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阳光保险集团
SUNSHINE INSURANCE GROUP

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)

CONTINUING CONNECTED TRANSACTION

CONFIRMATION OF ACTUAL TRANSACTION AMOUNT IN 2025 AND REVISION OF ANNUAL CAPS FOR 2026 AND 2027

Reference is made to the announcement of the Company dated December 12, 2024 in relation to entering into the New Entrusted Investment Management Services Framework Agreement between the Company and Sunshine AMC, a subsidiary of the Company, on December 12, 2024, and the setting of annual caps with respect to such agreement for the three years ending December 31, 2027.

During the course of preparing the financial statements of the Company for the year of 2025 and reviewing the data on the amounts of connected transactions of the Group in 2025, the Board noted that the actual transaction amount in 2025 under the New Entrusted Investment Management Services Framework Agreement exceeded the Original Annual Cap for 2025. Taking into account the actual transaction amount in 2025, the expected growth in entrusted fund scale of the Group in 2026 and 2027, demands for entrusted Investment Management Services, and the volatility and unpredictability of the overall financial market, the Board expected that the Original Annual Caps for 2026 and 2027 will be insufficient to meet the Group's needs for business development. Therefore, on March 16, 2026, the Board resolved to (1) confirm the actual transaction amount in 2025 exceeding the Original Annual Cap for 2025; and (2) revise the annual caps for the transactions under the New Entrusted Investment Management Services Framework Agreement for 2026 and 2027.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Sunshine AMC is a non-wholly owned subsidiary of the Company. Sunshine AMC is a connected subsidiary of the Company and constitutes the connected person of the Company under Rule 14A.16(1) of the Hong Kong Listing Rules. As such, the New

Entrusted Investment Management Services Framework Agreement and the transactions contemplated thereunder constitute the continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the actual transaction amount in 2025 exceeded the Original Annual Cap for 2025, pursuant to Rule 14A.54 of the Hong Kong Listing Rules, the Company is required to re-comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the actual transaction amount in 2025 exceeds 0.1% but is less than 5%, the actual transaction amount in 2025 is subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the revised annual caps exceeds 0.1% but is less than 5%, the revised annual caps are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated December 12, 2024 in relation to entering into the New Entrusted Investment Management Services Framework Agreement between the Company and Sunshine AMC, a subsidiary of the Company, on December 12, 2024, and the setting of annual caps with respect to such agreement for the three years ending December 31, 2027.

NEW ENTRUSTED INVESTMENT MANAGEMENT SERVICES FRAMEWORK AGREEMENT

The principal terms of the New Entrusted Investment Management Services Framework Agreement are set out below:

Term

From January 1, 2025 to December 31, 2027.

Parties

(1) the Company; and

(2) Sunshine AMC.

Related Services

Sunshine AMC shall provide entrusted investment management and investment advisory services (the "**Investment Management Services**") to the Group in connection with entrusted assets. The Group will formulate investment guidelines and reasonably determine elements such as investment scope, investment quota, investment objectives, investment term and investment restrictions in accordance with the asset allocation plans, requirements on asset-liability management, regulatory policies and risk-return characteristics of insurance funds. The Group will amend the investment guidelines when policy environment, market trends and insurance business encounter major changes or regulatory policies permit new investment products.

Pursuant to the New Entrusted Investment Management Services Framework Agreement, Sunshine AMC shall provide entrusted investment management (including investment in stocks, funds, bonds, asset management products, etc.) and investment advisory services (including direct equity investments, real estate investments and investments in private equity funds, etc.) to the Group.

Pricing Policies

For entrusted Investment Management Services, the Group will pay investment management fees (including base management fee and performance-based management fee) and other service fees to Sunshine AMC. The base management fee is calculated by multiplying the net asset value of the entrusted assets by the fixed management fee rate (0.4% per annum for domestic and overseas equity investment portfolio, 0.1% per annum for domestic fixed-income investment portfolio and 0.1%-0.3% per annum for overseas fixed-income investment portfolio) and shall be paid monthly, whereas the performance-based management fee equals to 10% or 15% of the return exceeding the performance benchmarks for each type of assets and is normally determined at the year end. Sunshine AMC may subscribe for financial products managed by itself with the entrusted assets of the Group, for which Sunshine AMC will charge service fee with reference to the pricing level of similar products in the market.

