

# Spot Trading Rules

## of

### the Shanghai Gold Exchange

#### Chapter I General Provisions

- Article 1** These *Spot Trading Rules of the Shanghai Gold Exchange* (these “*Spot Trading Rules*”) are formulated pursuant to the *Rules on Supervision of the Business Activities of the Shanghai Gold Exchange* promulgated by the People’s Bank of China (the “PBC”) and the *Articles of Association of the Shanghai Gold Exchange*, to regulate trading activities in the market, protect lawful rights and interests of market participants and promote public welfare.
- Article 2** The Shanghai Gold Exchange (the “Exchange” or the “SGE”) provides a centralized marketplace for the trading, clearing and physical distribution of gold and other precious metals as approved by the PBC and based on the principles of transparency, equitableness, justice, and integrity.
- Article 3** Subject to the principles of price priority and time priority, the Exchange organizes trading of the listed products through a price matching system where market participants submit their quotations and orders matched by the Exchange. The Exchange provides centralized performance guarantees for price matching transactions, and organizes price asking transactions under the principles of good faith and trustworthiness. The rules governing price asking transactions are to be promulgated by the Exchange in a separate document.
- Article 4** These *Spot Trading Rules* are applicable to all trading activities on or through the Exchange. The Exchange, its members, customers, Certified Vaults, Certified Settlement Banks and their staff members shall abide by these *Spot Trading Rules*.
- Article 5** The Exchange authorizes Shanghai International Gold Exchange Co., Ltd. (the “SGEI”) to manage International Members, and provide

services to International Members and their customers.

The SGEI, International Members and their customers, SGEI's Certified Settlement Banks and other relevant participants shall abide by these *Spot Trading Rules* as well as other SGEI rules governing their business activities.

## **Chapter II Exchange-listed Bullions and Products**

**Article 6** Bullions listed on the Exchange include gold (Au), silver (Ag), platinum (Pt), and other precious metals as approved by the PBC.

**Article 7** The Exchange shall be open for trading from Monday to Friday, excluding public holidays and days otherwise announced by the Exchange. Detailed trading hours for each trading day are specified in the *Trading Hours of the Shanghai Gold Exchange* (attached hereto as Annex 1).

The trading hours may be adjusted in accordance with the Exchange's announcement.

**Article 8** Products listed by the Exchange for trading are categorized as physical products, spot products, deferred products and other products approved by the PBC.

The physical products include: Au50g, Au100g, Au99.99, Au99.95, Au99.5, Pt99.95, iAu100g, iAu99.99, and iAu99.5;

The spot products include: Ag99.9 and Ag99.99;

The deferred products include: Au(T+D), Au(T+N1), Au(T+N2), mAu(T+D), and Ag(T+D).

**Article 9** Products can be divided into two categories depending on the delivery venue: those traded on the Main Board of the Exchange (the "Main Board") and those traded on the International Board of the Exchange (the "International Board"). The products traded on the Main Board include: Au50g, Au100g, Au99.99, Au99.95, Au99.5, Pt99.95, Ag99.9, Ag99.99, Au(T+D), Au(T+N1), Au(T+N2), mAu(T+D) and Ag(T+D). The products traded on the International Board include: iAu100g, iAu99.99, and iAu99.5.

The listing of any new product on the Exchange shall be carried out in accordance with the Exchange's announcement.

**Article 10** The main specifications of each product include, but are not limited to: description of the bullion being traded, product code, trading mode, trading unit, quotation unit, minimum price fluctuation, daily price limit,

maximum order size, minimum order size, trading hours, minimum Trading Margin, mode of clearing, deliverable bullions, mode of delivery, delivery time, delivery venue, Transaction Fees, and Delivery fees.

Product specifications are detailed in the *Product Specifications of the Shanghai Gold Exchange* (attached hereto as Annex 2).

The specifications of any product may be changed pursuant to the Exchange's announcements.

### **Chapter III Brokerage and Proprietary Businesses**

**Article 11** The Exchange is a membership-based legal entity. Each member may directly participate in the trading activities on or through the Exchange, and each customer shall trade through a member acting as its broker.

**Article 12** Any customer which intends to trade on or through the Exchange shall first open an account and register such account with a member qualified for offering the corresponding brokerage services.

**Article 13** Customers are classified into Domestic Customers and International Customers based on the type of membership of their brokers at the Exchange. Any customer whose broker is a Domestic Member is a domestic customer ("Domestic Customer"); any customer whose broker is an International Member is an international customer ("International Customer"). Customers may also be classified as corporate customers and individuals depending on their nature.

**Article 14** In respect of each product, Domestic Customers and International Customers have varied trading privileges. Such trading permissions are specified in the *Trading Privileges of the Shanghai Gold Exchange* (attached hereto as Annex 3).

The aforementioned trading privileges may be altered pursuant to the Exchange's announcements.

**Article 15** Each member shall, upon receipt of a customer's application to open an account, fully disclose risks pertaining to trading activities to the customer and carefully assess the customer's risk tolerance.

**Article 16** Upon approval of the customer's application to open an account, the member shall enter into a brokerage agreement with the customer.

**Article 17** The Exchange manages trading activities through customer trading codes. Each member shall apply for a unique trading code for each of its customers. The member and the customer shall not use any trading codes other than the unique trading code assigned to such customer.

- Article 18** A member is not allowed to guarantee, in any form, gains to the customer, nor is it allowed to share with the customer the risks or gains resulting from the customer's trades.
- Article 19** In reference to the Trading Margin rates imposed by the Exchange on members, each member shall, based on its own risk management requirements, determine the Trading Margin rates to be applied to the trades it carries for the customer, with the requirement that they be higher than those imposed by the Exchange on members.
- Article 20** Every member must conduct proprietary and brokerage trades through the Exchange's trading system. Order bucketing is prohibited.
- Article 21** Each member shall account for its proprietary trades separately from its brokerage trades. Margin funds received from a customer are properties of the customer; the carrying member is prohibited from misappropriating the funds of its customers in any manner.
- Article 22** The member may access its trading records through the Exchange after the market closes on each trading day, and shall check the trading records in a timely fashion. If the member would like to dispute the records, it shall file a written objection to the Exchange before the market opens on the next trading day. If the member fails to file the objection within the specified time frame, the member shall be deemed to have acknowledged the trading results.
- Article 23** A customer who wishes to challenge its trading results shall submit an objection to the carrying member, which shall check the trading result so challenged and give a confirmation within the time stipulated in the brokerage agreement.
- Article 24** Each member shall prepare a trade settlement report for its customers after the market closes on each trading day. The customer may access the contents of the settlement report at such time and by such means as specified in the brokerage agreement.
- Article 25** A member shall enter into trades on behalf of the customer as per the instructions of the customer, and shall keep confidential any secrets of the customer pertaining to such trades.
- Article 26** Each member is the first guarantor with respect to all the trades it enters into for itself and for its customers, and shall be held responsible for any default on trade it enters into. When addressing such default, the Exchange shall first hold the defaulting member accountable by subtracting the same amount from the member's margin, own funds or other assets deposited with the Exchange, in order to perform the obligation of the defaulting member through compensation to the non-defaulting party. If those funds of the member are insufficient to

cover such default, the Exchange shall use the Risk Management Fund and its own funds to make up for the deficiency and, therefore, shall be entitled to have recourse against the defaulting member for the money paid by the Exchange.

The customer takes full responsibility for all trades entered into by its carrying member on its behalf and has the right to report any issues arisen in connection with brokerage trading to the Exchange.

**Article 27** A member shall be responsible for controlling the risks of its customers' trading activities. The member may enforce liquidation of open positions held by a customer in the event of a Trading Margin deficiency in the customer's account. The member shall enforce liquidation in accordance with the standards and requirements specified in the brokerage agreement and inform the customer of such liquidation through the agreed channels. Any losses resulting from enforced liquidation shall be borne by the customer.

**Article 28** To conduct proprietary trades, each Domestic Member shall open a separate Proprietary Account with a Settlement Bank certified by the Exchange and deposit sufficient funds into the account; whereas each International Member shall open a separate Proprietary Account with a Settlement Bank certified by the SGEI and deposit sufficient funds into the account. Members shall conduct proprietary trading by using the proprietary trading code assigned by the Exchange.

