**Asset Management Agreement**

**Featured Management Services Agreements**

Asset Management Agreement

 between

 China Life Insurance (Group) Company

 and

 China Life Asset Management

 Company Limited

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This Asset Management Agreement ("Agreement") is signed by the following parties

in Beijing, People's Republic of China ("PRC") on November 27, 2003:

. China Life Insurance (Group) Company ("Party A")

 Address: 5 Guan Ying Yuan Xi Qu, Xicheng District, Beijing

 Legal Representative: Wang Xian Zhang

. China Life Asset Management Company Limited ("Party B")

 Address: 9/F Block A, Tongtai Building, No. 33 Financial Street, Xicheng

 District, Beijing

 Legal Representative: Wang Xian Zhang

WHEREAS,

(1) Party A is legally established and duly organized as a wholly state-owned

 insurance company.

(2) Party B is a legally established and duly organized company, which is

 qualified to carry out the investment management of insurance funds as

 approved by the China Insurance Regulatory Commission.

(3) Party A intends to entrust Party B with the investment management of its

 insurance assets.

(4) Party A and Party B wish to make appropriate arrangements on matters

 relating to Party A entrusting Party B with the investment management of

 insurance funds.

THEREFORE, based upon the principle of mutual benefit, both parties agree,

through friendly negotiation, on the following terms:

1. Appointment

 Subject to the terms and conditions provided in this Agreement, Party A

 hereby appoints Party B, and Party B hereby accepts such appointment and

 agrees, to perform investment management services with respect to the

 Entrusted Assets described in Section 2.1.

2. Investment Management Services

 2.1. The Entrusted Assets are the insurance funds entrusted by Party A to

 Party B for the purpose of investment management under the

 Agreement, which include such assets entrusted by Party A to Party B

 as of the effective date of this agreement (within thirty (30)

 business days after the date of this Agreement, Party A shall

 provide Party B in writing a checklist of the Entrusted Assets as of

 the date of this Agreement), the funds remitted to the Settlement

 Account (as defined

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 below) by Party A under this Agreement from time to time during the

 term of this Agreement, and the profits arising from the investment

 management of such funds, but which exclude the funds remitted by

 Party B to the designated account of Party A upon Party A's

 instructions according to this Agreement.

 2.2. The Investment Management Services are the professional services to

 be provided by Party B, and in the name of Party A, in accordance

 with the Agreement with respect to the investment of the Entrusted

 Assets, and the Investment Guidelines (as defined below) provided in

 writing, revised from time to time, by Party A, and subject to any

 limitation on the investment scope of insurance funds provided in

 the PRC Insurance Law, other PRC laws and regulations, and relevant

 provisions promulgated by insurance regulatory authorities.

3. Methods of Investment Management Services

 3.1. Authorization

 3.1.1. The Investment Management Services shall not involve the

 transfer or delivery of the Entrusted Assets. For the

 duration of the Agreement, Party A shall retain the

 ownership of the Entrusted Assets and shall be entitled to

 investment gains of, and be responsible for the investment

 losses of, the Entrusted Assets.

 3.1.2. Party A shall, within 30 business days following the

 execution of this Agreement or at any other time mutually

 agreed by the parties, carry out such authorization

 procedures necessary to enable Party B to conduct investment

 management for the bank accounts and shareholders' accounts

 relating to Entrusted Assets (the "Special Accounts"). The

 Special Accounts shall be used only for the investment

 management of the Entrusted Assets and shall be segregated

 from all other accounts in the name of Party A covering all

 assets other than the Entrusted Assets.

 3.1.3. Upon Party A's approval or acknowledgement and after

 carrying out necessary authorization procedures, Party B may

 employ auditors, actuaries, attorneys and other

 professionals in the name of Party A or in its own name for

 the purpose of carrying the objects of this Agreement.

 3.1.4. Party A shall, within 30 business days following the date of

 this Agreement or at any other time mutually agreed by the

 parties, carry out all other necessary authorization

 procedures to enable Party B to represent Party A and, in

 the name of Party A,

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 coordinate, negotiate and sign documents with third parties

 for the purposes of the Agreement.

 3.1.5. During the term of the Agreement, Party A shall take all

 actions necessary to assist Party B in performing its

 obligations under Section 2.2, including but not limited to

 execution of necessary documents.

 3.2. Funds Transfer-in

 3.2.1. Party A shall, within 30 business days following the date of

 this Agreement or at any other time mutually agreed by the

 parties, designate an account or open an account for the

 purpose of transferring funds in Party A's name (such

 designated account or newly opened account, a "Settlement

 Account") at a bank mutually agreed upon by Party A and

 Party B and take necessary steps to grant Part B appropriate

 authorization to give, from time to time, instructions to

 the bank where the Settlement Account is opened. Party A

 shall inform Party B of the account information in writing

 on the date the account is opened.

 3.2.2. During the term of this Agreement, Party A may remit funds

 to the Settlement Account from time to time. Party A shall

 confirm with Party B in writing any remittance it makes to

 the account of Party B on the date of such remittance. Such

 funds shall become part of the Entrusted Assets on the date

 of remittance unless Party B raises objections within 3

 business days of the receipt of such confirmation.

