

PICC 中国人民财产保险股份有限公司 **PICC Property and Casualty Company Limited**

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

(Stock Code: 2328)

ANNOUNCEMENT

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Reference is made to the announcement of PICC Property and Casualty Company Limited (the "Company") dated 13 July 2005. As mentioned in such announcement, certain government bonds of the Company (the "Assets") were registered under the exchange trading seat of a securities company (the "Securities Company") in the People's Republic of China, and the restructuring of the Securities Company was contemplated. It was also stated in such announcement that the Securities Company had experienced difficulties in executing dealing instructions from the Company and the Company would continue to carry out necessary measures to protect the Company's interests in the Assets.

Pursuant to the restructuring proposal, the Securities Company will sell its securities business and related assets to a new securities joint stock limited company (the "New Company"), and will have the rights to economic benefits of a specified number of shares in the share capital of the New Company. To protect the Company's interests in the Assets, the Company will obtain from the Securities Company its rights to economic benefits of 117.59 million shares (the "Shares") in the share capital of the New Company (the "Rights"), representing approximately 1.96% of the issued share capital of the New Company, in consideration of the government bonds of the Company in the custody of the Securities Company amounting to RMB588 million. The Rights include the rights to receive dividends attributable to, and any sale proceeds from the disposal of, the Shares, and the right to request to be registered as the legal shareholder of the Shares. As agreed between the Company and the Securities Company, the Company will obtain the Rights before 27 June 2007. If the Company cannot obtain the Rights before the above date, the Securities Company shall return to the Company the government bonds of the Company and the related income. If, after obtaining the Rights and when exercising the right to request registration as the shareholder of the Shares, the Company cannot be registered as the shareholder of the Shares for any reasons (including non-approvals by the relevant regulatory authorities) within the timeframe as agreed between the Company and the Securities Company, the Securities Company shall return to the Company the government bonds of the Company and the related income, and the Company shall return to the Securities Company the Rights and, if any, the dividends and sale proceeds of the Shares received. The Company considers that the terms of the above transaction are fair and reasonable, and in the interests of the Company and the shareholders as a whole. The above transaction does not constitute a discloseable transaction under Chapter 14 or a connected transaction under Chapter 14A of the Listing Rules.

Investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Liu Zhenghuan
Secretary of the Board

Beijing, PRC, 29 March 2007

On the date of this announcement, the Chairman of the Board is Mr. Wu Yan (executive director), the Vice Chairman is Mr. Wang Yi (executive director), Mr. Wang Yincheng and Md. Liu Zhenghuan are the executive directors, the non-executive directors are Mr. Tse Sze-Wing, Edmund, Mr. Wu Gaolian, 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.

Please also refer to the published version of this announcement in South China Morning Post.