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If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares in Sunshine Insurance Group Company Limited, you should at once hand this circular, the accompanying proxy form 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.

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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)

**REPORT OF THE BOARD OF DIRECTORS FOR 2022
REPORT OF THE BOARD OF SUPERVISORS FOR 2022
ANNUAL REPORT FOR 2022
FINAL FINANCIAL REPORT FOR 2022
PROFIT DISTRIBUTION PLAN FOR 2022
APPOINTMENT OF ACCOUNTING FIRMS FOR 2023
ESTABLISHMENT OF THE TECHNOLOGY SERVICE SUBSIDIARY
PERFORMANCE REPORT OF THE DIRECTORS FOR 2022
PERFORMANCE REPORT OF THE INDEPENDENT DIRECTORS FOR 2022
PERFORMANCE REPORT OF THE SUPERVISORS FOR 2022
SPECIAL REPORT ON RELATED PARTY TRANSACTIONS FOR 2022
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF 2022**

The AGM of Sunshine Insurance Group Company Limited will be held at Sunshine Financial City, Yard 1, Shangtong Avenue, Tongzhou District, Beijing, PRC at 11:00 a.m. on Monday, May 29, 2023. The notice of the AGM is set out on pages 31 to 32 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM (i.e. before 11:00 a.m. on Sunday, May 28, 2023) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

May 5, 2023

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of 2022 of the Company to be held at Sunshine Financial City, Yard 1, Shangtong Avenue, Tongzhou District, Beijing, PRC at 11:00 a.m. on Monday, May 29, 2023
“Articles of Association”	the articles of association of Sunshine Insurance Group Company Limited
“Board” or “Board of Directors”	the board of Directors of our Company
“Board of Supervisors”	the board of Supervisors of our Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), a regulatory authority formed via the merger of CBRC and CIRC according to the Notice of the State Council regarding the Establishment of Organizations (《國務院關於機構設置的通知》) issued by the State Council on March 24, 2018, and, if the context requires, includes its predecessors, namely CBRC and CIRC
“China” or “PRC”	the mainland of the People’s Republic of China, for the purpose of this circular and except where the context requires, references in this circular to “China” or “PRC” do not include Hong Kong, Macau and Taiwan
“Company” or “our Company”	Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a joint stock company established on June 27, 2007 under the laws of the PRC with limited liability, and if the context requires, includes its predecessors prior to the incorporation of the Company
“Company Law”	the Company Law of the People’s Republic of China
“Group” or “our Group”	the Company and its subsidiaries
“Director(s)”	the director(s) of our Company
“Domestic Shares”	ordinary shares in the share capital of our Company with nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC natural persons or entities established under PRC laws

DEFINITIONS

“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which have been listed and traded on the Hong Kong Stock Exchange with effect from December 9, 2022
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Latest Practicable Date”	April 28, 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Sunshine AMC”	Sunshine Asset Management Corporation Limited (陽光資產管理股份有限公司), a joint stock company established on December 4, 2012 under the laws of the PRC with limited liability, in which the Company directly and indirectly held approximately 80% equity interest as of the Latest Practicable Date
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Supervisor(s)”	the member(s) of our Board of Supervisors
“%”	per cent

LETTER FROM THE BOARD



Sunshine Insurance Group Company Limited

阳光保险集团股份有限公司

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

(Stock Code: 6963)

Executive Directors:

ZHANG Weigong (*Chairman and
Chief Executive Officer*)
ZHAO Zongren
LI Ke
PENG Jihai
WANG Yongwen

Non-executive Director:

WANG Jingwei

Independent Non-executive Directors:

MA Guangyuan
LIU Zhanqing
WANG Jianxin
GAO Bin
JIA Ning

Registered office:

17th Floor, Block A, First World Plaza
No. 7002, Hongli West Road
Futian District
Shenzhen, PRC

Principal place of business in Hong Kong:

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

May 5, 2023

To the Shareholders

Dear Sir or Madam,

**REPORT OF THE BOARD OF DIRECTORS FOR 2022
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NOTICE OF THE ANNUAL GENERAL MEETING OF 2022**

INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and the information on the proposed resolutions to be considered at the AGM to enable you to make an informed decision on whether to vote for or against the resolutions at the AGM.

LETTER FROM THE BOARD

MATTERS TO BE HANDLED AT THE AGM

The resolutions to be proposed at the AGM for the Shareholders to consider and approve are: (1) the report of the board of directors for 2022; (2) the report of the board of supervisors for 2022; (3) the annual report for 2022; (4) the final financial report for 2022; (5) the profit distribution plan for 2022; (6) the appointment of accounting firms for 2023; and (7) the establishment of the technology service subsidiary. Among them, items (1) and (7) are ordinary resolutions.

The matters to be proposed at the AGM for the Shareholders to consider but not to decide are: (1) the performance report of the directors for 2022; (2) the performance report of the independent directors for 2022; (3) the performance report of the supervisors for 2022; and (4) the special report on related party transactions for 2022.

1. The Report of the Board of Directors for 2022

For information on the Company's report of the board of directors for 2022, please see the Report of the Board of Directors in the Company's 2022 Annual Report. The Company's annual report for 2022 was published on April 25, 2023 on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.sinosig.com).

2. The Report of the Board of Supervisors for 2022

For information on the Company's report of the board of supervisors for 2022, please see the Report of the Board of Supervisors in the Company's 2022 annual report.

3. The Annual Report for 2022

The Company's annual report for 2022 was published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.sinosig.com) on April 25, 2023.

4. The Final Financial Report for 2022

In accordance with PRC accounting standards and International Accounting Standards, the Company has prepared the "2022 Final Financial Report of Sunshine Insurance Group Company Limited".

As of December 31, 2022, the consolidated total assets of the Group were RMB485.357 billion, and the net assets were RMB62.019 billion; the gross written premiums (GWPs) was RMB108.740 billion. The net profit was RMB5.015 billion, and the net profit attributable to Shareholders of the parent company was RMB4.881 billion.

The audited financial statements which were prepared in compliance with the International Financial Reporting Standards and the auditor's report of the Company for the year ended December 31, 2022 have been set out in the Company's annual report for the year 2022.

LETTER FROM THE BOARD

5. The Profit Distribution Plan for 2022

(I) 2022 Annual Net Profit and Accumulated Distributable Profit

The consolidated net profit of the Group for the year 2022 was RMB5,015,378,613 as audited by Ernst & Young Hua Ming LLP. The net profit of the Company was RMB2,564,999,539. Under the Company Law, the Articles of Association and the Financial Standards of Financial Enterprises – Implementation Guide (Cai Jin [2007] No. 23), the Company is required to set aside statutory surplus reserve fund and general risk reserve based on 10% of the net profit for 2022 that shall be determined in accordance with PRC accounting standards, respectively, with a total amount of RMB512,999,908.

After the appropriation of statutory surplus reserve fund and general risk reserve in accordance with laws and regulations and regulatory requirements, the Company's accumulated distributable profit as of December 31, 2022 was RMB3,520,118,969.