## **Chapter IV Quotation and Execution**

**Article 29** The term "Transaction Price" of any product listed by the Exchange refers to the price, including the Value Added Tax ("VAT"), of the bullion deliverable against the transaction, as delivered at a Certified Vault.

**Article 30** The quotation unit of gold and platinum is RMB/g, with a minimum price fluctuation of RMB 0.01. The quotation unit of silver is RMB/kg, with a minimum price fluctuation of RMB 1.

**Article 31** The trading unit of each transaction is denominated in "lots". Each quotation shall be in an integral multiple of "one lot". One lot may denote different quantities for different precious metals; the details are specified in the *Product Specifications of the Shanghai Gold Exchange* (attached hereto as Annex 2).

**Article 32** A quotation must contain all the required elements to be valid, including the broker's seat number, customer trading code, product code, trading direction, whether the trade is entered into to open or close out a position,

number of lots, and price.

**Article 33** The Exchange applies the Price Limits. When, in respect of a specific product, during the last 5 minutes prior to the close of a trading day, there are only bids (asks) at the product's limit price and no corresponding asks (bids) at the limit price or, any asks (bids) are instantly filled without the Price Limit being triggered, the product shall be deemed to have reached the Price Limit at the market close of the trading day and the Exchange shall proceed in accordance with the *Measures for the Administration of Risk Control of the Shanghai Gold Exchange*.

**Article 34** The Exchange applies the margin requirements. Margins are the funds deposited by members at prescribed rates for the purpose of clearing trades and guaranteeing the performance of their obligations under trades that have been executed.

**Article 35** The two types of margins are the Clearing Deposit and the Trading Margin.

The term "Clearing Deposit" refers to the funds which a member is required to deposit into its margin account opened and maintained with the Exchange or the SGEL, as applicable, for settling future trades. It shall be the portion of the member's funds not tied to its existing products. The minimum level of Clearing Deposit required shall be as provided by the Exchange or the SGEL.

The term "Trading Margin" refers to the funds deposited by a member into its margin account opened and maintained with the Exchange or the SGEL, as applicable, to guarantee the performance of its obligations in connection with a specific trade. Trading Margin is tied to the member's existing trade. The Exchange may change the Trading Margin rates depending actual market conditions.

**Article 36** The price at which the first transaction in a physical product is executed on a specific trading day shall be the product's Opening Price on the trading day. The Opening Price of a spot product or a deferred product is generated by price matching. If no Opening Price is generated by the pre-order matching on a specific trading day, the price of the first trade executed on the product on the trading day shall be the Opening Price.

**Article 37** The pre-order matching is designed to maximize executed orders and minimize pending orders. Specifically, bids higher than, or asks lower than, the price generated by price matching shall be filled in their entirety; for those bids or asks that are at the price generated by price matching, the quantity filled shall be the side with the lower quantity.

**Article 38** Orders unfilled during the pre-order matching shall automatically be

placed in the price matching period afterward.

**Article 39** An order shall remain valid for one trading day and may, before being filled, be cancelled during pre-order matching period or during continuous trading. A cancellation order shall only affect the portion of the original order not yet executed and shall have no effect if the original order has been filled in its entirety. During a trading halt, the Exchange's electronic trading system will not accept any instruction to place or cancel orders.

**Article 40** The Exchange's system matches and fills orders based principles of price priority and time priority. A bid is automatically matched with an ask when the bid is not lower than the ask. The Transaction Price is equal to the price of the middle one when the bid(bp), the ask(sp), and the previous Transaction Price(cp) are placed in descending order, that is:

When  $bp \geq sp \geq cp$ , the newest Transaction Price = sp;

When  $bp \geq cp \geq sp$ , the newest Transaction Price = cp; and

When  $cp \geq bp \geq sp$ , the newest Transaction Price = bp.

For an existing product, the cp of the Opening Price is the product's Closing Price on the previous trading day; the cp of a newly listed product is its benchmark listing price.

**Article 41** The benchmark listing price for a newly listed product serves as the basis for setting the product's Price Limit on its first trading day and shall be published by the Exchange before the product's listing.

**Article 42** The term "Closing Price", in relation to a specific product, refers to the weighted average price of the last 5 trades on the product executed on a specific trading day. For a physical product, the Closing Price on a specific trading day is the benchmark for calculating its Price Limit on the next trading day.

**Article 43** The term "Settlement Price", in relation to a specific product, refers to the volume-weighted average of all Transaction Prices of the product over the course of a specific trading day. In the absence of a Transaction Price on such trading day, the Settlement Price of the previous trading day shall be deemed as the current day's Settlement Price.

The Settlement Price of a spot product or a deferred product on a specific trading day is the benchmark for calculating the product's Price Limit on the next trading day. For a deferred product, the Settlement Price on a specific trading day serves as the basis for the clearing of gains and losses on open positions in the product on such trading day.

**Article 44** The term "trading volume" refers to the amount of transactions in a specific product executed during the trading hours of a specific trading

day, including both the buy-side and the sell-side volumes. The term “open positions”, in relation to a specific deferred product, refers to the number of open interests held by a customer, inclusive of both the buy-side and the sell-side positions. The term “delivery amount”, in relation to a specific deferred product, refers to the quantity of bullions matched for delivery; it is inclusive of both the buy-side and the sell-side amounts.

**Article 45** The Exchange charges a Transaction Fee for each transaction at a certain percentage of the value of such transaction, and the rate schedule for each product shall be per the Exchange’s announcements. The Exchange may change the rate schedule applicable to each product according to actual market conditions.

## **Chapter V Trading in Physical Products and Spot Products**

**Article 46** To trade in a physical product, a buyer must possess funds of an amount equaling the total transaction value of the product when placing the order (trade in physical platinum product shall require an additional 2% of the transaction value as the Clearing Deposit to cover for Differential Weight); and a seller must have the corresponding full amount of physical bullions in its trading account when placing an order. After an order is placed, the funds or physical bullions covered by the order will be frozen immediately.

After an order on physical gold product is filled, the buyer may re-sell the purchased gold on or after the current trading day, or may request to withdraw the gold; for physical platinum product, the buyer may not re-sell the purchased platinum on or through the Exchange, and is only allowed to request to withdraw the platinum. 90% of the payment from selling the physical bullions may be used for trading on the same trading day, with the remainder of the payment being settled at end-of-day clearing.

**Article 47** To trade in a spot product:

- (1) the customer must have a margin equaling 20% of the transaction value when placing a buy or sell order;
- (2) during its end-of-day clearing on the day the trades are executed (T+0), the Exchange shall offset the buy volume against the sell volume, and 20% of the value of a customer’s net positions when calculated at their current day’s Settlement Prices shall be frozen as margins; simultaneously, the Exchange shall also clear the difference between the Transaction Price and the Settlement Price.



During the end-of-day clearing on T+2, the trades will be settled by Physical Delivery on the net positions of T+0 at the Settlement Price of T+0;

- (3) If any party fails to perform the Physical Delivery on T+2, the Exchange shall impose a penalty on the defaulting party of an amount equal to 20% of the value of the portion of funds or physical bullions in default, pay a compensation equaling such penalty to the non-defaulting party and, at the same time, terminate the Physical Delivery; and
- (4) After the Physical Delivery, the seller's margin will be converted into a guarantee for the delivery of the VAT invoice.

## **Chapter VI Trading in Deferred Products**

**Article 48** Trading in a deferred product refers to buying or selling a specific deferred product through the payment of a margin in the Exchange's centralized marketplace. A customer may choose to perform delivery on the transaction date, or postpone the delivery to a later date. Deferred Interest is charged to address imbalances in the supply and demand of physical bullions.

**Article 49** Trades in a deferred product, based on the trading directions and the nature of transactions, are categorized as: the Buy Order to Open a Position, the Sell Order to Close out a Position, the Sell Order to Open a Position, and the Buy Order to Close out a Position.

The term "Buy Order to Open a Position" refers to an order to buy a certain number of a deferred product to take a long position in the product;

The term "Sell Order to Close out a Position" refers to an order to sell such product to close out a long position (taking the opposite position of the long position);

The term "Sell Order to Open a Position" refers to an order to sell a certain number of a deferred product to take a short position in the product;

The term "Buy Order to Close out a Position" refers to an order to buy such product to close out a short position (taking the opposite position of the short position).