 3.2.3. The Settlement Account shall only be used for purposes of

 this Agreement and shall be segregated from all other

 accounts of Party A.

 3.3. Funds Transfer-out

 3.3.1. Party A's authorized representatives may give Party B

 written instructions on fund transfers ("Fund Transfer

 Instructions") and Party B shall carry out such instructions

 with no obligation to check if such representatives have

 appropriate authorization to issue such instructions on

 behalf of Party A. Such instructions shall state the amount

 and the date of transfer, but shall not dictate the specific

 assets to be disposed of. For any transfer of funds in an

 amount less than 500 million yuan, the Fund Transfer

 Instructions shall be given one business day before such

 transfer is made. For any transfer of funds in an amount of

 more than 500 million yuan but less than 1 billion yuan, the

 Fund Transfer Instructions shall be given two

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 business days before such transfer is made. For any transfer

 of funds in an amount of more than 1 billion yuan, the Fund

 Transfer Instructions shall be given three business days

 before such transfer is made. If for any special reason the

 Fund Transfer Instructions cannot be given in accordance

 with the above requirements, both parities shall agree upon

 another time in advance. Party B, after receiving such Fund

 Transfer Instructions, shall remit funds to the designated

 account of Party A in accordance with the instructions.

 Party B shall confirm with Party A in writing such

 remittance on the date such remittance is made to the

 designated account of Party A. Such funds shall no longer

 constitute part of the Entrusted Assets once Party B issues

 the written confirmation that the funds have been

 transferred into the Transfer-out Account, unless Party A,

 within 3 business days after receiving such written

 confirmation, raises an objection.

 3.4. Scope of Authority

 3.4.1. Party A shall, before the Agreement is signed, formulate and

 submit to Party B in writing Investment Guidelines

 ("Investment Guidelines"), pursuant to Section 8.2.2 of this

 Agreement.

 3.4.2. The Investment Guidelines may provide, among other things:

 3.4.2.1. the principles governing the investment of the

 Entrusted Assets;

 3.4.2.2. the liquidity requirements for the Entrusted Assets

 for a particular period;

 3.4.2.3. the limitations on investment types and portfolios

 for a particular period;

 3.4.2.4. the requirements on asset/liability matching and

 risk control for a particular period; and

 3.4.2.5. the asset addition and liquidation plan for a

 particular period.

 3.4.3. During the term of this Agreement, Party A may revise the

 Investment Guidelines for the next investment year before

 such investment year starts, and submit the revised

 Investment Guidelines to Party B, pursuant to Section 8.2.2

 of this Agreement. Where no revision is made to the

 Investment

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 Guidelines for the next investment year, the Investment

 Guidelines of the current year shall remain in effect.

 3.4.4. During the term of this Agreement, Party A may revise the

 Investment Guidelines from time to time as it deems

 necessary and shall notify Party B of any revision to the

 Investment Guidelines in writing.

 3.4.5. Party A may consult with Party B for its professional

 opinion in formulating and/or revising the Investment

 Guidelines in accordance with Section 3.4.1 and Section

 3.4.3 of the Agreement.

 3.4.6. Party B's implementation of the investment management of

 Entrusted Assets shall comply with laws, regulations,

 provisions and requirements of the applicable insurance

 regulatory authorities, as well as the Investment Guidelines

 formulated and/or revised by Party A in accordance with this

 Agreement. Party B shall owe a fiduciary obligation to Party

 A. Party shall conduct the investment management of

 Entrusted Assets with due care and with the same degree of

 experience, skills, judgment and care as those used for its

 own funds. Notwithstanding the above provisions, Party B

 shall have discretion over the decision-making and

 operations of the Entrusted Assets.

 3.4.7. During the term of this Agreement, except for giving Fund

 Transfer Instructions to Party B and formulating and/or

 revising and delivering the Investment Guidelines to Party B

 pursuant to the terms of the Agreement, Party A shall not

 directly engage in the investment management of the

 Entrusted Assets.

 3.5. Reports and Monitoring

 3.5.1. Party B shall, within 90 days following the end of each

 calendar year, make and submit to Party A an annual report

 with regard to the Investment Management Services ("Annual

 Report"). The Annual Report shall include information on

 profits of the various investments of Entrusted Assets and

 the average investment rate of return for the Entrusted

 Assets for that year.

 3.5.2. Party B shall, within 15 days following the end of each

 calendar quarter, make and submit to Party A a written

 report setting forth the investment management results and

 asset structure for such quarter.

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 3.5.3. Party B shall, according to Party A's requirements, provide

 to Party A such other statements and information as required

 by Party A about the Investment Management Services.

 3.5.4. Party B shall ensure the truthfulness, completeness, and

 accuracy of the reports, statements and information provided

 pursuant to the above Sections 3.5.1 and 3.5.3.

 3.5.5. Party A shall have the right to monitor the investment

 management of Party B.

 3.6. Examination of books

 3.6.1. Party A and Party B shall, within 10 business days following

 each calendar month, cross-check the statements of the

 Special Accounts and the Settlement Account.