(II) Profit Distribution Plan

The Company proposes to pay a final dividend for 2022 (the “**2022 Final Dividend**”) of RMB0.18 (including tax) per share on July 28, 2023 to all Shareholders whose names appear on the register of members of the Company on Tuesday, June 6, 2023, based on the total share capital of the Company of 11,501,522,500 shares as of December 31, 2022. Dividends to Shareholders holding Domestic Shares are payable in Renminbi and dividends to Shareholders holding H Shares are payable in Hong Kong dollars. The exchange rate of Hong Kong dollars is translated at the arithmetic mean of the central parity rate between Hong Kong dollars and Renminbi in the interbank foreign exchange market published by the China Foreign Exchange Trade Centre as authorized by the People's Bank of China five business days before the AGM (including the date of the AGM), resulting in a total cash dividend of RMB2,070 million. The profit distribution will be made in accordance with the provisions of the Company Law, the Articles of Association and relevant laws and regulations of the regulatory authorities. This dividend payment has no material impact on the solvency adequacy ratio of the Group and the solvency of the Group will remain in compliance with the regulatory requirements after the dividend payment.

For ascertaining Shareholders' entitlement to the 2022 Final Dividend, the register of members of the Company will be closed from Friday, June 2, 2023 to Tuesday, June 6, 2023 (inclusive of both days), during which period no transfer of shares will be registered. In order to establish entitlement to the 2022 Final Dividend (to be approved by Shareholders), all share transfer documents accompanied by the relevant share certificates must be lodged by underlying unregistered holders of H shares with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Thursday, June 1, 2023 for registration of transfer.

LETTER FROM THE BOARD

(III) Withholding and Payment of Income Tax on the Dividends Paid to Shareholders

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Taxation Administration on the Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) and other relevant laws, regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H shares in respect of the 2022 Final Dividend to be distributed to them. However, the individual holders of H shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual holders of H shares are domiciled and the tax arrangements between mainland China and Hong Kong (Macau). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on the dividends on behalf of the individual holders of H shares:

- For individual holders of H shares who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares in the distribution of the dividend.
- For individual holders of H shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares in the distribution of the dividend. Any person whose name appears on the register of holders of H shares of the Company and who wishes to apply the relevant provisions of the Announcement of the State Taxation Administration on Issuing the Measures for Non-resident Taxpayers' Enjoyment of Treaty Benefits (Announcement No. 35 [2019] of the State Taxation Administration) and who does not wish for withholding and payment of the aforesaid 10% individual income tax by the Company on his/her behalf, shall submit the relevant documents set out in Announcement No. 35 [2019] of the State Taxation Administration to Computershare Hong Kong Investor Services Limited within the prescribed time limit.
- For individual holders of H shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at effective tax rate stipulated in the relevant tax treaty in the distribution of the dividend.
- For individual holders of H shares whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under

LETTER FROM THE BOARD

any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual holders of H shares in the distribution of the dividend.

For holders of H Shares who fail to submit the relevant supporting documents within the aforesaid prescribed time limit, if they need to apply for tax refund after completion of this dividend distribution, they need to go through the relevant procedures on their own or by attorney with the competent tax authorities of the Company in accordance with the tax regulations and relevant provisions of the PRC. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H shares or any disputes over the withholding mechanism or arrangements.

For non-resident enterprise holders of H Shares, the Company will withhold and pay enterprise income tax at the tax rate of 10% for such holders of H shares pursuant to the Notice of the State Taxation Administration on the Issues Concerning the Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897).

Any H Shares registered in the name of non-individual Shareholders, including but not limited to HKSCC Nominees Limited, other proxies, trustees or other groups and organizations, will be treated as being held by non-resident enterprise Shareholders.

The general meeting will be requested to authorize the Board of Directors to authorize the management of the Company to take charge of the specific implementation of this profit distribution in accordance with the laws and regulations, the Articles of Association and the Listing Rules, including but not limited to making adjustments to the date arrangement of this profit distribution.

6. The Appointment of Accounting Firms for 2023

According to the requirements of relevant laws and regulations and combined with the development needs of the Company, the Company intends to re-appoint Ernst & Young Hua Ming LLP as the domestic auditor for the 2023 financial report of the Company, and appoint the Ernst & Young as the overseas auditor for the 2023 financial report of the Company. The term will expire at the next annual general meeting. The total amount of expenses is RMB16.05 million.

The above expenses are the annual routine audit expenses. If additional special audit is required in actual implementation according to regulatory regulations or the strategic arrangement of the Group, the management shall be authorized to price additional special audit expenses according to the audit items and the market.

LETTER FROM THE BOARD

7. The Establishment of the Technology Service Subsidiary

The national “14th Five-Year Plan” and the outline of Vision 2035 proposed to accelerate the digital transformation of financial institutions. One of the key development strategies of the Company is to “promote digital transformation and upgrading”. Pursuant to the Measures for Supervision and Administration of Insurance Group Companies (CBIRC Order No. 13 of 2021), an insurance group company may directly invest in shared service subsidiaries that provide information technology services and policy management for its member companies. In order to further integrate high-quality resources, optimize innovation mechanism, enhance user experience, promote cost reduction and efficiency increase, and promote value development, the Company intends to establish a subsidiary in Beijing, and the relevant information is reported as follows:

(I) Overview of the establishment of the subsidiary

1. Name of the company

Sunshine Digital Intelligence Technology Co., Ltd. (“**Sunshine Digital Intelligence**”, the name approved by the Market Regulation Administration, shall prevail).

2. Nature of the company

As a shared service subsidiary, Sunshine Digital Intelligence mainly provides information technology services and operation sharing services for the member companies of the Group.

3. Main business scope

Information system development and services, data processing and storage support services, information technology consulting services, information system integration services, network technology services, network security services, artificial intelligence technology development and services, corporate consulting, call center, recruitment services, customer services, financial services, etc. (Subject to the business scope approved by the Market Regulation Administration).

4. Investment scale

The registered capital of Sunshine Digital Intelligence is RMB700 million.

5. Source of capital

The source of capital invested by Sunshine Digital Intelligence is the Company’s own capital, and the source of capital is in compliance with regulatory provisions.

LETTER FROM THE BOARD

6. Shareholding structure

Sunshine Digital Intelligence is 100% owned by the Company at the beginning of its establishment, and strategic investors or core and backbone technical personnel may be considered for subsequent shareholding as long as the policy allows.

7. Governance structure

Sunshine Digital Intelligence is a one-person limited liability company. According to the requirements of the Company Law, an executive director and a supervisor are required in accordance with the needs of modern enterprise management, and a general manager's office shall be established to form the management team.

8. Regulatory approval

In accordance with the Insurance Law of the PRC, the Provisional Measures for Investment in Equity by Insurance Funds, the Measures for the Administration of the Use of Insurance Funds, the Measures for the Supervision and Administration of Insurance Group Companies and other relevant regulations, the investment is subject to the approval of the CBIRC.

(II) Business model

1. Sunshine Digital Intelligence will adopt a market-based settlement mechanism to provide the Group and its subsidiaries with products and services such as technology consulting and planning, application products, system implementation, basic operation, policy operation and management operation. The proposed registered capital is RMB700 million based on the cash flow measurement.
2. Sunshine Digital Intelligence will support the development of digital transformation of the main insurance industry with technology empowerment, focus on the construction of technology infrastructure, public technology platform and business service platform, and create digital and intelligent technology service innovation products. Sunshine Digital Intelligence will further enhance service capability, and improve service quality and efficiency through the construction of a team of scientific and technological talents, optimal allocation of resources and giving full play to the scale effect of shared services across the Group, so as to achieve substantial cost savings in the field of technology across the Group.
3. Sunshine Digital Intelligence is a wholly-owned subsidiary of the Company and will be included in the scope of consolidation of the Company's consolidated financial statements.