**Article 50** Open positions in a deferred product shall be closed out on a

first-in-first-out basis.

**Article 51** The Exchange sets limits on the maximum size of long positions or short positions each member or customer may hold in a specific product (“Position Limits”). Such limits are different for members and customers. Once the size of the open positions held by a member in a certain direction reaches the Position Limit, all customers of the member may only place an order to close out an existing open position and may not open a new position.

When the size of open positions held by a customer in a certain direction reach the Position Limit, the customer is only allowed to close out its open position and may not open any positions.

**Article 52** Parties trading in a deferred product shall tender for Physical Delivery with the Exchange. The hours for tendering for delivery are set out in the *Trading Hours of the Shanghai Gold Exchange* (attached hereto as Annex 1). During the daily delivery tendering window, a holder of short positions and a holder of long positions may tender to the Exchange for making and taking delivery of physical bullions, respectively. Any customer may cancel its tender before the delivery tendering window closes.

**Article 53** A customer shall tender for delivery of a quantity that is the integral multiple of the minimum delivery tendering amount for the covered product. The minimum delivery tendering amount is specified in the *Product Specifications of the Shanghai Gold Exchange* (attached hereto as Annex 2). To tender for delivery against a specific trade, the customer shall have the physical bullions or funds, as applicable, covered by the trade readily available in deposit. The receipt and payment of those funds and the transfer of ownership of those physical bullions shall be completed during end-of-day physical clearing after the delivery making and taking tenders are matched.

**Article 54** The Deferred Interest is payment made by a customer to cover any costs incurred to source funds or physical bullions in a delivery deferred by the customer. The payer of the Deferred Interest shall be either the delivery maker or the delivery taker, whoever has tendered for a smaller delivery amount.

Where, on a specific trading day and in relation to a specific deferred product, the aggregate amount of physical bullions tendered for delivery making by holders of short positions is smaller than that tendered for delivery taking by holders of long positions, then at the clearing time on that specific trading day, any holder of short positions whose tendered delivery making amount falls short of the that tendered for delivery taking by the corresponding holder of long positions shall pay the latter

Deferred Interest (“Shorts Pay Longs”).

Where, on a specific trading day and in relation to a specific deferred product, the aggregate amount of physical bullions tendered for delivery taking by holders of long positions is smaller than that tendered for delivery making by the holders of short positions, then at the clearing time on that specific trading day, any holder of long positions whose tendered delivery taking amount falls short of that tendered for delivery making by the corresponding holder of short positions shall pay the latter Deferred Interest (“Longs Pay Shorts”).

When the amount of physical bullions tendered for delivery making equals to that of physical bullions tendered for delivery taking, no Deferred Interest will accrue.

**Article 55** The Deferred Interest is collected and paid either on a daily basis or on a preset basis.

Under daily collection and payment, the Deferred Interest with respect to a specific product are collected and paid on each trading day, and the number used for calculating the amount of the Deferred Interest shall be the number of calendar days (including public holidays) between the current trading day (inclusive) and the next trading day (non-inclusive).

Under preset collection and payment, the Deferred Interest with respect to a specific product are collected and paid only on designated days, and the number used for calculating the amount of the Deferred Interest shall always be one (1).

Deferred Interest = open positions × the current day’s Settlement Price × rates of Deferred Interest × number of days charged

The collection and payment methods and the rates of Deferred Interest with respect to each deferred product are specified in the *Product Specifications of the Shanghai Gold Exchange* (attached hereto as Annex 2).

Any change in the collection and payment methods and the Deferred Interest Rates shall be made in accordance with the Exchange’s announcements.

**Article 56** When discrepancy exists between the amounts of physical bullions tendered for delivery making and that tendered for delivery taking, the market will address such imbalance through the tendering for delivery by holders of Delivery Equalizers.

**Article 57** The term “Delivery Equalizer” refers to any open position created by a customer for participating in a Physical Delivery with the intent to receive the Deferred Interest. When the aggregate amount of physical

bullions tendered for delivery taking is greater than that of physical bullions tendered for delivery making, any customer may tender for delivery making with a Delivery Equalizer, and a long position is created thereby at the current day's Settlement Price when the delivery making is completed by such customer. When the aggregate amount of physical bullions tendered for delivery making is greater than that of physical bullions tendered for delivery taking, any customer may tender for delivery taking with a Delivery Equalizer, and a short position is created thereby at the current day's Settlement Price when the delivery taking is completed by such customer. No Transaction Fees will be charged for a Delivery Equalizer.

**Article 58** During the window of tendering for delivery with Delivery Equalizer ("Delivery Equalizer Tendering" or "Delivery Equalizer Tender"), a customer may carry out a Delivery Equalizer Tendering according to the direction of Delivery Equalizer determined based on the current day's delivery tendering results. When the customer submits the Delivery Equalizer Tender to the Exchange, the Exchange shall freeze the margin required to create a corresponding position in the opposite direction at the current day's Settlement Price of the covered product. The Delivery Equalizer Tendering hours are specified in the *Product Specifications of the Shanghai Gold Exchange* (attached hereto as Annex 2).

A Delivery Equalizer Tender shall be made in a quantity that is an integral multiple of the minimum delivery tendering amount. A customer may cancel its Delivery Equalizer Tender before the Delivery Equalizer Tendering window closes.

**Article 59** Matching of delivery tenders and matching of Delivery Equalizer Tenders shall be conducted according to time priority. Physical Delivery for any matched tenders shall be completed during the current day's clearing cycle at the product's current day Settlement Price. After a delivery tender is matched by the Exchange, any shortfall of withdrawable funds or available inventory at the time of clearing shall constitute a delivery default.

**Article 60** The Exchange shall calculate the penalty to be collected from the defaulting party according to the current day's Settlement Price of the covered product and the penalty rate published by the Exchange. Any portion of a delivery tender in default which is less than one lot shall be rounded up to one lot for calculation purposes.

In the event of a delivery tender default, the Exchange shall collect a penalty from the defaulting party, pay a compensation to the non-defaulting party and then terminate the covered transaction. In the event of a Delivery Equalizer Tender default, the Exchange shall impose a penalty on the defaulting party, pay a compensation to the

non-defaulting party, and the covered transaction shall be thereby terminated for the non-defaulting party, while the Delivery Equalizer created by the defaulting party when its deliver tender was matched remains in effect.

**Article 61** Each member and customer is allowed to continuously hold an open position in a deferred product until the open position is closed out or the Physical Delivery is completed.

The Exchange may charge Extended Position Fees for open positions held in a deferred product beyond the specified time frame. The collection of Extended Position Fees is subject to applicable detailed rules set forth by the Exchange.

## **Chapter VII Risk Management**

**Article 62** The Exchange implements such risk management procedures as margin requirements, Price Limits, Deferred Interest, Extended Position Fees, Position Limits, Large Position Reporting, Forced Liquidation, and Risk Warning.

**Article 63** The Exchange enforces and sets the Price Limits. The Exchange may change the Price Limits applicable to each product as warranted by actual market conditions.

**Article 64** The Exchange applies the Position Limits. The term “Position Limits” refers to the maximum size of long positions or short positions each member or customer may hold in a specific deferred product. The Exchange sets different Position Limits for members and customers.

**Article 65** The Exchange applies the Large Position Reporting. When the open positions held by a member or customer in a specific deferred product reach the applicable position reporting threshold prescribed by the Exchange or as otherwise required by the Exchange to submit a report, the member or customer shall report to the Exchange or the SGEI details on its funds, the size of its open positions, delivery intents, and any information otherwise required.

The Exchange may establish and alter the large position reporting thresholds based on the risk exposures observed in the market.

**Article 66** The Exchange applies the Forced Liquidation. If a member or a customer fails to promptly deposit funds required in response to a margin call or reduce its open positions to the required level, commits any other violations, or falls under any other circumstances that warrant Forced Liquidation as stipulated by the Exchange, the Exchange or the

SGEI may enforce liquidation of the open positions held by the member or the customer.

