued in respect of the Awarded Shares to be granted under the Share Award Scheme and subject to the Listing Rules;

iv) making application at the appropriate time or times to the Stock Exchange, and any other stock exchange upon which the issued Shares of the Company may for the time being be listed, for the listing of, an permission to deal in, any Shares that may hereafter from time to time be allotted and issued in respect of the Awarded Shares to be granted under the Share Award Scheme and subject to the Listing Rules; and

v) consenting, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Award Scheme and subject to the Listing Rules;

2. **THAT** the total number of Shares which may be issued in respect of all Awards to be granted under the Share Award Scheme and any other schemes of the Company must not in aggregate exceed 10% (or such other lower percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Mandate Limit;

3. **THAT** the total number of Shares which are subject to grants under the Share Award Schemes and any other schemes of the Company to such person made in the 12-month period up to and including the date of such grant representing in aggregate not over 1% of the total number of Shares in issue as at the Adoption Date or the relevant date of approval of the refreshment of the Mandate Limit; and

4. **THAT** conditional upon the passing of the resolutions above, the Service Provider Sublimit not exceed 40% of the Scheme Mandate Limit as at the Adoption Date or the relevant date of approval of the refreshment of the Mandate Limit."

Time and venue of the Special Meeting

The Special Meeting will be held and started at 11:30 a.m. on March 27, 2026 (Hong Kong time) / at 9:30 p.m. on March 26, 2026 (Calgary time) at 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong.

Registered Shareholders

If you hold Shares in your own name, you are a registered shareholder of the Company (''**Registered Shareholder**''). As a Registered Shareholder, if you are unable to attend the Special Meeting in person and wish to ensure that your Shares are voted at the Special Meeting, you must complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular. Such form of proxy is also published on the HKEX news' website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.sunshineoilsands.com.

Beneficial Shareholders

If your Shares are held in an account with a brokerage firm or an intermediary (i.e. a broker, investment firm, clearing house or a similar entity), you are a beneficial shareholder of the Company (''**Beneficial Shareholder**''). Beneficial Shareholders should follow the instructions set out in the voting instructions form or other form of proxy provided by your intermediaries to ensure that your Shares will be voted at the Special Meeting.

Record Date

All Registered Shareholders as at 4:30 p.m. on February 26, 2026 (Hong Kong Time) and 4:30 p.m. on February 26, 2026 (Calgary time), as the case may be (the ''**Record Date**''), may vote in person at the Special Meeting or any adjournments thereof, or they (including a Beneficial Shareholder) may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place.

Delivery of Proxy

Shareholders who receive this Circular and other accompanying meeting materials from the Company's branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited, and who are unable to present at the Special Meeting are requested to date and sign the enclosed form of proxy and return it to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in the enclosed envelope provided for that purpose.

Shareholders who receive this Circular and other accompanying meeting materials from the Company's share registrar in Canada, being Odyssey Trust Company, and who are unable to present at the Special Meeting are requested to date and sign the enclosed form of proxy and return it to the Proxy Department of Odyssey Trust Company at Suite 1100 Trader's Bank Building, 67 Yonge St, Toronto, ON M5E 1J8, in the enclosed envelope provided for that purpose.

In order to be valid, the Proxy must be completed, signed, dated and deposited, as applicable:

(a) if the Shareholder is on the Hong Kong register, at the office of the Company's share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell
(b) Centre, 183 Queen's Road East, Wan Chai, Hong Kong, during regular business hours, at least 48 hours before the Special Meeting (Hong Kong time) excluding Saturdays, Sundays and public holidays in Hong Kong (i.e. 11:30 a.m. on March 25, 2026 (Hong Kong time) prior to the time of the Meeting or any adjournment thereof) or, deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting; or

(c) if the Shareholder is on the Canada register, at the office of the proxy department of Odyssey Trust Company, at Suite 1100 Trader's Bank Building, 67 Yonge St, Toronto, ON M5E 1J8, during regular business hours, by no later than 48 hours before the Special Meeting (Toronto time) excluding Saturdays, Sundays and public holidays in Toronto (i.e. 4:30 p.m. on March 24, 2026 (Toronto time)) prior to the time of the Meeting or any adjournment thereof.

Results of the Special Meeting

The votes to be taken at the Special Meeting will be taken by poll, the result of which will be published on the websites of the Company and the Stock Exchange after the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS
SUNSHINE OILSANDS LTD.

(signed) ''*Kwok Ping Sun''*
Kwok Ping Sun
Executive Chairman

Calgary, Alberta, March 5, 2026
Hong Kong, March 5, 2026

Notes:

1. *Any shareholder entitled to attend and vote at the Special Meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of his/her/it. A shareholder who is the holder of two or more Shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder of the Company but must be present in person at the Meeting to represent the Shareholder. Completion and return of the form of Proxy will not preclude a Shareholder from attending the Meeting and voting in person. In such event, his/her/its form of Proxy will be deemed to have been revoked.*

2. *The proxy must be dated and must be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized. A copy of such authorization should accompany the proxy. Persons signing as executors, administrators, trustees, etc. should so indicate. If this Proxy is not dated, it shall be deemed to bear the date on which it was mailed to the Shareholder by the Company.*

3. *Where there are joint holders of any Share, any one of such joint holders may appoint the chair of the Special Meeting to vote, in respect of such Share as if he/she/it was solely entitled thereto.*

As at the date of this notice, 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.



