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Sunshine Insurance Group Company Limited

陽光保險集團股份有限公司

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

(Stock Code: 6963)

ANNOUNCEMENT

UNAUDITED FINANCIAL DATA AND SOLVENCY STATEMENT OF SUNSHINE LIFE FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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.

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

Sunshine Life will also disclose the unaudited financial data for the nine months ended September 30, 2023 prepared in accordance with the PRC Accounting Standards for Business Enterprises. For details, please refer to the appendix of this announcement.

The above unaudited financial data of Sunshine Life for the nine months ended September 30, 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
NIE Rui
Joint Company Secretary

Hong Kong, October 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. CAI Qiwu, Mr. WANG Jingwei, Mr. CHEN Yong, Ms. QIAN Yiqun and Mr. HOU Huisheng as non-executive directors; and Mr. LIU Zhanqing, Mr. GAO Bin, Ms. JIA Ning, Mr. WU Xiaoqiu and Mr. HONG Qi as independent non-executive directors.

APPENDIX

CONSOLIDATED BALANCE SHEET

As at September 30, 2023

Assets	(RMB)
	Closing balance at the end of the period (unaudited)
Assets:	
Cash at bank and on hand	8,691,741,375.70
Derivative financial assets	–
Securities purchased under agreements to resell	5,924,200,042.14
Other receivables	1,353,417,547.83
Term deposits	10,379,925,964.73
Financial investment:	
Financial assets at fair value through profit or loss	99,595,946,880.40
Debt financial assets at fair value through other comprehensive income	232,820,313,030.53
Equity financial assets at fair value through other comprehensive income	29,932,237,871.28
Insurance contract assets	2,850.54
Reinsurance contract assets	1,642,992,904.16
Long-term equity investments	11,302,702,324.12
Statutory deposits	4,063,481,656.97
Investment properties	6,147,417,571.03
Fixed assets	11,787,306,689.74
Construction in progress	3,930,883,696.61
Right-of-use assets	366,809,880.02
Intangible assets	1,543,322,119.51
Deferred tax assets	1,058,795,934.88
Other assets	1,781,318,101.87
Total assets	432,322,816,442.06

Liabilities and equity	(RMB)
	Closing balance at the end of the period (unaudited)
Liabilities:	
Short-term borrowings	–
Financial liabilities at fair value through profit or loss	939,535,370.47
Derivative financial liabilities	–
Securities sold under agreements to repurchase	23,244,033,924.39
Premiums received in advance	110,490,650.92
Payroll payable	680,047,116.78
Taxes payable	88,000,708.58
Dividends payable	–
Other payables	5,718,615,346.70
Insurance premium reserves	–
Long-term borrowings	257,095,728.89
Bonds payable	7,377,648,770.53
Insurance contract liabilities	351,677,287,156.23
Reinsurance contract liabilities	–
Lease liabilities	311,582,031.25
Deferred tax liabilities	26,180,425.68
Other liabilities	6,573,837,286.90
Total Liabilities	397,004,354,517.32
Equity:	
Share capital	18,342,500,000.00
Less: Treasury stock	–
Capital reserves	3,026,763,530.70
Other comprehensive income	(8,706,665,722.97)
Surplus reserves	2,671,641,130.77
General reserves	2,671,641,130.77
Retained profits	16,787,878,201.80
Attributable to equity owners of the parent	34,793,758,271.08
Non-controlling interests	524,703,653.66
Total equity	35,318,461,924.74
Total liabilities and equity	432,322,816,442.06

