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FORTIS INSURANCE INTERNATIONAL N.V.

*(a company incorporated in The Netherlands
with limited liability)*



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)

JOINT ANNOUNCEMENT

Acquisition of Shares in Pacific Century Insurance Holdings Limited by Fortis Insurance International N.V.

**Possible unconditional mandatory cash offer
by Morgan Stanley on behalf of Fortis Insurance International N.V.
to acquire all the Shares in Pacific Century Insurance Holdings Limited
not already owned or agreed to be acquired
by Fortis Insurance International N.V. and
parties acting in concert with it and to cancel all outstanding Options**

Financial Adviser to Fortis Insurance International N.V.

Morgan Stanley

SHARE PURCHASE AGREEMENT

On 1 March 2007, FII, PCRD and YUEN Tin Fan, Francis entered into the Share Purchase Agreement under which FII agreed to acquire the Sale Shares for an aggregate consideration of HK\$3,526 million (equivalent to HK\$8.18 per Sale Share). The Sale Shares to be acquired from PCRD, YUEN Tin Fan, Francis and the Other Sellers represent approximately 50.48% of the issued share capital of the Company as at the Latest Practicable Date on a fully diluted basis (assuming full exercise of all the Options outstanding as at the Latest Practicable Date).

Completion of the Share Purchase Agreement is conditional upon satisfaction, or waiver, of the Conditions Precedent. The Share Purchase Agreement was entered into by the parties after arm's length negotiations.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Following satisfaction (or waiver, if applicable) of the Conditions Precedent and upon Completion, the Purchaser and parties acting in concert with it will own in aggregate 431,110,742 Shares, representing approximately 50.48% of the issued share capital of the Company as at the Latest Practicable Date on a fully diluted basis (assuming full exercise of all the Options outstanding as at the Latest Practicable Date).

Subject to Completion having taken place and pursuant to Rule 26.1 of the Takeovers Code, Morgan Stanley will make, on behalf of the Purchaser, an unconditional mandatory cash offer to acquire all the Shares and Options not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it at an Offer Price of HK\$8.18 per Share and HK\$8.18 less the relevant exercise price of the Option per Option, respectively. The Purchaser does not intend to increase the Offer Price, save that the Purchaser reserves its right to revise the Offer Price in accordance with the Takeovers Code if an offer which is, or is deemed under the Takeovers Code to be, a competing offer arises.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 12:07 p.m. on 26 February 2007 pending the publication of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 2 March 2007.

WARNING: The Possible Offer will only be made if Completion takes place. Completion is subject to satisfaction and/or waiver of the Conditions Precedent. Therefore, the Possible Offer may or may not be made and Shareholders should exercise extreme caution when dealing in the Shares.

1. SHARE PURCHASE AGREEMENT

On 1 March 2007, FII, PCRD and YUEN Tin Fan, Francis (the Executive Chairman of the Company and the Deputy Chairman of PCRD) entered into the Share Purchase Agreement whereby FII agreed to acquire the Sale Shares, from PCRD, YUEN Tin Fan, Francis and the Other Sellers, details of which are as follows:

Sellers:

Name of Sellers	No. of Sale Shares to be sold under the Share Purchase Agreement ⁽¹⁾	Percentage of issued share capital as at the Latest Practicable Date on a fully diluted basis (assuming full exercise of all the outstanding Options as at the Latest Practicable Date)
(1) CHAN Ping Kan, Raymond	8,000,000	0.94%
(2) CHUNG Cho Yee, Mico	1,368,000	0.16%
(3) Clarest Trust ⁽²⁾	276,000	0.03%
(4) PCRD	383,797,942	44.94%
(5) Snowdon International Limited ⁽³⁾	21,204,800	2.48%
(6) SO Wing Hung, Peter	4,800,000	0.56%
(7) YUEN Tin Fan, Francis	11,664,000	1.37%

Note 1: For details of the number of Shares and Options held by the Sellers, please refer to the table under the section headed “Information on the Company” below.

Note 2: The beneficiaries of this trust are the family members of SO Wing Hung, Peter.

Note 3: Snowdon International Limited is a company wholly-owned by T.F. Yuen Trust, a discretionary trust of which YUEN Tin Fan, Francis is the founder.