Gains resulting from Forced Liquidation shall be disposed of pursuant to the applicable provisions. Any expenses or losses incurred as a result of Forced Liquidation, including extra losses resulting from failure to enforce liquidation of a member or customer's open positions due to market factors shall be borne by the member or the customer.

**Article 67** When the price of a deferred product consecutively hits the Price Limit in the same direction, or risk exposures in the market increase significantly, the Exchange may raise the Position Limits, impose higher Trading Margin requirements, or reduce open positions in the product by using the required methodologies, as applicable, to mitigate risks resulting from trading activities. If the risks are not mitigated after risk control measures are adopted, the Exchange will pronounce it a market irregularity and the Board will decide whether to take further actions to control the risk.

**Article 68** When a member fails to perform an obligation in connection with a trade entered into by the member, the Exchange or the SGEI may:

- (1) suspend the opening of new positions by the member;
- (2) enforce liquidation of the member's open position pursuant to applicable requirements, and use the margins released from the liquidation to pay compensation to its counterparty;
- (3) dispose of the member's pledged assets in accordance with the law;
- (4) use the member's membership fees, proceeds of transfer of its membership, or any other money to pay compensation to its counterparty; or
- (5) perform the member's obligations on its behalf and recover the expenses so incurred from the member in accordance with the law.

**Article 69** If the Exchange or the SGEI has reasons to believe that a violation by a member or a customer of the Exchange's rules is causing or will cause a material impact on the market, the Exchange or SGEI may take any of the following temporary actions against the member or the customer to prevent the violation from causing further consequences:

- (1) restricting inward remittance;
- (2) restricting outward remittance;
- (3) restricting the opening of new positions;

- (4) raising margin requirements;
- (5) requiring the closing out of open positions within a specified time frame; and/or
- (6) enforcing liquidation of open positions.

**Article 70** Specific provisions regarding the foregoing risk management procedures are set out in the *Measures for the Administration of Risk Control of the Shanghai Gold Exchange*.

## **Chapter VIII Clearing**

**Article 71** The provisions under this Chapter shall be applicable to any and all clearing activities of the Exchange. The Exchange hereby authorizes the SGEI to provide clearing services for all International Members. The SGEI shall be responsible for setting the detailed clearing rules for trading activities involving International Members in a separate document.

**Article 72** The Exchange follows the “centralization, netting, and multi-tiered” approaches for clearing funds.

“Centralization” means the Exchange will perform centralized clearing and transfers of funds for its members;

“Netting” means member shall clear with the Exchange the net results from its trades executed on or through the Exchange.

“Multi-tiered” approach means the Exchange shall clear for its members, and each member in turn shall clear for its customers.

**Article 73** The Exchange shall adopt a delivery-versus-payment system for trading in physical products as well as for trading in spot products; and shall apply Daily Mark-to-market and Trading Margin requirements to trading in deferred products.

**Article 74** Funds transfers and settlements between the Exchange and any member shall be processed through a Settlement Bank certified by the Exchange and effected through dedicated accounts.

**Article 75** The Exchange shall conduct clearings on T+0 and settlements on T+1, i.e., upon delivery or clearing, the Exchange shall debit the appropriate fund from the buying member’s Clearing Deposit and credit such fund to the selling member’s Clearing Deposit; and on T+1 between 9:00 a.m. and 3:30 p.m., the Exchange shall transfer the fund, as per the request of such selling member, to the selling member’s appropriate Member Accounts.

- Article 76** Any and all transactions entered into by a member or its customers on or through the Exchange's trading system shall be centrally cleared by the Exchange. Any proprietary trade of a member shall be cleared by the Exchange separately from trades entered into by the member on behalf of its customers.
- Article 77** The current day's gains and losses, in respect of a member or customer and on any particular trading day, shall be the sum of (1) the gains and losses from the member or customer's positions closed out on that day and (2) the gains and losses on the member or customer's open positions on that day.
- Article 78** Any member with a Clearing Deposit falling below the minimum requirement prescribed by the Exchange shall deposit additional money into its margin account so that it will meet the minimum Clearing Deposit requirement before the market opens on the next trading day. Failure to comply is grounds for the Exchange to take appropriate actions against such member pursuant to applicable provisions of the *Measures for the Administration of Risk Control of the Shanghai Gold Exchange*.
- Article 79** The Exchange shall keep detailed accounting records for the funds of its members, and shall record and verify in chronological order the inward remittances, outward remittances, gains and losses, Trading Margins, Transaction Fees, and any other funds transactions for each member. Any member which trades on behalf of its customers shall do the same for each of its customers.
- Article 80** After market closes on each trading day, the Exchange shall clear for each member its gains and losses, Transaction Fees, Trading Margins, and other incomes and payments. Every member may access its clearing data through the Exchange's member service system after the clearing cycle is completed.
- Article 81** Any member who wishes to challenge the clearing data shall file a written objection to the Exchange before the market opens on the next trading day. A member shall be deemed to have accepted the accuracy of the clearing data if it does not file an objection within the aforementioned time frame.
- Article 82** A member shall, on a daily basis and in a timely manner, obtain clearing data and clearing-related accounting documents provided by the Exchange, reconcile the information, and properly store the data and documents. The data and documents shall be retained for a minimum of 5 years, but in the event that a dispute in connection with these records extends over the five-year period, the records shall be kept until the dispute is resolved.



**Article 83** The Exchange has formulated the *Detailed Clearing Rules of the Shanghai Gold Exchange* pursuant to the foregoing clearing rules.

## **Chapter IX Delivery**

**Article 84** The Exchange offers a wide range of services relating to physical bullions, including, but not limited to: registration and custody, physical clearing, quality certification, logistics and distribution, transfer of possession of pledged or leased bullions.

**Article 85** The term “Physical Delivery” refers to the act of transferring the ownership of the precious metals traded by the Exchange for the performance of the terms of a trade.

**Article 86** The Exchange adopts the principle of “one account, one code” for Physical Deliveries. Each member or customer’s Physical Deliveries shall be recorded in its Bullion Account.

**Article 87** Any physical bullions traded in a physical product, a spot product, or a deferred product by a member or customer shall all be managed in the member or customer’s singular Bullion Account.

**Article 88** Physical bullions deliverable against transactions entered into on or through the Exchange are classified into physical bullions deliverable on the Main Board and physical bullions deliverable on the International Board. The physical bullions deliverable on the Main Board shall be used for deliveries against products traded on the Main Board; the physical bullions deliverable on the International Board shall be used for deliveries against products traded on the International Board.

**Article 89** The physical bullions deliverable on the Main Board include, but are not limited to: gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9; gold ingots with a Standard Weight of 3 kg and a fineness of no lower than 999.5; gold ingots with a Standard Weight of 12.5 kg and a fineness of no lower than 995.0; gold bars with a Standard Weight of 0.05 kg and a fineness of no lower than 999.9; gold bars with a Standard Weight of 0.1 kg and a fineness of no lower than 999.9; platinum ingots with Standard Weights of 0.5 kg, 1 kg, 2 kg, 3 kg, 4 kg, 5 kg, or 6 kg, and a fineness of no lower than 999.5; silver ingots with a Standard Weight of 15 kg and a fineness of no lower than 999.0; silver ingots with a Standard Weight of 15 kg and a fineness of no lower than 999.9.

The physical bullions deliverable on the International Board are: gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9; gold ingots with a Standard Weight of 12.5 kg and a fineness of

no lower than 995.0; gold bars with a Standard Weight of 0.1 kg and a fineness of no lower than 999.9.

Any addition to the list of deliverable physical bullions shall be executed in accordance with the Exchange's announcements.

**Article 90** Any gold ingot, gold bar, platinum ingot, or silver ingot deliverable on the Exchange must be a standard physical bullion produced by a qualified supplier accredited either by a relevant SGE-recognized International market, or directly by the Exchange.

**Article 91** In the event of a delivery default in connection with a Physical Delivery by a member or customer, the Exchange will collect a penalty from the defaulting party of an amount that is calculated by applying a penalty rate to the amount of funds or precious metals in default, and then terminate the delivery. Such penalty rate shall be as per the Exchange's announcement.

**Article 92** Each member and customer shall pay in full its Inventory Fees, Transportation and Insurance Fees, Delivery Fees, pledging registration fees, leasing registration fees, Load-in Fees, Load-out Fees, and all other fees and charges in accordance with applicable rules.