LETTER FROM THE BOARD

(III) Matters for consideration

It is proposed to the AGM for consideration and agreement:

1. to establish Sunshine Digital Intelligence Technology Co., Ltd. funded by the Company with a registered capital of RMB700 million and a 100% shareholding ratio by the Company.
2. to authorize the chairman of the Board of Directors of the Company and its authorized person to fully handle the matters related to the establishment of Sunshine Digital Intelligence Technology Co., Ltd. according to the specific circumstances, including but not limited to the application, registration, filing, approval, consent, corresponding adjustment according to the requirements of the regulatory authorities, and signing relevant documents, provided that the relevant laws, regulations and regulatory provisions are satisfied.

8. The Performance Report of the Directors for 2022

Pursuant to the requirements in the Guidelines for Corporate Governance of Banking and Insurance Institutions, the Guidelines on the Operation of the Board of Directors of Insurance Companies, the Measures for Evaluation of the Performance of Directors and Supervisors of Banking and Insurance Institutions (for Trail Implementation) and the Measures for Evaluating the Performance of the Directors and Supervisors of Sunshine Insurance Group Company Limited and other relevant requirements, the Board of Directors shall conduct regular performance evaluation of the directors within four months after the end of each fiscal year, and submit directors' performance reports to the general meeting of Shareholders and the Board of Supervisors. The Company's Performance Report of the Directors for 2022 is set out in Appendix I to this circular which is submitted to Shareholders for their review, but no Shareholders' approval is required.

9. The Performance Report of the Independent Directors for 2022

Pursuant to the requirements under the Measures for the Administration of Independent Directors of Insurance Institutions and other relevant requirements, independent directors shall submit performance reports to the general meeting of Shareholders every year. The Company's Performance Report of the Independent Directors for 2022 is set out in Appendix II to this circular which is submitted to Shareholders for their review, but no Shareholders' approval is required.

10. The Performance Report of the Supervisors for 2022

Pursuant to the requirements in the Guidelines for Corporate Governance of Banking and Insurance Institutions, the Measures for Evaluation of the Performance of Directors and Supervisors of Banking and Insurance Institutions (for Trail Implementation) and the Measures for Evaluating the Performance of the Directors and Supervisors of Sunshine Insurance Group Company Limited and other relevant requirements, the Board of Supervisors shall conduct regular performance evaluation of the supervisors within four months after the end of each fiscal year, and submit the performance

LETTER FROM THE BOARD

report of the supervisors to the general meeting of Shareholders. The Company's Performance Report of the Supervisors for 2022 is set out in Appendix III of this Circular, which is submitted to Shareholders for their review, but no Shareholders' approval is required.

11. The Special Report on Related Party Transactions for 2022

Pursuant to the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions, the Board of Directors shall make a special report on the overall situation of related party transactions to the general meeting of Shareholders every year. Based on the overall situation of related party transactions in 2022, the Company has formed a special report on related party transactions in 2022. The Company's Special Report on Related Party Transactions for 2022 is Set forth in Appendix IV of this circular, which is submitted to Shareholders for their review, but no Shareholders' approval is required.

AGM

The Company will convene the AGM at 11:00 a.m. on Monday, May 29, 2023 at Sunshine Financial City, Yard 1, Shangtong Avenue, Tongzhou District, Beijing, PRC to consider and, if thought fit, to approve the resolutions in respect of the matters described above. A form of proxy has been dispatched by the Company to Shareholders in accordance with the Listing Rules on May 5, 2023. The notice of the AGM is set out in this circular.

In order to determine the list of Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Tuesday, May 23, 2023 to Monday, May 29, 2023, both days inclusive, during which period no transfer of Shares will be effected. Holders of H Shares whose names appear on the register of members of the Company on Monday, May 29, 2023 shall be entitled to attend and vote at the AGM. For unregistered holders of H Shares who intend to attend the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, May 22, 2023 for registration. Completion and return of the form(s) of proxy will not preclude you from attending and voting in person at the AGM or at any adjourned meetings should you so wish.

All voting at the AGM will be conducted by poll. To the best knowledge, information and belief of the Directors, no Shareholder or its associate is deemed to have a material interest in any of the resolutions to be proposed at the AGM, and accordingly, no Shareholder is required to abstain from voting on any resolutions at the AGM.

RECOMMENDATION

The Board of Directors (including the independent non-executive Directors) considers that the resolutions set out in the notice of the AGM for Shareholders' consideration and approval are in the interests of the Company and the Shareholders as a whole and accordingly recommends the Shareholders to vote in favor of the resolutions to be proposed at the AGM.

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

In 2022, the directors of the Company performed their duties in good faith, diligence, loyalty and conscientiousness as stipulated in relevant laws, regulations, and the Articles of Association. The duty performance of directors in 2022 is reported as follows.

I. COMPOSITION OF THE BOARD OF DIRECTORS

As of December 31, 2022, there were 12 incumbent directors on the Board, including 5 executive directors and 7 non-executive directors (including 5 independent directors). The qualifications, appointment and removal procedures of the Board of the Company were strictly implemented in accordance with relevant provisions of the CBIRC and the Articles of Association.

II. PERFORMANCE OF DUTIES OF DIRECTORS

In 2022, the directors of the Company, on the basis of fully understanding their own rights, obligations and responsibilities, continuously kept abreast of corporate governance, strategic management, operation and investment, risk management, internal control and compliance, financial accounting and other aspects in strict accordance with the requirements of laws, regulations, regulatory provisions and the Articles of Association, made independent, professional and objective judgments on matters within the scope of their duties, which improved the quality and efficiency of the Board's decision-making, and promoted the implementation of resolutions of shareholders' meetings and Board meetings. Besides, they faithfully and diligently performed their duties as directors and safeguarded the legitimate rights and interests of the Company, shareholders and stakeholders. At the same time, the directors of the Company continuously improved the professional knowledge and basic quality necessary for performing their duties, kept abreast of and mastered the laws, regulations and regulatory provisions related to the Company's operation and management, actively participated in relevant meetings and trainings, and continuously improved their ability and level of performing duties. In 2022, the performance of directors of the Company is reported as follows:

APPENDIX I PERFORMANCE REPORT OF THE DIRECTORS FOR 2022

(I) Attendance of Directors at Meetings

In 2022, the Board of the Company held a total of 9 meetings, of which 5 were on-site meetings and 4 were held through transferring and signing. The attendance of directors during the year was as follows:

Name	Number of Meetings Required to Attend	Number of In-person Attendance	Number of Delegation	Number of Absence
ZHANG Weigong	9	9	0	0
ZHAO Zongren	9	9	0	0
LI Ke	9	9	0	0
PENG Jihai	9	9	0	0
WANG Yongwen	9	9	0	0
WANG Jingwei	9	9	0	0
YUAN Mouzhen	9	9	0	0
MA Guangyuan	9	9	0	0
LIU Zhanqing	9	9	0	0
WANG Jianxin	9	9	0	0
GAO Bin	9	9	0	0
JIA Ning	9	9	0	0

(II) Opinions from Directors

In 2022, the directors of the Company earnestly exercised the rights conferred by the Articles of Association, kept abreast of the Company's important business information, financial status, risk and compliance management, paid full attention to the Company's development, and actively participated in various Board meetings and relevant specialized committee meetings during the reporting period. In 2022, the Board of the Company held nine meetings, reviewed and adopted a total of 70 proposals, including the 2021 Annual Work Report, the 2021 Annual Work Report of the Board, the 2021 Final Financial Plan and 2022 Financial Budget Plan, the 2021 Special Report on Related Party Transactions, the 2021 Internal Audit Work Report, the 2021 Risk Assessment Report, the Three-year Development Plan 2022-2024, the 2022 Annual Assessment and Incentive Plan, the 2022 Interim Work Report, the 2022 Interim Financial Report, the 2022 Work Report for Interim Internal Audit, and the Proposal on Determining Matters Related to the Global Offering of H-Shares (Hong Kong Public Offering and International Offering) and Listing on The Stock Exchange of Hong Kong Limited, and heard 3 reporting matters. In addition, during the reporting period, the relevant special committees of the Board of the Company held a total of 28 meetings to deliberate on 82 proposals.

