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**China Government Depository Trust & Clearing Co., Ltd, ASIFMA and SIFMA Sign Memorandum of Understanding; Will Work Together to Further Development of Bond Market in China**

**Hong Kong** – The China Government Depository Trust and Clearing Co., Ltd. (CDC), the Asia Securities Industry and Financial Markets Association (ASIFMA), and the Securities Industry and Financial Markets Association (SIFMA) today announced that they have signed a memorandum of understanding in which the three organizations agree to work together to further the development of the bond market in China. Specifically, ASIFMA and SIFMA and their respective memberships will assist CDC in its efforts to adopt international best practices in China in the confirmation, matching, clearance and settlement of fixed income trades and all three parties will seek to maximize opportunities to enhance communications and connectivity between each others respective memberships. Additionally, each organization will work with government representatives to promote dialogue and to share knowledge of different aspects involved in developing a local bond market. Mr. Hao Zhung, deputy representative of the People’s Bank of China, also attended the signing ceremony.

“We are delighted to announce that we’ve formed this cooperative partnership,” said Micah S. Green, co-CEO of the Securities Industry and Financial Markets Association. “By sharing our respective knowledge of local and global bond markets, we believe we can successfully help establish an efficient Chinese bond market that provides issuers and investors with new opportunities and promotes communication, coordination

and interaction between global market participants and policymakers on capital markets development issues.”

“We believe this partnership offers several opportunities to leverage the knowledge of both organizations to help create more open domestic capital markets in China and, in turn, to promote investments that will support continued economic growth in this and other Asian countries,” said Zhang Yuan, chairman of the China Government Depository Trust and Clearing Co., Ltd. “We look forward to working with ASIFMA and SIFMA to construct the building blocks necessary to form a deep and liquid bond market in China.”

“Working collaboratively with the CDC on issues of common concern is of great importance to ASIFMA as our members hope to become much more active in China's domestic bond market in the coming years” said Eric Foster, ASIFMA’s executive director. “We, therefore welcome this partnership with CDC and SIFMA as we ramp up the activities of our new Association in China.”

The three groups also plan to share market research and hold forums, seminars and other educational programs that will develop professional standards for and begin the process of certifying employees of each organization.

The China Government Securities Depository Trust & Clearing Co. Ltd (CDC), the central depository system for Chinese bond market, established in 1996. CDC provides the issuing, custody and settlement services for fixed-income securities. By September 2006, CDC has over 6000 settlement clients, and the value of securities held in custody is 8.9 trillion RMB, the settlement value was 27.2 trillion RMB. In the future, CDC will strive to tailor its services to the needs of market participants as it strives to

build professional, efficient and internationalized mechanisms to provide the securities markets with safe, convenient and low-cost services.

The Asia Securities Industry and Financial Markets Association is a new independent Hong Kong-based trade association that seeks to enhance the size, liquidity, integrity and transparency of local and regional over-the-counter (OTC) markets in fixed income securities and other financial instruments in Asia. ASIFMA is associated with the Securities Industry and Financial Markets Association (SIFMA), the entity that recently resulted from the merger of The Bond Market Association and the Securities Industry Association.

The Securities Industry and Financial Markets Association brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA's mission is to promote policies and practices that work to expand and perfect markets, foster the development of new products and services and create efficiencies for member firms, while preserving and enhancing the public's trust and confidence in the markets and the industry. SIFMA works to represent its members' interests locally and globally. It has offices in New York, Washington D.C., and London and its associated firm, the Asia Securities Industry and Financial Market Association, is based in Hong Kong.

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