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## SUPPLEMENTARY LETTER FROM INDEPENDENT BOARD COMMITTEE

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阳光油砂

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

**(HKEX: 2012)**

March 1, 2021

*To the Independent Shareholders*

Dear Sir / Madam,

### **SUPPLEMENTAL INFORMATION**

- (I) PROPOSED CONVERSION OF CONVERTIBLE BONDS  
BY CONNECTED PERSON UNDER SPECIFIC MANDATE  
AND  
(II) APPLICATION FOR WHITEWASH WAIVER**

We refer to the supplementary circular dated March 1, 2021 issued by the Corporation (the “**Supplementary Circular**”), of which this letter forms part. Capitalized terms used in this Supplementary Circular have the same meanings when used in this letter, unless the context otherwise requires.

We noted that following the dispatch of the Original Circular, the Corporation and the Forbearing Holders entered into the Interest Waiver Agreement, pursuant to which the Forbearing Holders agreed to unconditionally and irrevocably waive the interest accrued during the period from January 1, 2020 to December 31, 2020 at 10.0% per annum on the outstanding amounts (principal and interests) under the FRAA. Details are set out in the “**Letter from the Board**” as contained in this Supplementary Circular. None of the members of the Independent Board Committee have any direct or indirect interest in the Conversion, the Whitewash Waiver and the Waiver of Interest.

Donvex Capital, being the Independent Financial Adviser, has to advise the Independent Board Committee and the Independent Shareholder the impact of the Waiver of Interest on the Conversion and the Whitewash Waiver.

We wish to draw your attention to the “**Supplementary Letter from Donvex Capital**” which contain its advice and analysis in relation to the impact of the Waiver of Interest on the Conversion and the Whitewash Waiver as set out at page 13 in the Supplementary Circular. Your attention is also drawn to the other information set out in this Supplementary Circular.

*\* For identification purposes only*

Shareholders should note that there's a divergence of view between the Independent Board Committee members. Ms. Linna Liu, who represents one of the Shareholder of the Corporation, Bank of China Group Investment Limited, having considered the Waiver of Interest as well as the analysis and advice set out in the Supplementary Letter from Donvex Capital, remains her point of view unchanged, given that the Waiver of interest has no impact on her concern that the Conversion at the moment would have potential impact on the Share price if the Subscriber sells the Conversion Shares below market price and therefore the Conversion is not in the interests of all Shareholders.

All other Independent Board Committee members, namely, Messrs. Yi He, David, Guangzhong Xing and Alfa Li, assessed and considered the Waiver of Interest, the principal factors and the analysis set out in the "**Supplementary Letter from Donvex Capital**" where Donvex Capital stated that, having considered the following factors, their opinion in relation to the fairness and reasonableness of the Conversion and the Whitewash Waiver remain unchanged given the Waiver of Interest.

- a) As advised by the Directors, the Forbearing Holders are institutional investors in North America, who do not hold any shareholding interest in the Corporation and/or its subsidiaries. As such, the Forbearing Holders are independent from the Group and therefore they are not aware of any implication under Rule 25 of the Takeovers Code; and
- b) Taking into account the Waiver of Interest, the unaudited net loss attributable to the Shareholders for 6M2020 shall decrease from approximately CDN\$27.1 million to CDN\$5.7 million, and the unaudited total liabilities of the Group as at June 30, 2020 shall decrease from CDN\$618.0 million to CDN\$596.6 million. Despite the Waiver of Interest would improve the financial performance of the Group and reduce the its total liabilities, Donvex Capital consider that the Corporation may still not have sufficient fund to redeem the CB principal plus interests of HK\$83.5 million when it falls due on March 31, 2022, given:
  - i. the Waiver of Interest does not generate any cash inflow to the Corporation and the Group only had approximately CDN\$0.8 million (equivalent to approximately HK\$5 million) cash on hand as at December 31, 2020; and
  - ii. the Group would still record high debt-to-equity ratio of approximately 185.0% and net loss position after the Waiver of Interest. As such, it may be difficult to obtain additional financing from the external market to redeem the CB at maturity.

Given the Waiver of Interest, taking into account the principal factors and analysis from Donvex Capital, all the Independent Board Committee members (excluding Ms. Linna Liu) consider the Conversion and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Corporation and its Independent Shareholders as a whole.

Accordingly, the Independent Board Committee members (excluding Ms. Linna Liu) advise the Independent Shareholders to vote in favor of the resolutions to be proposed at the SGM to approve the Conversion and the Whitewash Waiver.

Yours faithfully,  
For and on behalf of the  
*Independent Board Committee*



**Linna Liu**

*Non-Executive  
Director*

**Yi He, David**

*Independent Non-  
Executive Director*

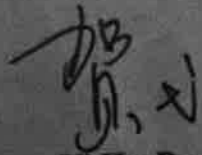
**Guangzhong  
Xing**

*Independent Non-  
Executive Director*

**Alfa Li**

*Independent Non-  
Executive Director*

Yours faithfully,  
For and on behalf of the  
*Independent Board Committee*



**Linna Liu**

*Non-Executive  
Director*

**Yi He, David**

*Independent Non-  
Executive Director*

**Guangzhong  
Xing**

*Independent Non-  
Executive Director*

**Alfa Li**

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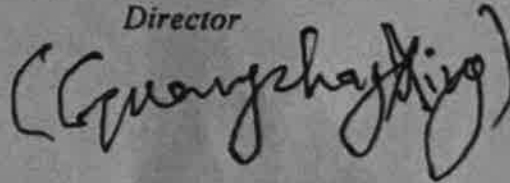


**Linna Liu**  
*Executive Director*

**Yi He, David**  
*Independent Non-Executive  
Director*

**Guangzhong Xing**  
*Independent Non-Executive  
Director*

**Alfa Li**  
*Independent Non-Executive  
Director*



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Director*

**Yi He, David**

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**Alfa Li**

*Independent Non-  
Executive Director*