Before attending the meetings for deliberation, all directors were able to get familiar with the situation of the proposal in advance, and grasp the background and content of the proposal through various channels and methods such as inquiry, communication, and data acquisition

for issues of concern. At the same time, the directors were able to speak freely on those proposals and the development of the Company at the meetings, and their suggestions were adopted by the Company.

The independent directors of the Company made independent and objective judgments on the appointment and removal of senior executives of the Company, assessment and incentive plans, signing of entrusted investment management contracts, profit distribution, appointment of accounting firms and other matters in accordance with the Code of Corporate Governance of Banking and Insurance Institutions, the Measures for the Administration of Independent Directors of Insurance Institutions and other relevant provisions, and expressed independent opinions to the Board.

(III) Keeping abreast of the Company's Operation through Multiple Ways

1. The directors of the Company actively participated in Board meetings and various specialized committee meetings, read meeting documents, and listened to the report of the Company's senior management on the Company's operation and management at the Board meetings; in addition, they actively participated in the discussion to understand the Company's operation and management, and took the initiative to obtain the information required for making resolutions.
2. The directors of the Company kept abreast of important regulatory trends, industry information and the Company's operation and management through monthly information briefings and other interim reports regularly submitted to the directors by the Company.
3. The Company's management and relevant personnel of the Board office took the initiative to communicate with the directors on the Company's development strategy, business condition, and risk and compliance management through on-site visits, phone calls and other means from time to time.
4. The directors of the Company maintained daily contact with the Company through email, phone calls, WeChat and other means, and raised relevant questions and requested the Company to provide relevant information at any time; in addition, they timely understood the Company's strategic planning and business development by means of workplace visits, as well as interviews with the Company's middle and senior management.

All directors of the Company believe that there are various ways, flexible methods, and smooth channels for directors to understand the Company's operation and management, the feedback is timely and there are no obstacles.

(IV) Directors' Participation in Trainings

The directors of the Company actively participated in various forms of trainings related to the appointment and performance of duties. All Directors were provided with comprehensive notice of their duties after their qualifications have been approved and prior to the commencement of their duties to ensure that they are fully aware of their duties and obligations as directors under the regulatory requirements. At the same time, the Company continuously provided all directors with information such as statutory and regulatory updates, business and market changes, and relevant information necessary for directors to perform their duties in accordance with regulatory rules or relevant legal provisions.

In 2022, through offline meetings and trainings, and online courses provided by “Dedao (得到) APP” and “Sunshine Academy”, all directors have completed training for the required class hours each year.

(V) Performance of Duties of Independent Directors

In 2022, all independent directors of the Company performed their duties as independent directors stipulated in relevant laws and regulations and the Articles of Association of the Company in good faith, diligence and prudence, actively attended Board meetings and specialized committee meetings of the Company, carefully and meticulously deliberated on various proposals, and timely understood the Company's operation through field visits, interviews and investigations, so as to better express independent opinions and put forward professional suggestions.

During the reporting period, the independent directors of the Company were able to fully understand the relevant situation before the meeting, review meeting materials, and actively make suggestions and express objective opinions on the matters deliberated on the Board meetings and relevant specialized committee meetings, and played an active role in the full demonstration and scientific decision-making of relevant matters. The independent directors of the Company also paid close attention to the mechanism construction and daily management status of important governance matters such as related party transactions, internal control and internal audit, and put forward professional suggestions, which has promoted the continuous improvement of corporate governance.

In 2022, all the independent directors of the Company provided a number of constructive opinions and suggestions for the Company's governance structure, financial audit, strategic development and other aspects based on their own work experience and professional background, effectively safeguarding the legitimate rights and interests of the Company, insurance consumers and the minority shareholders, promoting the scientific decision-making and adequate supervision of the Board of the Company, and making important contributions to ensuring the sustainable, healthy and steady development of the Company.

III. EVALUATION OF DIRECTORS' PERFORMANCE OF DUTIES

The Company evaluated the annual performance of the 12 directors who have served the Company for more than half a year as of the end of 2022, including 5 executive directors and 7 non-executive directors (including 5 independent directors) in accordance with the Code of Corporate Governance of Banking and Insurance Institutions, Measures for the Evaluation of Performance of Duties by Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation), the Measures for the Administration of Independent Directors of Insurance Institutions, and other regulatory requirements, as well as the Measures of Sunshine Insurance Group Company Limited for Evaluation of Performance of Duties by Directors and Supervisors.

The evaluation was based on self-evaluation and mutual evaluation of each director, as well as full consideration of the attendance and training of each director. Among them, the evaluation on the performance of duties of independent directors was combined with the performance report of independent directors, and the opinions from other directors, supervisors, and relevant personnel of the Company's management were solicited. The 12 directors who participated in the evaluation performed their duties as directors stipulated in relevant laws and regulations and the Articles of Association in good faith, diligence and prudence, and the recommended evaluation results were all competent.

IV. DIRECTORS' COMMENTS ON THE MANAGEMENT

In 2022, all directors of the Company performed their duties in good faith and diligence, continued to pay attention to the Company's operation and management, and ensured that the Board of the Company operated in a standard and effective manner with high decision-making efficiency and level. All directors of the Company believe that the management of the Company has a high degree of responsibility and dedication, and possesses strong leadership ability and high professionalism, and the Company operates soundly with remarkable achievements.

In 2022, all independent Directors of Sunshine Insurance Group Company Limited (hereinafter referred to as the “Company”) have faithfully, diligently, truthfully, and independently performed their duties in compliance with relevant laws and regulations at home and abroad and the Articles of Association of the Company, actively attended Board meetings and special committee meetings of the Company, carefully and meticulously deliberated on various proposals of the Board of Directors, and expressed their independent, objective and impartial opinions on relevant matters of the Company according to the regulations. The duty performance of independent Directors in 2022 is now reported as follows.

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

As of December 31, 2022, there are 12 Directors of the fifth session of the Board of Directors of the Company in total, including 5 independent Directors, whose resumes are listed in the 2022 Annual Report of the Company. They are professionals in economy, finance, banking, enterprise management and other fields, and meet the requirements of independence as required by relevant regulatory regulations and the Articles of Association for serving as independent Directors. The Company has received annual confirmation letters of independence from each of the independent directors and acknowledged their independence. The independent Directors of the Company all serve on relevant special committees under the Board of Directors, among which the chairmen of the Audit Committee, the Nomination and Remuneration Committee and the Related Party Transactions Control Committee are all independent Directors. Independent Directors account for 2/3 of the members of the Audit Committee, and all members of the Nomination and Remuneration Committee and the Related Party Transactions Control Committee are independent Directors. The proportion of independent Directors in the composition of the Board of Directors and special committees conforms to relevant domestic and foreign laws and regulations and the Articles of Association.