 3.6.2. Party B shall maintain complete files of all records,

 accounting certificates, books, statements and other

 materials relating to the Investment Management Services for

 at least 15 years.

4. Conflicts of Interest

 4.1. Party A hereby recognizes that, when Party B conducts investment

 management services in regard to Entrusted Assets and, at the same

 time, in regard to its own assets or the assets of any third party,

 conflicts of interest may arise in respect of (but not limited to)

 the distribution of resources, provision of services and

 distribution of investment opportunities.

 4.2. When Party B determines in its professional judgment that there is

 an existing or possible conflict of interest, Party B shall inform

 Party A of such conflict of interest.

 4.3. Party B shall have full discretion in taking any such action or

 measure as it deems in its professional judgment to be fair,

 reasonable and necessary to deal with such conflicts of interest.

 4.4. Party B shall not take any of the following actions:

 4.4.1. trading the Entrusted Assets with itself, or with the assets

 entrusted by other parties, without Party A's advance

 written approval; or

 4.4.2. using Entrusted Assets to pursue its own interests or the

 interests of any third party at the expense of Party A's

 interests.

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 4.5. Party B shall formulate, establish and enhance relevant rules and

 systems (including but not limited to business operation procedures,

 staff conduct codes, accounting and financial systems, internal

 controls and inspection rules), so as to ensure the effective

 implementation of the provisions of Article 4 of the Agreement.

 Party B shall establish necessary internal control systems in regard

 to (but not limited to) personnel, finances and accounts so as to

 ensure the fairness, equity and independence of the investment

 management operations associated with the Entrusted Assets and the

 assets owned by Party B or entrusted by other parties. Party B

 shall, upon Party A's request, appoint special account managers for

 the Entrusted Assets.

 4.6. Party B's obligations under Section 4.5 shall not affect its full

 discretion under the foregoing Section 4.3 and the actions and

 measures taken in accordance with Section 4.3.

5. Investment Management Services Fees and Performance-based Bonuses and

 Rebates

 5.1. Party A shall pay to Party B, and Party B is entitled to receive,

 such investment management service fees and performance bonus fees

 as provided under this Agreement. Party B shall rebate a portion of

 its fees according to its performance, and Party A is entitled to

 receive such rebate, pursuant to the provisions of the Agreement.

 5.2. The Investment Management Service Fees shall be determined according

 to the following provisions:

 5.2.1. Each calendar month shall be a Billing Period.

 5.2.2. The Investment Management Service Fees for each Billing

 Period shall be the aggregate of the monthly investment

 management service fees for each category of assets under

 management, plus additional service fees for investment

 management services for that particular month, pursuant to

 Section 5.2.6 of the Agreement.

 5.2.3. The monthly investment management service fee for each

 category of the assets under management shall be the average

 of the net value of such category at the end of the relevant

 month and the previous month, multiplied by the applicable

 annual rate for the relevant month, and then divided by

 twelve.

 5.2.3.1. The applicable annual rate for each category of the

 assets under management for a particular month

 shall be calculated according to the following:

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 (1) The annual rate applicable to each category of assets

 under management for the relevant month is:

 (i) when the total amount of Entrusted Assets is

 equal to or below RMB 10 billion at the end of

 the relevant month:

 Bank balances and cash...................... 0%

 Existing term deposits...................... 0.00400%

 Securities purchased under

 agreement to resell......................... 0.01500%

 Fixed maturity securities, financial

 instruments issued by the central bank...... 0.11240%

 Equity investments.......................... 0.38500%

 (ii) when the total amount of Entrusted Assets is more

 than RMB 10 billion but less than or equal to RMB

 30 billion at the end of the relevant month:

 Bank balances and cash...................... 0%

 Existing term deposits...................... 0.00400%

 Securities purchased under

 agreement to resell......................... 0.01425%

 Fixed maturity securities, financial

 instruments issued by the central bank...... 0.10390%

 Equity investments.......................... 0.35575%

 (iii) when the total amount of Entrusted Assets is more

 than RMB 30 billion but less than or equal to RMB

 50 billion at the end of the relevant month:

 Bank balances and cash...................... 0%

 Existing term deposits...................... 0.00400%

 Securities purchased under

 agreement to resell......................... 0.01350%

 Fixed maturity securities, financial

 instruments issued by the central bank...... 0.09540%

 Equity investment........................... 0.32650%

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 (iv) when the total amount of Entrusted Assets is more

 than RMB 50 billion but less than or equal to RMB

 100 billion at the end of the relevant month:

 Bank balances and cash...................... 0%

 Existing term deposits...................... 0.00400%

 Securities purchased under

 agreement to resell......................... 0.01275%

 Fixed maturity securities, financial

 instruments issued by the central bank...... 0.08690%

 Equity investments.......................... 0.29725%

 (v) when the total amount of Entrusted Assets is more

 than RMB 100 billion at the end of the relevant

 month:

 Bank balances and cash...................... 0%

 Existing term deposits...................... 0.00400%

 Securities purchased under

 agreement to resell......................... 0.01200%

 Fixed maturity securities, financial

 instruments issued by the central bank...... 0.07840%

 Equity investments.......................... 0.26800%

 (2) The total amount of Entrusted Assets at the end of

 the relevant month shall be the aggregate of the net

 value of each category of the assets under management

 at the end of the relevant month.

