

## CHINA NATIONAL GOLD GROUP CORPORATION

**ZHONGYUAN GOLD SMELTER CO LTD**  
**MAJOR GOLD BAR MANUFACTURER IN CHINA**

**Zhongyuan Gold Smelter Co Ltd**, the largest gold refiner and bar manufacturer in China, is located in Henan Province at Sanmenxia City, about 1,000 km south west of Beijing.

The refinery, part of **China National Gold Group Corporation (CNGGC)**, is a subsidiary of **China Gold Co Ltd** (Zhongjin Gold Co Ltd), which is headquartered in the Dongcheng district of Beijing.

The refinery works closely with an associated company, **China National Gold Group Gold Jewellery Co Ltd**, which is also headquartered in the Dongcheng district of Beijing and responsible for the design and sale of CNGGC-branded gold investment bars and other bars and products for the retail gold market in China.

Sanmenxia City, which is built on the west bank of the Yellow River, is known as "Gold City", in recognition of the importance of the city and Henan Province to China's gold industry.

It is also known as "Swan City", due to thousands of swans flying from Siberia each year to spend summer on the Yellow River.

### ACCREDITATION

#### Zhongyuan Gold Smelter Co Ltd

- 2006 London Bullion Market Association (LBMA)
- 2002 Shanghai Gold Exchange (SGE)
- 2008 Shanghai Futures Exchange (SHFE)

China National Gold Group Corporation has been a General Member of the Shanghai Gold Exchange since 2002.

### RANGE OF GOLD BARS

#### Good Delivery Bars

The bars bear the official stamp of the Zhongyuan Gold Smelter.

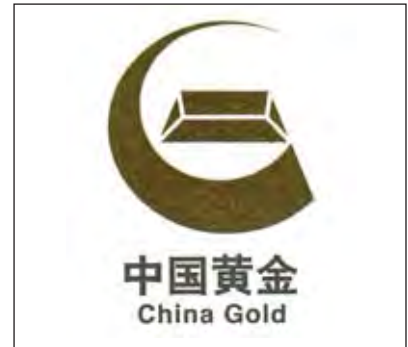
- London Good Delivery: 400 oz
- Shanghai Good Delivery: 3 kg, 1000 g, 100 g, 50 g

#### Main Gold Investment Bars

The bars bear the official stamp of the China National Gold Group Corporation.

- Brick: 1000 g, 500 g, 200 g, 100 g, 50 g
- Boat: 1000 g, 500 g, 200 g, 100 g, 50 g

In addition, the refinery manufactures many other standard cast and minted bars in rectangular, round and other shapes which usually incorporate decorative or commemorative designs that change annually.



China National Gold Group Corporation, established in 2003, is the largest gold producing company in China.



Zhongyuan Gold Smelter Co Ltd, founded in 1986, is the largest gold refiner and bar manufacturer in China.



The refinery has manufactured London Good Delivery 400 oz bars since 2006.



## BACKGROUND

### China National Gold Group Corporation (CNGGC) - "China Gold"

The corporation, established in 2003 (although it traces its origins back to 1979), is a State-Owned Enterprise (SOE) that is supervised by the State-Owned Assets Supervision and Administration Commission of the State Council (SASAC).

It comprises around 130 subsidiary companies that focus mainly on the mining and processing of non-ferrous metals, notably gold, silver, copper and molybdenum.

The corporation, China's largest gold producing company, operates around 60 gold mines, most output from mines in the provinces of Gansu (north west), Liaoning (north east) and Henan (south central).

In 2010, gold output was 60 tonnes: from gold mining (38 tonnes) and as a by-product of copper mining (22 tonnes).

### China Gold Co Ltd (Zhongjin Gold Co Ltd)

The company, established in 2000, was listed on the Shanghai Stock Exchange in 2003. It is majority-owned by CNGGC and focuses on the processing of CNGGC's non-ferrous metals.

Its operations include six major processing plants in the provinces of Liaoning (north east), Shanxi (north), Henan (south central) and Guizhou (south west) and the autonomous region of Guangxi (south central).

### Zhongyuan Gold Smelter Co Ltd

The refinery was established in Sanmenxia City in 1986. In 2000, it became a subsidiary of China Gold Co Ltd. In 2010, its refined gold output was around 100 tonnes (including 40 tonnes of doré from external sources).

Since 2006, following market liberalization, the refinery has constructed a substantial bar manufacturing plant, which operates three eight-hour shifts daily.

Annual gold refining capacity: 160 tonnes

### China National Gold Group Gold Jewellery Co Ltd (CNGGGJ)

As a subsidiary of CNGGC, the company manages the corporation's brand at retail level and the company's 50 retail shops in Shenyang (north east), Beijing (north), Shanghai (east) and Chengdu (south west).

It also supplies over 1,600 franchised shops in 600 cities and towns with CNGGC-branded gold and silver bars, medallions, jewellery and other precious metal items.

The first retail shop was opened, and the first franchised shop was appointed, in 2006. The logistics centre to service the shops is located in Shenzhen (south central).