Purchaser: Fortis Insurance International N.V.

For further information relating to the Purchaser, please refer to the section headed “Information on the Purchaser”. No irrevocable commitment to accept the Possible Offer has been received by the Purchaser or parties acting in concert with it.

Number of Sale Shares: 431,110,742 Shares, representing approximately 50.48% of the issued share capital of the Company as at the Latest Practicable Date on a fully diluted basis (assuming full exercise of all the Options outstanding as at the Latest Practicable Date). The Sale Shares represent the entire equity interests held by the Sellers in the Company. The Sale Shares will be acquired by the Purchaser free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at Completion.

Consideration: HK\$3,526 million, or HK\$8.18 per Sale Share (which implies a multiple of the embedded value of the Group as reported in the Group's annual results for the financial year ended 31 December 2006 of approximately 1.38 times). The consideration will be funded from the Purchaser's internal resources and will be payable in cash.

Conditions Precedent: Completion of the Share Purchase Agreement is conditional upon the following conditions being fulfilled (or, in the case of Conditions (a), (b), (c), (d), (f), (g), (h) and (i), waived by the Purchaser):

- (a) written approvals from the SFC pursuant to section 132 of the SFO to the Purchaser becoming a substantial shareholder of PCI Investment Management Limited and PCI Wealth Management Limited (both of which are currently wholly-owned subsidiaries of the Company);
- (b) notice of no objection being received by PCICL from the OCI pursuant to sections 14(4) and 35(1) of the ICO if required by the OCI, within three months of the relevant notice being lodged with the OCI, to the Purchaser and its holding companies becoming persons entitled to exercise 15% or more of the voting power at any general meeting of PCICL and such other notice being received from the OCI as is required by PCICL to satisfy Bye-law 38A of the Bye-laws of PCICL, and there being no term or condition in relation to the affairs, business or property of the Group which is imposed by the OCI under section 35(1) of the ICO in giving any such notice which has a materially adverse recurring impact on the future profitability of the Group taken as a whole or shall have a material adverse effect on the net asset value of the Group taken as a whole, in each case when compared to the position of the Group as at 31 December 2006;
- (c) the Mandatory Provident Fund Schemes Authority of Hong Kong being notified by PC Trustee pursuant to section 62 of the Mandatory Provident Fund Schemes (General) Regulation (Chapter 485A of the Laws of Hong Kong) of the Purchaser becoming a controller of PC Trustee on Completion, and the earlier of:
 - (i) no notice of objection being received by or issued to the Company within the later of 1 month of such notice being given; and
 - (ii) written approval being received to the Purchaser becoming a controller of PC Trustee;

- (d) all other approvals as are necessary from all relevant governmental authorities in Singapore, Bermuda, Hong Kong, the British Virgin Islands, Mauritius and the People's Republic of China to the transfer of the Sale Shares to the Purchaser;
- (e) the passing by the board of directors and at a general meeting of PCRDC of the necessary resolutions to approve the sale of such of the Sale Shares as are beneficially owned by PCRDC in accordance with the terms of the Share Purchase Agreement in compliance with the articles of association of PCRDC, Singapore Companies Act and the listing rules of the Singapore Exchange Securities Trading Limited;
- (f) no court order or regulatory order having been made by a competent court or regulator in Hong Kong or Bermuda to restrain Completion which has not been dismissed or revoked and continues to be in force at Completion;
- (g) the delivery of undertakings, dated on or before the date of Completion, executed by the following persons (in alphabetical order) to remain in the Group for a minimum of 6 months following Completion and should any such person cease to be an employee of the Group not to solicit any employee or agent or consultant of Group Companies for 12 months thereafter:
 - (A) CHAN Ping Kan, Raymond – Executive Director of the Company and Chief Executive Officer of PCICL;
 - (B) CHENG Koon Wing – Appointed Actuary of PCICL;
 - (C) CHENG Wan Seung, Ella – Company Secretary of the Company;
 - (D) CHEUNG Man Yi, Eva – Financial Controller of the Company;
 - (E) CHOI Ling Chi, Vivian – Senior Vice President, Chief Operating Officer of PCICL;
 - (F) FUNG Chi Ho, Johnny – Vice President, Agency Developments of PCICL;
 - (G) FUNG Yiu Fai - Managing Director of PCI Investment Management Limited, a wholly-owned subsidiary of the Company; and
 - (H) SO Wing Hung, Peter – Executive Director and Group Chief Financial Officer of the Company;

