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Sunshine Insurance Group Company Limited

陽光保險集團股份有限公司

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

(Stock Code: 6963)

ANNOUNCEMENT

**UNAUDITED FINANCIAL DATA AND SOLVENCY STATEMENT OF
SUNSHINE LIFE FOR THE THREE MONTHS ENDED MARCH 31, 2024**

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 two batches of 10-year capital supplementary bonds with a total principal of RMB5.0 billion (bond name is “**Sunshine Life Insurance Corporation Limited 2021 Capital Supplementary Bond**”, abbreviated as “**21 Sunshine Life**”) and RMB7.0 billion (bond name is “**Sunshine Life Insurance Corporation Limited 2023 Capital Supplementary Bond**”, abbreviated as “**23 Sunshine Life Capital Supplementary Bond 01**”) in the National Inter-bank Bond Market on March 26, 2021 and December 12, 2023, respectively. According to relevant regulations, during the duration of the above-mentioned bond, Sunshine Life shall publicly disclose its quarterly reports and solvency statement on the website of China Money (www.chinamoney.com.cn) and the website of China Bond (www.chinabond.com.cn). For details of the solvency statement, please refer to relevant reports that Sunshine Life will disclose on the above-mentioned websites in due course and the announcement on main indicators of solvency of subsidiaries as of the end of the first quarter of 2024 to be published by the Company in due course on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.sinosig.com).

Sunshine Life will also disclose the unaudited financial data for the three months ended March 31, 2024 prepared in accordance with the PRC Accounting Standards for Business Enterprises. For details, please refer to the appendix of this announcement.

The above unaudited financial data of Sunshine Life for the three months ended March 31, 2024 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
SHU Gaoyong
Joint Company Secretary

Hong Kong, April 26, 2024

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 March 31, 2024

	(RMB)
	Closing balance at the end of the period (unaudited)
Assets	
Assets:	
Cash at bank and on hand	5,879,112,022.37
Securities purchased under agreements to resell	17,494,186,276.28
Term deposits	9,009,405,335.65
Financial investment:	
Financial assets at fair value through profit or loss	102,870,499,113.71
Debt financial assets at fair value through other comprehensive income	238,981,581,578.90
Equity financial assets at fair value through other comprehensive income	39,157,459,758.53
Insurance contract assets	213.60
Reinsurance contract assets	1,524,996,938.92
Long-term equity investments	11,071,673,656.15
Statutory deposits	4,424,416,869.22
Investment properties	6,041,682,517.55
Fixed assets	11,548,415,744.47
Construction in progress	4,134,658,604.37
Right-of-use assets	307,323,730.84
Intangible assets	1,537,376,823.95
Deferred tax assets	771,568,072.81
Other assets	2,569,993,930.43
Total assets	<u>457,324,351,187.75</u>

	(RMB)
	Closing balance at the end of the period (unaudited)
Liabilities and equity	
Liabilities:	
Financial liabilities at fair value through profit or loss	914,918,344.08
Securities sold under agreements to repurchase	18,635,232,354.98
Premiums received in advance	170,835,235.14
Payroll payable	496,814,153.24
Taxes payable	76,417,324.62
Dividends payable	–
Long-term borrowings	176,723,442.69
Bonds payable	14,345,361,690.96
Insurance contract liabilities	378,738,822,442.81
Lease liabilities	248,740,650.84
Deferred tax liabilities	12,668,321.08
Other liabilities	7,513,110,935.86
Total Liabilities	421,329,644,896.30
Equity:	
Share capital	21,045,200,000.00
Capital reserves	5,329,234,987.01
Other comprehensive income	(12,860,926,614.98)
Surplus reserves	2,930,251,902.86
General reserves	2,930,251,902.86
Retained profits	16,109,335,034.66
Attributable to equity owners of the parent	35,483,347,212.41
Non-controlling interests	511,359,079.04
Total equity	35,994,706,291.45
Total liabilities and equity	457,324,351,187.75

CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2024

	(RMB)
	Cumulative amount for this year (unaudited)
I. Operating income	<u>8,471,972,042.75</u>
Insurance revenue	4,029,862,442.20
Interest income	2,182,389,522.22
Investment income (loss is represented by “-”)	(190,456,615.05)
Including: Share of profits of associates and joint ventures	100,041,391.56
Gains from changes in fair value (loss is represented by “-”)	1,768,596,789.38
Foreign exchange gains (loss is represented by “-”)	13,968,085.92
Other operating income	658,498,914.74
Other income (loss is represented by “-”)	8,715,007.76
Gains from disposal of assets (loss is represented by “-”)	<u>397,895.58</u>
II. Operating expenses	<u>6,385,155,912.06</u>
Insurance service expenses	2,399,937,587.08
Allocation of reinsurance premiums paid	220,705,607.41
Less: Amount recovered from reinsurer	101,470,721.47
Net insurance finance expenses for insurance contracts issued	2,581,328,226.55
Less: Net reinsurance finance income for reinsurance contracts held	17,071,716.39
Interest expense	284,695,813.06
Tax and surcharges	27,165,265.74
Operating and administrative expenses	348,963,303.05
Expected credit losses	18,506,517.37
Impairment losses on other assets	-
Other operating expenses	<u>622,396,029.66</u>
III. Operating profit (loss is represented by “-”)	<u>2,086,816,130.69</u>
Add: Non-operating income	1,830,240.14
Less: Non-operating expenses	<u>64,108,886.40</u>
IV. Total profit (loss is represented by “-”)	<u>2,024,537,484.43</u>
Less: Income tax	<u>188,154,783.52</u>
V. Net profit (loss is represented by “-”)	<u>1,836,382,700.91</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended March 31, 2024

	(RMB)
	Cumulative amount for this year (unaudited)
I. Cash flows from operating activities	
Cash received from premiums of insurance contracts issued	36,331,668,944.77
Net cash received from reinsurance contracts issued	20,140,177.07
Cash received relating to other operating activities	924,518,366.48
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Subtotal of cash inflows from operating activities	37,276,327,488.32
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Cash paid for claims under insurance contracts issued	22,472,021,892.35
Net cash paid under reinsurance contracts held	-
Net increase in policy loans	722,765,615.54
Cash paid for commission and brokerage expenses	1,809,811,783.66
Cash paid to and on behalf of employees	1,050,934,876.70
Payments of taxes and surcharges	74,304,763.44
Cash paid relating to other operating activities	3,472,411,691.74
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Subtotal of cash outflows from operating activities	29,602,250,623.43
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Net cash inflows from operating activities	7,674,076,864.89
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II. Cash flows from investing activities	
Cash received from disposal of investments	62,149,311,057.78
Cash received from returns on investments and interest income	3,213,437,588.35
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	453,558.00
Cash received relating to other investing activities	422,167,425.88
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Subtotal of cash inflows from investing activities	65,785,369,630.01
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Cash paid to purchase investments	61,109,490,103.47
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	99,559,774.03
Cash paid relating to other investing activities	454,078,392.39
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Subtotal of cash outflows from investing activities	61,663,128,269.89
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Net cash inflows from investing activities	4,122,241,360.12
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(RMB)
Cumulative amount
for this year (unaudited)

III. Cash flows from financing activities

Cash received from absorption of investments	–
Cash received from bonds issued	–
Increase in securities sold under agreements to repurchase, net	(7,352,485,406.12)
Cash received relating to other financing activities	<u>2,729,425,085.68</u>

Subtotal of cash inflows from financing activities **(4,623,060,320.44)**

Cash repayments of borrowings	2,456,306,705.54
Cash paid for distribution of dividends, profits or interest expenses	2,052,459,605.55
Cash paid relating to other financing activities	<u>21,989,562.61</u>

Subtotal of cash outflows from financing activities **4,530,755,873.70**

Net cash outflows from financing activities **(9,153,816,194.14)**

IV. Effects of foreign exchange rate changes on cash and cash equivalents **(2,735,819.13)**

V. Net increase in cash and cash equivalents **2,639,766,211.74**

Add: Opening balance of cash and cash equivalents 20,721,757,079.29

VI. Closing balance of cash and cash equivalents **23,361,523,291.03**

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.