

LETTER OF INTENT

MALAYSIA

Securities Commission

**HONG KONG SPECIAL
ADMINISTRATIVE
REGION
OF THE PEOPLE'S
REPUBLIC OF CHINA**

**Securities and Futures
Commission**

Securities Commission

3, Persiaran Bukit Kiara

Bukit Kiara

Kuala Lumpur

15 July 2005

LETTER OF INTENT

Whereas the Securities Commission of Malaysia, (“SC”), a statutory body established pursuant to the Securities Commission Act 1993,

And

the Securities and Futures Commission of the Hong Kong Special Administrative Region of the People’s Republic of China ("SFC"), a statutory corporation established pursuant to the repealed Securities and Futures Commission Ordinance (Cap. 24) and continued in existence pursuant to the Securities and Futures Ordinance (Cap. 571),

(each referred to as an “authority” and together as the “authorities”),

are responsible for administering the laws governing capital markets, including the securities and futures markets, collective investments schemes and fund management activities; as well as facilitating and encouraging capital market development in their respective jurisdictions;

And

are members of the International Organization of Securities Commissions ("IOSCO") to which the IOSCO Objectives and Principles of Securities Regulation apply;

And whereas

The authorities wish to facilitate the development of deeper and broader investment markets in both jurisdictions and attain closer regulatory co-operation in a mutually beneficial manner;

IT IS HEREBY DECLARED THAT

The authorities have entered into this Letter of Intent the objective of which is to state their common intention to work towards the attainment of the following goals:-

1. Harmonization or regulatory equivalence of the regulatory framework under their respective regimes in relation to mutually agreed investment products;
2. Mutual recognition of mutually agreed investment products that are regulated by each respective authority to facilitate cross-border activity;
3. Further strengthening regulatory co-operation and assistance between the authorities in matters pertaining to cross-border

- supervision of activities related to such mutually agreed investment products;
4. Mutual assistance necessary to facilitate the performance of the duties and functions with which each authority is entrusted within its jurisdiction to enforce or secure compliance with its laws and regulations;
 5. Maintaining the confidentiality of any request made by one authority to the other, the content of such request, and matters that may arise from the consultation between the authorities for the purpose of facilitating mutual recognition of mutually agreed investment products;
 6. Regular exchange of views with one another about matters of common concern with a view to further improving mutual understanding and co-operation between the authorities;
 7. Review of the Memorandum of Understanding (“MOU”) that was signed between the authorities on 22 February 1994, with the aim of revising it towards meeting the objectives of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and The Exchange of Information;
 8. Establishing a bilateral working group comprising staff of the authorities to work together with a view to attaining these goals;
 9. The scope of work and conditions pertaining to the above can be varied by mutual consent of the authorities.

This Letter of Intent will come into effect on the date specified below. Each authority may withdraw from the Letter of Intent at any time by giving 30 days prior written notice to the other authority.

In witness whereof the authorized representatives of the authorities signify their understanding by signing below.

Dated this 15 day of July 2005
in the Securities Commission of Malaysia.

On behalf of the SC
Md Nor Yusof
Chairman

On behalf of the SFC
Andrew Sheng
Chairman