- (h) there being no breach of certain warranties contained in the Share Purchase Agreement which arises from the activities or omissions of the directors or senior management of the Group in relation to its business (but excluding any breach outside the control of such persons) and which, whether looking at such breaches singly or in aggregate, shall have a material adverse impact on the reputation of the Group taken as a whole and shall have a materially adverse recurring impact on the future profitability of the Group taken as a whole or shall have a material adverse effect on the net asset value of the Group taken as a whole, in each case when compared to the position of the Group as at 31 December 2006; and
- (i) the sale of all such Sale Shares as are held or beneficially owned by the Other Sellers as set opposite their names in this section above, such that when aggregated with such of the Sale Shares to be sold by PCRDC and YUEN Tin Fan, Francis, represents no less than one share plus 50% of the total issued paid-up share capital of the Company on a fully diluted basis (assuming full exercise of the Options) as at Completion.

If the Conditions Precedent have not been satisfied (or, in the case of Conditions (a), (b), (c), (d), (f), (g), (h) and (i), waived by the Purchaser) by 5:00 p.m. on 3 July 2007 or such later time(s) or date(s) as the parties to the Share Purchase Agreement may agree in writing, the Share Purchase Agreement shall forthwith terminate. In the event board and shareholders' approvals of PCRDC are not obtained, Borsington, PCG (Cayman) and Anglang shall be jointly and severally liable to pay an amount of HK\$50,000,000 as liquidated damages in cash to the Purchaser.

Non-Compete and
Non-Solicitation
Undertakings:

PCRDC and YUEN Tin Fan, Francis (for itself and himself and, in the case of PCRDC, as agent for the PCRDC group companies) severally agree with the Purchaser (for itself and as agents for the Purchaser's group companies and the Group Companies) that YUEN Tin Fan, Francis and PCRDC will not, and PCRDC will procure that none of the PCRDC group companies do not (whether alone or jointly with another and whether directly or indirectly) carry on, own or operate in any manner whatsoever any competing business of the Company for a period of 24 months after the date of Completion.

None of PCRD or YUEN Tin Fan, Francis shall (whether alone or jointly with another, directly or indirectly), and PCRD shall procure that no PCRD group companies shall, for a period of 24 months after the date of Completion: (a) directly or indirectly, solicit or endeavour or seek to entice away from any Group Company, offer employment to or employ as employee or agent, or offer or conclude any contract for services with, any person who is or was an employee or agent of or was employed or otherwise engaged by any Group Company during the 12 months prior to and on Completion; or (b) directly or indirectly, solicit, target or proactively market services and products relating to any competing business of the Company in Hong Kong to any person, firm or company who was at any time prior to Completion a policyholder of any Group Company.

Undertakings:

Each of PCG (Cayman), Anglang and Borsington has on 1 March 2007, undertaken to (a) exercise its voting rights (whether on a show of hands, a poll or otherwise) attaching to its PCRD Shares in favour of any resolution or resolutions as may be required by the articles of associations of PCRD and applicable laws and regulations (including rules of the Singapore Exchange Securities Trading Limited) to approve and implement the transactions and arrangements set out in the Share Purchase Agreement unless it is prohibited from so voting by any applicable law or rules governing the listing of securities or otherwise by any applicable securities exchange or other regulatory authorities; and (b) prior to the date of the extraordinary general meeting of PCRD convened to approve the sale of the Sale Shares by PCRD or any adjournment thereof, it shall not, directly or indirectly, offer, pledge, sell, contract to sell (whether or not subject to conditions), transfer, charge, encumber, grant or agree to grant any option over, right or warrant to purchase, lend or otherwise transfer, distribute (including, for the avoidance of doubt by way of dividend in specie) any of its PCRD Shares or interest, including without limitation, any voting interest, in such PCRD Shares.

