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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 P&C 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 Property and Casualty Insurance Company Limited (“**Sunshine P&C**”), 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 December 3, 2021 (bond name is “Sunshine Property and Casualty Insurance Company Limited 2021 Capital Supplementary Bond”, abbreviated as “21 Sunshine P&C”). According to relevant regulations, during the duration of the above-mentioned bond, Sunshine P&C 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 P&C 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 P&C 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 P&C 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	3,045,090,928.91
Derivative financial assets	–
Financial assets purchased under agreements to resell	629,556,494.23
Dividend receivable	29.21
Other receivables	756,722,642.58
Term deposits	880,637,777.52
Financial investment:	
Financial assets held for trading	12,109,370,226.00
Other debt investments	15,631,775,791.64
Debt investments	–
Investment in other equity instruments	4,839,130,571.41
Insurance contract assets	981,782,482.43
Ceded reinsurance contract assets	2,225,408,613.45
Long-term equity investments	1,056,883,211.73
Statutory deposits	1,825,777,049.84
Investment properties	4,008,655,388.80
Fixed assets	1,636,102,274.59
Construction in progress	39,983,688.97
Right-of-use assets	530,303,673.19
Intangible assets	34,189,972.48
Goodwill	–
Deferred tax assets	144,613,573.24
Other assets	1,444,610,861.89
Total assets	52,148,819,134.54

	(RMB)
Liabilities and equity	Closing balance at the end of the period (unaudited)
Liabilities:	
Short-term borrowings	122,500.00
Financial liabilities held for trading	285,339,345.29
Derivative financial liabilities	–
Securities sold under agreements to repurchase	1,872,424,723.82
Premiums received in advance	247,367,813.40
Payroll payable	604,775,630.68
Tax payable	1,133,428,643.31
Dividends payable	–
Other payables	323,882,968.16
Premium reserves	32,380,012.86
Long-term borrowings	153,758,000.00
Bonds payable	5,068,921,577.27
Insurance contract liabilities	26,536,298,181.50
Ceded reinsurance contract liabilities	43,737,630.43
Lease liabilities	458,050,198.98
Deferred tax liabilities	638,508.56
Other liabilities	1,660,125,454.33
Total Liabilities	38,421,251,188.59
Equity	
Share capital	5,746,000,000.00
Less: Treasury stock	–
Capital reserves	2,318,602,999.79
Other comprehensive income	-351,586,041.92
Surplus reserves	2,928,086,023.72
General risk reserves	1,144,711,818.16
Catastrophic loss reserves	56,896,663.66
Nuclear catastrophe reserves	7,673,485.00
Retained profits	312,293,781.63
Attributable to equity owners of the parent	12,162,678,730.04
Non-controlling interests	1,564,889,215.91
Total equity	13,727,567,945.95
Total liabilities and equity	52,148,819,134.54

CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2023

	(RMB) Cumulative amount for this year (unaudited)
I. Operating income	<u>11,528,401,014.29</u>
Insurance revenue	10,852,832,510.45
Interest income	195,934,674.58
Investment income	-243,461,529.41
Including: Gains from investment in associates and joint ventures	44,735,807.64
Gains from derecognition of financial assets measured at amortized cost	-
Gains/(losses) from changes in fair value	629,158,454.39
Foreign exchange gains/(losses)	-2,918,957.76
Other operating income	86,869,646.52
Other income	9,903,711.31
Gains/(losses) from disposal of assets	<u>82,504.21</u>
II. Operating expenses	<u>10,863,926,284.21</u>
Insurance service expenses	10,324,054,793.62
Apportionment of ceded premiums	324,607,249.76
Less: Amortization of insurance service expenses	203,179,097.93
Insurance finance expenses	153,075,379.75
Less: Ceded reinsurance financial income	15,668,049.95
Interest expense	70,978,360.04
Fees and commission expenses	120,883.83
Change in premium reserves	4,368,727.46
Tax and surcharges	3,747,740.67
General and administrative expenses	108,926,383.04
Credit impairment losses	13,737,414.19
Impairment losses on other assets	15,624,344.40
Other operating expenses	<u>63,532,155.33</u>
III. Operating profit	<u>664,474,730.08</u>
Add: Non-operating income	38,458,335.48
Less: Non-operating expenses	<u>13,613,021.73</u>
IV. Total profit	<u>689,320,043.83</u>
Less: Income tax expenses	<u>166,837,410.37</u>
V. Net profit	<u>522,482,633.46</u>

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	11,074,539,870.65
Net cash received from reinsurance contracts	-1,851,442.56
Other cash received from operating activities	218,926,649.99
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Subtotal of cash inflows from operating activities	11,291,615,078.08
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Cash payments for indemnities for issued insurance contracts	6,486,036,515.76
Net cash paid for ceded reinsurance contracts	96,808,350.67
Net increase in policy-pledged loans	-
Cash paid for charges and commissions	1,140,394,698.09
Cash payments to and for employees	1,678,799,858.88
Taxes paid	496,688,048.82
Other cash payments relating to operating activities	1,585,747,878.89
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Subtotal of cash outflows from operating activities	11,484,475,351.11
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Net cash flow from operating activities	-192,860,273.03
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II. Cash flow from investing activities	
Cash received from disposal or maturities of investments	5,504,653,737.76
Cash received from investment income and interest income	329,860,982.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	560,903.72
Other cash received relating to investing activities	11,236,649.62
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Subtotal of cash inflows from investing activities	5,846,312,273.76
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Cash paid for investment	4,151,195,760.53
Net increase in resale business funds	-
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	84,808,226.20
Other cash payments relating to investing activities	14,107,368.60
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Subtotal of cash outflows from investing activities	4,250,111,355.33
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Net cash flow from investing activities	1,596,200,918.43
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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	-606,158,951.94
Other cash received relating to financing activities	–
Subtotal of cash inflows from financing activities	<u>-606,158,951.94</u>

Cash paid for repayment of debts	–
Cash paid for distribution of dividends, profits or interest payments	517,145,690.00
Other cash payments relating to financing activities	77,589,603.71
Subtotal of cash outflows from financing activities	<u>594,735,293.71</u>

Net cash flow from financing activities	<u>-1,200,894,245.65</u>
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IV. Effects of foreign exchange rate changes on cash and cash equivalents	<u>-4,961,003.79</u>
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V. Net increase in cash and cash equivalents	<u>197,485,395.96</u>
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Add: Opening balance of cash and cash equivalents	<u>3,476,693,718.40</u>
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VI. Closing balance of cash and cash equivalents	<u>3,674,179,114.36</u>
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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.