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270, 333 24th Avenue SW
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Telephone: 1-403-984-1450

March 5, 2026

To the Shareholders of the Company

Dear Sir / Madam,

PROPOSED ADOPTION OF SHARE AWARD SCHEME
AND
NOTICE OF SPECIAL MEETING

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information and to seek their approval, inter alia, the proposed adoption of the Share Award Scheme. A notice of the Special Meeting containing the resolutions to be proposed at the Special Meeting is set out in this circular.

** for identification purpose only*

ADOPTION OF SHARE AWARD SCHEME

Post IPO Share Option Scheme

The Company adopted the Post IPO Share Option Scheme on January 26, 2012 (the "Share Option Scheme"). The purpose of the Share Option Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Company and to motivate them to strive for the future development and expansion of the Company by providing them with the opportunity to acquire equity interests in the Company.

As at the Latest Practicable Date, the Share Option Scheme expired, and the Company had no other subsisting share option schemes or share schemes.

Proposed Adoption of the Share Award Scheme

The purpose of the Share Award Scheme is to provide incentives and retain Eligible Participants by providing them with an opportunity to obtain an ownership interest in the Company, thereby aligning their interests with those of the Shareholders and contributing to the long-term development of the Group.

Conditions

The adoption of the Share Award Scheme is conditional upon the fulfillment of the following conditions:

(a) the passing of ordinary resolution(s) in relation to the Share Award Scheme by the Shareholders at the Special Meeting; and

(b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares which may be issued in respect of all Share Awards to be granted under the Share Award Scheme.

As at the Latest Practicable Date, none of the above conditions have been satisfied. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued upon the vesting of the Awards under the Share Award Scheme.

As at the Latest Practicable Date, the Company plans to grant Awards under the Share Award Scheme shortly after its adoption. The Company will make further announcement(s) in compliance with the Listing Rules in due course.

Eligible Participants and Eligibility

The Eligible Participants comprise (i) the Employee Participants, (ii) the Related Entity Participants and (iii) the Service Provider Participant, with the approval of the Board or the Scheme Administrator

I. Employee Participant, being a director or any employee (whether full time or part time) of the Company or any of its subsidiaries (including person who are granted Awards under any Share Award Schemes or any other schemes of the Company as an inducement to enter into employment contracts with the Company and/or any of its subsidiaries);

II. Related Entity Participants, being directors and/or employee (whether full time or part time or other employment relationship) of the Company, fellow subsidiaries or associated companies of the Company;

III. Service Provider Participant, who falls under the following category or categories or who may meet with the eligibility criteria below ("Service Provider(s)"):

(aa) logistics service provider who/which provide logistics services for the businesses conducted by the Group from time to time. Such services provider shall work the number of hours that are the pro-rata equivalent of 20% or more of a comparable full-time position and in the opinion of the Directors, the continuity and frequency of their services are akin to employees of the Group;

(bb) engineering or technical provider for specific projects: independent contractors/advisors who/which provide repair and maintenance services, drilling and engineering services, construction and installation services, environment monitoring services directly related to the business of the Group.

Eligibility of any of the Eligible Participants to an Award shall be determined by the Board or the Committee in its absolute discretion from time to time on the basis of the Board's or the Committee's opinion as to matters including but not limited to his contribution and/or future contribution to the development and growth of the Group. Generally:

i) in assessing the eligibility of Employee Participant, the Board or the Committee will consider all relevant factors as appropriate, including, without limitation, the individual's (aa) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (bb) length of employment or engagement with the Group; and (cc) contribution or potential contribution to the development and growth of the Group;

ii) in assessing the eligibility of Related Entity Participant, the Board will consider all relevant factors as appropriate, including, without limitation, (aa) the degree of his involvement in and/or cooperation with the Group; (bb) the length of collaborative relationship established with the Group; (cc) the amount of support, assistance, guidance, advice, efforts and contributions he has given or is likely to give towards the success of the Group; and (dd) his participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group;

iii) in assessing the eligibility of Service Provider, the Board will consider all relevant factors as appropriate, including, among others (aa) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Service Provider has established or will establish with the Group; (bb) the individual performance of the Service Provider; (cc) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (dd) the track record in the quality of services provided to the Group; (ee) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider; and (ff) the amount of support, assistance, guidance, advice, efforts and contributions the Service Provider gave or is likely to give or make towards the success of the Group in the future; and

iv) in assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and the type of services provided and the recurrences and regularity of such services and the objectives in engaging such Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board shall take into consideration the nature of the services provided to the Group by such Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

Based on the above, the Board (including the Independent Non-Executive Directors) considers that (i) the basis of determination of the eligibility of Eligible Participants aligns with the purposes of the Share Award Scheme because it will enable the Group to preserve its cash resources and use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company of the one part and the Employee Participants, Related Entity Participants and Service Providers of the other part, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group; (ii) the inclusion of the proposed categories of Service Providers as non-employee participants are in line with the Group's business needs and the industry norm of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (iii) the criteria for selection of Eligible Participants as set out above and the discretion afforded to the Board to impose different terms and conditions (including performance targets (if any) and vesting conditions) on Awards granted to such selected Eligible Participants, is appropriate and in the interest of the Company and the Shareholders as a whole, and would enable the purpose of the Share Award Scheme to be achieved.