Each of PCRD and YUEN Tin Fan, Francis severally agrees that, to the extent each is aware of the relevant issue in sufficient time, it and he shall ensure that each Group Company complies with certain pre-closing undertakings, including not to declare, pay or make a dividend or distribution.

Completion:

Subject to the satisfaction, or waiver, of the Conditions Precedent, it is expected that Completion will take place in June 2007.

The Share Purchase Agreement was entered into by the parties after arm's length negotiations.

2. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

WARNING: THE POSSIBLE OFFER WILL ONLY BE MADE IF COMPLETION HAS TAKEN PLACE. COMPLETION IS SUBJECT TO SATISFACTION AND/OR WAIVER OF THE CONDITIONS PRECEDENT. THE POSSIBLE OFFER MAY OR MAY NOT BE MADE AND SHAREHOLDERS SHOULD EXERCISE EXTREME CAUTION WHEN DEALING IN THE SHARES.

Possible Offer for the Disinterested Shares

Following satisfaction, or waiver, of the Conditions Precedent and upon Completion, the Purchaser and parties acting in concert with it will own in aggregate 431,110,742 Shares, representing approximately 50.48% of the issued share capital of the Company as at the Latest Practicable Date on a fully diluted basis (assuming full exercise of all the Options outstanding as at the Latest Practicable Date). The Purchaser will then be required under Rule 26.1 of the Takeovers Code to make an unconditional mandatory offer for all the Disinterested Shares. Accordingly, following Completion, Morgan Stanley will, on behalf of the Purchaser, make an unconditional mandatory offer to acquire all the Disinterested Shares, including any Shares issued pursuant to the exercise of the Options on the following basis:

For each Disinterested Share HK\$8.18 payable in cash

The Offer Price is the same as the price at which the Sale Shares are to be acquired by the Purchaser under the Share Purchase Agreement. The Purchaser does not intend to increase the Offer Price, save that the Purchaser reserves its right to revise the offer price for the Shares and Options in accordance with the Takeovers Code if an offer which is, or is deemed under the Takeovers Code to be, a competing offer arises. The Possible Offer, if and when made, will be unconditional in all respects.

The Offer Price of HK\$8.18 per Share represents:

- (a) a 58.2% premium to the closing price of HK\$5.17 per Share as quoted by the Stock Exchange on 23 February 2007, being the last full trading day immediately prior to suspension of trading in the Shares pending the release of this announcement;
- (b) a 59.1% premium to the average closing price of approximately HK\$5.14 per Share as quoted by the Stock Exchange for the ten consecutive trading days immediately prior to and including 23 February 2007; and
- (c) a 62.6% premium to the average closing price of approximately HK\$5.03 per Share as quoted by the Stock Exchange for the twenty consecutive trading days immediately prior to and including 23 February 2007.

The highest and lowest closing prices of the Shares as quoted by the Stock Exchange during the six-month period preceding the date of this announcement were HK\$5.27 on 7 February 2007 and HK\$3.70 on 8 September 2006.

On the basis of the Offer Price of HK\$8.18 per Share, the entire issued share capital of the Company (assuming full exercise of all Options as at the Latest Practicable Date) is valued at approximately HK\$6,986 million.

Possible Offer for the Options

Under the Possible Offer, the Purchaser will make an offer to all holders of Options to cancel their existing Options in exchange for the following Offer Price in cash:

For each OptionHK\$8.18 less the exercise price of the Option

The Purchaser does not intend to increase the Offer Price for the Options, save that the Purchaser reserves its right to revise the offer price for the Shares and Options in accordance with the Takeovers Code if an offer which is, or is deemed under the Takeovers Code to be, a competing offer arises.

Confirmation of Financial Resources

The Purchaser intends to finance the Possible Offer from its own internal resources. Morgan Stanley, as financial adviser to the Purchaser, is satisfied that sufficient resources are available to the Purchaser to satisfy full acceptance of the Possible Offer.

Effect of Accepting the Possible Offer

By accepting the Possible Offer, the Shareholders will sell their Disinterested Shares free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date of this announcement, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of this announcement.

