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(Stock Code: 2328)

ANNOUNCEMENT IN RELATION TO FINANCIAL STATEMENTS OF AND ACTUARIAL REPORT ON COMPULSORY MOTOR INSURANCE

In accordance with the regulatory requirements of China Insurance Regulatory Commission (“CIRC”), PICC Property and Casualty Company Limited (the “Company”) today will disclose its financial statements (the “Financial Statements”) of the compulsory third party motor insurance (“Compulsory Motor Insurance”) and actuarial report on the business of Compulsory Motor Insurance (the “Actuarial Report”) on the websites of Insurance Association of China and the Company at www.iachina.cn and www.piccnet.com.cn respectively. Summaries of the Financial Statements and the Actuarial Report will be published in *China Insurance News* on 23 August 2010.

The Financial Statements have been prepared in accordance with the PRC Accounting Standards for Business Enterprises, the Regulations on the Accounting Treatment Related to Insurance Contracts promulgated by the Ministry of Finance of the PRC, the related regulations of CIRC and the Company’s expense allocation policies previously filed with CIRC. The Financial Statements are not prepared in accordance with Hong Kong Financial Reporting Standards and the accounting principles generally accepted in Hong Kong adopted in the Company’s published financial statements. The Financial Statements have been audited by the domestic auditors of the Company and approved by the Board of Directors of the Company. The Financial Statements mainly include the operating results of the Compulsory Motor Insurance of the Company for the year 2009, with comparative figures of 2008.

The Actuarial Report mainly includes, in respect of the Compulsory Motor Insurance, an analysis of claim costs of insurance policies, the effects of Premium Rate Adjustment Measures on premium rate level and the trend in the development of claim costs for the period from 1 July 2006 to 31 December 2009, and an analysis of the trend in claim costs in 2010.

The purpose of this announcement is to notify investors of the above matters.

Investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Zhang Xiaoli
Secretary of the Board

Beijing, the PRC, 20 August 2010

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), Mdm. 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. Lu Zhengfei, Mr. Luk Kin Yu, Peter and Mr. Ding Ningning.