Administration

The Share Award Scheme shall be administered by the Scheme Administrator (the "Scheme Administrator"), being either the Board and/or any committee of the Board or other person to whom the Board has delegated its authority to administer the Share Award Scheme.

As at the Latest Practicable Date, no Trustee has been appointed under the Shares Award Scheme. The Company may enter the Trust Deed with the Trustee, if necessary. It is expected that none of the connected persons at the Company's level will be the Trustee of the Share Award Scheme nor will they have a direct or indirect interest in the Trustee.

Vesting Period

The vesting period of Awards granted to the Eligible Participants shall not be less than 12 months from the date of grant, unless otherwise permitted under the Listing Rules and this scheme. Awards granted to Employee Participants may be subject to a shorter vesting period under the following specific circumstances:-

(a) grants of "make whole" Awards to new Employee Participants to replace Share Awards or options such Employee Participants forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

(c) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants of Awards the timing of which is determined by administrative, or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirement;

(e) grants of Awards with a mixed or accelerated vesting schedule such that the Awards vest evenly over a period of 12 months; or

(f) grants of Awards with a total vesting and holding period of more than 12 months.

The Board considers that the flexibility to provide accelerated vesting schedules under those circumstances is appropriate to allow the provision of a more competitive remuneration package to attract or further incentivize the Employee Participants and the vesting period aligns with the purpose of the Share Award Scheme.

Performance targets

After the Board or the Committee has decided to select an Eligible Participant to be offered with the grant of an Award under the Share Award Scheme, the Board or the Committee shall notify the Selected Participant of such offer by a written notice (the ''Grant Notice'') and the Board or the Committee shall specify in the Grant Notice, among other things, the conditions including performance targets, if any, which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) the key performance indicators of the Selected Participant's departments and/ or business units, and the Selected Participant's position key performance indicators relevant to his roles and responsibilities and/or its annual appraisal results (in respect of Employee Participants); and/or (iv) the Selected Participant's contribution to the Group's financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement) (in respect of Related Entity Participants and Service Provider Participants), that must be duly fulfilled before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

During the Vesting Period, in respect of any performance targets as may be specified by the Board or the Committee in the Grant Notice that must be fulfilled before the Award may be vested in the relevant Grantee in respect of the relevant Award Shares, the Board or the Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Committee, including the comparison of the performance of the Group and/or the individual performance of the Grantee with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled. If the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by the Grantee as specified in the related Grant Notice has not been duly fulfilled, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules.

The Share Award Scheme sets out the qualitative description of possible performance targets related to financial and non-financial parameters of the Group and/or key performance indicators allows discretion for the Board or the Committee to determine whether any performance targets will be specified in respect of each Award on a case-by-case basis, for the purpose of motivating Selected Participants to strive for the future development and expansion of the Group.

The Board considers that it is more beneficial for the Company to have flexibility to determine whether and to what extent any performance targets will be attached to each Award in light of the specific circumstances of each Selected Participant/the Company and market conditions at the time of the grant.

Purchase price

Unless otherwise determined by the Board or the Committee in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to pay any grant or purchase price or make any other payment to the Company for accepting an offer of the Award granted, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares. The Board considers that it is consistent with the purpose of the Share Award Scheme for the Company to retain discretion to consider the purchase price, if any, for an Award and the underlying Award Shares so that meaningful reward may be provided to Selected Participants in recognition of their contribution or potential contribution to the Group.

Scheme Mandate Limit and Service Provider Sublimit

The Share Award Scheme is funded by the issuance of new Shares (or new securities including treasury shares) by the Company. The maximum number of new Shares issuable under the Share Award Scheme and any other schemes (the "Scheme Mandate Limit") shall not exceed 10% of the issued share capital of the Company (excluding treasury shares) as at the date of the approval of the Share Award Scheme by the Shareholders.

As at the Latest Practicable Date, there were 711,354,444 Shares in issue. Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the maximum number of new Shares issuable under the Share Award Scheme and any other scheme in aggregate will be 71,135,444 Shares, being 10% of the total number of Shares in issue as at the Latest Practicable Date.

Where the participants of the Scheme include Service Provider, the Service Provider sublimit must be set within the Scheme Mandate Limit. Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Awards to be granted to the Service Provider under this Scheme shall not exceed 40% of the Scheme Mandate Limit (the "Service Provider Sublimit"). The Service Provider Sublimit is subject to separate approval by the Shareholders at general meeting.

The basis for determining the Service Provider Sublimit includes the expected contributions to the success of the Company by Service Providers, the extent of use of Service Providers in the Group's businesses, and the fact that there are no other share incentive schemes of the Group involving the grant of awards or options over new Shares to Service Providers. The Service Provider Sublimit would provide the Group with flexibility to provide equity incentives to reward and incentivize Service Providers engaged under consultant contracts whose continuity and frequency of services are akin to those of employees. In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that the Share Award Scheme is attractive and provides sufficient incentives to Service Providers on which the Group relies on a continuing or recurring basis in its ordinary and usual course of business.

The Board is of the view that the Service Provider Sublimit is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and in line with market practice of the companies listed on the Stock Exchange, given the Group's expected business needs, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the Share Award Scheme.

Subject to compliance with the relevant requirements as set out in the Listing Rules, the Company may seek separate approval by the Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit provided that, the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.

Others

(a) The Board may provide in the Grant Notice that any Award prior to it being vested in such Grantee in respect of all or a proportion of the Award Shares may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in subparagraph (b) below shall occur.