Payment

Payment in cash in respect of acceptances of the Possible Offer will be made as soon as possible but in any event within ten days of the receipt of a duly completed acceptance.

Stamp Duty

Ad valorem stamp duty of the sellers at a rate of HK\$1 for every HK\$1,000 (or part thereof) of the consideration payable to the Shareholders who accept the Possible Offer will be deducted from the amount payable to such Shareholders. The Purchaser will then pay the stamp duty deducted to the stamp duty office on behalf of the accepting Shareholders.

3. INFORMATION ON THE COMPANY

PCRD acquired its insurance business in 1994 and the Company was listed on the Stock Exchange in 1999. The Group is primarily engaged in individual and group life insurance and asset management. The Group has over 280 employees and over 2,000 tied agents, the fifth largest agency sales force in Hong Kong. The Company is among the top 10 Hong Kong life insurance companies in terms of total life insurance premium.

The table below sets out the shareholding structure of the Company in respect of various shareholding groups as at the date of this announcement and immediately after Completion:

Holder of Shares	As at the date of this announcement			Immediately after Completion (assuming exercise of all Options and no holdings by concert parties of the Purchaser)		Immediately after Completion (assuming no exercise of Options other than those to be exercised by the Sellers in fulfillment of their obligations under the Share Purchase Agreement and no holdings by concert parties of the Purchaser)	
	Number of Shares	Percentage of issued share capital	Number of outstanding Options	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Purchaser	Nil	Nil	Nil	431,110,742	50.48%	431,110,742	51.23%
Persons acting in concert with the Purchaser	Nil	Nil	Nil	Nil	Nil	Nil	Nil
CHAN Ping Kan, Raymond ⁽²⁾	Nil	Nil	8,000,000	Nil	Nil	Nil	Nil
CHUNG Cho Yee, Mico ⁽²⁾	Nil	Nil	1,368,000	Nil	Nil	Nil	Nil
Clarest Trust ⁽¹⁾	276,000	0.03%	Nil	Nil	Nil	Nil	Nil
PCRD	383,797,942	47.06%	Nil	Nil	Nil	Nil	Nil
Snowdon International Limited ⁽³⁾	21,204,800	2.60%	Nil	Nil	Nil	Nil	Nil
SO Wing Hung Peter ⁽²⁾	Nil	Nil	4,800,000	Nil	Nil	Nil	Nil
YUEN Tin Fan, Francis ⁽²⁾	Nil	Nil	11,664,000	Nil	Nil	Nil	Nil
Others	410,345,762	50.31%	12,592,998	422,938,760	49.52%	410,345,762	48.77%
Total	815,624,504	100%	38,424,998	854,049,502	100%	841,456,504	100%

Note 1: The beneficiaries of this trust are the family members of SO Wing Hung, Peter.

Note 2: YUEN Tin Fan, Francis, CHAN Ping Kan, Raymond, CHUNG Cho Yee, Mico and SO Wing Hung, Peter will be exercising their Options to acquire 11,664,000, 8,000,000, 1,368,000 and 4,800,000 Shares, respectively, all of which will be sold to the Purchaser under the Share Purchase Agreement.

Note 3: Snowdon International Limited is a company wholly-owned by T.F. Yuen Trust, a discretionary trust of which YUEN Tin Fan, Francis is the founder.

As at the date of this announcement, there are 38,424,998 outstanding Options, details of which are as follows:

Grant Date	Exercise Period	Exercise Price	No. of Shares
7 July 1999	7 July 2000 to 6 July 2007	HK\$4.187	1,080,486
7 July 1999	7 July 2000 to 6 July 2009	HK\$4.448	1,462,032
7 July 1999	7 July 2000 to 6 July 2009	HK\$5.233	13,392,480
20 June 2003	20 June 2004 to 19 March 2011	HK\$1.620	8,000,000
29 August 2003	29 August 2004 to 28 August 2011	HK\$2.050	7,760,000
2 March 2004	2 March 2005 to 1 March 2012	HK\$3.840	2,640,000
4 October 2004	4 October 2005 to 3 October 2012	HK\$2.825	840,000
3 March 2005	3 March 2006 to 2 March 2013	HK\$3.675	2,920,000
19 May 2005	19 May 2006 to 18 May 2013	HK\$3.125	210,000
4 April 2006	4 April 2007 to 3 April 2014	HK\$3.680	120,000

If these outstanding Options are exercised in full, the Company would have to issue 38,424,998 Shares, representing approximately 4.7% of the existing issued share capital of the Company.