For investment advisory services, the Group will pay advisory service fees (including base service fee and performance-based service fee) to Sunshine AMC. The base service fee is calculated by multiplying the investment principal of each project by the base fee rate of each type of project as agreed under specific transaction agreements, with the highest fee rate not exceeding 1% per annum of the investment principal; whereas the performance-based service fee is charged based on the actual contribution of advisory services provided by Sunshine AMC, which in principle shall not exceed 20% of the net investment return from the investment portfolio for which Sunshine AMC provides services and is normally determined at the year end. The Group shall only pay such performance-based service fees to Sunshine AMC when the return rate of the investment portfolio is higher than the benchmark return rate as agreed between the Group and Sunshine AMC. The pricing of the Investment Management Services is determined by both parties after arm's-length negotiations with reference to the Group's business needs for such Investment Management Services. The fee rates charged by Sunshine AMC under the New Entrusted Investment Management Services Framework

Agreement are no less favorable to the Group compared to the fee rates typically charged by Sunshine AMC against its other independent third-party customers for similar business, as well as the fee rates paid by the Group to independent third-party asset managers for similar business.

EXCEEDING THE ORIGINAL ANNUAL CAP FOR 2025 AND REVISING THE ANNUAL CAPS FOR 2026 AND 2027

1. Original Annual Caps for the Three Years Ending December 31, 2027

The transactions under the New Entrusted Investment Management Services Framework Agreement and their annual caps for the three years ending December 31, 2027 have been approved by the Board on December 12, 2024 (the "**Original Annual Cap(s)**"). The Original Annual Caps for the three years ending December 31, 2027 are set out as follows:

Unit: RMB million

	For the year ended/ending		
	2025	**2026**	**2027**
Fees for Investment Management Services paid or payable by the Group to Sunshine AMC	1,066	1,310	1,436

2. Exceeding the Original Annual Cap for 2025

During the course of preparing the financial statements of the Company for the year of 2025 and reviewing and verifying the data on the amounts of connected transactions of the Group in 2025, the Board noted that the actual transaction amount in 2025 exceeded the Original Annual Cap for 2025. On March 16, 2026, the Board resolved to confirm that the actual transaction amount in 2025 (being RMB1,282 million) exceeded the Original Annual Cap for 2025.

Reasons for actual fees for Investment Management Services paid or payable by the Group to Sunshine AMC exceeding the Original Annual Cap for 2025

When setting the annual caps for transactions under the New Entrusted Investment Management Services Framework Agreement in the preliminary stage, the Company took into comprehensive consideration of the historical entrusted fund scale, the ability of the investment manager to achieve the over-performance, new service demands in the future and expected growth, as well as the routine volatility and uncertainty of the overall financial market. However, the investment market often experiences actual volatility that exceeds the historical range. In particular, the over-performance rewards have nonlinear and asymmetric characteristics, that is, they only occur when the investment performance significantly outperforms the benchmark, and the

timing of occurrence and specific scale are inherently uncertain. The actual transaction amount in 2025 mentioned above exceeds the Original Annual Caps for 2025, which was mainly due to the following reasons:

(i) The overall performance of the capital market exceeded the expectations while the market structure showed distinct differentiation characteristics, providing a favorable market environment for over-performance: In 2025, the capital market significantly outperformed the long-term average level, and "CSI 300 Total Return Index", representing the performance of the overall A-share market, rose by 21% throughout the year. As compared with the historical data, the average five-year return rate of the index before 2024 was only 7.3%, and the average three-year return rate was as low as -11%.

(ii) The active equity investment performance of Sunshine Life has significantly surpassed the historical level and neutral forecast: In 2025, the active equity investment performance generally surpassed the benchmark, becoming a notable feature of the equity market. Such performance differed from that in recent years and also constituted one of the key changes in the market environment in 2025. For instance, performance of the active equity public fund in 2025 exceeded 33%, significantly outperforming the common benchmark in assets management industry, namely "CSI 300 Total Return Index", and the active equity investment of public funds previously underperformed the benchmark for three consecutive years, with a three-year average excess return rate of -6.2%. In this context, the excess return of equity assets of Sunshine Life in 2025 (calculated based on its comprehensive yield relative to the market index) was much higher than the historical average, the performance reward based on excess return was therefore significantly higher than the neutral forecast.