(b) In respect of any Award which is performance linked, if any, of the following events ("Clawback Event") shall occur during a Vesting Period:

    (i) the Grantee commits any Misconduct(s); or

    (ii) if an Award or the vestitrustng of any Award is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner, the Board may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Awards (to the extent not being vested) granted as the Board may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Awards (to the extent not being vested) to such longer period as the Board may consider appropriate.

The above clawback mechanism applies to unvested Awards only.

The Share Award Scheme provides for a clawback mechanism which sets out the circumstances in which the unvested Awards to a Grantee shall, among others, automatically lapse forthwith in the event that, among other things, the Grantee commits any misconduct (details of which are set out in Appendix to this circular). The Board considers that such a mechanism aligns with the purpose of the Share Award Scheme as it would not be beneficial to the Group for the Grantee to continue to benefit from the unvested Awards under the circumstances that would trigger the clawback mechanism.

The Company has sought legal advice on the applicability of the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Ordinance"). As advised by the Hong Kong legal advisers of the Company, the Directors understand that whilst the Share Award Scheme is not restricted to executives and employees of the Group, the adoption of the Share Award Scheme would not constitute an offer to public and prospectus requirements under the Ordinance is not applicable. The Company will comply with the relevant requirements under the Ordinance when granting Awards to the Eligible Participants.

In the event that any grant under the Share Award Scheme: (i) will result in the Award Shares issued or to be issued to any Eligible Participant (excluding any Awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the class of Shares of the Company in issue (excluding treasury shares) (i.e. 7,113,544 Shares); and/or (ii) will result in the Award Shares (excluding grant of options) granted to any Eligible Participant who is a Director (other than an Independent Non-Executive Director) or chief executive of the Company, or any of their associates, would result in the Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in any 12-month period up to and including the date of grant, representing in aggregate over 0.1% of the relevant class of

Shares in issue (excluding treasury shares) of the Company (i.e.711,354 Shares), the Company will comply with the relevant requirements under Chapter 17 of the Listing Rules and obtain the prior approval of the Shareholders for such further grant of Awards in general meeting.

SPECIAL MEETING

A notice convening the Special Meeting to be held at 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong on March 27, 2026 at 11:30 a.m. (Hong Kong time) / March 26, 2026 at 9:30 p.m. (Calgary time) is set out in this circular for the purpose of considering and, if thought fit, passing the ordinary resolution(s) in relation to the proposed adoption of the Share Award Scheme.

To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution(s) regarding the proposed adoption of the Share Award Scheme at the Special Meeting.

Full text of the ordinary resolutions to be proposed at the Special Meeting is set out in the **"Notice of Special Meeting"** below, will be determined by way of poll by the Shareholders.

A form of Proxy for use at the Special Meeting is enclosed with this circular. You are requested to complete the enclosed form of Proxy in accordance with the instructions printed thereon and return the same as soon as possible to the Company's principal share registrar in Canada, being Odyssey Trust Company, Proxy Department at Suite 1100 Trader's Bank Building, 67 Yonge St, Toronto, ON M5E 1J8, or the Company's branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, during regular business hours and in any event not less than 48 hours (excluding Saturdays, Sundays and public holidays in Hong Kong and/or Toronto) before the time appointed for the holding of the Special Meeting or any adjournment thereof.

RECORD DATE

All Registered Shareholders as at 4:30 p.m. on February 26, 2026 (Hong Kong time) and 4:30 p.m. on February 26, 2026 (Calgary time), as the case may be, being the record date, should vote through submitting a proxy to appoint the chair of the Special Meeting or any adjournments thereof, as their proxy to attend and vote in their place.

GENERAL PROXY INFORMATION

(a) Solicitation of Proxies

This circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company for use at the Special Meeting or any adjournments thereof for the purposes set out in the notice of SM accompanying this circular.

The cost of this solicitation of proxies is borne by the Company. It is expected that the solicitation will be primarily by mail, but proxies or votes or voting instructions may also be solicited personally or by telephone, facsimile, e-mail, or other means of communication by the Directors, officers and regular employees of the Company.

(b) Voting at the SM

Registered Shareholders should vote their Shares at the SM through appointing the chair of the SM to act as their proxy and vote in their place, as described below under the paragraph headed "Proxy Information for Registered Shareholders".

Beneficial Shareholders must follow the procedures described below under the paragraph headed "Proxy Information for Beneficial Shareholders" to exercise their voting rights.

(c) Proxy Information for Registered Shareholders

If you hold Shares in your own name, you are a registered shareholder of the Company ("Registered Shareholder"). Such form of proxy is also published on the HKExnews' website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sunshineoilsands.com.

Appointment of Proxy Holder

A proxy is a document that authorizes someone else to attend the SM and cast the votes for a Registered Shareholder. The accompanying form of proxy (the "Proxy") is the form proxying the chair of the SM to vote on behalf of the Registered Shareholder.

A Proxy must be in writing and must be executed by you as Registered Shareholder, or by your attorney authorized in writing, or if the Registered Shareholder is a Company or other legal entity, under its corporate seal or by an officer or attorney thereof duly authorized.

The chair at the SM (the "Proxy") will vote the Shares represented thereby in accordance with your instructions on any ballot that may be called. If you specify a choice with respect to any matter to be acted upon, your Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

(i) each matter or group of matters identified therein for which a choice is not specified;
(ii) any amendment to or variation of any matter identified therein; and
(iii) any other matter that properly comes before the SM.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy (the chair of the SM for this case) will vote the Shares represented by the Proxy for the approval of such matter.