 (3) During the term of this Agreement, within one month

 following the end of each year, Party A and Party B

 may, in accordance with the principle of fair market

 dealings, negotiate to modify, and confirm in

 writing, the monthly applicable annual rate of each

 category of assets under management for each Billing

 Period of that year. If no such agreement is reached,

 the monthly applicable annual rate of each category

 of assets under management for the last Billing

 Period of the preceding year shall remain in force.

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 5.2.3.2. The net value of each category of assets under

 management at the end of the relevant month shall

 be calculated according to the following methods:

 (1) For any bond listed on the stock exchange, the

 closing price (full price) on the stock exchange on

 the last trading day of the relevant month or, if

 there is no trading during such month, the closing

 price (full price) on the nearest trading day of such

 month, multiplied by the amount of the security;

 (2) For any bond traded on the inter-bank bonds market,

 the fair price of such security on the last trading

 day of the relevant month multiplied by the amount of

 such security. The aforementioned fair price shall be

 determined in accordance with the following method:

 (i) if there is a transaction price for such security

 during the relevant month, the fair price shall

 be the weighted average price of such security as

 announced by the inter-bank bonds market on the

 last trading day of the relevant month;

 (ii) if there is no trade for such security during the

 relevant month, the fair price shall be the

 average price of the offering prices from the

 two-side bid for such security on the last

 trading day of the relevant month;

 (iii) if there is neither a weighted average price nor

 offering prices for such security during the

 relevant month, the fair price shall be the

 corresponding price of such security as quoted in

 the yield curve of the "alpha" system as of the

 end of such month;

 (3) For any closed-end fund listed on a stock exchange,

 the closing price on the stock exchange on the last

 trading day of the relevant month or, if there is no

 trading during such month, the closing price on the

 latest trading day preceding such month, multiplied

 by the number of units of the closed-end fund;

 (4) For any open-end fund, the net value of such fund as

 publicized on the last day of repurchasing in the

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 relevant month multiplied by the number of units of

 such fund.

 (5) For any bank deposits, the principal of the deposit

 plus the interest payable as of the last day of the

 relevant month;

 (6) For any security purchased under agreement to resell,

 the principal plus the interest payable as of the

 last day of the relevant month;

 (7) For any repurchase arrangement, the amount of total

 assets minus the sum of the principal and interest

 payable as of the last day of the relevant month,

 with the deduction to be performed in the following

 order: security sold under agreement to repurchase

 and then current account deposits;

 (8) For any unlisted bond or unlisted security investment

 fund, the cost of such security plus dividends or

 interest payable as of the last day of the relevant

 month;

 (9) For any interest receivable on bonds or dividends on

 security investment funds, if the interest or the

 dividend has not been actually distributed, it shall

 be included in the net asset value of the relevant

 bond or security investment fund pursuant to Section

 5.2.3.2 of the Agreement; and once such bond interest

 or dividend has been actually distributed, it shall

 be counted as cash.

 (10) For any kind of financial instruments issued by the

 central bank, the calculation method for bonds shall

 equally apply.

 5.2.3.3. For any category of investment that is not

 currently provided under section 5.2.3 of the

 Agreement but may be permitted by laws, regulations

 and the insurance regulatory authority and thus may

 become available from time to time in the future,

 Party A and Party B shall, through timely

 negotiations, and in accordance with the principles

 of fairness and reasonableness, determine the

 calculation methods for the applicable annual rate

 and net value. Where conditions for calculation of

 net asset value on a daily basis become

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 available, the parties shall mutually discuss and

 agree upon in writing a calculation method.

 5.2.4. When the effective date of this Agreement is not the first

 day of the relevant month, the monthly service fee for each

 category of the assets under management of the first Billing

 Period after the Agreement comes into effect shall be the

 net value of the assets under management at the end of the

 month, multiplied by the annual rate applicable to that

 month, divided by 12 and then divided by the total number of

 days of the relevant month and then multiplied by the number

 of days left in the relevant month after the effective date

 (including the effective date).

 5.2.5. When the Agreement is terminated under Article 12, and the

 date of termination is not the last day of the month, the

 monthly service fee for each category of assets under

 management shall be the net value of assets under management

 at the end of the relevant month, multiplied by the annual

 rate applicable to the relevant month, divided by 12 and

 then divided by the total number of days of the relevant

 month, and then multiplied by the number of days in the

 relevant month prior to the date of termination (including

 the effective date).

 5.2.6. Monthly additional fees for Investment Management Services

 comprise the service fees for additional term deposits and

 additional securities purchased in primary markets during

 the relevant month, in which:

 5.2.6.1. Service fees for monthly additional term deposits

 shall be calculated by multiplying the net value

 of additional term deposits made during the

 relevant month by the rate set forth in Section

 5.2.6.3.

 5.2.6.2. Service fees for monthly securities purchased in

 primary markets shall be calculated by multiplying

 the net total value of securities purchased in

 primary markets during the relevant month by the

 rate set forth in Section 5.2.6.3.