(iii) The return of long-term stable equity assets exceeded the expectation, contributing more to excess returns: Adhering to the core principle of asset-liability management, the Company upheld value-oriented investment with a prudent approach over the long term. In the stock investment in the secondary market, we positioned high-dividend stocks as the core holding, and such strategy has a significant weight in asset allocation, In 2025, declaration of additional interim dividend in key industries such as banking, public utilities and resource industry, which was beyond the previous expectation, significant enhanced the realized return of such investment portfolio, leading to the corresponding excess rewards higher than the neutral forecast.

(iv) According to industry practice, the excess management fee is accrued based on the difference between the actual investment returns for the year and preset performance benchmark (being over-performance) and shall be finalised upon the completion of the annual settlement due to the uncertainty in market volatility and performance of the manager. After the closing of its book for 2025 in early January 2026, the Company immediately organized multiple departments to conduct reconciliation and verification to confirm the actual transaction amount in 2025.

3. Revising the Annual Caps for 2026 and 2027

Taking into account the actual transaction amount in 2025, the expected growth in entrusted fund scale of the Group in 2026 and 2027, demands for the entrusted Investment Management Services, and the volatility and unpredictability of the overall financial market, the Board expected that the Original Annual Caps for the New Entrusted Investment Management Services Framework Agreement and transactions contemplated thereunder for 2026 and 2027 will be insufficient to meet the Group's needs for business development. Therefore, on March 16, 2026, the Board resolved to revise the annual caps for the transactions under the New Entrusted Investment Management Services Framework Agreement for 2026 and 2027. The revised annual caps are as follows:

	For the year ending December 31, 2026 *(RMB million)*	**For the year ending December 31, 2027** *(RMB million)*
Annual caps of fees for Investment Management Services to be paid or payable by the Group to Sunshine AMC	1,800	1,820

The Company confirmed that the actual amount of transactions between the Company and Sunshine AMC under the New Entrusted Investment Management Services Framework Agreement from January 1, 2026 to the date of this announcement has not exceeded the Original Annual Cap for 2026, being RMB1,310 million.

BASIS OF DETERMINING THE REVISED ANNUAL CAPS

The revised annual caps mentioned above mainly take reference to the actual transaction amount under the New Entrusted Investment Management Services Framework Agreement in 2025, taking into account the factors such as the historical entrusted fund scale, the expected growth in entrusted fund scale in the next three years, new demands for entrusted Investment Management Services, nature of different types of products and the volatility and unpredictability of the overall financial market. Among them, the base management fee is expected to increase steadily year by year in line with the expansion of the scale of investment assets, taking into account cash flow planning for business and the growth rate of net value; the performance-based fee is estimated by comparing the historical average investment return of various portfolios with performance benchmark, taking into account the volatility and unpredictability of the market; the investment advisory service fee is estimated based on the existing scale and the future new investments and exit scale of alternative investment; the financial service fee for non-standard assets is estimated by multiplying the incremental scale of non-standard assets by the historical average rate based on the Company's strategic asset allocation planning.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Sunshine AMC has been providing Investment Management Services to the Group since April 2013. Sunshine AMC offers Investment Management Services that are highly recognized by the market and possesses the experience and expertise in asset management with sound investment management skills. Given that Sunshine AMC has a profound understanding of the Group's business, it is to the best interests of the Group and its Shareholders as a whole to proceed such transaction to leverage Sunshine AMC's advantage to promote the Group's investment business development and to provide better investment returns for our Shareholders.

The Directors, including the independent non-executive Directors, are of the view that the terms of the transactions contemplated under the New Entrusted Investment Management Services Framework Agreement are in the ordinary business of the Group and on normal commercial terms or better terms, are fair and reasonable, and in the interests of the Company and its Shareholders as a whole. Mr. ZHANG Weigong, Mr. LI Ke, Mr. PENG Jihai, Mr. WANG Xiaopeng and Mr. HOU Huisheng are considered to hold management positions of the Company and/or Sunshine AMC in which they have interests, and have abstained from voting on the Board resolution for confirmation of the actual transaction amount in 2025 exceeding the Original Annual Cap for 2025 and revision of annual caps. Save as disclosed above, no other Director has a material interest in such matters and is required to abstain from voting on relevant resolutions at the Board meeting.