**Article 93** Any physical bullions deposited or withdrawn by a member or customer shall be cleared based on the bullion's Fine Weight, any indebtedness arising as a result of the difference between the bullion's Fine Weight and its Standard Weight shall be reconciled by Second Clearing. Second Clearing shall use the Settlement Price for that particular bullion product on the date of the bullion's Load-out or delivery.

**Article 94** In the event that a member or one of its customers raises objection over the quality of the physical bullions it has withdrawn, the member shall notify the Exchange of such objection within the prescribed time.

**Article 95** The Exchange has set up a network of Main Board Certified Vaults and International Board Certified Vaults. These Certified Vaults shall be responsible for handling the storage, Load-in and Load-out of physical bullions by each member and its customers, and may collect Inventory Fees, Load-in Fees, and Load-out Fees.

**Article 96** The Exchange has formulated the *Detailed Rules for Physical Delivery of the Shanghai Gold Exchange* pursuant to the foregoing delivery rules.

## **Chapter X Tax Invoice Management**

**Article 97** In accordance with the tax policies on gold and platinum trading promulgated by the Ministry of Finance and the State Administration of

Taxation, any Domestic Member or Domestic Customer participating in the trading on the Main Board of the Exchange shall observe the following rules in issuing settlement invoices and VAT invoices regarding trading and Physical Delivery of gold and platinum:

- (1) The settlement invoices are titled as the “Shanghai Gold Exchange Invoice”. They are designed by the Exchange, printed under the supervision of the national taxation authority.
- (2) The VAT invoices are titled as the “Shanghai Special VAT Invoice”. They are issued by the taxation authority upon the Exchange’s request. The amount of VAT invoices to be issued shall be reviewed and determined by the taxation authority based on the actual needs of the Exchange.
- (3) When corporate customers trade gold and platinum on or through the Exchange, the Exchange will issue tax invoices for settlement to both the buyer and the seller (except for individuals) at the actual Transaction Price. The seller shall issue a regular tax invoice to the Exchange at the actual Transaction Price in exchange for the settlement invoice (its settlement slip). Where Physical Delivery takes place, i.e., the physical bullions are withdrawn by the buyer, the taxation authority governing the Exchange will issue a VAT invoice at the actual Transaction Price to the buyer (the Exchange will keep the invoice and bookkeeping slips of such invoice; the buyer will keep the tax credit slip), provided that the buyer has the VAT general tax payer status. The unit price, total amount, and tax payable in the VAT invoice are calculated as follows:

$$\text{Unit price} = \text{actual Transaction Price} \div (1 + \text{VAT rate})$$

$$\text{Total amount} = \text{quantity} \times \text{unit price}$$

$$\text{Tax payable} = \text{total amount} \times \text{VAT rate}$$

The actual Transaction Price is the price at which an order placed through the required method is executed by both the buyer and the seller of the gold which is to be withdrawn, and is determined according to the “last-in, first-out” principle. The actual Transaction Price does not include Transaction Fees and Inventory Fees.

- (4) A buying member or a corporate customer shall use the settlement invoice (its invoice slip) issued by the Exchange as accounting voucher for financial accounting, and use the VAT invoice (its tax credit slip) issued by the relevant taxation authority only as evidence for calculating input VAT credit.
- (5) To account for fees arising in connection with trading and delivery

activities such as Transaction Fees, Inventory Fees and Transportation and Insurance Fees, a member or a corporate customer may use fees clearing statements generated by the trading system as evidence for financial accounting. The Exchange will not issue separate vouchers for such charges.

- (6) Provisions governing the issuance timeframe, delivery, and other matters relating to VAT invoices, as well as the enforcement measures against VAT invoice-related violations are set out in the *Measures for the Administration of Members' Tax Invoices of the Shanghai Gold Exchange*.

**Article 98** Settlement invoices are not issued for silver trading. Any Domestic Member or Domestic Customer which opens or closes out a position may use trade settlement statements provided by the trading system as accounting vouchers. Where Physical Delivery takes place, VAT invoices shall be administered in accordance with the *Measures for the Administration of Members' Tax Invoices of the Shanghai Gold Exchange*.

**Article 99** The Exchange will issue only the settlement invoices to those Domestic Members or their customers participating in trades on the International Board of the Exchange. Where physical bullions are delivered and transported into the customs and deposited into a Main Board Certified Vault, the Exchange will further issue a *SGE Execution Statement* to the Domestic Member or the customer qualified to import gold for customs declaration purposes.

**Article 100** Any violation of national tax policies and the *Measures for the Administration of Members' Tax Invoices of the Shanghai Gold Exchange*, such as taking advantage of gold and platinum trading to obtain VAT invoices under false pretense and issuing fake tax invoices, is prohibited. Any member who has committed a violation as confirmed by the Exchange shall be expelled from membership in the Exchange.

**Article 101** The Exchange will not issue the settlement invoices or the VAT invoices to International Members or their customers for their trading activities, but will instead issue the trading records generated by its trading system to be used as accounting vouchers.

## **Chapter XI Disposition of Abnormalities in Trading Activities**

**Article 102** The Exchange will monitor trading activities on the market and may take regulatory actions, at its own discretion, against the member or customer involved in any trading abnormalities.

**Article 103** Each customer participating in trading activities shall comply with laws, regulations, and the rules of the Exchange; submit to the supervision and regulation of the Exchange and the management by its carrying member with regard to the compliance of its trading activities, and apply appropriate self-regulation.

**Article 104** Each member shall fulfill its duties in supervising the trading activities of its customers; promptly detect, report, and stop any abnormal trading activities of the customers; be proactive in preventing any potential abnormal trading activities of the customers; and shall not tolerate, induce, instigate or abet such trading activities.

**Article 105** The Exchange shall determine that an abnormal trading activity has occurred if a member or its customer is in any of the following situations:

- (1) it acts as its own counterparty in a great or considerable number of matched orders;
- (2) a great or considerable amount of transactions are entered through third party accounts under its actual control;
- (3) it has frequently placed and withdrawn orders in a single trading day that might have affected trading prices or misled other customers to enter into a transaction;
- (4) it has placed and withdrawn a great or considerable amount of large orders in a single trading day that might have affected trading prices or misled other customers to enter into transactions;
- (5) the aggregate open positions held through third party accounts under its actual control exceeds the Position Limit set by the Exchange;
- (6) a great or considerable amount of buy-high-sell-low trades are entered into between certain counterparties;
- (7) it has used a computer program to automatically and rapidly place bulk orders which might have compromised the security of the Exchange's system or disrupted the normal trading activities; or
- (8) it has committed any other acts that warrant such a determination by the Exchange.

**Article 106** Each member shall closely monitor its customers' trading activities. In the event of any abnormality described in Article 105 being detected in the customers' trading activities, such member shall alert the customer to such abnormality, dissuade and stop the customer from committing such abnormal trading activities, and promptly report such activities to the Exchange; if such efforts fail to be effective, the member may raise

Trading Margin requirements, restrict the opening of new positions, refuse to accept the customer's order, or terminate the brokerage relationship, as appropriate.

**Article 107** In response to any abnormality in the trading activities of a member or its customer as identified in Article 105, the Exchange may make phone call alerts, require submission of a report or a written undertaking, place such member or customer on a watch list, conduct a disciplinary interview, restrict the opening of new positions, require the closing out of positions within a specified time frame, or enforce liquidation of open positions, as appropriate. If such an abnormality is of a serious nature, the Exchange may adopt appropriate regulatory measures or disciplinary sanctions pursuant to these *Spot Trading Rules*, the *Measures for the Administration of Risk Control of the Shanghai Gold Exchange* and the *Enforcement Rules of the Shanghai Gold Exchange*. If violation of laws, regulations and rules is suspected, the Exchange shall refer the case to relevant authorities to initiate a formal investigation.

**Article 108** When the Exchange wishes to take regulatory measures or make a written decision against any customer who is involved in abnormal trading activities, the Exchange will issue a notice of such measures or the written decision to the customer through its carrying member. The carrying member shall contact the customer in a timely manner, notify the customer of the relevant measures adopted or written decision issued by the Exchange or the SGEI, preserve relevant evidence, and take effective measures to regulate the customer's trading activities.

