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(Stock Code: 2328)

**NOT TO PROCEED WITH
POTENTIAL CONNECTED TRANSACTION WITH PICC GROUP ---
CONDITIONAL SUBSCRIPTION OF NEW VISION VALUES SHARES**

References are made to the announcements of PICC Property and Casualty Company Limited (the "Company") dated 19 August 2015 and 26 August 2015 (the "Announcements") regarding (i) the Subscription Agreement for conditional Subscription of New Vision Values Shares by PQ Investment and PICC Group; and (ii) the PQ Investment and Shareholders' Agreement for conditional subscription of 50% equity interest in PQ Investment by the Company prior to the completion of the Subscription Agreement. The Subscription of New Vision Values Shares by the Company through PQ Investment constitutes a potential connected transaction of the Company with PICC Group. The Subscription of New Vision Values Shares and the PQ Investment and Shareholders' Agreement are conditional upon, among other things, the fulfilment or waiver of the conditions precedent specified in the Subscription Agreement. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

One of the conditions precedent specified in the Subscription Agreement is the approval from the Hong Kong Stock Exchange of granting the listing of the New Vision Values Shares on the Main Board of the Hong Kong Stock Exchange. As the Hong Kong Stock Exchange did not grant the listing approval for the New Vision Values Shares on the Main Board of the Hong Kong Stock Exchange, the conditions precedent under the Subscription Agreement were not all satisfied. On 12 January 2016, PQ Investment and PICC Group, together with another party, entered into a termination agreement with Vision Values, pursuant to which all parties to this agreement agreed to terminate the Subscription Agreement. At the same time, the PQ Investment and Shareholders' Agreement will not be effective by reason of not all conditions having been fulfilled. Accordingly, the potential connected transaction regarding the Subscription of New Vision Values Shares by the Company through PQ Investment will not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Zhang Xiaoli
Secretary of the Board

Beijing, the PRC, 12 January 2016

On the date of this announcement, the Chairman of the Board is Mr. Wu Yan (executive director), the Vice Chairman is Mr. Guo Shengchen (executive director), the non-executive directors are Mr. Wang Yincheng, Ms. Yu Xiaoping and Mr. Li Tao, Mr. Wang He and Mr. Lin Zhiyong are executive directors and the independent non-executive directors are Mr. Lin Hanchuan, Mr. Lo Chung Hing, Mr. Na Guoyi and Mr. Ma Yusheng.