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中國人壽保險股份有限公司
CHINA LIFE INSURANCE COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2628)

ANNOUNCEMENT

**CONNECTED TRANSACTION
FORMATION OF PARTNERSHIP**

The Board announces that on 15 April 2013, SIDVC, as the General Partner, and the Company, CLIC, P&C Company and Soochow Securities, as the Limited Partners, entered into the Partnership Agreement in relation to the formation of the Partnership. Pursuant to the Partnership Agreement, the total capital contribution by all partners of the Partnership shall be RMB10 billion, of which RMB5 billion shall be contributed by the Company.

CLIC, the controlling shareholder of the Company, currently holds approximately 68.37% of the issued share capital of the Company and is a connected person of the Company. P&C Company is held as to 60% and 40% by CLIC and the Company, respectively, and is therefore an associate of CLIC. Thus, P&C Company also constitutes a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

The Board announces that on 15 April 2013, SIDVC, as the General Partner, and the Company, CLIC, P&C Company and Soochow Securities, as the Limited Partners, entered into the Partnership Agreement in relation to the formation of the Partnership. Pursuant to the Partnership Agreement, the total capital contribution by all partners of the Partnership shall be RMB10 billion, of which RMB5 billion shall be contributed by the Company.

PARTNERSHIP AGREEMENT

Date

15 April 2013

Parties

- General Partner and Managing Partner: SIDVC;
- Limited Partners: the Company;
CLIC;
P&C Company; and
Soochow Securities

Business scope of the Partnership

The business scope of the Partnership includes the investment in urban infrastructure facilities construction, the investment in urban development industry, and the related investment management and investment consulting services.

Term of the Partnership

The Partnership shall have a term of 12 years from the date on which its business license is issued, of which the first 9 years shall be the investment period and the remaining 3 years shall be the exit period. Upon expiry of the investment period, the Partnership may only conduct its existing businesses and may not invest in any new projects.

Capital contribution and payment

The total capital contribution by all partners of the Partnership shall be RMB10 billion, with a paid-in capital of RMB3 billion being the minimum amount required for launching project investments.

Partner	Capital contribution (RMB)	Percentage
The Company	5 billion	50%
SIDVC	3 billion	30%
CLIC	0.5 billion	5%
P&C Company	0.5 billion	5%
Soochow Securities	1 billion	10%

The partners shall make their capital contribution in cash in one lump sum or by installments. Soochow Securities shall make its capital contribution by using the proceeds from its targeted asset management products.

The capital contribution to be borne by the Company shall be paid by the Company by installments as follows:

- First installment – RMB1.667 billion (i.e. one-third of the Company’s capital contribution) shall be paid by the Company within 30 days upon receipt of the first demand note which shall be issued by the Managing Partner within 5 days of the establishment of the Partnership;
- Second installment – RMB1.667 billion (i.e. one-third of the Company’s capital contribution) shall be paid by the Company within 30 days upon receipt of the second demand note which shall be issued by the Managing Partner within 5 months of the establishment of the Partnership; and
- Third installment – RMB1.666 billion (i.e. the balance of the Company’s capital contribution) shall be paid by the Company within 30 days upon receipt of the third demand note which shall be issued by the Managing Partner within 11 months of the establishment of the Partnership.

The above capital contribution to be borne by the Company shall be funded by the Company’s internal resources.

Management of the Partnership

SIDVC, the General Partner, shall serve as the Managing Partner who shall be responsible for the executive functions and investment operations of the Partnership. The Partnership shall have one general manager who shall be nominated by the Managing Partner and appointed or removed by the partners’ meeting.

Selection of investment projects

The Partnership shall establish an investment decision committee as its highest investment decision-making authority. All members of the investment decision committee shall be designated by the Managing Partner.

In addition, the Partnership shall establish an investment advisory committee to advise on and supervise over the investment activities of the Partnership. Each partner shall designate one member of the investment advisory committee.

The investment projects to be selected by the Partnership shall meet the criteria set out in the Partnership Agreement, which include, among others, the implementing entity and the operating region of the project shall be within the territory of Suzhou City, the investments shall focus on urban infrastructure facilities construction projects and urban development industry projects sponsored by the government, the relevant governmental authorities shall have approved the projects, and the projects shall have indicated a clear source of revenue, stable cash flow and appreciation potentials.

Profit distribution and loss sharing

Profit distribution

If the annualized rate of return of the Partnership shall be less than the rate specified in the Partnership Agreement, the Limited Partners shall have priority over the General Partner to receive the investment return, in which case the amount of investment return which represents no more than the rate specified in the Partnership Agreement shall be distributed among the Limited Partners in proportion to their respective paid-in capital, and the balance shall be distributed to the General Partner; if the annualized rate of return of the Partnership shall reach or exceed the rate specified in the Partnership Agreement, the investment return shall be distributed among all partners in proportion to their respective paid-in capital; in certain circumstances, the General Partner shall be entitled to receive a performance award.

Loss sharing

Losses of the Partnership shall be shared among all partners in proportion to their respective capital contributions, provided however that the Limited Partners shall be liable to the debts of the Partnership up to the amount of their capital contributions, and the General Partner shall bear unlimited joint and several liability for the debts of the Partnership.