Voting by Proxy Holder

Registered Shareholders who received this circular and other accompanying materials of the SM from the Company's branch share registrar in Hong Kong, and who elect to submit a Proxy to do so by completing, dating and signing the accompanying Proxy and returning it to the Company's branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East Wan Chai, Hong Kong, ensuring that the Proxy is received during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Hong Kong (i.e. 11:30 a.m. on March 25, 2026 (Hong Kong time)) before the SM, or any adjournment thereof, at which the Proxy is to be used.

Registered Shareholders who received this circular and other accompanying materials of the SM from the Company's principal share registrar in Canada, and who elect to submit a Proxy to do so by completing, dating and signing the accompanying Proxy and returning it to the Company's principal share registrar in Canada, being Odyssey Trust Company at Suite 1100 Trader's Bank Building, 67 Yonge St, Toronto, ON M5E 1J8, ensuring that the Proxy is received during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Toronto (i.e. 4:30 p.m. on March 24, 2026 (Toronto time)) before the SM, or any adjournment thereof, at which the Proxy is to be used.

(d) Proxy Information for Beneficial Shareholders

If your Shares are held in an account with a brokerage firm or an intermediary (i.e. a broker, investment firm, clearing house or a similar entity), you are a beneficial shareholder of the Company ("Beneficial Shareholder"). Beneficial Shareholders should follow the instructions set out in the voting instructions form or other form of proxy provided by your intermediaries to ensure that your Shares will be voted at the SM.

The information set out in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the SM are those deposited by Registered Shareholders.

Many Shareholders of the Company are Beneficial Shareholders because the Shares they own are not registered in their own names, but are instead registered in the name of the brokerage firm, bank, trust company or clearing house through which they purchased the Shares. Shares beneficially owned by a Beneficial Shareholder are registered either:

(i) in the name of an intermediary (an "Intermediary") that the Beneficial Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers, securities brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or

(ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or HKSCC Nominees Limited) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice of SM, this circular, and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for distribution to Beneficial Shareholders.

Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Beneficial Shareholders. Every intermediary or service company has its own mailing procedures and provides its own return instructions to clients. Please note that the Company's management does not intend to pay for Intermediaries to forward the Meeting Materials and voting instruction request forms to those Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about them pursuant to Canadian securities legislation ("Objecting Beneficial Shareholders"). Consequently, if you are an Objecting Beneficial Shareholder, you will not receive these materials unless the Intermediary holding Shares on your account assumes the cost of delivery.

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the SM. The form of proxy supplied to you by your broker will be similar to the Proxy provided by the Company to its Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote on your behalf.

In Canada, most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("Broadridge"). Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the SM. You have the right to appoint the chair of the SM to represent you at the SM. To exercise this right, you should complete the voting instruction form and then it must be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the SM. If you receive a voting instruction form from Broadridge, you cannot use it to vote Shares directly at the SM. The voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the SM in order to have the Shares voted.

(e) Revocation of Proxy

A Shareholder who has submitted a Proxy may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or such person's authorized attorney in writing or, if such person is a Company, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to the Company's principal share registrar in Canada, being Odyssey Trust Company at Suite 1100 Trader's Bank Building, 67 Yonge St, Toronto, ON M5E 1J8, or the Company's branch share registrar in Hong Kong, being Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East Wan Chai, Hong Kong, as applicable, or at the address of the registered office of the Company at 270, 333 24th Avenue SW Calgary, AB, T2S 3E6, during regular business hours at least 48 hours, excluding Saturdays, Sundays and public holidays in Toronto (i.e. 4:30 p.m. on March 24, 2026 (Toronto time) or 11:30 a.m. on March 25, 2026 (Hong Kong time), as the case may be) before the SM, or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the SM on the day of the SM or any reconvening thereof, or in any other manner provided by law.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this circular, management of the Company is not aware of any material interest of any Director or executive officers or anyone who has held office as such since the beginning of the Company's last financial year or any "informed person" of the Company (as defined under applicable Canadian securities laws) or of any associate or affiliate of any of the foregoing in any matter to be acted on at the SM.

RECOMMENDATION

The Directors are of the opinion that the proposed adoption of Share Award Scheme is in the interests of the Company and the Shareholders as a whole and recommend Shareholders to vote in favor of the ordinary resolution(s) set out in the notice of Special Meeting.

GENERAL

Your attention is also drawn to the additional information set out in this circular and the notice of SM.

Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

Financial information is provided for in the Company's financial statements and management's discussion and analysis for the year ended December 31, 2024. Documents affecting the rights of security holders, along with other information relating to the Company, may be found on the Company's website at www.sunshineoilsands.com.

A copy of the Share Award Scheme will be published on the Stock Exchange and the website of the Company for a period of not less than 14 days before the date of the Special Meeting and will be made available for inspection at the Special Meeting.

DIRECTORS

As at the Latest Practicable Date, 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.

RESPONSIBILITY STATEMENT

This Circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

DIRECTORS' APPROVAL

The contents and sending of this circular have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS
SUNSHINE OILSANDS LTD.