4. INFORMATION ON THE PURCHASER

The Purchaser is a wholly owned subsidiary of Fortis. The Purchaser is a provider of insurance services to personal, business and institutional customers outside Fortis' home markets of The Netherlands and Belgium. The Purchaser has successfully established insurance joint ventures in Spain, Portugal, China, Malaysia and Thailand and is in the regulatory approval process for a life insurance joint venture in India. The Purchaser delivers a total package of financial products and services through its own high-performance channels and via intermediaries and other partners.

Fortis is an international financial services provider active in banking and insurance, and is ranked among Europe's top 20 financial institutions, with a market capitalisation of EUR 42 billion as at 31 January 2007. Fortis has offices in 50 countries and has a dedicated workforce of 60,000. As at 1 March 2007, Fortis has ratings of AA- by Fitch, A+ by Standard & Poor's and Aa3 by Moody's.

Fortis has been in Asia for over 105 years. It has successfully combined its banking and insurance expertise in key growth markets in Asia. Its regional headquarters are based in Hong Kong; other offices include Bangkok, Beijing, Guangzhou, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, Manila, Mumbai, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Fortis SA/NV and Fortis N.V., both of which are listed on the Euronext exchange in Belgium and The Netherlands, are the ultimate parent companies of the Purchaser as each hold a 50% interest in Fortis, the intermediate holding company of the Purchaser. The Purchaser has no ultimate controlling shareholder as the shareholdings in Fortis SA/NA and Fortis N.V. are widely dispersed and no one shareholder has a controlling interest.

The Purchaser has not had any dealings for value in the Shares, or convertible securities, warrants or options (or other outstanding derivatives in respect thereof) of any Shares during the six-month period up to and including the Latest Practicable Date. Any dealings for value of the persons acting in concert with the Purchaser in the Shares, or convertible securities, warrants or options (or other outstanding derivatives in respect thereof) of any Shares during the six-month period up to and including the date of this announcement will be disclosed in the Offer Document.

5. INTENTION OF THE PURCHASER

The proposed acquisition fits well with Fortis' strategy in Asia. It offers a unique opportunity to establish a solid base in Hong Kong where Fortis does not have life insurance operations. It is also complementary to Fortis' existing operations in Asia.

By combining the Company's highly talented and motivated agency force with Fortis' product expertise, distribution skills, and international experience, this acquisition creates a strong platform for further growth.

Fortis is committed to the Company's franchise, to the development of the agency sales force and to delivering the highest level of service to policy holders. Upon Completion and with the continued involvement of YUEN Tin Fan, Francis, Fortis will explore ways in which it can leverage its global experience and network to the benefit of the Company. Specifically, Fortis intends to develop the Company's existing infrastructure, extend its product range and enhance its customer service. The Company's highly regarded employees will benefit from the support and contribution of a strong international financial institution, committed to Asia and with further ambitions in the region.

After Completion, Fortis anticipates that changes will be made to the composition of the Board which will be made in compliance with the Takeovers Code and the Listing Rules. Further announcement will be made upon the appointment of any new Director.

6. COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

If the Purchaser acquires not less than 90% of the Disinterested Shares within four months of the posting of the Offer Document in accordance with Rule 2.11 of the Takeovers Code, the Purchaser intends to exercise any right it may have under the Bermuda Companies Act to compulsorily acquire those Disinterested Shares not acquired by the Purchaser pursuant to the Possible Offer. On completion of such compulsory acquisition, the Company would become a wholly-owned subsidiary of the Purchaser and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange in accordance with the Listing Rules.

7. MAINTAINING THE LISTING

If the Purchaser does not effect the compulsory acquisition as set out in the section headed “Compulsory Acquisition and Withdrawal of Listing” above, the Purchaser will undertake to the Stock Exchange that, following the closing of the Possible Offer, it will take appropriate steps to ensure that not less than 25% of the Shares will be held by the public in compliance with the Listing Rules.

