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PACIFIC CENTURY INSURANCE HOLDINGS LIMITED
(盈科保險集團有限公司)*

(An investment holding company incorporated in Bermuda with limited liability)
(Stock Code: 65)

DISCLOSEABLE TRANSACTION –
Subscription of an Exchangeable Note

On 28th February, 2006, the Termination Agreement was entered into between Praise Idea, Noblenew and CTF, inter alia, to terminate the Note and the Letter (both as amended by the Variation Agreement and Second Variation Agreement), the Subscription Agreement and the Deed.

Reference is made to the Company's announcements dated 3rd June, 2005, 7th June, 2005, 3rd October, 2005 and 12th December, 2005 (the "Announcements") and circular dated 23rd June, 2005.

Terms used herein, unless otherwise defined, have the meanings ascribed thereto in the Announcements.

As referred to in the Announcements, pursuant to the terms of the Note (as amended by the Variation Agreement and the Second Variation Agreement), inter alia, the principal amount of the Note was repayable with interest, if by 28th February, 2006 three persons nominated by Noblenew (a wholly-owned subsidiary of the Company) had not become directors of Sinolife, or such appointments had not been approved by China Insurance Regulatory Commission or their names had not been entered in the register maintained by the State Administration of Industry and Commerce or its local delegation having competent jurisdiction over Sinolife. As set out in the Company's annual results announcement dated 23rd February, 2006, the appointment of Noblenew's representatives to the board of Sino Life was pending approval by the China Insurance Regulatory Commission. As at 28th February, 2006, such approval was not obtained.

Accordingly, Praise Idea, Noblenew and CTF entered into a termination agreement ("Termination Agreement") whereby, inter alia, in consideration of and conditional upon payment of HK\$521,866,004 (being the principal amount of the Note and accrued interest) by CTF or Praise Idea to Noblenew, each of Praise Idea, Noblenew and CTF shall terminate the Note and the Letter (both as amended by the Variation Agreement and Second Variation Agreement), the Subscription Agreement and the Deed with no further claims against each other with effect from completion of the Termination Agreement, which will take place on 2nd March, 2006. On completion of the Termination Agreement, CTF shall pay HK\$521,866,004 to Noblenew.

The total proceeds of HK\$521,866,004 to be returned to Noblenew will be managed by PCI Investment Management Limited (a wholly-owned subsidiary of the Company) with a view to achieving a target return of 7% per annum in the medium to long term, as referred to in the Company's interim report for the six months ended 30th June, 2005.

The Company will continue to look for suitable investment opportunities to gain access to the rapidly growing insurance market in China.

By order of the Board
Cheng Wan Seung, Ella
Company Secretary

Hong Kong, 28th February, 2006

* *For identification only*

Executive Directors:

Yuen Tin Fan, Francis (Chairman); Chan Ping Kan, Raymond (Managing Director); So Wing Hung, Peter (Deputy Managing Director and acting Chief Financial Officer); Peter Anthony Allen; Alexander Anthony Arena; Chung Cho Yee, Mico; Feng Xiaozeng; Zheng Chang Yong

Non-Executive Director:

Wang Xianzhang

Independent Non-Executive Directors:

Prof. Chang Hsin Kang; Timothy George Freshwater; Prof. Wong Yue Chim, Richard

Please also refer to the published version of this announcement in The Standard.