(signed) ‘‘Kwok Ping Sun’’
Kwok Ping Sun
Executive Chairman

Calgary, Alberta, March 5, 2026
Hong Kong, March 5, 2026

The following is a summary of the principal terms of the Share Award Scheme to be approved and adopted by ordinary resolution at the Special Meeting, but such summary does not form part of, nor was it intended to be, part of the Share Award Scheme, nor should it be taken as affecting the interpretation of the rules of the Share Award Scheme:

1. Purpose of the Scheme

The purpose of the Share Award Scheme is to provide incentives and retain Eligible Participants by providing them with an opportunity to obtain an ownership interest in the Company, thereby aligning their interests with those of the Shareholders and contributing to the long-term development of the Group.

2. Eligible Participants and the basis of determining the eligibility of participants

(a) Eligible Participants include:

a. Employee Participant, being a director or any employee (whether full time or part time) of the Company or any of its subsidiaries (including persons who are granted Awards under any Share Award Schemes or any other shares scheme of the Company as an inducement to enter into employment contracts with the Company and/or its subsidiaries);

b. Related Entity Participant, a director and/or any employee (whether full time or part time or other employment relationship) of the Company, fellow subsidiaries or associated companies of the Company;

c. Service Provider Participant, who falls under the following category or categories or who may meet with the eligibility criteria below ("Service Provider(s)"):

(aa) logistics service provider who/which provide logistics services for the businesses conducted by the Group from time to time. Such services provider shall work the number of hours that are the pro-rata equivalent of 20% or more of a comparable full-time position and in the opinion of the Directors, the continuity and frequency of their services are akin to employees of the Group;

(bb) engineering or technical provider for specific projects: independent contractors/advisors who/which provide repair and maintenance services, drilling and engineering services, construction and installation services, environment monitoring services directly related to the business of the Group.

(b) Eligibility of the Eligible Participants to an Award shall be determined by the Board or the Committee in its absolute discretion from time to time on the basis of the Board's or the Committee's opinion as to matters including but not limited to his contribution and/or future contribution to the development and growth of the Group. Generally:

(i) in assessing the eligibility of Employee Participant, the Board or the Committee will consider all relevant factors as appropriate, including, without limitation, the individual's (aa) performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (bb) length of employment or engagement with the Group; and (cc) contribution or potential contribution to the development and growth of the Group;

(ii) in assessing the eligibility of Related Entity Participant, the Board will consider all relevant factors as appropriate, including, without limitation, (aa) the degree of his involvement in and/or cooperation with the Group; (bb) the length of collaborative relationship established with the Group; (cc) the amount of support, assistance, guidance, advice, efforts and contributions he has given or is likely to give towards the success of the Group; and (dd) his participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group;

(iii) in assessing the eligibility of Service Provider, the Board will consider all relevant factors as appropriate, including, among others (aa) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Service Provider has established or will establish with the Group; (bb) the individual performance of the Service Provider; (cc) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (dd) the track record in the quality of services provided to the Group; (ee) the scale of business dealings with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Provider; and (ff) the amount of support, assistance, guidance, advice, efforts and contributions the Service Provider gave or is likely to give or make towards the success of the Group in the future; and

(iv) in assessing whether the Service Provider provides services to the Group on a continuing and recurring basis, the Board shall take into consideration the length and the type of services provided and the recurrences and regularity of such services and the objectives in engaging such Service Provider. In assessing whether the Service Provider provides services to the Group in the Company's ordinary and usual course of business, the Board shall take into consideration the nature of the services provided to the Group by such Service Provider, and whether such services form part of or are directly ancillary to the businesses conducted by the Group.

3. Scheme Administration

The Share Award Scheme shall be administered by the Scheme Administrator, being either the Board and/or any committee of the Board or other person to whom the Board has delegated its authority to administer the Share Award Scheme.

4. Maximum Scheme Limit

The total number of Shares which may be issued in respect of all Awards to be granted under the Share Award Scheme and any other share schemes (the "Scheme Mandate Limit") shall not exceed 10% of the issued share capital of the Company (excluding treasury shares) as at the date of the approval of this Scheme by the Shareholders (the "Adoption Date").

Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Awards to be granted to the Service Provider Participants under this Scheme (the "Service Provider Sublimit") shall not exceed 40% of the Scheme Mandate Limit. The Service Provider Sublimit is subject to separate approval by the Shareholders at general meeting.

Subject to compliance with the relevant requirements as set out in the Listing Rules, the Company may seek separate approval by the Shareholders in general meeting for granting awards beyond the Scheme Mandate Limit provided that, the Awards in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.

5. Refreshment of the Scheme Mandate Limit and Service Provider Sublimit:

(a) The Company may seek the approval of the Shareholders in general meeting for "refreshing" the Scheme Mandate Limit or the Service Provider Sublimit under the Share Award Scheme after three years from the Adoption Date or the last refreshment.

(b) Any refreshment within any three-year period must be approved by the Shareholders subject to the following provisions:

(i) any controlling shareholders of the Company and their respective associates (or, if there is no such controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and

(ii) the Company must comply with the relevant requirements of the Listing Rules.

The requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share.

(c) The total number of Shares which may be issued in respect of all awards to be granted under the Share Award Scheme and all other share schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting.

6. Individual Limit

(a) Where any grant of Awards to a Grantee would result in the new Shares issued and to be issued in respect of all options and/or awards granted to such person (excluding any options or awards lapsed in accordance with the terms of the respective Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding treasury shares) (the "1% individual limit"), such grant must be separately approved by the Shareholders in general meeting with such Grantee and his close associates (or associates if the Grantee is a connected person) abstaining from voting. The Company must send a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Grantee. The number and terms of the Awards to be granted to such Grantee must be fixed before Shareholders' approval.