The Stock Exchange has stated that if, at the closing of the Possible Offer, less than 25% of the Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend trading in the Shares. In this connection, it should be noted that upon the closing of the Possible Offer, there may be insufficient public float for the Shares and therefore, trading in the Shares may be suspended until a prescribed level of public float is attained.

8. GENERAL

Independent Board Committee and Independent Financial Adviser

If the Possible Offer is made, in accordance with the Takeovers Code, an independent board committee of the Company will be formed and an independent financial adviser will be appointed to consider the terms of the Possible Offer. Shareholders are advised to take no action as regards the Possible Offer until they have received the Offer Document which will contain, inter alia, advice of the independent board committee and the independent financial adviser. An announcement will be made as soon as the independent financial adviser is appointed.

Despatch of Offer Document

The Offer Document, containing, among other things, information relating to the Purchaser, information relating to the Group, the terms of the Possible Offer, the recommendation of the independent board committee of the Company and the advice of the independent financial advisor to the independent board committee of the Company in respect of the Possible Offer, is expected to be dispatched within 21 days of the date of this announcement.

However, as Completion would not have taken place within 21 days of the date of this announcement, it is expected that an application will be made for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the dispatch of the relevant offer document to within seven days after the satisfaction, or waiver, of all the Conditions Precedent. Subject to such consent being granted by the Executive, the Offer Document will be dispatched within seven days after the satisfaction, or waiver, of all the Conditions Precedent.

Disclosure Obligations

Other than the Share Purchase Agreement (the details of which are disclosed in the section headed "Share Purchase Agreement" above), (a) there are no agreements or arrangements to which the Purchaser is a party as at the date of this announcement which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Possible Offer; and (b) there are no arrangements in relation to the Shares which might be material to the Possible Offer.

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Purchaser are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

Pursuant to Note 11 of Rule 22 of the Takeovers Code, stockbrokers, banks and other intermediaries who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant provisions of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven-day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

9. IMPORTANT NOTE FOR SHAREHOLDERS OUTSIDE HONG KONG

The Possible Offer will be for the securities of a company organised under the laws of Bermuda and will be subject to the procedure and disclosure requirements of Hong Kong, which may be different from other jurisdictions. The ability of shareholders outside of Hong Kong to participate in the Possible Offer will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions.

10. RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 12:07 p.m. on 26 February 2007 pending the publication of this announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 2 March 2007.

11. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Anglang”	means Anglang Investments Limited, which holds approximately 37.76% interest in the issued share capital of PCR D;
“Board”	means the board of Directors of the Company;
“Borsington”	means Borsington Limited, a shareholder of PCR D, which holds approximately 0.07% interest in the issued share capital of the PCR D;
“Company”	means Pacific Century Insurance Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange;
“Completion”	means the completion of the Share Purchase Agreement;
“Conditions Precedent”	means the conditions precedent to completion of the Share Purchase Agreement;
“Director(s)”	mean(s) director(s) of the Company from time to time;
“Disinterested Shares”	means all the issued and to be issued Shares other than those which are owned by the Purchaser or persons acting in concert with it as at the date of the Offer Document;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“FII” or “Purchaser”	means Fortis Insurance International N.V., a company incorporated in The Netherlands with limited liability;
“Fortis”	means Fortis SA/NV, a company incorporated in Belgium and Fortis N.V., a company incorporated in The Netherlands, and their respective subsidiaries;
“Group”	means the Company and its subsidiaries;
“Group Companies”	means any member of the Group;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“ICO”	means the Insurance Companies Ordinance (Chapter 41 of the Laws of Hong Kong);
“Latest Practicable Date”	means 27 February 2007, being the latest practicable date immediately prior to the date of this announcement;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;