CONSOLIDATED INCOME STATEMENT

For the nine months ended September 30, 2023

	(RMB) Cumulative amount for this year (unaudited)
I. Operating income	23,526,494,231.53
Insurance revenue	11,497,915,740.68
Interest income	6,678,348,070.78
Investment income (loss is represented by “-”)	3,491,906,241.79
Including: Share of profits of associates and joint ventures	(114,125,804.99)
Gains from derecognition of financial assets measured at amortized cost	—
Gains from changes in fair value (loss is represented by “-”)	(241,665,498.76)
Foreign exchange gains (loss is represented by “-”)	71,174,128.58
Other operating income	2,012,674,376.91
Other income (loss is represented by “-”)	25,264,359.84
Gains from disposal of assets (loss is represented by “-”)	(9,123,188.29)
II. Operating expenses	19,260,426,180.36
Insurance service expenses	8,890,816,796.04
Allocation of reinsurance premiums paid	711,287,036.26
Less: Amount recovered from reinsurer	637,439,688.33
Net insurance finance expenses for insurance contracts issued	6,799,471,949.85
Less: Net reinsurance finance income for reinsurance contracts held	28,699,919.73
Interest expense	551,407,957.52
Commission and brokerage expenses	—
Tax and surcharges	95,876,337.30
Operating and administrative expenses	951,647,312.48
Expected credit losses	(116,303,782.56)
Impairment losses on other assets	66,833.61
Other operating expenses	2,042,295,347.92
III. Operating profit (loss is represented by “-”)	4,266,068,051.17
Add: Non-operating income	5,783,238.62
Less: Non-operating expenses	162,948,755.82
IV. Total profit (loss is represented by “-”)	4,108,902,533.97
Less: Income tax	722,334,716.72
V. Net profit (loss is represented by “-”)	3,386,567,817.26

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2023

	(RMB) Cumulative amount for this year (unaudited)
I. Cash flows from operating activities	
Cash received from premiums of insurance contracts issued	71,111,811,592.24
Net cash received from reinsurance contracts issued	39,073,591.41
Cash received relating to other operating activities	<u>2,802,365,963.08</u>
Subtotal of cash inflows from operating activities	<u>73,953,251,146.73</u>
Cash paid for claims under insurance contracts issued	37,682,129,122.75
Net cash paid under reinsurance contracts held	47,126,113.94
Net increase in policy loans	1,741,218,513.15
Cash paid for commission and brokerage expenses	7,289,863,546.14
Cash paid to and on behalf of employees	2,541,903,131.45
Payments of taxes and surcharges	512,559,041.44
Cash paid relating to other operating activities	<u>10,120,003,864.13</u>
Subtotal of cash outflows from operating activities	<u>59,934,803,333.00</u>
Net cash inflows from operating activities	<u>14,018,447,813.73</u>
II. Cash flows from investing activities	
Cash received from disposal of investments	143,282,368,886.14
Cash received from returns on investments and interest income	9,734,341,113.47
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,649,596.27
Cash received relating to other investing activities	<u>408,647,641.97</u>
Subtotal of cash inflows from investing activities	<u>153,427,007,237.85</u>
Cash paid to purchase investments	179,225,479,024.58
Increase in securities purchased under agreements to resell, net	—
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,489,625,748.17
Cash paid relating to other investing activities	<u>1,039,656,295.83</u>
Subtotal of cash outflows from investing activities	<u>181,754,761,068.58</u>
Net cash outflows from investing activities	<u>(28,327,753,830.73)</u>

	(RMB) Cumulative amount for this year (unaudited)
III. Cash flows from financing activities	
Cash received from absorption of investments	5,002,995,000.00
Proceeds from borrowings	–
Cash received from bonds issued	–
Increase in securities sold under agreements to repurchase, net	9,672,232,712.89
Cash received relating to other financing activities	2,748,650,000.00
Subtotal of cash inflows from financing activities	<u>17,423,877,712.89</u>
Cash repayments of borrowings	87,304,602.88
Cash paid for distribution of dividends, profits or interest expenses	2,330,046,011.43
Cash paid relating to other financing activities	100,898,708.83
Subtotal of cash outflows from financing activities	<u>2,518,249,323.14</u>
Net cash inflows from financing activities	<u>14,905,628,389.75</u>
IV. Effects of foreign exchange rate changes on cash and cash Equivalents	<u>(41,451,903.42)</u>
V. Net increase in cash and cash equivalents	<u>554,870,469.33</u>
Add: Opening balance of cash and cash equivalents	<u>14,056,115,730.53</u>
VI. Closing balance of cash and cash equivalents	<u>14,610,986,199.86</u>

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.