INTERNAL CONTROL MEASURES

For the continuing connected transactions between the Company and Sunshine AMC (including the revised annual caps), the Company adopted the following enhanced internal control measures:

(i) The Company established a cross-departmental related party transaction management office at the management level, members of which comprise head of relevant departments such as compliance department, business department, risk control department and finance department, with a member of senior management serving as the head. The related party transaction management office will conduct necessary internal review and approval procedures in advance to ensure the terms of the specific execution agreements for continuing connected transactions are fair and reasonable and comply with relevant framework agreement.

(ii) The related party transaction management office will continuously monitor the developments of the capital market, development trend of the industry and changes in the business plan of the Group, and assess the reasonableness of the existing annual caps on a regular basis based on the historical transaction data and future business requirements. Once there are reasonable grounds to anticipate that the actual transaction amount may approach or exceed the existing annual caps, the related party transaction management office will immediately initiate internal evaluation procedures, and propose any suggestions for adjustment to the Board in a timely manner when necessary.

(iii) The related party transaction management office of the Company will monitor the continuing connected transactions, regularly review the actual amount incurred for continuing connected transactions on a quarterly basis, and submit reports to the related party transactions control committee of the Board for quarterly review. If the actual transaction amount reaches 80% of the relevant annual cap, a re-assessment will be conducted. If the annual cap is considered to be exceeded after re-assessment, the related party transaction management office of the Company will hold a Board meeting and/or shareholders' general meeting (when necessary) as soon as practicable to increase the annual cap.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Sunshine AMC is a non-wholly owned subsidiary of the Company, in which the Company held, directly and indirectly, approximately 80% equity interest and Mr. ZHANG Weigong, the Chairman of the Company, indirectly held the remaining 20% equity interest, therefore, Sunshine AMC is a connected subsidiary of the Company and constitutes the connected person of the Company. As such, the transactions under the New Entrusted Investment Management Services Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the actual transaction amount in 2025 exceeded the Original Annual Cap for 2025, pursuant to Rule 14A.54 of the Hong Kong Listing Rules, the Company is required to re-comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of the actual transaction amount in 2025 exceeds 0.1% but is less than 5%, the actual transaction amount in 2025 is subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the revised annual caps exceeds 0.1% but is less than 5%, the revised annual caps are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

GENERAL INFORMATION

The business scope of the Company includes investing in insurance enterprises, supervising and managing various domestic and overseas businesses of subsidiaries, investment business permitted by national laws and regulations, as well as insurance business and other businesses approved by regulators.

Sunshine AMC is a joint stock company incorporated in the PRC with limited liability. Sunshine AMC and its subsidiary Sunshine AMC (HK) are engaged in carrying out insurance funds management within the Group and third-party asset management business as the entrusted asset

manager. As at the date of this announcement, the Company held, directly and indirectly, approximately 80% equity interest in Sunshine AMC, and Sunshine AMC and Sunshine Life, a subsidiary of the Company, held 75% and 25% equity interest in Sunshine AMC (HK), respectively.

DEFINITIONS

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

"Board" or "Board of Directors"	the board of Directors of the Company
"Company"	Sunshine Insurance Group Company Limited (陽光保險集團股份有限公司), a joint stock company incorporated 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
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"connected subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"New Entrusted Investment Management Services Framework Agreement"	the entrusted investment management services framework agreement entered into between the Company and Sunshine AMC on December 12, 2024
"PRC"	the mainland of the People's Republic of China, for the purpose of this announcement and except where the context requires, references in this announcement to "PRC" do not include Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the 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
"Sunshine Life"	Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司), a joint stock company established on December 17, 2007 under the laws of the PRC with limited liability, in which the Company held 99.9999% equity interest as at the date of this announcement
"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 at the date of this announcement. If the context requires, it also includes its subsidiary Sunshine AMC (HK)
"Sunshine AMC (HK)"	Sunshine Asset Management (HK) Limited, a company with company registration completed on January 22, 2021 in Hong Kong with limited liability, in which Sunshine AMC and Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司), a subsidiary of the Company, held its 75% and 25% equity interest, respectively, as at the date of this announcement
"%"	per cent

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, March 16, 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr. ZHANG Weigong, Mr. LI Ke, Mr. PENG Jihai and Mr. WANG Xiaopeng as executive Directors; Mr. CAI Qiwu, Mr. WANG Jingwei, Mr. CHEN Yong, Ms. QIAN Yiqun and Mr. HOU Huisheng as non-executive Directors; and Ms. JIA Ning, Mr. WU Xiaoqiu, Mr. HONG Qi, Mr. XU Ying and Mr. DONG Bin as independent non-executive Directors.