**Article 109** Other courses of action for addressing trading abnormalities or violations of rules or breaches of contracts shall be taken in accordance with the *Enforcement Rules of the Shanghai Gold Exchange*.

## **Chapter XII Responses to Market Irregularities**

**Article 110** The Exchange will pronounce a market irregularity and take emergency actions to mitigate risks if any of the following events occurs during trading:

- (1) disruption of trading activities due to a Force Majeure event such as an earthquake, flood, fire, war, strike, or a technical failure that is not attributable to the Exchange;
- (2) any failure by a member to fulfill settlement or delivery obligations that is causing or is expected to cause a material adverse effect on the market;
- (3) risks relating to Limit-Locked Market not dispelled even after

appropriate measures are taken; or

(4) any other events or conditions as prescribed by the Exchange.

**Article 111** In the event of a market irregularity described in Item (1) of Article 110, the Exchange may adjust the opening and closing times of the market, impose a trading halt, or take other emergency actions. In the event of a market irregularity described in Items (2), (3) and (4) of Article 110, the Board may decide to change margin requirements and Price Limits, require the closing out of open positions within a specified time frame, enforce liquidation of open positions, restrict outward remittances, adjust the opening and closing times of the market, impose a trading halt, or take any other emergency actions.

**Article 112** The Exchange will not be responsible for any losses caused by actions taken by the Exchange in response to any market irregularities.

**Article 113** When the Exchange pronounces a market irregularity and decides to take emergency actions, it shall promptly submit a report to the PBC and issue a public announcement.

**Article 114** When the Exchange pronounces a market irregularity and decides to impose a trading halt, the duration of such trading halt shall not be longer than 3 trading days unless extension to such duration is approved by the PBC.

### **Chapter XIII Information Management**

**Article 115** The Exchange shall publish market data, essential statistics or other relevant information on each trading day.

**Article 116** The information to be published by the Exchange includes: each product's opening price, highest price, lowest price, current price, closing price, settlement price, price variations, trading volume, turnover, open positions and delivery amount, and other information required to be disclosed.

**Article 117** Each member may inquire about any information relating to itself through the Exchange or the SGEI.

**Article 118** All market trading information of the Exchange belongs to the Exchange and shall not be used for any commercial purposes by any organization or individual without the Exchange's permission.

**Article 119** None of the Exchange, the SGEI, members, Certified Vaults and Certified Settlement Banks shall publish any false or misleading information.

**Article 120** None of the Exchange, the SGEI, members, Certified Vaults and Certified Settlement Banks shall disclose any trade secrets obtained during their business operations.

The Exchange may provide information to regulatory authorities or other relevant entities, and undertake any pertinent confidentiality agreement.

## **Chapter XIV Supervision and Regulation**

**Article 121** The Exchange shall be responsible for the supervision and regulation of all trading-related business activities in accordance with these *Spot Trading Rules* and other relevant provisions. The SGEI is authorized by the Exchange to supervise the trading activities of International Members and their customers.

**Article 122** In fulfilling their supervisory duties, the Exchange and the SGEI shall:

- (1) supervise and examine the implementation of market policies, regulations and trading rules, and control the market risk;
- (2) supervise and examine the trading activities of each member;
- (3) access and monitor each member's financial status and credit standing;
- (4) supervise and examine the business activities of each Certified Vault and Certified Settlement Bank related to the trading;
- (5) mediate and resolve any dispute arising in connection with trading activities and investigate into and handle all cases involving violations of applicable rules;
- (6) assist judicial authorities or administrative enforcement authorities in taking law enforcement actions; and
- (7) monitor any other conduct that might breach the principles of "transparency, equitableness and justice" and cause market risks.

**Article 123** The Exchange and the SGEI may conduct annual random inspections on members for their compliance with the Exchange's rules and shall, if and when necessary, report the results of such inspection to the PBC.

**Article 124** The Exchange and the SGEI shall initiate a formal investigation into any suspected violation of applicable rules.

**Article 125** The Exchange and the SGEI may, pursuant to applicable provisions, conduct investigations, collect evidence and take other actions in performing their supervisory responsibilities and each member shall cooperate with the Exchange and the SGEI in such matters.



**Article 126** All members, customers, Certified Vaults and Certified Settlement Banks shall submit to the supervision and regulation of the Exchange and the SGEI with respect to their business activities. If necessary, the Exchange and the SGEI may impose restrictions or disciplinary sanctions on any party which provides inaccurate information, conceals facts, intentionally avoids investigations or otherwise refuses to offer assistance for or obstruct the performance of duties by any employee of the Exchange and the SGEI.

**Article 127** After initiating an investigation into any member, customer, Certified Vault or Certified Settlement Bank that is suspected of any grievous rule violations in their conduct of business activities relating to the Exchange, the Exchange and the SGEI may take appropriate actions to prevent such violation from causing further consequences.

**Article 128** The Board may decide to set up an *ad hoc* investigation committee consisting of member representatives, employees of the Exchange or the SGEI, and relevant people to address any significant issues arising in the course of trading activities. The *ad hoc* investigation committee shall exercise its supervisory powers in accordance with these *Spot Trading Rules* during its existence and shall exclude any individual who has an interest in such significant issues from serving on the committee.

**Article 129** Any member, customer, Certified Vault or Certified Settlement Bank may file a complaint or whistle-blowing report with the Exchange about any employee of the Exchange or the SGEI who fails to duly carry out his/her supervisory duties. The Exchange may take strict disciplinary actions against the employee if contents of the complaint or report are validated.

**Article 130** The Exchange shall take actions against violations of rules and breaches of contracts in accordance with the *Enforcement Rules of the Shanghai Gold Exchange*.

## **Chapter XV Dispute Resolution**

**Article 131** In the event of a trading dispute among any member, customer, Certified Vault and Certified Settlement Bank, the aforementioned parties may settle the dispute through negotiations or request the Exchange to resolve the dispute by mediation.

**Article 132** Any party to a dispute who wishes to request mediation by the Exchange shall file a written mediation application. The Exchange's mediation results shall be binding upon the parties to the dispute after the parties acknowledge such results by stamping their company seals and affixing

their signatures on the mediation agreement.

**Article 133** Any party to a dispute may also refer the dispute to arbitration or file an action in a People's Court.

## **Chapter XVI Supplementary Provisions**

**Article 134** The Exchange may formulate relevant detailed rules under these *Spot Trading Rules*.

**Article 135** These *Spot Trading Rules* are written in Chinese. In case of any discrepancy between different Chinese versions or between the Chinese version and any translated version thereof, the latest Chinese version shall prevail.

**Article 136** The Board of the Exchange shall reserve the right to interpret these *Spot Trading Rules*.

**Article 137** These *Spot Trading Rules* or any amendments hereto shall be approved by the Members' Assembly and be filed with the PBC.

**Article 138** These *Spot Trading Rules* shall come into effect as of the date of their promulgation.

## Annex 1:

### Trading Hours of the Shanghai Gold Exchange <sup>(note)</sup>

Table A. The Ordinary Trading Days

Monday	Market Opening on Monday	previous Friday 19:45
	Pre-order Matching	previous Friday 19:50-19:59
	Night Trading Session	previous Friday 20:00 - previous Saturday 2:30
	Trading Break	previous Saturday 2:30 - Monday 9:00
	Morning Trading Session	9:00-11:30
	Trading Break	11:30-13:30
	Afternoon Trading Session	13:30-15:30
	Tendering for Delivery	15:00-15:30
	Trading Closes	15:30
	Tendering for Delivery Equalizer	15:31-15:40
	Tendering for Delivery Matching	15:40
	Market Closes	15:45
Tuesday	Market Opening on Tuesday	Monday 19:45
	Pre-order Matching	Monday 19:50-19:59
	Night Trading Session	Monday 20:00 - Tuesday 2:30
	Trading Break	2:30-9:00
	Morning Trading Session	9:00-11:30
	Trading Break	11:30-13:30
	Afternoon Trading Session	13:30-15:30
	Tendering for Delivery	15:00-15:30
	Trading Closes	15:30
	Tendering for Delivery Equalizer	15:31-15:40
	Tendering for Delivery Matching	15:40
	Market Closes	15:45
Wednesday	Market Opening on Wednesday	Tuesday 19:45
	Pre-order Matching	Tuesday 19:50-19:59
	Night Trading Session	Tuesday 20:00 –Wednesday 2:30

