

Press release

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SHANGHAI GOLD EXCHANGE AND WORLD GOLD COUNCIL PARTNER TO DEVELOP THE SHANGHAI FREE TRADE ZONE AS A GLOBAL GOLD MARKET

Today, the Shanghai Gold Exchange and the World Gold Council, the market development organisation for the gold industry, signed a 'Memorandum of Understanding' regarding a 'Comprehensive Strategic Cooperation Agreement.' The Shanghai Gold Exchange is the largest physical gold exchange worldwide and the World Gold Council is the global authority on the gold industry. Together, these two organisations are joining hands to support the development of both domestic and international gold trading in China by leveraging the opportunity provided by the internationalisation of the Chinese gold market, through the Shanghai Free Trade Zone, to support market expansion. The agreement will support the development of gold investment products and solutions for the industry and investors both regionally and globally.

On September 18, 2014, the International Board was officially initiated by the Shanghai Gold Exchange beginning the process of internationalising the Chinese gold market. The International Board allows international investors to use RMB to trade in precious metals and to use physical gold services such as storage, trusteeship, delivery, leasing and transit. By making these changes, the International Board is enabling greater interaction between China and the global gold markets.

Xu Luode, Chairman of the Shanghai Gold Exchange, stated at today's signing ceremony:

"The launch of the International Board of the Shanghai Gold Exchange marks a significant transformation, not merely by further integrating with the global market, but also by laying a solid foundation to establish a new global market structure in the gold industry. While the China gold market will function as an essential pillar of the integrated multipolar world, the Shanghai Gold Exchange, the largest physical trading centre in the world, is also committed to the responsibility of servicing global investors. We firmly believe that the partnership with the World Gold Council will further improve the connection between China and the global gold industry, and we are eager to develop the international market, service global clients, share business opportunities and contribute to Chinese power together with the World Gold Council."

Commenting on the partnership, Aram Shishmanian, CEO of the World Gold Council, stated:

"The growth of the Shanghai Gold Exchange into the world's largest physical gold exchange provides compelling evidence that the future of gold is physical. As the market shifts from West to East, the expansion of strong gold trading hubs in Asia will improve price discovery, liquidity, transparency and efficiency, all of which will transform the landscape of the global gold market. As a major market, accounting for 30 percent of global capacity, this will enable China to take its rightful place in the world gold market. It is exciting to partner with the world's leading gold exchange as it allows us to bring our global expertise and insights to this enormous gold market full of potential."

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Note to editors:

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**World Gold Council**

The World Gold Council is the market development organisation for the gold industry. Working within the investment, jewellery and technology sectors, as well as engaging in government affairs, our purpose is to provide industry leadership, whilst stimulating and sustaining demand for gold.

We develop gold-backed solutions, services and markets, based on true market insight. As a result, we create structural shifts in demand for gold across key market sectors.

We provide insights into the international gold markets, helping people to better understand the wealth preservation qualities of gold and its role in meeting the social and environmental needs of society.

Based in the UK, with operations in India, the Far East, Europe and the US, the World Gold Council is an association whose members include the world's leading and most forward thinking gold mining companies.

Shanghai Gold Exchange

Officially starting operation on October 30, 2002, the Shanghai Gold Exchange (the "SGE") is a membership-based and self-regulatory legal entity established by the People's Bank of China (the "PBC") upon the approval of the State Council and registered with the State Administration for Industry and Commerce.

Regarding facilitating market development as its top priority, the SGE organizes the trading of gold, silver, platinum and other precious metals and provides relevant services for members and investors in a cost-efficient manner by adhering to the principles of integrity, equitableness, justice and transparency. The SGE is subject to supervision and regulation by the PBC pursuant to law.

Today, the SGE is a bustling trading venue that boasts 167 domestic members and 40 international members admitted to trading on the International Board. Nearly 8,000 corporate customers and over seven million individuals trade on the SGE through their carrying members.