 5.2.6.3. The applicable rate is:

 (i) when the total amount of Entrusted Assets is

 equal to or below RMB 10 billion at the end of

 the relevant month:

 Additional term deposits.................... 0.01100%

 Securities purchased in primary markets..... 0.02600%

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 (ii) when the total amount of Entrusted Assets is more

 than RMB 10 billion but less than or equal to RMB

 30 billion at the end of the relevant month:

 Additional term deposits.................... 0.01025%

 Securities purchased in primary markets..... 0.02350%

 (iii) when the total amount of Entrusted Assets is more

 than RMB 30 billion but less than or equal to RMB

 50 billion at the end of the relevant month:

 Additional term deposits.................... 0.00950%

 Securities purchased in primary markets..... 0.02100%

 (iv) when the total amount of Entrusted Assets is more

 than RMB 150 billion but less than or equal to

 RMB 100 billion at the end of the relevant month:

 Additional term deposits.................... 0.00875%

 Securities purchased in primary markets..... 0.01850%

 (v) when the total amount of Entrusted Assets is more

 than RMB 100 billion at the end of the relevant

 month:

 Additional term deposits.................... 0.00800%

 Securities purchased in primary markets..... 0.01600%

 5.3. Payment of Investment Management Services fees:

 5.3.1. Party B shall, within 7 business days following the end of

 each Billing Period, provide Party A with a report on the

 net asset value and Investment Management Services fees for

 such Billing Period, together with all relevant bills and

 particulars.

 5.3.2. Unless Party A produces, within 10 business days following

 receipt of the aforementioned report, bills and particulars,

 sufficient evidence showing that the amount of Investment

 Management Services Fees for such period are unreasonable,

 Party B has the right, upon written confirmation by Party

 A,to

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 transfer from the cash portion of the Entrusted Assets the

 amount of the Investment Management Service Fees as stated

 in such report, bills and particulars directly to Party B's

 account within 15 business days after the end of each

 billing period. Party B shall deliver a written notice to

 Party A on the date such transfer is made. On the date such

 written notice is delivered to Party A from Party B, the

 funds so transferred shall no longer be a part of the

 Entrusted Assets.

 5.4. Performance-based bonus and rebate:

 5.4.1. During the term of this Agreement, Party A shall not be

 obligated to pay Party B any performance-based bonus if the

 average investment rate of return for Entrusted Assets for a

 particular year, as stated in the Annual Report for that

 year, does not exceed the ceiling of the floating range of a

 benchmark agreed upon by both parties in accordance with

 section 5.4.6 for the purpose of determining any reward or

 penalties (the "Benchmark"). The ceiling of the floating

 range of the Benchmark equals to the sum of the Benchmark

 and 0.10% for any given year.

 5.4.2. During the term of this Agreement, Party B shall not be

 obligated to pay any performance-based penalty if the

 average investment rate of return of Entrusted Assets for a

 particular year, as stated in the Annual Report for that

 year, does not fall below the Benchmark by at least 0.10%,

 being the floor of the Benchmark range.

 5.4.3. During the term of this Agreement, if the average investment

 rate of return of Entrusted Assets for a particular year, as

 stated in the Annual Report for that year, exceeds the cap

 of the Benchmark range for that same year, Party A shall be

 obligated to pay Party B an appropriate performance-based

 bonus, the specific amount of which shall be determined by

 Party A and Party B through negotiations. Notwithstanding

 the foregoing provision, Party A and Party B agree that the

 amount of performance-based bonus shall be capped at 50% of

 the annual Investment Management Services fees for that

 particular year, which means that under no circumstances

 shall the amount of performance-based bonus agreed upon by

 both parties exceed 50% of the annual Investment Management

 Services Fees for such year.

 5.4.4. During the term of this Agreement, if the average investment

 rate of return of Entrusted Assets for a particular year, as

 stated in the Annual Report for that year, falls below the

 floor of the

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 Benchmark range for that same year, Party B shall be

 obligated to rebate an appropriate amount of its fees paid

 by Party A, the specific amount of which shall be determined

 by Party A and Party B through negotiations. Notwithstanding

 the foregoing provision, Party A and Party B agree that such

 rebate amount shall be capped at 25% of the annual

 Investment Management Service Fees, which means that under

 no circumstance shall the rebated amount agreed upon by both

 parties exceed 25% of the annual investment management

 service fees for such year.

 5.4.5. The annual Investment Management Service fees for the

 relevant year shall be the aggregate of the Investment

 Management Services Fees paid by Party A to Party B

 according to the calculation method set forth in Article 5.2

 hereof for all of the Billing Periods of such relevant year.

 5.4.6. During the term of this Agreement, Party A and Party B shall

 determine, through negotiations, the Benchmark for a

 particular year within 5 business days after Party B submits

 to Party A the Annual Report for that year in accordance

 with Section 3.5.1. In determining the Benchmark, Party A

 and Party B may refer to the average investment rate of

 return of Chinese insurance industry for that year, as

 announced by the insurance regulatory authority of PRC, to

 the extent it is available.