	Trading Break	2:30-9:00
	Morning Trading Session	9:00-11:30
	Trading Break	11:30-13:30
	Afternoon Trading Session	13:30-15:30
	Tendering for Delivery	15:00-15:30
	Trading Closes	15:30
	Tendering for Delivery Equalizer	15:31-15:40
	Tendering for Delivery Matching	15:40
	Market Closes	15:45
Thursday	Market Opening on Thursday	Wednesday 19:45
	Pre-order Matching	Wednesday 19:50-19:59
	Night Trading Session	Wednesday 20:00 – Thursday 2:30
	Trading Break	2:30-9:00
	Morning Trading Session	9:00-11:30
	Trading Break	11:30-13:30
	Afternoon Trading Session	13:30-15:30
	Tendering for Delivery	15:00-15:30
	Trading Closes	15:30
	Tendering for Delivery Equalizer	15:31-15:40
	Tendering for Delivery Matching	15:40
	Market Closes	15:45
Friday	Market Opening on Friday	Thursday 19:45
	Pre-order Matching	Thursday 19:50-19:59
	Night Trading Session	Thursday 20:00 – Friday 2:30
	Trading Break	2:30-9:00
	Morning Trading Session	9:00-11:30
	Trading Break	11:30-13:30
	Afternoon Trading Session	13:30-15:30
	Tendering for Delivery	15:00-15:30
	Trading Closes	15:30
	Tendering for Delivery Equalizer	15:31-15:40
	Tendering for Delivery Matching	15:40
	Market Closes	15:45

Table B. First Trading Day After Holidays (excluding Saturdays and Sundays)

The first trading day after the holidays	Market Opening	8:45
	Pre-order Matching	8:50-8:59
	Morning Trading Session	9:00-11:30
	Trading Break	11:30-13:30
	Afternoon Trading Session	13:30-15:30
	Tendering for Delivery	15:00-15:30
	Trading Closes	15:30
	Tendering for Delivery Equalizer	15:31-15:40
	Tendering for Delivery matching	15:40
	Market closes	15:45

**Note:**

1. The trading hours on an ordinary trading day shall be carried out according to Table A; trading hours for the first trading day after holidays (excluding Saturdays and Sundays) shall be carried out according to Table B.
2. The Exchange may decide to temporarily close the night trading session on Friday and will issue a notice 5 business days in advance when major maintenance is needed for the trading system.

## Annex 2:

### Product Specifications of the Shanghai Gold Exchange

#### Au99.95

Product	Gold
Product Code	Au99.95
Trading Method	Physical
Product Size	1 kilogram/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Trading Hours	Morning: 9:00 a.m. -11:30 a.m.; Afternoon: 13:30 p.m. -15:30p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold ingots with a Standard Weight of 3 kg and a fineness of no lower than 999.5
Delivery Type	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGE B1-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing date	October 30 <sup>th</sup> , 2002

**Au99.99**

Product	Gold
Product Code	Au99.99
Trading Method	Physical
Product Size	10grams/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	10000 lots
Trading Hours	Morning: 9:00 a.m. -11:30 a.m.; Afternoon: 13:30 p.m.-15:30p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9
Delivery Type	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGE B1-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	October 30 <sup>th</sup> , 2002

**Au99.5**

Product	Gold
Product Code	Au99.5
Trading Method	Physical
Product Size	12.5 kilograms/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	200 lots
Trading Hours	Morning: 9:00 a.m.-11:30a.m.; Afternoon: 13:30 p.m.-15:30p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold ingots with a Standard Weight of 12.5 kg and a fineness of no lower than 995.0
Delivery Type	Physical
Delivery Period	T+0
Grade and Quality specifications	Standard physical bullions produced by SGE certified gold producers and meet SGEB1-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	June 6 <sup>th</sup> , 2013



**Au100g**

Product	Gold
Product Code	Au100g
Trading Method	Physical
Product Size	100 grams/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30 p.m.-15:30 p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold bars with a Standard Weight of 0.1 kg and a fineness of no lower than 999.9
Delivery Type	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGE B2-2004 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	December 25 <sup>th</sup> , 2006

**Au50g**

Product	Gold
Product Code	Au50g
Trading Method	Physical
Product Size	50 grams/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30 p.m.-15:30p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold bars with a Standard Weight of 0.05 kg and a fineness of no lower than 999.9
Delivery Types	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGE B2-2004 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	June 28 <sup>th</sup> , 2004

**Pt99.95**

Product	Platinum
Product Code	Pt99.95
Trading Method	Physical
Product Size	1 kilogram/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Trading Hours	Morning: 9:00 a.m. -11:30 a.m.; Afternoon: 13:30p.m. -15:30 p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Platinum ingots with Standard Weights of 0.5 kg, 1 kg, 2 kg, 3 kg, 4 kg, 5 kg, or 6 kg, and a fineness of no lower than 999.5
Delivery Type	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by qualified platinum producers certified by LPPM, TOCOM, NYMEX or SGE.
Delivery Venue	SGE certified vaults
Transaction Fee	0.04% of the trading value
Delivery Fee	0
Listing Date	July 30 <sup>th</sup> , 2003

**Ag99.9**

Product	Silver
Product Code	Ag99.9
Trading Method	Spot
Product Size	15 kilograms/lot
Price Quotation	(RMB) Yuan/kilogram
Minimum Price Fluctuation	1 Yuan/kilogram
Daily Price Limit	10% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Margin Ratio	20% of the contract value
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30 p.m.-15:30 p.m.; Night: 19:50 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Silver ingots with a Standard Weight of 15 kg and a fineness of no lower than 999.0
Delivery Type	Physical
Delivery Period	T+2
Grade and Quality Specifications	Standard physical bullions produced by SGE certified silver producers and meet GB/T4135-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.02% of the trading value
Delivery Fee	1 Yuan/kilogram
Invoice	VAT invoice issued to the buyer by the seller
Default Penalty	20%
Listing Date	April 26 <sup>th</sup> , 2010

**Ag99.99**

Product	Silver
Product Code	Ag99.99
Trading Method	Spot
Product Size	15 kilograms/lot
Price Quotation	(RMB)Yuan/kilogram
Minimum Price Fluctuation	1 Yuan/kilogram
Daily Price Limit	10% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Margin Ratio	20% of the contract value
Trading Hours	Morning: 9:00 a.m.-11:30a.m.; Afternoon: 13:30 p.m.-15:30p.m.; Night: 19:50 p.m. -02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Silver ingots with a Standard Weight of 15 kg and a fineness of no lower than 999.9
Delivery Type	Physical
Delivery Period	T+2
Grade and Quality Specifications	Standard physical bullions produced by SGE certified silver producers and meet GB/T4135-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	SGE certified vaults
Transaction Fee	0.02% of the trading value
Delivery Fee	1 Yuan/kilogram
Invoice	VAT invoice issued to the buyer by the seller
Default Penalty	20%
Listing Date	April 26 <sup>th</sup> , 2010

**Ag(T+D)**

Product	Silver
Product Code	Ag(T+D)
Trading Method	Deferred
Product Size	1 kilogram/lot
Price Quotation	(RMB)Yuan/kilogram
Minimum Price Fluctuation	1 Yuan/kilogram
Daily Price Limit	7% above or below the settlement price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	2000 lots
Product Period	Continuous trading
Minimum Trading Margin	9% of the product value
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30 p.m.-15:30 p.m.; Night: 19:50 p.m.-02:30 a.m.
Deferred Interest Payment Date	Daily per natural day
Deferred Interest	0.02% of the product's market value/day
Minimum Tendering for Delivery Size	1 lot
Tendering for Delivery Period	15:00 - 15:30
Delivery Equalizer Tendering Period	15:31 - 15:40
Deferred Period	Per announcement by the Exchange
Fee for Holding Open Interest Beyond Deferred Period	Per announcement by the Exchange
Transaction Fee	0.02% of the trading value
Default Penalty	8% of the value of the product

