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Sunshine Insurance Group Company Limited

陽光保險集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6963)

ANNOUNCEMENT

**UNAUDITED FINANCIAL DATA AND SOLVENCY STATEMENT OF
SUNSHINE LIFE FOR THE THREE MONTHS ENDED MARCH 31, 2023**

This announcement is made by Sunshine Insurance Group Company Limited (the “**Company**”) pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Sunshine Life Insurance Corporation Limited (“**Sunshine Life**”), a subsidiary of the Company, has publicly issued a 10-year capital supplementary bond with a total principal of RMB5.0 billion in the National Inter-bank Bond Market on March 26, 2021 (bond name is “Sunshine Life Insurance Corporation Limited 2021 Capital Supplementary Bond”, abbreviated as “21 Sunshine Life”). According to relevant regulations, during the duration of the above-mentioned bond, Sunshine Life shall publicly disclose its quarterly reports and solvency statement on the website of China Money (www.chinamoney.com.cn) and the website of China Bond (www.chinabond.com.cn). For details of the solvency statement, please refer to relevant reports that Sunshine Life will disclose on the above-mentioned websites in due course and the announcement on main indicators of solvency of subsidiaries as of the end of the first quarter of 2023 to be published by the Company in due course on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.sinosig.com).

Sunshine Life will also disclose the unaudited financial data for the three months ended March 31, 2023 prepared in accordance with the PRC Accounting Standards for Business Enterprises. For details, please refer to the appendix of this announcement.

The above unaudited financial data of Sunshine Life for the three months ended March 31, 2023 were not audited or reviewed by the auditor of the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Sunshine Insurance Group Company Limited
陽光保險集團股份有限公司
DONG Yingqiu
Joint Company Secretary

Hong Kong, April 27, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. ZHANG Weigong, Mr. ZHAO Zongren, Mr. LI Ke, Mr. PENG Jihai and Mr. WANG Yongwen as executive directors, Mr. WANG Jingwei as non-executive director, Mr. MA Guangyuan, Mr. LIU Zhanqing, Mr. WANG Jianxin, Mr. GAO Bin and Ms. JIA Ning as independent non-executive directors.

APPENDIX

CONSOLIDATED BALANCE SHEET

As at March 31, 2023

Assets	(RMB)
	Closing balance at the end of the period (unaudited)
Assets:	
Monetary funds	6,041,823,390.97
Derivative financial assets	670,260.00
Financial assets purchased under agreements to resell	4,438,988,715.34
Other receivables	1,297,759,500.84
Term deposits	10,214,058,571.61
Financial investment:	
Financial assets held for trading	88,421,157,013.83
Other debt investments	220,576,172,058.52
Debt investments	153,879,250.00
Investment in other equity instruments	30,303,728,363.99
Insurance contract assets	—
Ceded reinsurance contract assets	1,589,923,019.78
Long-term equity investments	11,588,759,985.85
Statutory deposits	3,945,997,802.46
Investment properties	7,413,085,940.85
Fixed assets	10,943,688,209.30
Construction in progress	3,819,674,983.94
Right-of-use assets	413,126,473.25
Intangible assets	1,554,647,632.81
Deferred tax assets	284,299,061.15
Other assets	1,338,646,625.51
Total assets	404,340,086,860.00

Liabilities and equity	(RMB)
	Closing balance at the end of the period (unaudited)
Liabilities:	
Short-term borrowings	–
Financial liabilities held for trading	1,321,253,864.26
Derivative financial liabilities	–
Securities sold under agreements to repurchase	10,410,647,564.44
Premiums received in advance	307,461,985.44
Payroll payable	484,153,542.09
Tax payable	198,064,326.77
Dividends payable	–
Other payables	523,064,891.45
Premium reserves	–
Long-term borrowings	321,150,024.81
Bonds payable	7,157,863,394.52
Insurance contract liabilities	335,746,431,747.38
Ceded reinsurance contract liabilities	–
Lease liabilities	342,749,333.08
Deferred tax liabilities	79,130,308.07
Other liabilities	5,667,988,075.70
Total Liabilities	362,559,959,058.01
Equity	
Share capital	18,342,500,000.00
Less: Treasury stock	–
Capital reserves	3,017,682,377.82
Other comprehensive income	-1,154,709,768.91
Surplus reserves	1,858,681,637.74
General risk reserves	1,858,681,637.74
Retained profits	17,333,433,661.54
Attributable to equity owners of the parent	41,256,269,545.93
Non-controlling interests	523,858,256.06
Total equity	41,780,127,801.99
Total liabilities and equity	404,340,086,860.00

CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2023

	(RMB) Cumulative amount for this year (unaudited)
I. Operating income	8,057,327,750.19
Insurance revenue	4,080,464,347.79
Interest income	2,176,260,048.95
Investment income (loss is represented by “-”)	-651,828,235.95
Including: Gains from investment in associates and joint ventures	-47,024,611.24
Gains from derecognition of financial assets measured at amortized cost	-
Gains from changes in fair value (loss is represented by “-”)	1,913,890,576.91
Foreign exchange gains (loss is represented by “-”)	-52,106,218.52
Other operating income	580,785,498.59
Other gains	7,558,073.26
Gains/(losses) from disposal of assets	2,303,659.16
II. Operating expenses	6,896,648,026.15
Insurance service expenses	2,500,090,567.93
Apportionment of ceded premiums	236,508,336.86
Less: Amortization of insurance service expenses	195,732,685.33
Insurance finance expenses	3,317,122,764.59
Less: Ceded reinsurance financial income	3,256,460.97
Interest expense	151,644,802.01
Fees and commission expenses	20,376,965.13
Tax and surcharges	27,642,339.96
General and administrative expenses	348,747,122.05
Credit impairment losses	-124,208,982.42
Impairment losses on other assets	7,420,000.00
Other operating expenses	610,293,256.34
III. Operating profit (loss is represented by “-”)	1,160,679,724.04
Add: Non-operating income	2,757,185.15
Less: Non-operating expenses	63,380,710.68
IV. Total profit (loss is represented by “-”)	1,100,056,198.51
Less: Income tax expenses	-235,262,628.84
V. Net profit (loss is represented by “-”)	1,335,318,827.35

CONSOLIDATED CASH FLOW STATEMENT

For the three months ended March 31, 2023

	(RMB)
	Cumulative amount for this year (unaudited)
I. Cash flow from operating activities	
Cash received from premiums on issued insurance contracts	33,287,577,280.70
Net cash received from reinsurance contracts	797,775.24
Other cash received from operating activities	798,641,075.57
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Subtotal of cash inflows from operating activities	34,087,016,131.51
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Cash payments for indemnities for issued insurance contracts	14,008,114,067.95
Net cash paid for ceded reinsurance contracts	12,282,650.46
Net increase in policy-pledged loans	194,055,097.89
Cash paid for charges and commissions	3,517,683,955.49
Cash payments to and for employees	1,074,121,281.46
Taxes paid	134,928,326.57
Other cash payments relating to operating activities	3,487,558,155.96
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Subtotal of cash outflows from operating activities	22,428,743,535.78
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Net cash flow from operating activities	11,658,272,595.73
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II. Cash flow from investing activities	
Cash received from disposal or maturities of investments	66,019,395,234.27
Cash received from investment income and interest income	2,687,976,383.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	56,965.00
Other cash received relating to investing activities	176,203,443.76
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Subtotal of cash inflows from investing activities	68,883,632,026.23
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Cash paid for investment	79,489,312,241.51
Net increase in resale business funds	-
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,175,783,117.50
Other cash payments relating to investing activities	426,079,095.80
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Subtotal of cash outflows from investing activities	81,091,174,454.81
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Net cash flow from investing activities	-12,207,542,428.58
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(RMB)
Cumulative amount
for this year (unaudited)

III. Cash flow from financing activities

Cash received from absorption of investments	–
Cash received for borrowings	–
Cash received from bonds issued	–
Net increase in repurchase business funds	-3,430,219,822.73
Other cash received relating to financing activities	2,748,650,000.00
Subtotal of cash inflows from financing activities	<u>-681,569,822.73</u>

Cash paid for repayment of debts	18,072,627.15
Cash paid for distribution of dividends, profits or interest payments	2,238,680,946.33
Other cash payments relating to financing activities	21,403,679.77
Subtotal of cash outflows from financing activities	<u>2,278,157,253.25</u>

Net cash flow from financing activities **-2,959,727,075.98**

IV. Effects of foreign exchange rate changes on cash and cash equivalents **-68,430,722.55**

V. Net increase in cash and cash equivalents **-3,577,427,631.38**

Add: Opening balance of cash and cash equivalents 14,056,115,730.53

VI. Closing balance of cash and cash equivalents **10,478,688,099.15**

Note: The Company has officially implemented the “Accounting Standards for Business Enterprises No. 25 – Insurance Contracts” (Cai Kuai [2020] No. 20), “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” (Cai Kuai [2017] No. 7), “Accounting Standards for Business Enterprises No. 23 – Transfer of Financial Assets” (Cai Kuai [2017] No. 8), “Accounting Standards for Business Enterprises No. 24 – Hedge Accounting” (Cai Kuai [2017] No. 9) and “Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments” (Cai Kuai [2017] No. 14) issued by the Ministry of Finance of the People’s Republic of China from January 1, 2023.