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(Stock Code: 2328)

COMPLETION OF THE ISSUE OF SUBORDINATED TERM DEBTS

Reference is made to the approval of the issue of subordinated term debts at the special general meeting of PICC Property and Casualty Company Limited (the "Company") held on 8 May 2009. Details of the issue of subordinated term debts were set out in the announcement dated 12 March 2009 and the circular dated 23 March 2009 of the Company. Such issue has obtained the approvals from the relevant authorities.

The Company has successfully issued the subordinated term debts to qualified investors. The principal amount of the issued subordinated term debts is RMB5 billion, with a maturity of 10 years. The interest for the first five years is 4.3% per annum on nominal value. The Company has the right to redeem the above debts at the end of the fifth year. If the Company does not exercise the redemption right, the interest will be 6.3% per annum on nominal value for the last five years.

The successful issue of the subordinated term debts shall improve the solvency margin of the Company.

By Order of the Board
Liu Zhenghuan
Secretary of the Board

Beijing, the PRC, 12 October 2009

On the date of this announcement, the Chairman of the Board is Mr. Wu Yan (executive director), the Vice Chairman is Mr. Wang Yincheng (executive director), Md. Liu Zhenghuan is an executive director, the non-executive directors are Mr. Tse Sze-Wing, Edmund, Mr. Zhou Shurui and Mr. Li Tao, the independent non-executive directors are Mr. Cheng Wai Chee, Christopher, Mr. Lu Zhengfei, Mr. Luk Kin Yu, Peter and Mr. Ding Ningning.