II. ATTENDANCE AND VOTING OF INDEPENDENT DIRECTORS AT MEETINGS

In 2022, all independent Directors of the Company conscientiously performed their duties by attending the meetings of the Board of Directors and the special committees under the Board of Directors they served in person, reading the proposals in detail before each meeting and communicating with the Company in advance on the relevant issues in the proposals. At the meetings, the independent Directors listened carefully to the presentations on the operation and management of the Company, actively participated in the discussions and put forward their opinions and suggestions on the development of the Company based on their professional experience, and made objective decisions on the matters under consideration on the basis of their in-depth understanding of the relevant circumstances. After careful consideration, all the independent Directors voted in favor of all the proposals without abstention or dissenting vote; and expressed their independent opinions on relevant proposals in strict accordance with the Articles of Association and other relevant provisions.

The attendance of independent Directors during the year is as follows:

Name	Attendance at Special Committees							ESG (Environment, Social Responsibility and Corporate Governance)
	Attendance at Board Meetings	Strategy and Investment Decision Committee	Risk Management Committee	Audit Committee	Nomination and Remuneration Committee	Related Party Transactions Control Committee	Consumer Rights Protection Committee	
MA Guangyuan	9/9	5/5	-	-	6/6	-	-	-
LIU Zhanqing	9/9	-	-	-	6/6	2/2	-	4/4
WANG Jianxin	9/9	-	-	5/5	-	1/1	-	-
GAO Bin	9/9	-	-	5/5	6/6	1/1	-	4/4
JIA Ning	9/9	-	3/3	-	-	-	-	-

Note: There are seven special committees under the Board of Directors, including the Strategy and Investment Decision Committee, the Risk Management Committee, the Audit Committee, the Nomination and Remuneration Committee, the Related Party Transactions Control Committee, the Consumer Rights Protection Committee and the ESG (Environment, Social Responsibility and Corporate Governance) Committee, and the composition of each committee is in compliance with the relevant regulations. Among them, Mr. WANG Jianxin, an independent Director, is the chairman of the Audit Committee; Mr. MA Guangyuan, an independent Director, is the chairman of the Nomination and Remuneration Committee; and Mr. LIU Zhanqing, an independent Director, is the chairman of the Related Party Transactions Control Committee.

III. INDEPENDENT DIRECTORS' INDEPENDENT OPINIONS

In 2022, the independent Directors of the Company exercised their rights conferred by laws and regulations and the Articles of Association in good faith in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Insurance Institutions (《保險機構獨立董事管理辦法》) and the Articles of Association; and with respect to the matters such as profit distribution, appointment of accounting firm, material related party transactions (unified transaction agreement), appointment and removal of senior management and remuneration of senior management considered by the Board of Directors of the Company during the reporting period, the independent Directors, after careful consideration, made independent and objective judgments and expressed concurring independent opinions.

IV. MULTIPLE WAYS TO UNDERSTAND THE OPERATION AND MANAGEMENT OF THE COMPANY

In 2022, the independent Directors of the Company learned about the operating conditions of the Company in a timely and effective manner by actively participating in the meetings of the Board of Directors and special committees, reading the Company's special issue and internal newspapers, visiting the Company's workplace and conducting interviews and research. Before the convening of Board meetings, each of the independent Directors would read the proposals of the Board of Directors

in detail, took the initiative to learn about the relevant situation from the Company, and requested the Company to supplement relevant explanatory materials according to the actual situation. At the meetings, each of the independent Directors listened in detail to the presentation of the management of the Company on the relevant operation and management, carefully considered each issue, actively participated in the discussion of the meeting and put forward rationalized suggestions with their own professional fields. They took the initiative to communicate with the management of the Company to learn about the operation and financial situation of the Company; kept close contact with other Directors, senior management and relevant staff of the Company by telephone and email, paid attention to the impact of the external environment and market changes on the Company, paid attention to media, Internet and other reports and comments about the Company, and kept informed of the progress of the Company's major issues in a timely manner to grasp the dynamics of the Company.

All the independent Directors of the Company provided a number of constructive opinions and suggestions for the Company's governance structure, financial audit, strategic development and other aspects based on their own work experience and professional background, effectively safeguarding the legitimate rights and interests of the Company, the insurance consumers and the minority shareholders, promoting the scientific decision-making and adequate supervision of the Board of the Company, and making important contributions to ensuring the sustainable, healthy and steady development of the Company.

V. NO OBSTACLES IN THE PROCESS OF PERFORMING DUTIES

All independent Directors of the Company are of the view that there are various, convenient and flexible ways and smooth channels to understand the operation and management of the Company. There is no failure to guarantee the right to information of independent Directors, and no interference or obstruction in the performance of their duties. All the independent Directors have diligently performed their duties and expressed constructive opinions and suggestions on corporate governance, strategic development, business operation, risk management and related party transactions, etc. The Board of Directors and the senior management of the Company have actively listened to and paid close attention to safeguarding the interests of the Company and all shareholders in decision-making and implementation, with particular attention to the legitimate rights and interests of minority shareholders.

VI. SELF-EVALUATION OF ANNUAL WORK

During the reporting period, the independent Directors of the Company performed their duties diligently. Under the arrangement of the Company, all the independent Directors actively and continuously participated in professional trainings by attending internal and external trainings and reviewing materials on certain topics, so as to continuously expand and update their knowledge and skills and provide suggestions for the development of the Company; all the independent Directors were able to make objective and fair judgment in the decision-making process and fully express their opinions on relevant matters, and participated in the decision-making of major matters of the Company from an independent and objective standpoint. In addition, all the independent Directors have made objective and fair judgments on profit distribution, appointment of accounting firms, major

related party transactions (unified transaction agreement), appointment and removal of senior management, remuneration of senior management and other related matters, and expressed independent opinions to effectively protect the legitimate rights and interests of the Company and all shareholders.

VII. EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS AND THE MANAGEMENT

The independent Directors of the Company are of the view that all Directors of the Company performed their duties in good faith and diligently in 2022 and paid continuous attention to the operation and management of the Company; the Board of Directors of the Company operated in a standardized and effective manner with high decision-making efficiency and level; the management of the Company has a high degree of responsibility and dedication, strong leadership ability and high professionalism, and the Company operated soundly with remarkable achievements.

