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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)

**Establishment of Independent Board Committee and
appointment of Independent Financial Adviser
in relation to the 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**

An independent board committee of the Company (the “**Independent Board Committee**”) has been established to advise the Shareholders and holders of Options in respect of the Possible Offer. DBS Asia Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Possible Offer.

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.

Reference is made to the joint announcement dated 1 March 2007 and issued by FII and the Company in relation to, among other things, the possible unconditional mandatory cash offer by Morgan Stanley on behalf of FII to acquire all the Shares not already owned or agreed to be acquired by FII and parties acting in concert with it and to cancel all outstanding Options (the “**Announcement**”). Terms defined in the Announcement shall have the same meanings when used herein, unless the context otherwise requires.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Mr. Tim Freshwater, Prof. Chang Hsin Kang, Mr. Wang Xianzhang and Prof. Wong Yue Chim, Richard, being all the independent non-executive Directors, have been invited to constitute the Independent Board Committee to advise the Shareholders and holders of Options in respect of the Possible Offer.

All the non-executive Directors, namely Mr. Peter Anthony Allen, Mr. Chung Cho Yee, Mico, Mr. Feng Xiaozeng and Mr. Zheng Changyong, are considered not eligible to constitute the Independent Board Committee to advise the Shareholders and holders of the Options in respect of the Possible Offer due to the following reasons: (i) Mr. Peter Anthony Allen is a director of PCRD and a beneficial owner of Shares; (ii) Mr. Chung Cho Yee, Mico is a holder of Options and one of the Other Sellers under the Share Purchase Agreement; and (iii) Mr. Feng Xiaozeng and Mr. Zheng Changyong are directors of both China Insurance (Holdings) Company, Limited (“**CIHCL**”), a substantial shareholder of the Company, and Ming An Insurance Company (Hong Kong) Limited (“**Ming An**”), an associate of CIHCL. Under a continuing connected transaction the subject of an announcement by the Company dated 16 March 2007, Ming An continued to appoint the Company as its agent for the purpose of introducing general insurance business to Ming An.

DBS Asia Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee in relation to the Possible Offer pursuant to Rule 2.1 of the Takeovers Code and such appointment has been approved by the Independent Board Committee.

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By order of the Board
Pacific Century Insurance Holdings Limited
Yuen Tin Fan, Francis
Executive Chairman

Hong Kong, 28 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 and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

As at the date of this announcement, the executive directors of the Company are Yuen Tin Fan, Francis, Chan Ping Kan, Raymond and So Wing Hung, Peter; the non-executive directors of the Company are Peter Anthony Allen, Chung Cho Yee, Mico, Feng Xiaozeng, Zheng Changyong; and the independent non-executive directors of the Company are Prof. Chang Hsin Kang, Timothy George Freshwater, Wang Xianzhang and Prof. Wong Yue Chim, Richard.

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