(b) Awards to Director, Chief Executive and Substantial Shareholder

(i) Any grant of Awards to a Director or chief executive or substantial shareholder of the Company, or any of their respective associates under the Share Award Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Awards).

(ii) Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates would result in the new Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of respective schemes) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting in the manner mentioned below.

(iii) Where any grant of Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the new Shares issued and to be issued in respect of all options and awards granted (excluding any options and Awards lapsed in accordance with the terms of the respective schemes, as the case may be) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders at the general meeting of the Company in the manner mentioned below.

In connection with the aforesaid approvals by the Shareholders, the Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the applicable requirements of the Listing Rules.

7. Life of the Share Award Scheme

The Scheme shall be valid for a term of 10 years from the date of adoption of this Scheme.

8. Vesting Period

The vesting period of Shares granted under the Scheme shall not be less than 12 months from the date of grant, unless otherwise permitted under the Listing Rules and this scheme. Awards granted to employee participants may be subject to a shorter vesting period under the following specific circumstances:-

a) grants of "make whole" Awards to new Employee Participants to replace share awards or options such Employee Participants forfeited when leaving their previous employers;

b) grants to an Employee Participant whose employment is terminated due to death or disability or event of force majeure;

c) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria;

d) grants of Awards the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee Participant, in which case the Vesting Date may be adjusted to take account of the time from which the Award would have been granted if not for such administrative or compliance requirements;

e) grants of Awards with a mixed or accelerated vesting schedule such that the Awards vest evenly over a period of 12 months; or

f) grants of Awards with a total vesting and holding period of more than 12 months.

9. Performance Targets

(a) After the Board or the Committee has decided to select an Eligible Participant to be offered with the grant of an Award under the Share Award Scheme, the Board or the Committee shall notify the Selected Participant of such offer by a written notice (the ''Grant Notice'') and the Board or the Committee shall specify in the Grant Notice, among other things, the conditions including performance targets, if any, which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) the key performance indicators of the Selected Participant's departments and/ or business units, and the Selected Participant's position key performance indicators relevant to his roles and responsibilities and/or its annual appraisal results (in respect of Employee Participants); and/or (iv) the Selected Participant's contribution to the Group's financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement) (in respect of Related Entity Participants and Service Provider Participants), that must be duly fulfilled before the Award may be vested in such Selected Participant in respect of all or a proportion of the Award Shares.

(b) During the Vesting Period, in respect of any performance targets as may be specified by the Board or the Committee in the Grant Notice that must be fulfilled before the Award may be vested in the relevant Grantee in respect of the relevant Award Shares, the Board or the Committee will conduct assessment at the end of such performance period as prescribed by the Board or the Committee, including the comparison of the performance of the Group and/or the individual performance of the Grantee with the pre-agreed targets, in order to determine whether the targets have been fulfilled and the extent to which such targets have been fulfilled. If the Board or the Committee determines in its absolute discretion that any condition(s) and/or performance target(s) to be duly fulfilled by the Grantee as specified in the related Grant Notice has not been duly fulfilled, the Board or the Committee shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules.

10. Payment on Acceptance of the Award and Purchase Price of Shares Awarded

The Scheme Administrator shall specify in the Grant Notice the amount, if any, payable by the relevant Selected Participant on acceptance of the Award and, if applicable, the period within which any such payments must or may be made or loans for such purposes must be repaid. Unless otherwise determined by the Scheme Administrator in its absolute discretion at the relevant time for each individual Award, a Selected Participant is not required to pay any grant or purchase price

or make any other payment to the Company for accepting an offer of the Award granted pursuant to the Grant Notice, nor is the Selected Participant required to pay any subscription or purchase price for the vesting of the Awards or the receipt of the Award Shares.

11. Rights attached to Awards and the Award Shares

(a) Unless otherwise approved and authorised by the Scheme Administrator, the Grantee shall not exercise any of the voting rights in respect of any Award Shares and shall not have any right whatsoever in any dividends and other distributions declared and made in respect of any Award Shares or otherwise (''Other Distributions'') unless and until the relevant Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with the Share Award Scheme and the applicable laws, rules and regulations. For the avoidance of doubt:

(i) a Grantee does not have legal and beneficial ownership of any Award Shares unless and until such Award Shares have been allotted and issued or transferred (as the case may be) to the Grantee in accordance with the Share Award Scheme and the applicable laws, rules and regulations; and

(ii) where a Trustee is appointed, no instruction may be given by a Grantee to the Trustee in respect of the Award Shares and/or the Other Distributions and/or such other properties or assets of the trust constituted by the Trust Deed.

(b) Subject to sub-paragraph (a) above, the Award Shares to be allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award in the Grantee shall be subject to all the provisions of the Articles of Association for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company, as existing fully paid Shares in issue on the date on which the Award Shares are allotted and issued or transferred (as the case may be) to the Grantee after the vesting of the Award and, without prejudice to the generality of the foregoing, shall entitle the holders of such Award Shares to participate in all Other Distributions paid or made on or after the date on which the Award Shares are so allotted and issued or transferred (as the case may be), other than any Other Distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Award Shares are so allotted and issued or transferred (as the case may be).