Fees

The Partnership shall bear all expenses for the establishment, operation, termination, dissolution and liquidation of the Partnership. In addition, during the term of the Partnership, the Partnership shall pay an annual management fee to the Managing Partner in accordance with the Partnership Agreement.

Conditions of the Partnership Agreement

The Partnership Agreement shall become effective after all partners and/or their agents have completed their internal procedures and signed on the Partnership Agreement, and CIRC has issued the approval or registration documents.

GENERAL

The Company is one of the leading life insurance companies in the PRC. It offers individual and group life insurance, annuities, accident and health insurance products and services.

CLIC, the controlling shareholder of the Company, offers insurance policies to groups and individuals, which are managed by the Company under the policy management agreements.

P&C Company is principally engaged in insurance business and its scope of business includes: property and casualty insurance, liability insurance, credit and guarantee insurance, short-term health insurance and accidental injury insurance, re-insurance in connection with the above insurance businesses, insurance fund application business permitted under the PRC laws and regulations and other businesses approved by CIRC.

SIDVC is a company specialized in equity investment management.

Soochow Securities' business scope includes securities brokerage, provision of consulting service in relation to securities investment, acting as a financial advisor for transactions in connection with securities trading and investment, securities underwriting and sponsorship, securities proprietary business, securities assets management, sale of securities investment funds, and provision of intermediary service for companies conducting futures business.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction will be conducive to securing a long-term and steady investment return in cash for the Company, improving its allocation of assets and liabilities and serving as an opportunity for the Company to build up its cooperation with Suzhou Municipal Government, so as to support the development of its insurance business.

The Directors (including the independent non-executive Directors) are of the view that the Transaction is conducted on normal commercial terms, is fair and reasonable and in the interests of the Company and its shareholders as a whole. Mr. Yang Mingsheng, Mr. Miao Jianmin, Mr. Wan Feng, Mr. Zhang Xiangxian and Mr. Wang Sidong hold positions in CLIC and/or P&C Company and have abstained from voting on the board resolution passed to approve the Transaction. Save as disclosed above, no other Director is regarded as having a material interest in the Transaction, and hence no other Director has abstained from voting on the board resolution to approve the Transaction.

LISTING RULES IMPLICATIONS

CLIC, the controlling shareholder of the Company, currently holds approximately 68.37% of the issued share capital of the Company and is a connected person of the Company. P&C Company is held as to 60% and 40% by CLIC and the Company, respectively, and is therefore an associate of CLIC. Thus, P&C Company also constitutes a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that one or more of the applicable percentage ratios in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“associate”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors of the Company
“CIRC”	China Insurance Regulatory Commission
“CLIC”	中國人壽保險(集團)公司 (China Life Insurance (Group) Company), a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
“Company”	China Life Insurance Company Limited, a joint stock limited liability company incorporated in the PRC
“connected person”	has the meaning given to it under the Listing Rules
“controlling shareholder”	has the meaning given to it under the Listing Rules
“Directors”	the directors of the Company
“General Partner”	the partner in the Partnership with unlimited joint and several liability under the Partnership Agreement, being SIDVC
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Limited Partner(s)”	the partner(s) in the Partnership with limited liability up to the amount of their capital contributions under the Partnership Agreement, being the Company, CLIC, P&C Company and Soochow Securities
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managing Partner”	the partner who is responsible for the executive functions and investment operations of the Partnership under the Partnership Agreement, being SIDVC
“P&C Company”	中國人壽財產保險股份有限公司 (China Life Property and Casualty Insurance Company Limited), a joint stock limited liability company incorporated under the laws of the PRC and a subsidiary of CLIC

“Partnership”	國壽(蘇州)城市發展產業投資企業(有限合夥)(China Life (Suzhou) Urban Development Industry Investment Enterprise (Limited Partnership)), a limited partnership to be established under the laws of the PRC
“Partnership Agreement”	the <i>Partnership Agreement of China Life (Suzhou) Urban Development Industry Investment Enterprise (Limited Partnership)</i> entered into among SIDVC, as the General Partner, and the Company, CLIC, P&C Company and Soochow Securities, as the Limited Partners on 15 April 2013
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan Region
“RMB”	Renminbi, the lawful currency of the PRC
“SIDVC”	蘇州國發創業投資控股有限公司(Suzhou International Development Venture Capital Holding Co., Ltd.), a company established under the laws of the PRC with limited liability, which, to the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiry, is a third party independent of the Company and its connected persons
“Soochow Securities”	東吳證券股份有限公司(Soochow Securities Co., Ltd.), a joint stock limited liability company incorporated under the laws of the PRC, which, to the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiry, is a third party independent of the Company and its connected persons
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the formation of the Partnership under the Partnership Agreement

By Order of the Board
China Life Insurance Company Limited
Heng Kwo Seng
Company Secretary

Hong Kong, 15 April 2013

As at the date of this announcement, the Board comprises:

<i>Executive Directors:</i>	Yang Mingsheng, Wan Feng, Lin Dairen, Liu Yingqi
<i>Non-executive Directors:</i>	Miao Jianmin, Zhang Xiangxian, Wang Sidong
<i>Independent Non-executive Directors:</i>	Sun Changji, Bruce Douglas Moore, Anthony Francis Neoh, Tang Jianbang