 5.5. Payment of performance-based bonus or rebate:

 5.5.1. During the term of this Agreement, Party A and Party B shall

 determine and confirm in writing, in addition to the

 Benchmark for a particular year pursuant to Section 5.4.6,

 the amount of the performance-based rebate or bonus pursuant

 to Section 5.4 of the Agreement.

 5.5.2. Within 10 business days following the date Party A and Party

 B determine and confirm in writing the amount of the

 performance-based bonus pursuant to Section 5.5.1, and upon

 written confirmation by Party A, Party B has the right to

 transfer from the cash portion of the Entrusted Assets, the

 amount of such performance-based bonus as determined above

 directly to Party B's account. Party B shall deliver a

 written notice to Party A on the date such transfer is made.

 On the date such written notice is delivered to Party A from

 Party B, the fund so transferred shall no longer be a part

 of the Entrusted Assets.

 5.5.3. Party B shall, within 10 business days following the date

 Party A and Party B determine and confirm in writing the

 amount of

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 the performance-based rebate pursuant to Section 5.5.1,

 remit the aforementioned rebated amount to an account

 designated by Party A in writing.

 5.6. Provided that this Agreement is renewed pursuant to Section 9.2,

 Party A and Party B may, before the renewed term commences, redefine

 the calculation method of the Investment Management Services Fees

 and the stipulations on performance-based bonuses and rebates during

 the renewal term in accordance with the principle of fair market

 dealings, and enter into written agreement pursuant to Section 21.3.

 If no such agreement is reached, the Investment Management Services

 Fees and performance-based bonuses and rebates during the renewal

 term shall be calculated based on the calculation method used before

 the renewal.

6. Third Party Costs and Expenses

 6.1. Third Party Costs and Expenses shall mean the costs and expenses

 charged by a third party and incurred by Party B in performing the

 Investment Management Services pursuant to the Agreement, and

 approved or verified by Party A, except for the Investment

 Management Services Fees and performance-based bonus to be paid by

 Party A pursuant to Article 5 and the taxes and other expenses under

 section 7. Third Party Costs and Expenses shall include, but not be

 limited to, any expense arising from the engagement by Party B (in

 its own name or in the name of Party A), and approved or verified by

 Party A, of any outside auditors, actuaries, lawyers or other

 professionals for the purpose of the Agreement, and any transaction

 fees or bank expenses incurred in connection with the Agreement.

 6.2. Third Party Costs and Expenses shall be borne by Party A to the

 extent of the actual amounts incurred. Party B shall under no

 circumstances be obligated to pay Third Party Costs and Expenses

 with its own funds unless it volunteers to do so. Subject to

 different situations, the payments of Third Party Costs and Expenses

 may, in accordance with the written instructions of Party B, be made

 by Party A or withdrawn directly by the third party.

 6.3. Party A shall not be obligated to bear any costs and expenses

 relating to the Investment Management Services other than those

 stipulated in the Agreement.

7. Taxes

 7.1. Business taxes and surcharges, if any, relating to the investment

 yields arising from the entrusted investment assets shall be

 calculated and borne by Party A, while Party B shall provide the

 details of the transactions. Income taxes, if any, relating to

 Entrusted Assets shall be

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 borne by Party A and calculated by it alone in accordance with tax

 laws and regulations. Stamp duties relating to investment

 transactions shall be directly deducted by relevant authorities, and

 accounted for as deductions from investment yields.

 7.2. Party A shall bear all statutory tax obligations arising from its

 status as a tax obligor under relevant tax laws and regulations.

 Party A shall be responsible for any expenses arising from

 performing such duties.

 7.3. Party B shall give necessary reasonable assistance to Party A in

 performing the duties as provided in Section 7.1 and Section 7.2.

 7.4. Party B shall bear all statutory tax obligations arising from its

 status as a tax obligor under relevant tax laws and regulations.

8. Representations, Warranties and Commitments

 8.1. Each Party to this Agreement makes the following representations,

 warranties and commitments to the other Party:

 8.1.1. It has full rights and authorization, including but not

 limited to approvals, consents or licenses from relevant

 governmental departments, as well as the internal

 authorizations of the company, to enter into this Agreement;

 8.1.2. This Agreement shall become binding and enforceable upon it

 after it comes into effect by the means stipulated in the

 Agreement; and

 8.1.3. No terms of the Agreement are in violation of its bylaws or

 PRC laws and regulations.

 8.2. Party A makes the following additional representations, warranties

 and commitments to Party B:

 8.2.1. The Entrusted Assets are legally obtained and can be legally

 invested according to laws, regulations and relevant

 requirements of the insurance regulatory authorities and

 other regulatory authorities;

 8.2.2. The Investment Guidelines and Fund Transfer Instructions to

 be submitted to Party B in accordance with the Agreement

 comply with laws, regulations and provisions and with the

 requirements of the insurance regulatory authorities and

 other authorities; and

 8.2.3. It shall bear any losses in regard to the Entrusted Assets

 or other funds of Party A arising from the credit risks,

 including

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 but not limited to liquidation risk, of the relevant banks

 where it opens any account, including Special Accounts and

 the Settlement Account.

