

JOINT NEWS RELEASE

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HKEX and CGSE sign MOU

Hong Kong Exchanges and Clearing Limited (HKEX) and The Chinese Gold and Silver Exchange Society (CGSE) today (Thursday) signed a Memorandum of Understanding (MOU) to consider cooperation on matters ranging from product promotion to storage vaults.

Christopher Hui, Managing Director for Market Development and Head of Project Management at HKEX, and Brian Fung, Chief Executive Officer at CGSE signed the MOU for and on behalf of their respective organisations during a ceremony hosted by HKEX.

The signing was witnessed by K C Chan, Hong Kong's Secretary for Financial Services and the Treasury, HKEX Chief Executive Charles Li, CGSE President Haywood Cheung and other executives from HKEX and CGSE.

"With a long history of physical gold trading and a well-established logistics network, Hong Kong is in a good position to develop trading of gold futures with physical delivery and build price benchmarks," said Charles Li, Chief Executive of HKEX. "Our Gold Futures will offer physical market users hedging opportunities and attract financial players, supplementing Hong Kong's physical trading and helping establish a regional price benchmark.

"The pair of new contracts, which are denominated in USD and RMB, will also enable investors to arbitrage between the precious metal and the currencies, and further strengthen Hong Kong as offshore RMB centre," Mr Li added.

Haywood Cheung, President of the Chinese Gold and Silver Exchange Society said, "The first cooperation between the futures and spot exchanges is a breakthrough for Hong Kong's century-old gold industry. The signing of MOU signifies a strategic partnership which aims to build a major gold and commodities trading centre in Asia Pacific. CGSE will support the development of new products by HKEX and the cooperation will focus on physical commodities as well as bonded warehouse service in Shenzhen's Qianhai district. Leveraging on our connection through RMB gold products, CGSE is teaming up with HKEX for active participation in national policies, including "One Belt, One Road" and RMB internationalisation. In Hong Kong, CGSE will help broaden the investment channels by supporting futures contracts with physical settlement with its warehouse service in Qianhai."

For more information, please contact:

HKEX
Wong Sau Ching
(852) 2840 3856
wongsauching@hkex.com.hk

CGSE
Cherry Lai
(852) 3678 0080
cherrylai@cgse.com.hk