In accordance with the Measures for Evaluation of the Performance of Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation) (《銀行保險機構董事監事履職評價辦法(試行)》) and other relevant requirements, the Board of Supervisors shall report the duty performance of the Supervisors to the shareholders' general meeting each year. In 2022, all the Supervisors of the Company strictly followed the regulatory requirements and the relevant provisions of the Articles of Association, upheld good professional ethics, performed their duties in a honest, trustworthy and diligent manner, actively attended the Board of Supervisors and shareholders' general meetings, presented at meetings of the Board of Directors and other relevant meetings, paid attention to and understood the strategic and regional matters of the Company, reviewed the relevant reports, expressed their objective opinions and played an active role in promoting good governance and scientific decision-making of the Company. The duty performance of Supervisors of the Company in 2022 now is reported as follows:

I. COMPOSITION OF THE BOARD OF SUPERVISORS AND CHANGES IN PERSONNEL

According to the Articles of Association, as of December 31, 2022, the Board of Supervisors of the Company comprised of Mr. ZHUANG Liang, the Chairman of the Board of Supervisors (employee Supervisor), Ms. ZHANG Di, a Supervisor (shareholder Supervisor) and Ms. WANG Zhe, a Supervisor (external Supervisor). The number, composition, qualification and the procedures of appointment and dismissal of the Board of Supervisors are strictly in compliance with the Company Law, the relevant CBIRC regulations and the Articles of Association. The changes in the Board of Supervisors of the Company during the reporting period are as follows:

On May 15, 2022, the Company received a letter stating that Mr. CHEN Zhijie, a Supervisor, would resign from the position as the Supervisor of the Company and Jiangsu Tiancheng Property Development Co., Ltd., a Shareholder of the Company, and that would adjust the Supervisors and nominate Ms. ZHANG Di as a new candidate for Supervisor. After the review of the qualifications of the candidates for Supervisors at the 12th meeting of the Nomination and Remuneration Committee of the Fifth Session of the Board of Directors and upon the consideration and approval at the 16th meeting of the Fifth Session of the Board of Supervisors, it was decided that Ms. ZHANG Di was to be the candidate for Supervisor of the Fifth Session of the Board of Supervisors of the Company and was approved by the general meeting by way of proposals. The 2022 First Extraordinary General Meeting of the Company considered and approved the Proposal on the By-election of Supervisors of the Company, and elected Ms. ZHANG Di as the Supervisor of the Fifth Session of the Board of Supervisors of the Company; on June 27, 2022, the CBIRC approved Ms. ZHANG Di's qualifications for the position as the Supervisor; on June 30, 2022, the Company printed the Notice on Zhang Di Serving as the Supervisor of the Group Company (Yang Guang Bao Xian Fa [2022] No. 117).

II. PARTICULARS OF ATTENDANCE OF MEETINGS

In 2022, the Board of Supervisors held a total of six meetings, of which four meetings were held in the form of on-site meetings and two meetings were held in the form of circulation of written proposals. None of the Supervisors was absent from the above meetings. In 2022, the employee Supervisors conscientiously exercised their rights conferred by the laws and regulations and the Articles of Association, attended the meetings of the Board of Supervisors in person and resolved the matters of the meetings prudently without authorization or absence. In addition, the employee Supervisors understood the strategic decisions and operation of the Company in a timely manner and

fully monitored the development of the Company. In 2022, there were employee Supervisors attending or observing the shareholders' general meetings and Board of Directors' meetings held in 2022, and actively participating in the discussions and expressed their opinions.

III. VOTING AT THE MEETING AND EXPRESSION OF OPINIONS

In 2022, the Board of Supervisors of the Company considered 47 proposals and heard 3 reports. All proposals were unanimously approved by the Supervisors present at the meeting, without voting against or abstention from voting.

IV. PERFORMANCE OF DUTIES OF SUPERVISORS

In 2022, the Supervisors of the Company faithfully and diligently performed their duties and obligations, mainly as follows:

(I) Faithful and diligent performance of the supervisory duties

1. During the reporting period, all Supervisors performed their duties in strict compliance with laws and regulations, regulatory norms, the Articles of Association and other relevant provisions. They participated in all the meetings of the Board of Supervisors and made prudent judgments and deliberations on various issues under discussion; they actively attended the meetings of the Board of Directors and shareholders' general meetings to gain a detailed understanding of the Company's important operating conditions, risk compliance and other work decisions, and performed their supervisory duties. They gained a full understanding and supervision of the Company's operation, financial situation, risk management, internal control and audit, and incentive assessment on senior management.
2. They attended the meetings of the Board of Directors, considered the examination of directors, audit report, performance evaluation report of directors (including independent directors), and participated in directors' performance evaluation to supervise and evaluate the performance of the Board of Directors and its members.
3. They attended the meetings related to the operation and management of the Company, and considered the examination reports of the senior management and audit reports to supervise and evaluate the performance of the senior management and its members. They had conversations and exchanges with relevant staff and responsible personnel of department, heard special reports from relevant departments to understand and supervise the key tasks such as the Company's operation activities and the performance of senior management.

(II) Performance Compliance and Professionalism

In 2022, the Supervisors of the Company strictly abided by laws and regulations, regulatory requirements and the Articles of Association, continued to regulate their performance of duties, and performed their corresponding duties according to laws and regulations; they adhered to the continuous improvement of their professional standards, and constantly improved the professionalism of performing their duties.

All Supervisors attached great importance to the improvement of their professional abilities, and conducted in-depth studies and understanding of important supervisory systems in order to better perform their supervisory duties. At the same time, they made full use of the internal and external learning platforms of the Company to strengthen their professional knowledge and comprehensive skills, and strove to improve their professional quality and comprehensive quality.

In order to meet the needs of the training for Supervisors, in addition to the opportunities for participating in various offline trainings, the Company also uniformly purchased online courses of “Dedao APP”, and the Supervisors ZHUANG Liang, WANG Zhe and ZHANG Di completed their respective required annual online training hours; based on their professional backgrounds, members of the Board of Supervisors shared and learned about macro-economy, finance, investment and other hot topics from their professional backgrounds in finance, compliance and human resources, and enriched the content and form of supervisor training through various forms.

In 2022, all Supervisors have met the requirements of annual training hours.

(III) Independence in Performance of Duties and Moral Standards

The Supervisors of the Company were able to adhere to high standards of professional ethics, not controlled or interfered by major Shareholders and internal personnel, and could independently perform their duties. In 2022, the Supervisors of the Company held a meeting with the relevant person in charge of the consumer protection department, heard matters related to consumer protection work and made suggestions, playing a positive role in promoting the consumer rights protection of the Company.

V. RESULTS OF PERFORMANCE EVALUATION

In accordance with Measures for Evaluation of the Performance of Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation), Guidelines for Corporate Governance of Banking and Insurance Institutions, Measures for Evaluation of the Performance of Directors and Supervisors of Sunshine Insurance Group Company Limited (Yang Guang Bao Xian Fa [2021] No. 181) and other relevant provisions, the Company conducted a performance evaluation of the work of the Supervisors who had served for more than half a year as of December 31, 2022, and the Supervisors participating in the evaluation were ZHUANG Liang, the Chairman of the Board of Supervisors, ZHANG Di, the shareholder Supervisor and WANG Zhe, the external Supervisor.

The Board of Supervisors of the Company is of the view that this evaluation is based on the self-evaluation, mutual evaluation and the final evaluation of the Board of Supervisors, taking into full consideration the participation and training of each Supervisor. In 2022, all Supervisors involved in the evaluation performed their supervision and inspection duties diligently and conscientiously in accordance with the relevant regulations of the laws and regulations, regulatory requirements and the Articles of Association, focused on monitoring the performance of duties of the Board of Directors and its members as well as senior management and its members, development strategies and business philosophy, corporate finance, internal control and compliance, risk management, internal audit, incentive and restraint mechanisms, fully performed their duties and responsibilities as stipulated in the Guidelines for Corporate Governance of Banking and Insurance Institutions and the Measures for Evaluation of the Performance of Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation), protected the standard operation of the Company and safeguarded the legitimate rights and interests of the Company and its shareholders. The employee Supervisors regularly reported to the meeting of employee representatives according to requirements, and accepted the supervision of the employees at large. On the whole, the results of performance evaluation of all the Supervisors who participated in the evaluation of their performance in 2022 were “competent”.