 8.3. Party B makes the following additional representations, warranties

 and commitments that during the term of this Agreement, it will not:

 8.3.1. misappropriate or seize the Entrusted Assets or the

 investment yields; or

 8.3.2. conduct investment services in violation of the Investment

 Guidelines or the scope regarding the use of insurance funds

 as permitted by laws, regulations and the insurance

 regulatory authority.

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9. Term

 9.1. The term of the Agreement shall end on December 31, 2005.

 9.2. Both parties hereby agree that unless either party gives a written

 notice to the other party of its intent not to renew the Agreement

 at least 90 days prior to the expiration of the current term of the

 Agreement or the renewal term, the Agreement shall be automatically

 renewed for successive three-year terms, provided that such renewal

 does not violate the listing rules where Party B is listed.

10. Indemnification

 10.1. Party A shall indemnify and hold harmless Party B, its affiliates,

 their directors, management, employees, agents and representatives

 (collectively "Indemnified Parties") from and against any claims,

 litigation losses, judgment, damages, penalties or expenses

 (collectively "Losses") and /or liabilities arising out of or in

 connection with the performance of any duty by the Indemnified

 Parties hereunder, other than Losses and/or liabilities that are

 caused by the fault of the Indemnified Parties, as determined by a

 final judicial judgment.

 10.2. Notwithstanding other provisions of the Agreement, the Indemnified

 Parties shall not be responsible for any Losses incurred by Party A

 or any third party as result of the acts or failures to act or any

 errors of judgment in performing their obligations under the

 Agreement, unless the losses are caused by the fault of Party B.

 10.3. This indemnification clause shall remain in effect regardless of the

 manner in which the Agreement is terminated.

11. Liabilities for Breach of the Agreement

 11.1. If Party A fails to pay Party B when it becomes due under the

 Agreement, any Investment Management Services fee, performance-based

 bonus or Third Party Cost and Expense incurred by Party B while

 engaging a third party in Party B's own name in accordance with

 Section 6.1, Party A shall pay to Party B a sum equal to 0.05% of

 such amount due for each day that such amount is outstanding until

 it is paid in full.

 11.2. Without prejudice to the validity and enforceability of the above

 sections, if the Entrusted Assets are not sufficient to cover the

 Investment Management Services fees, performance-based bonus and

 Third Party Costs and Expenses, Party B is entitled to give Party A

 a notice in writing to terminate this Agreement. This Agreement

 shall be

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 terminated on the thirtieth day following the receipt of such

 written notice by Party A, unless otherwise waived by Party B.

 11.3. Party A's violation of its representations, warranties or

 undertakings, or of any term of the Agreement, unless caused by

 events described in Section 13, shall constitute Party A's breach of

 the Agreement. Party A shall compensate Party B for losses sustained

 by Party B as a result of such breach. Party B is entitled to give

 Party A written notice to terminate this Agreement in the case of

 substantial losses caused by Party A's breach. The Agreement shall

 be terminated on the thirtieth day following the receipt of such

 written notice by Party A, unless otherwise waived by Party B.

 11.4. Party B's violation of its representations, warranties or

 undertakings, or of any other term of the Agreement, or of the

 written requirements and written instructions made by Party A

 pursuant to the Agreement, shall constitute Party B's breach of the

 Agreement pursuant to Section 10.2 of the Agreement, unless caused

 by events described in Section 13. Party B shall compensate Party A

 for losses sustained by Party A as a result of such breach pursuant

 to Section 10.2 of the Agreement to the extent of the total amount

 of the Investment Management Services fees and performance-based

 bonus collected by Party B under the Agreement as of the day when

 Party B's default is established. Party A is entitled to give Party

 B a written notice to terminate this Agreement in the case of

 substantial losses caused by Party B's breach. The Agreement shall

 be terminated on the thirtieth day following the receipt of such

 written notice by Party B, unless otherwise waived by Party A.

12. Termination

 The Agreement shall be terminated upon occurrence of any of the following

 events:

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 12.1. The term of the Agreement expires or a renewal term expires without

 further renewal;

 12.2. Party B terminates the Agreement according to Section 11.2 or

 Section 11.3, and such termination comes into effect;

 12.3. Party A terminates the Agreement according to Section 11.4 and such

 termination comes into effect; or

 12.4. Any party becomes insolvent or becomes subject to bankruptcy,

 liquidation, compulsory dissolution or receivership.

13. Force Majeure

 13.1. If either party fails to perform in whole or in part its duties

 under this Agreement due to an event of force majeure, the

 performance of such duties shall be suspended during the period of

 such event of force majeure.

 13.2. A party that claims that it has been affected by an event of force

 majeure shall notify the other party of such event of force majeure

 in writing in the shortest period possible, and shall provide

 appropriate evidence of the existence and period of the event of

 force majeure to the other party within fifteen (15) days after its

 occurrence. A party that claims that the performance of this

 Agreement is objectively impossible and impractical due to such

 event of force majeure shall take any reasonable measures to lessen

 the losses caused by such event of force majeure.

 13.3. When the event of force majeure occurs, the parties shall consult

 with each other regarding the performance of this Agreement. Once

 the event of force majeure or its effects ceases, both parties shall

 immediately resume the performance of their respective obligations

 herein.