Settlement Type	Daily mark-to-market Settlement
Delivery Type	Tendering for Delivery
Delivery Method	Physical
Product for Delivery	Silver ingots with a Standard Weight of 15 kg and a fineness of no lower than 999.9
Delivery Period	The same day as delivery requests are successfully matched
Delivery Venue	SGE certified vaults
Delivery Fee	1 Yuan/kilogram
Listing Date	October 30 <sup>th</sup> , 2006

**Au(T+D)**

Product	Gold
Product Code	Au(T+D)
Trading Method	Deferred
Product Size	1 kilogram/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	5% above or below the closing price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Product Period	Continuous trading
Minimum Trading Margin	6% of the product value
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30 p.m.-15:30 p.m.; Night: 19:50 p.m.-02:30 a.m.
Deferred Interest Payment Date	Daily per natural day
Deferred Interest	0.02% of the product's market value/day
Minimum Tendering for Delivery Size	1 lot
Tendering for Delivery Period	15:00-15:30
Delivery Equalizer Tendering Period	15:31-15:40
Deferred Period	Per the announcement of the Exchange
Fee for Holding Open Interest Beyond Deferred Period	Per the announcement of the Exchange
Transaction Fee	0.02% of the trading value
Default Penalty	8% of the value of the product
Settlement Type	Daily mark-to-market Settlement



Delivery Type	Tendering for Delivery
Delivery Method	Physical
Product for Delivery	Gold ingots with a Standard Weight of 3 kg and a fineness of no lower than 999.5 (could be replaced by gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9)
Delivery Period	The same day as delivery requests are successfully matched
Delivery Venue	SGE certified vaults
Delivery Fee	0
Listing Date	August 16 <sup>th</sup> , 2004

**Au(T+N1), Au(T+N2)**

Bullion	Gold
Product Code	Au(T+N1), Au(T+N2)
Trading Mode	Deferred trading
Trading Unit	100Gram/Lot
Quotation Unit	Yuan(RMB)/Gram
Minimum Price Fluctuation	0.05RMB/Gram
Daily Price Limit	Settlement price of the previous trading day $\pm 6\%$
Minimum Quotation Size	1 lot
Maximum Quotation Size	10,000lots
Contract Tenure	Continuous trading
Trading Margin	7%
Trading Hours	Morning Session: 9:00-11:30 Afternoon Session: 13:30-15:30 Night Session: 19:50-02:30
Collection and Payment Date for Deferred Interests	Au(T+N1): June 15 <sup>th</sup> ; Au(T+N2): December 15 <sup>th</sup> (or the previous trading day if any of the above date is a public holiday)
Rate of Deferred Interests	6% of the market value of the product/per day
Minimum Delivery Tendering Amount	1lot
Window for Delivery Tenders	15:00— 15:30
Window for Delivery Equalizer Tenders	15:31— 15:40
Duration Threshold for Extended Position	As per the SGE's announcements
Rate of Extended Position Fees	As per the SGE's announcements

Transaction Fees	0.02% of the transaction value
Penalty Rate	8% of the nominal value of the defaulted amount
Mode of Clearing	Daily Mark-to-Market
Mode of Physical Delivery	Delivery tendering
Mode of Delivery	Physical
Deliverable Bullions	Standard gold ingots with a standard weight of 1kg and a fineness of no lower than 99.99
Delivery Date	The date on which delivery tenders are matched
Delivery Venue	SGE Certified Vaults
Delivery Fees	Null
Listing Date	November 7 <sup>th</sup> , 2007

**mAu(T+D)**

Product	Gold
Product Code	mAu(T+D)
Trading Method	Deferred
Product Size	100 grams/lot
Price Quotation	(RMB)Yuan/g
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	5% above or below the settlement price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	2000 lots
Product Period	Continuous trading
Minimum Trading Margin	6% of the product value
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30p.m.-15:30 p.m.; Night: 19:50 p.m.-02:30 a.m.
Deferred Interest Payment Date	Daily per natural day
Deferred Interest	0.02% of the product's market value/day
Minimum Tendering for Delivery Size	1 lot
Tendering for Delivery Period	15:00 – 15:30
Delivery Equalizer Tendering Period	15:31 – 15:40
Deferred Period	Per the announcement of the Exchange
Fee for Holding Open Interest Beyond Deferred Period	Per the announcement of the Exchange
Transaction Fee	0.02% of the trading value

Default Penalty	8% of the value of the product
Settlement Type	Daily mark-to-market Settlement
Delivery Type	Tendering for Delivery
Delivery Method	Physical
Product for Delivery	Gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9
Delivery Period	The same day as Tendering for Delivery requests are successfully matched
Delivery Venue	SGE certified vaults
Delivery fee	0
Listing Date	January 2 <sup>nd</sup> , 2014

**iAu99.5**

Product	Gold
Product Code	iAu99.5
Trading Method	Physical
Product Size	12.5 kilograms/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closes price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	200 lots
Trading Hours	Morning: 9:00 a.m.-11:30 a.m.; Afternoon: 13:30 p.m.-15:30p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold ingots with a Standard Weight of 12.5 kg and a fineness of no lower than 995.0
Delivery Method	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGEB1-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	Delivery Vaults certified by SGE international board
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	September 19 <sup>th</sup> , 2014

**iAu99.99**

Product	Gold
Product Code	iAu99.99
Trading Method	Physical
Product Size	10 grams/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closes price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	10000 lots
Trading Hours	Morning: 9:00 a.m.-11:30a.m.; Afternoon: 13:30 p.m.-15:30 p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold ingots with a Standard Weight of 1 kg and a fineness of no lower than 999.9
Delivery Method	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGEB1-2002 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	Delivery Vaults certified by SGE international board
Transaction Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	September 19 <sup>th</sup> , 2014

**iAu100g**

Product	Gold
Product Code	iAu100g
Trading Method	Physical
Product Size	100 grams/lot
Price Quotation	(RMB)Yuan/gram
Minimum Price Fluctuation	0.01 Yuan/gram
Daily Price Limit	30% above or below the closes price of the previous trading day
Minimum Quotation Size	1 lot
Maximum Quotation Size	1000 lots
Trading Hours	Morning: 9:00 a.m.-11:30a.m.; Afternoon: 13:30 p.m.-15:30 p.m.; Night: 20:00 p.m.-02:30 a.m.
Settlement Type	Delivery-versus-payment
Product for Delivery	Gold bars with a Standard Weight of 0.1 kg and a fineness of no lower than 999.9
Delivery Method	Physical
Delivery Period	T+0
Grade and Quality Specifications	Standard physical bullions produced by SGE certified gold producers and meet SGE B2-2004 quality standards, or produced by qualified producers certified by London Bullion Market Association (LBMA).
Delivery Venue	Delivery Vaults certified by SGE international board
Trading Fee	0.035% of the trading value
Delivery Fee	0
Listing Date	September 19 <sup>th</sup> , 2014



Annex 3:

**Trading Privileges of the Shanghai Gold Exchange<sup>(note)</sup>**

Board Venue	Product Type	Product Code	Certified Vault for Delivery	Domestic Member/Customer	International Member/Customer	
Main board (SGE)	Gold	Au99.95	SGE Certified Vault	1. Transaction and delivery allowed; 2. load-in and load-out allowed.	1. Transaction and delivery allowed; 2. load-in and load-out prohibited.	
		Au99.99				
		Au100g				
		Au99.5				
		Au(T+D)				
		Au(T+N1)				
		Au(T+N2)				
		mAu(T+D)				
	Au50g	Silver			Ag99.9	1. Transaction and delivery prohibited; 2. load-in and load-out prohibited.
	Ag99.99				1. Transaction allowed, delivery prohibited; 2. load-in and load-out prohibited.	
	Ag(T+D)	1. Transaction and delivery prohibited; 2. load-in and load-out prohibited.				
	Platinum	Pt99.95	1. Transaction and delivery prohibited; 2. load-in and load-out prohibited.			
International board (SGEI)	Gold	iAu99.99	SGEI Certified Vault	1. Transaction and delivery allowed; 2. Load-in and load-out prohibited.	1. Transaction and delivery allowed; 2. load-in and load-out allowed.	
		iAu99.5				
		iAu100g				

**Note:** For special load-in and load-out privileges granted to customers, please refer to the Delivery Specifications as otherwise speculated by the Exchange.