In 2023, all Supervisors of the Company will attend the meetings of the Board of Supervisors of the Company on time in strict accordance with the national laws and regulations, the rules and regulations of the CBIRC and the relevant provisions of the Articles of Association, perform their duties faithfully and diligently, give full play to the supervisory function of the Board of Supervisors and actively safeguard the interests of the Company, shareholders, employees and customers.

I. PROFILE OF THE COMPANY

Sunshine Insurance Group Company Limited (hereinafter referred to as “the Company”) is a joint stock company incorporated in Shenzhen, the People’s Republic of China with limited liability. The Company was approved by the former China Insurance Regulatory Commission (hereinafter referred to as the “former CIRC”) and obtained No. 4403011268750 Business License for Enterprise Legal Person issued by the former Shenzhen Administration for Industry and Commerce (now Shenzhen Administration For Market Regulation) on June 27, 2007, with an initial registered capital of RMB1.35 billion. The Company was formerly known as Sunshine Insurance Holdings Co., Ltd., which was renamed as Sunshine Insurance Group Company Limited on January 23, 2008. Since 2007, the Company has undergone several shareholder changes and capital increase. As of December 31, 2022, the registered capital of the Company was RMB11,501.5225 million, and the unified social credit code is 91440300664161245Y, with the business term of perpetual operation.

The main business scope of the Company includes investment in the establishment of insurance enterprises, supervision and management of various domestic and international businesses of the holding investment enterprises, investment business permitted by national laws and regulations, insurance business and other businesses approved by the CBIRC.

II. BASIC INFORMATION OF THE COMPANY’S RELATED PARTIES AND RELATED PARTY TRANSACTIONS**(I) Basic information of related parties**

The Company has established a full-caliber mechanism for collecting, summarizing and reporting related party information in accordance with the criteria of the Ministry of Finance of the People’s Republic of China and the CBIRC for the identification of related parties. In 2022, the Company has made 2 regular updates and 9 irregular updates to the related party information files in accordance with the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (Order of the China Banking and Insurance Regulatory Commission [2022] No. 1) and other relevant provisions, and reported to the related party transaction supervision system in accordance with the regulatory requirements.

(II) Basic information of related party transactions**1. Major related party transactions**

In 2022, the Company had no major related party transactions that required consideration.

2. Uniform transaction agreement

On June 8, 2022, the Company entered into a new Entrusted Investment Management Contract with Sunshine Asset Management Corporation Limited (“Sunshine AMC”), which became effective from January 1, 2022. The original Entrusted Investment

Management Contract signed on April 28, 2021 was terminated. Pursuant to the contract, Sunshine AMC shall be responsible for the investment management of the insurance assets designated by the Company, and charges investment management fees and consulting service fees. The contract is valid for three years, and the cumulative management fee for the three years is expected to be no more than RMB86,051,800. In June 2022, the Company reported and disclosed the unified transaction agreement in accordance with regulatory requirements and corporate regulations. Meanwhile, the implementation of the agreement was reported and disclosed on a quarterly basis in 2022.

3. *General related party transactions*

In 2022, the Company complied with regulatory requirements and corporate regulations to prepare quarterly classified and consolidated disclosure reports, and made four disclosures in total on its official website.

4. *Transaction types*

The related party transactions that occurred between the Company and its related parties in the year 2022 are related to fund utilization, services, insurance business, and others.

III. BASIC INFORMATION ON THE MANAGEMENT OF RELATED PARTY TRANSACTIONS OF THE COMPANY

(I) Information on regimes for related party transaction management

On November 30, 2008, the 9th meeting of the first session of the Board of Directors approved the Regulations of Sunshine Insurance Group Company Limited on Related Party Transaction Management. This document was filed with the former China Insurance Regulatory Commission on November 5, 2010 with the filing number of Sunshine Insurance [2010] No. 76.

On December 27, 2011, the 10th meeting of the second session of the Board of Directors approved the Proposal on the Approval for Trading Valuable Securities of the Company's Related Parties in the Open Market, approving the investment in the valuable securities issued by the related parties in the open market in 2012, and requiring no submission to the Board of Directors for separate approval before occurrence of the transactions. This resolution was reported to the former China Insurance Regulatory Commission on January 17, 2012 with the report number of Sunshine Insurance [2012] No. 7.

On April 26, 2013, the 17th meeting of the second session of the Board of Directors approved the Proposal on the Approval for Trading Valuable Securities of the Company's Related Parties in the Open Market, approving the investment in the valuable securities issued by the related parties in the open market, and requiring no submission to the Board of Directors for separate approval before occurrence of the transactions. The aforesaid transactions should

continue following the relevant policies of the former China Insurance Regulatory Commission on the fund utilization by insurance companies and other regulations of the Company on related party transaction management, and should be consolidated in the annual special audit of related party transactions and their implementation shall be reported to the Board of Directors. This resolution was submitted to the first extraordinary general meeting of 2013. This resolution was reported to the former China Insurance Regulatory Commission on May 10, 2013 with the report number of Sunshine Insurance [2013] No. 59.

On April 16, 2014, the 4th meeting of the third session of the Board of Directors and the 2013 annual general meeting approved the Proposal on the Approval for Transactions between the Company and Related Parties in Relation to Investment Projects, agreeing that if the amount of a single transaction in relation to investment projects between the Company and related parties does not exceed 3% of the audited consolidated total assets of the previous year, no further separate submission to the Board of Directors before occurrence of the transaction is required, and the transaction price and terms shall be fair and just. Such transactions should continue following the relevant investment regulations of the former China Insurance Regulatory Commission on the fund utilization by insurance companies and other regulations of the Company on related party transaction management, and should be consolidated in the annual special audit of related party transactions and their implementation shall be reported to the Board of Directors. This resolution was reported to the former China Insurance Regulatory Commission on April 25, 2014 with the report number of Sunshine Insurance [2014] No. 60.

In 2017, the Company revised its 2008 Regulations of Sunshine Insurance Group Company Limited on Related Party Transaction Management according to regulatory regulations, and issued the Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management. This document was approved at the 11th meeting of the 4th session of the Board of Directors on November 13, 2017. It was announced on November 28, 2017 (Sunshine Insurance [2017] No. 2124) and filed with the former China Insurance Regulatory Commission with the filing number of Sunshine Insurance [2017] No. 2141.

In 2019, the Company revised the previous measures for related party transaction management in accordance with the Measures for the Administration of Related Party Transactions of Insurance Companies (Yin Bao Jian Fa [2019] No.35) issued by the CBIRC. On October 24, 2019, the twenty-first meeting of the fourth session of the Board of Directors approved the Proposal on Revising the Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management; on October 30, 2019, the Company issued the new Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management (Sunshine Insurance [2019] No. 130). In December 2019, the Company revised and issued the Guidelines on Internal Management of Related Party Transactions of Sunshine Insurance Group (Sunshine Insurance [2019] No. 221).

In 2020, the Company formulated and issued the Code of Sunshine Insurance Group Company Limited on ‘Red-Yellow-Blue’ Management for Related Party Transactions Involving Fund Utilization (Sunshine Insurance [2020] No. 180) to adopt a “red-yellow-blue” management

methodology for controlling the proportion of related party transactions involving fund utilization, which defines the “red-yellow-blue” management range and different control measures to further strengthen the related party transaction management of the Company.