“Morgan Stanley”	means Morgan Stanley Dean Witter Asia Limited, a company incorporated in Hong Kong, which is licensed for Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities), Type 5 regulated activity (advising on futures contracts), Type 6 regulated activity (advising on corporate finance) and Type 7 regulated activity (providing automated services) under the SFO, and financial adviser to the Purchaser;
“OCI”	means the Office of the Commissioner of Insurance of Hong Kong;
“Offer Document”	means the document to be issued by or on behalf of the Purchaser to all Shareholders in accordance with the Takeovers Code containing, inter alia, details of the Possible Offer and the acceptance and transfer form or, where applicable, the composite offer and response document to be issued by the Purchaser and the Company;
“Offer Price”	means the amount of HK\$8.18 payable by the Purchaser to holders of Disinterested Shares for each Disinterested Share accepted under the Possible Offer and the amount of HK\$8.18 less the exercise price for each Option to be cancelled under the Possible Offer;
“Option(s)”	means option(s) to acquire Shares issued by the Company pursuant to the Company’s share option schemes;
“Other Sellers”	means CHAN Ping Kan, Raymond, CHUNG Cho Yee, Mico, Clarest Trust, Snowdon International Limited and SO Wing Hung, Peter;
“PCG (Cayman)”	means Pacific Century Group (Cayman Islands) Limited, which holds approximately 37.50% interest in the issued share capital of PCRD;
“PCICL”	means Pacific Century Insurance Company Limited, a company incorporated under the laws of Bermuda and currently a wholly-owned subsidiary of the Company;
“PCRD”	means Pacific Century Regional Developments Limited, a company incorporated in the Republic of Singapore and listed on the Singapore Exchange Securities Trading Limited;
“PCRD Shares”	means the ordinary shares of PCRD;
“PC Trustee”	means Pacific Century Trustees Limited, a company incorporated under the laws of Hong Kong and currently a wholly-owned subsidiary of the Company;
“Possible Offer”	means the possible unconditional mandatory cash offer for the Disinterested Shares and all the outstanding Options;

“Sale Shares”	mean 431,110,742 Shares, representing approximately 50.48% of the issued share capital of the Company as at the Latest Practicable Date on a fully diluted basis (assuming full exercise of all the Options outstanding as at the Latest Practicable Date);
“Sellers”	means PCRDR, YUEN Tin Fan, Francis and the Other Sellers;
“SFC”	means The Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Purchase Agreement”	means the share sale and purchase agreement dated 1 March 2007 entered into between the Purchaser, PCRDR and YUEN Tin Fan, Francis, pursuant to which the Purchaser has agreed to purchase the Sale Shares from the Sellers;
“Shareholders”	means holders of the Shares;
“Shares”	means ordinary share(s) of HK\$1.00 each in the share capital of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	shall have the same meaning ascribed to it in Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong); and
“Takeovers Code”	means The Code on Takeovers and Mergers.

By order of the board of
Fortis Insurance International N.V.
D.J. ZIENG
Director

By order of the board of
Pacific Century Insurance Holdings Limited
YUEN Tin Fan, Francis
Executive Chairman

Hong Kong, 1 March 2007

** for identification purpose only*

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to the Company and its subsidiaries and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement relating to the Company and its subsidiaries have been arrived at after due and careful consideration and there are no other facts relating to the Company and its subsidiaries not contained in this announcement, the omission of which would make any statements in this announcement relating to the Company and its subsidiaries misleading.

The directors of the Purchaser jointly and severally accept full responsibility for the accuracy of the information (other than information relating to the Company and its subsidiaries) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions relating to the Company and its subsidiaries) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the Company and its subsidiaries) not contained in this announcement, the omission of which would make any statements in this announcement (other than those relating to the Company and its subsidiaries) misleading.

As at the date of this announcement, the directors of the Company are YUEN Tin Fan, Francis, CHAN Ping Kan, Raymond, SO Wing Hung, Peter, Peter Anthony ALLEN, CHUNG Cho Yee, Mico, FENG Xiaozeng, ZHENG Changyong, Prof. CHANG Hsin Kang, Timothy George FRESHWATER, WANG Xianzhang and Prof. WONG Yue Chim, Richard.

As at the date of this announcement, the directors of the Purchaser are Jozef DE MEY, Joop FEILZER, Martin N. KOK, Peer Van HARTEN, Jean-Paul VOTRON, Jacob WESTERLAKEN, and D.J. ZIENGES.