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Sunshine Insurance Group Company Limited

陽光保險集團股份有限公司

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

(Stock Code: 6963)

ANNOUNCEMENT

**UNAUDITED FINANCIAL DATA AND SOLVENCY STATEMENT OF
SUNSHINE P&C FOR THE THREE MONTHS ENDED MARCH 31, 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 Property and Casualty Insurance Company Limited (“**Sunshine P&C**”), a subsidiary of the Company, has publicly issued a 10-year capital supplementary bond with a total principal of RMB5.0 billion in the National Inter-bank Bond Market on December 3, 2021 (bond name is “**Sunshine Property and Casualty Insurance Company Limited 2021 Capital Supplementary Bond**”, abbreviated as “**21 Sunshine P&C**”). According to relevant regulations, during the duration of the above-mentioned bond, Sunshine P&C shall publicly disclose its quarterly reports and solvency statement on the website of China Money (www.chinamoney.com.cn) and the website of China Bond (www.chinabond.com.cn). For details of the solvency statement, please refer to relevant reports that Sunshine P&C will disclose on the above-mentioned websites in due course and the announcement on main indicators of solvency of subsidiaries as of the end of the first quarter of 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 P&C 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 P&C 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	3,484,398,766.02
Securities purchased under agreements to resell	161,811,179.71
Term deposits	328,278,686.70
Financial investment:	
Financial assets at fair value through profit or loss	12,027,737,120.67
Debt financial assets at fair value through other comprehensive income	18,973,291,131.94
Equity financial assets at fair value through other comprehensive income	5,596,210,811.95
Insurance contract assets	1,050,033,740.47
Reinsurance contract assets	3,042,174,167.44
Long-term equity investments	1,745,985,975.58
Statutory deposits	1,983,261,109.75
Investment properties	3,904,097,088.98
Fixed assets	1,593,470,468.45
Construction in progress	35,186,555.79
Right-of-use assets	432,488,355.77
Intangible assets	67,186,898.39
Deferred tax assets	1,069,898,984.65
Other assets	1,723,973,421.79
Total assets	57,219,484,464.05

	(RMB)
	Closing balance at the end of the period (unaudited)
Liabilities and equity	
Liabilities:	
Short-term borrowings	122,500.00
Financial liabilities at fair value through profit or loss	4,634.99
Securities sold under agreements to repurchase	3,985,586,651.39
Premiums received in advance	290,040,410.24
Payroll payable	572,041,157.60
Taxes payable	504,680,087.25
Dividends payable	–
Insurance premium reserves	45,901,221.61
Long-term borrowings	153,758,000.00
Bonds payable	5,069,888,255.23
Insurance contract liabilities	27,910,757,997.39
Reinsurance contract liabilities	24,132,547.18
Lease liabilities	366,202,542.12
Deferred tax liabilities	1,146,647.31
Other liabilities	2,097,167,203.14
Total Liabilities	41,021,429,855.45
Equity:	
Share capital	6,456,900,000.00
Less: Treasury stock	–
Capital reserves	3,108,936,212.33
Other comprehensive income	153,617,055.49
Surplus reserves	3,660,927,766.26
General reserves	1,377,553,560.70
Catastrophic loss reserves	56,896,663.66
Nuclear catastrophe reserves	19,670,876.03
Retained profits	(202,137,425.60)
Attributable to equity owners of the parent	14,632,364,708.87
Non-controlling interests	1,565,689,899.73
Total equity	16,198,054,608.60
Total liabilities and equity	57,219,484,464.05

CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2024

	(RMB)
	Cumulative amount for this year (unaudited)
I. Operating income	<u>12,030,614,952.58</u>
Insurance revenue	11,593,522,819.75
Interest income	183,609,271.67
Invest income (loss is represented by “-”)	(36,967,723.71)
Including: Share of profits of associates and joint ventures	49,075,905.81
Gains from changes in fair value (loss is represented by “-”)	183,441,719.68
Foreign exchange gains (loss is represented by “-”)	6,930,081.45
Other operating income	86,650,872.25
Other income (loss is represented by “-”)	13,463,001.26
Gains from disposal of assets (loss is represented by “-”)	(35,089.77)
II. Operating expenses	<u>11,931,846,736.79</u>
Insurance service expenses	11,319,918,416.10
Allocation of reinsurance premiums paid	262,660,820.44
Less: Amount recovered from reinsurer	103,679,763.76
Net insurance finance expenses for insurance contracts issued	201,270,422.62
Less: Net reinsurance finance income for reinsurance contracts held	24,307,171.69
Interest expense	72,619,043.93
Commission and brokerage expenses	219,968.77
Changes in insurance premium reserves	5,994,991.24
Tax and surcharges	11,231,742.10
Operating and administrative expenses	110,865,723.98
Expected credit losses	3,020,846.97
Impairment losses on other assets	-
Other operating expenses	<u>72,031,696.09</u>
III. Operating profit (loss is represented by “-”)	<u>98,768,215.79</u>
Add: Non-operating income	27,860,278.35
Less: Non-operating expenses	<u>11,031,128.84</u>
IV. Total profit (loss is represented by “-”)	115,597,365.30
Less: Income tax	<u>(33,955,164.61)</u>
V. Net profit (loss is represented by “-”)	<u>149,552,529.91</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	11,901,025,492.04
Net cash received from reinsurance contracts issued	(13,381,547.51)
Cash received relating to other operating activities	<u>1,069,846,984.23</u>
Subtotal of cash inflows from operating activities	<u>12,957,490,928.76</u>
Cash paid for claims under insurance contracts issued	6,664,114,231.90
Net cash paid under reinsurance contracts held	35,576,510.30
Net increase in policy loans	—
Cash paid for commission and brokerage expenses	1,505,712,746.90
Cash paid to and on behalf of employees	1,631,261,750.09
Payments of taxes and surcharges	486,893,064.93
Cash paid relating to other operating activities	<u>2,138,550,348.00</u>
Subtotal of cash outflows from operating activities	<u>12,462,108,652.12</u>
Net cash inflows from operating activities	<u>495,382,276.64</u>
II. Cash flows from investing activities	
Cash received from disposal of investments	3,953,169,553.75
Cash received from returns on investments and interest income	342,201,101.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	511,877.40
Cash received relating to other investing activities	<u>6,677,252.33</u>
Subtotal of cash inflows from investing activities	<u>4,302,559,784.52</u>
Cash paid to purchase investments	6,808,584,432.82
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	49,273,986.68
Cash paid relating to other investing activities	<u>15,238,623.30</u>
Subtotal of cash outflows from investing activities	<u>6,873,097,042.80</u>
Net cash outflows from investing activities	<u>(2,570,537,258.28)</u>

(RMB)
Cumulative amount
for this year (unaudited)

III. Cash flows from financing activities

Cash received from absorption of investments	–
Proceeds from borrowings	–
Cash received from bonds issued	–
Increase in securities sold under agreements to repurchase, net	2,008,224,259.68
Cash received relating to other financing activities	–

Subtotal of cash inflows from financing activities **2,008,224,259.68**

Cash repayments of borrowings	–
Cash paid for distribution of dividends, profits or interest expenses	804,440,000.00
Cash paid relating to other financing activities	<u>62,001,431.09</u>

Subtotal of cash outflows from financing activities **866,441,431.09**

Net cash inflows from financing activities **1,141,782,828.59**

IV. Effects of foreign exchange rate changes on cash and cash equivalents **3,449.75**

V. Net decrease in cash and cash equivalents **(933,368,703.30)**

Add: Opening balance of cash and cash equivalents 4,579,545,253.25

VI. Closing balance of cash and cash equivalents **3,646,176,549.95**

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.