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(Stock Code: 2328)

ANNOUNCEMENT IN RELATION TO THE AUDIT OF NATIONAL AUDIT OFFICE

In 2015, the National Audit Office of the People's Republic of China ("CNAO") conducted an audit (the "Audit") on the assets, liabilities and profits and losses of The People's Insurance Company (Group) of China Limited ("PICC Group"), the controlling shareholder of PICC Property and Casualty Company Limited (the "Company"), and its subsidiaries (including the Company) for the year 2014.

CNAO will publish the audit results of the assets, liabilities and profits and losses of PICC Group for 2014 on its official website at www.audit.gov.cn shortly. PICC Group will publish the corresponding announcement on its website at www.picc.com.cn.

Certain problems found in the Audit are related to the Company. The Company placed great importance on the problems found in the Audit, insisted on "rectifying while auditing" and has fully carried out the rectification work.

The problems found in the Audit have no significant impact on the overall operating results and the financial statements of the Company.

By Order of the Board
Zhang Xiaoli
Secretary of the Board

Beijing, the PRC, 28 June 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, Mr. Ma Yusheng and Mr. Chu Bende.