 13.4. An event of force majeure refers to any circumstances that cannot be

 reasonably controlled, predicted, avoided or overcome, and occurs

 after the execution of this Agreement, which make the performance of

 this Agreement in whole or in part impossible or impracticable as a

 matter of fact, including but not limited to any situation where

 performance is impossible without unreasonable expenditure. Such

 circumstances include but are not limited to floods, fires,

 droughts, typhoons, earthquakes, and other acts of God, traffic

 accidents, strikes, riots, turmoil and wars (declared or not) and

 any act or omission of a governmental authority.

14. Confidentiality

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 In the absence of the advance written consent by the other party, neither

 party may provide or disclose to other companies, enterprises, institutes

 or persons any materials or information relating to the business of the

 other party unless the laws or relevant regulatory authorities otherwise

 provide, or unless such disclosure is necessary to satisfy the legal

 requirements in regard to information disclosure by listed companies.

15. Assignment

 Unless otherwise provided by the Agreement, without the written consent of

 the other party, a party may assign any of its rights or obligations under

 the Agreement.

16. Non-waiver

 Unless otherwise provided by law, no failure to exercise and no delay in

 exercising any right, power, or privilege hereunder shall constitute a

 waiver of such right, power or privilege; nor shall any single or partial

 exercise of any right, power, or privilege preclude the exercise of any

 other rights, powers or privileges.

17. Notices

 All notices relating to the Agreement shall be in writing and shall be

 delivered by overnight courier, fax or mail. Notices delivered by overnight

 courier shall take effect upon delivery. Notices sent by fax shall take

 effect upon successful transmission, provided that a fax confirmation

 report produced by the fax machine showing the successful transmission of

 the notice is provided by the sending party. Notices sent by mail shall

 take effect on the third (3/rd/) day after having been posted (if the last

 day is a Sunday, or statutory holiday, such day shall be the next working

 day).

 The addresses of the parties for the delivery of notices are as follows:

 China Life Insurance (Group) China Life Asset Management

 Company Company Limited

 Address: No.5 Guan Ying Yuan Xi Address: 9/F Block A, Tongtai Building,

 Qu, Xicheng District, Beijing No. 33 Financial Street,

 Xicheng District, Beijing

 Telephone: 010-6611 4433 Telephone: 010-88088866

 Fax: 010-6611 1567 Fax: 010-88087798

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18. Performance

 18.1. After Party B has listed on the Hong Kong Stock Exchange (the

 "HKSE"), the transactions under this Agreement shall constitute

 connected transactions as described by the Listing Rules. According

 to the Listing Rules, such transactions shall be conducted only

 after obtaining an exemption from the HKSE or upon the approval by

 independent shareholders, or on the condition of conforming with any

 other provisions concerning connected transactions in the Listing

 Rules. Therefore, the performance of this Agreement related to such

 connected transactions shall be subject to the obtaining of the

 approval of the HKSE or conformance with any other stipulations

 concerning connected transactions in the Listing Rules. Both Party A

 and Party B agree to observe the relevant stipulations of the

 Listing Rules.

 18.2. If the exemption from the HKSE contains additional conditions, this

 Agreement shall be performed in accordance with such additional

 conditions. Both Party A and Party B agree to strictly observe such

 conditions.

19. Further Actions

 Both parties shall take such further actions and measures as to fully and

 effectively enforce this Agreement, including but not limited to

 determining the implementation plan or detailed measures based on the

 principles provided herein and on the condition of not violating the

 provisions agreed upon herein.

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20. Governing Law and Dispute Resolution

 20.1. This agreement shall be governed by, and interpreted and construed

 in accordance with the laws of PRC.

 20.2. Any disputes arising from and related to this Agreement shall be

 settled by both parties through friendly negotiations. If a dispute

 cannot be resolved through friendly negotiations within ninety (90)

 days, either party may submit such dispute to the China

 International Economic and Trade Arbitration Commission for

 arbitration in accordance with arbitration rules then in effect. The

 arbitration award shall be final and binding on both parties.

21. Effectiveness, Copies and Modifications

 21.1. This Agreement shall come into effect when it is signed and sealed

 by the authorized representatives of both parties on November 30,

 2003.

 21.2. This Agreement is executed in four (4) originals, with two for each

 party. Each of these four originals has the same legal effect.

 21.3. The modification of this Agreement can only be made pursuant to a

 written agreement duly executed by the authorized representatives of

 both parties and upon the approval of both parties after the

 appropriate actions of their legal representatives. If such

 modification constitutes a material and significant change to this

 Agreement, it shall become effective only upon the notification of

 and procurement of approval from the HKSE, subject to the relevant

 provisions of the Listing Rules of the HKSE as in effect from time

 to time and the requirements of HKSE, and/or a general shareholders'

 meeting of Party B, if applicable.

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Party A: Party B:

China Life Insurance (Group) Company China Life Asset Management Company

 Limited

 (Seal) (Seal)

Legal Representative/ Legal Representative/

Authorized Representative (Signature) Authorized Representative (Signature)