12. Capitalisation Issue, Rights Issue, Share Consolidation, Share Subdivision or Capital Reduction

If the Company conducts any capitalisation issue, rights issue, share consolidation, share subdivision or capital reduction, corresponding adjustments (if any) shall be made to the maximum number of Shares that may be issued by the Company in respect of all the Awards and other share awards and share options to be granted pursuant to all the Share Schemes of the Company under the unutilised Scheme Mandate Limit referred to in paragraph 4 above (or as increased in accordance with paragraph 5 above) with reference to the total number of issued Shares as at the date immediately before and after such event and rounded to the nearest whole Share, such that each Grantee will be entitled to the same proportion of the Company's share capital as that to which such Grantee was previously entitled, provided that no such adjustment may be made to the extent that any Share would be issued at less than its nominal value. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the note to Rule 17.03(13) of the Listing Rules

13. Lapse

Without prejudice and subject to other relevant provisions of these Scheme Rules or otherwise determined by the Scheme Administrator, an Award shall lapse automatically (to the extent not already vested) on the earliest of:

(a) when a Grantee ceases to be an Eligible Participant (including the termination of his employment or contractual engagement with the Company or any other member of the Group);

(b) in respect of the Awards granted with Purchase Price, the expiry of the period for payment to be made by a Grantee;

(c) the date on which any Awards are clawed back pursuant to paragraph 15;

(d) in respect of an Award which are subject to performance or other Vesting Condition(s), the date on which the condition(s) to vesting are not capable of being satisfied;

(e) any Grantee commits any Misconduct(s);

(f) any Grantee is concerned, during the course of his employment or contractual engagement with any member of the Group, without prior written consent of the Company, with any business which competes or is likely to compete with the business of any member of the Group;

The Scheme Administrator shall have the power to decide whether an Award shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Award hereunder.
The Awards lapsed in accordance with the terms of the Share Award Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

14. Cancellation of Awards

(a) Subject to Chapter 17 of the Listing Rules, the Scheme Administrator may in its absolute discretion cancel all or such proportion of the Awards granted but unvested, provided that:

(i) the Company or any other member of the Group pay to the Grantee an amount equal to the fair value of the Award at the date of the cancellation as determined by the Scheme Administrator, after consultation with the auditors of the Company or an independent financial adviser appointed by the Scheme Administrator;
(ii) the Company or any other member of the Group provides to the Grantee a replacement Award (or a share option or share award under any other Share Scheme(s)) of equivalent value to the Award to be cancelled; or

(iii) the Scheme Administrator makes any arrangement as the Grantee may agree in order to compensate him for the cancellation of the Awards.

(b) Where the Company cancels any Awards granted to a Grantee and makes a new grant (whether under the Share Award Scheme or any other Share Scheme(s)) to the same Grantee, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit).

15. Clawback Mechanism

1. The Board may provide in the Grant Notice that any Award prior to it being vested in such Grantee in respect of all or a proportion of the Award Shares may be subject to clawback or a longer Vesting Period if any of the Clawback Events stated in subparagraph (b) below shall occur.

2. In respect of any Award which is performance linked, if any of the following events (''Clawback Event'') shall occur during a Vesting Period:

   (i) the Grantee commits any Misconduct(s); or

   (ii) if an Award or the vesting of any Award is linked to any performance targets and the Board is of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner, the Board may (but are not obliged to) by notice in writing to the Grantee concerned (aa) claw back such number of Awards (to the extent not being vested) granted as the Board may consider appropriate; or (bb) extend the Vesting Period (regardless of whether the initial Vesting Date has occurred) in relation to all or any of the Awards (to the extent not being vested) to such longer period as the Board may consider appropriate.

The above clawback mechanism applies to unvested Awards only.

16. Termination

The Share Award Scheme shall terminate on the tenth (10th) anniversary date of the Adoption Date or such date of earlier termination as determined by the Scheme Administrator. Upon the termination of the Share Award Scheme, no further offer of Awards may be made and no Awards offered shall be open for acceptance, but the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to any Awards which are granted and remain unvested prior to the termination of the operation of the Share Award Scheme.

17. Transferability of Awards

An Award shall be personal to the Grantee and shall not be transferable or assignable, unless a waiver is granted by the Exchange pursuant to the relevant Listing Rule.

18. Alteration of the Share Award Scheme

(a) Subject to sub-paragraphs (c) and (d) below, the Share Award Scheme may be altered in any respect by a resolution of the Board, save and except that (i) any alteration to the terms and conditions of the Share Award Scheme which are of a material nature; or (ii) any alteration to the provisions of the Share Award Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Selected Participants or Grantees must be approved by the Shareholders in general meeting.

(b) Subject to sub-paragraph (d) below, any change to the terms of the Awards granted to a Grantee shall be approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), except where the alteration takes effect automatically under the existing terms of the Share Award Scheme.

(c) Any change to the authority of the Directors or administrators of the Share Award Scheme (including, where applicable, the Trustee) in relation to any alteration to the Share Award Scheme shall be approved by the Shareholders in general meeting.

(d) The amended terms of the Share Award Scheme must comply with Chapter 17 of the Listing Rules.

19. Costs:

The Company shall bear the costs of establishing and administering the Share Award Scheme, including, for the avoidance of doubt, expenses incurred in the purchase of Shares by the Trustee and stamp duty and normal registration fees (i.e. not being fee chargeable by the share registrar for any express service of registration) in respect of the transfer of Shares to the Award Holder on the relevant Vesting Date.