In 2022, the Company revised its previous measures for related party transaction management in accordance with the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (Order of the China Banking and Insurance Regulatory Commission [2022] No. 1) and other relevant regulations. On April 2, 2022, the seventeenth meeting of the fifth session of the Board of Directors approved the Proposal on Revising the Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management; on April 16, 2022, the Company issued the new Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management (Sunshine Insurance [2022] No. 70), and filed it with regulatory system for the related party transactions. In August 2022, the Company revised and issued the Guidelines on Internal Management of Related Party Transactions of Sunshine Insurance Group Company Limited (A3 version)(Sunshine Insurance [2022] No. 127). In November 2022, the Company revised and issued the Code of Sunshine Insurance Group Company Limited on ‘Red-Yellow-Blue’ Management for Related Party Transactions Involving Fund Utilization (Sunshine Insurance [2022] No. 151).

In 2022, the Company developed a system applicable to the related party transaction management for its listed company in Hong Kong in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. On November 21, 2022, the twenty-second meeting of the fifth session of the Board of Directors approved the Proposal on the Formulation of the Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management (Listing Version). On December 27, 2022, the Company issued the Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management (Listing Version) (Sunshine Insurance [2022] No. 173). The Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management is only applicable to the management of related party transactions occurred in mainland China, and will remain valid together with its listing version.

(II) Information disclosure and report of related party transactions

The Company strictly performs the obligations of information disclosure, regulatory filing and periodic reporting for all related party transactions occurred according to the regulatory requirements stipulated in the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (Order of the China Banking and Insurance Regulatory Commission [2022] No. 1).

(III) Management of pricing fairness in related party transactions

The Company always attaches great importance to the management of pricing fairness in related party transactions. For a start, the Company’s related party transactions must be subject to the established pricing principles and management regulations for the business sectors into which the transactions are categorized. In addition, the Company strictly complies with the

regulatory provisions of the CBIRC and the Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management (Sunshine Insurance [2022] No. 70) to ensure that the pricing of related party transactions is fair and just and does not deviate from the pricing or charging standards of independent third parties in the market. If it constitutes a material related party transaction, it must also be approved by the Board of Directors and the independent directors are required to express independent opinions on the fairness of the related party transactions.

(IV) Special audit on related party transactions

In accordance with the requirements of the CBIRC, the Company conducted a special audit on related party transactions occurred in 2022. Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership), as the external auditor, issued the special audit report on the Company's related party transactions for the year 2022. According to the audit results, the external auditor did not find any material inconsistency between the information contained in the special notes on related party transactions in the special audit report on the Company's related party transactions for the year 2022 and the relevant information disclosed in the audited financial statements of the Company for the year 2022. The audit report is set out in the attached Special Audit Report on Related Party Transactions of Sunshine Insurance Group Company Limited for the Year 2022.

(V) Control of proportion of related party transactions involving fund utilization

The Company exercises close monitoring on the use of insurance funds in strict accordance with the relevant provisions of the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (Order of the China Banking and Insurance Regulatory Commission [2022] No. 1) and the Notice by the China Banking and Insurance Regulatory Commission of Strengthening the Regulation for Insurance Institutions' Related Party Transactions Involving Fund Utilization (Yin Bao Jian Gui [2022] No. 11). As of December 31, 2022, the investment balance of the related party transactions involving fund utilization of the Company was RMB126 million, and the investment proportion of related party transactions involving fund utilization of the Company was in compliance with the regulatory requirements. The Company will continue to incorporate the proportion of related party transactions involving fund utilization into the key monitoring scope in accordance with the relevant regulatory requirements, and closely monitor the fund utilization to ensure the legal and compliant utilization of insurance funds.

(VI) Strengthening the construction of related party transaction management system

At the end of 2022, the Related Party Transaction Compliance Management Platform procured by the Company and its insurance subsidiaries was launched. This will enable comprehensive online management of related party transactions, change the old practices featuring strong reliance on manual control and statistical data to be submitted, prevent operational risks such

as omissions and misstatements, further realize the system-level prior risk control in connection with related party transactions, effectively empowering the management of related party transactions across the Group and improving the management level.

IV. IMPLEMENTATION OF PROCEDURES FOR RELATED PARTY TRANSACTIONS

In order to regulate the operation of the Company and improve corporate governance, the Company has stipulated the approval authority, decision-making procedures, pricing principles, decision-making recusal regime and supervision on related party transactions in the Articles of Association, Rules of Procedure of the General Meeting, Rules of Procedure of the Board of Directors and Measures of Sunshine Insurance Group Company Limited for Related Party Transaction Management (Sunshine Insurance [2022] No. 70).

During the reporting period, the Company implemented the procedures stipulated in the above-mentioned regimes for the related party transactions, and had no transfer of benefits or regulatory arbitrage through related party transactions, which had no significant impact on the financial position and operating results of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING OF 2022



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)

NOTICE OF THE ANNUAL GENERAL MEETING OF 2022

NOTICE IS HEREBY GIVEN that the annual general meeting of 2022 (the “AGM”) of Sunshine Insurance Group Company Limited (the “Company”) will be held at Sunshine Financial City, Yard 1, Shangtong Avenue, Tongzhou District, Beijing, PRC at 11:00 a.m. on Monday, May 29, 2023 for the purposes of considering, and if thought fit, approving the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors for 2022
2. To consider and approve the report of the board of supervisors for 2022
3. To consider and approve the annual report for 2022
4. To consider and approve the final financial report for 2022
5. To consider and approve the profit distribution plan for 2022
6. To consider and approve the appointment of accounting firms for 2023
7. To consider and approve the establishment of the technology service subsidiary

AS REPORTING DOCUMENT

1. To review the performance report of the directors for 2022
2. To review the performance report of the independent directors for 2022
3. To review the performance report of the supervisors for 2022
4. To review the special report on related party transactions for 2022

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, May 5, 2023

NOTICE OF THE ANNUAL GENERAL MEETING OF 2022

Notes:

1. Closure of register of members

In order to determinate the entitlements of the shareholders to attend the AGM, the register of members of the Company will be closed from Tuesday, May 23, 2023 to Monday, May 29, 2023, both days inclusive, during which period no transfer of shares will be effected. Holders of H shares whose names appear on the register of members of the Company on Monday, May 29, 2023 shall be entitled to attend and vote at the AGM. For unregistered holders of H shares of the Company who intend to attend the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Monday, May 22, 2023 for registration.

In order to confirm the list of shareholders entitled to receive the 2022 final dividend, the Share register of members of the Company will be closed from Friday, June 2, 2023 to Tuesday, June 6, 2023 (both days inclusive). No share transfers will be registered during this period. To qualify for the 2022 final dividend (subject to shareholder approval), all H Share shareholders of the Company who have not yet registered their shares, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar for H Shares of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Thursday, June 1, 2023 for registration.

2. Proxy

A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company but must attend the AGM in person to represent the relevant shareholder. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorized attorney. If that instrument is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorization document must be notarized. In order to be valid, the proxy form together with the notarized power of attorney or other authorization document (if any) must be deposited at the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for holders of H shares not less than 24 hours before the time fixed for the holding of the AGM (i.e. before 11:00 a.m. on Sunday, May 28, 2023) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof if he so wishes.

3. Voting by poll

According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), any vote of shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands. As such, the resolutions set out in this notice of AGM will be voted on by way of poll. Results of the poll voting will be published on the website of the Company (www.sinosig.com) and the HKExnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in accordance with the Listing Rules.

4. Other business

The AGM is expected to last for half a day. Shareholders or their proxies attending the AGM (and any adjournment thereof) shall produce their identity documents. Shareholders or their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.