The company, established in 2010, consolidated a range of companies, including China National Gold Group Marketing Co Ltd (established 2006) and Shenzhen China Gold Creation Co (established 2009).

Number of employees: Zhongyuan Gold Smelter (1,300), China Gold Co Ltd (10,000), China National Gold Group Corporation (20,000).

Website: [www.chnau99999.com](http://www.chnau99999.com)



China Gold has opened 50 retail shops since 2006.

It also supplies gold products to over 1,600 franchised shops in 600 cities.



China Gold has issued branded gold investment bars since 2006.



Pouring gold at the Zhongyuan Gold Smelter.



## TECHNICAL DESCRIPTION – MAIN CAST BARS

Weight	Type	Fineness	Shape	Dimensions mm	Serial Number System	First Issued in Current Dimensions
<b>Good Delivery</b>						
400 oz	Cast	999.9	Rectangular	255 x 81 x 37 236 x 57 (base)	2 letters Plus 7 numbers	2000
3 kg	Cast	999.5/999.9	Rectangular	325 x 70	2 letters Plus 7 numbers	2002
1000 g	Cast	999.5/999.9	Rectangular	115 x 52.5	2 letters Plus 7 numbers	2002
<b>Gold Investment*</b>						
1000 g	Cast	999.9	Brick	95.5 x 45 x 16 69 x 23.5 (base)	7 numbers	2006
500 g	Cast	999.9	Brick	80 x 35 x 12 59 x 18.5 (base)	7 numbers	2006
200 g	Cast	999.9	Brick	60 x 25 x 8.5 49 x 14 (base)	7 numbers	2006
100 g	Cast	999.9	Brick	50 x 20.5 x 6.2 39 x 12 (base)	7 numbers	2006
50 g	Cast	999.9	Brick	40 x 15.5 x 5.2 29.5 x 9.5 (base)	7 numbers	2006
1000 g	Cast	999.9	Boat	63 x 43 x 33	7 numbers	2008
500 g	Cast	999.9	Boat	50 x 34 x 25	7 numbers	2008
200 g	Cast	999.9	Boat	37 x 25 x 20	7 numbers	2008
100 g	Cast	999.9	Boat	30 x 20 x 16	7 numbers	2008
50 g	Cast	999.9	Boat	23 x 16 x 12	7 numbers	2008
<b>Large Bars</b>						
50 kg	Cast	999.9	Rectangular	394.5 x 130.5 x 67.5	2 letters Plus 7 numbers	2009
25 kg	Cast	999.9	Rectangular	328 x 104 x 56	2 letters Plus 7 numbers	2009

Source: Zhongyuan Gold Smelter Co Ltd and China National Gold Group Gold Jewellery Co Ltd (CNGGGJ). \*The brick and boat investment bars are issued by CNGGGJ. Brick: 3rd dimension refers to length of the inclined slope. Boat: 1st and 2nd dimensions refer to the length and width.

## Shanghai Gold Exchange (SGE)

Gold refined at the Zhongyuan Gold Smelter is normally converted into Shanghai Good Delivery (SGD) 3 kg or 1000 g bars for initial sale on the SGE. This is done because, when SGD bars are purchased and cleared for physical delivery through the SGE, the payment of VAT can be legally avoided.

For this reason, when the refinery manufactures gold investment bars and other bars and products for the retail market, it is obliged to use gold bars that have been purchased and cleared through the SGE.

As a purchaser of bars on the SGE is not able to nominate a brand, the refinery may well receive Shanghai Good Delivery bars manufactured by other accredited refiners.



Zhongyuan Gold Smelter has manufactured Shanghai Good Delivery bars since 2002.



**Zhongyuan Gold Smelter Co Ltd**

As a separate company within the China National Gold Group Corporation, the refinery is permitted to manufacture bars and other gold products for any commercial entity.

Although it manufactures bars for its associated company, China National Gold Group Gold Jewellery Co Ltd, it also manufactures customized bars and other products for major banks and other entities in China.

**China National Gold Group Gold Jewellery Co Ltd**

The company issues its range of bars under two main categories.

**Financial-Type Bars**

The bars all have a fineness of 999.9

In addition to the main range of brick and boat bars, the following bars are also issued:

Name	Type	Shape	Weights	First Issued
Stored-Value Bullion Bars	Cast	Rectangular	1000 g, 500 g, 200 g, 100 g, 50 g, 30 g	2006
New Year Greeting Bars – annual design change	Minted	Rectangular	200 g, 100 g, 50 g, 20 g	2006
60th Anniversary of the Founding of the New China	Minted	Rectangular	100 g, 50 g, 20 g	2009
Chinese Lunar Calendar Bars – annual design change	Minted	Rectangular	200 g, 100 g, 50 g, 20 g	2006

Source: China National Gold Group Gold Jewellery Co Ltd

**99999 High Purity Gold Bars**

The bars all have a fineness of 999.99

Some examples:

Name	Type	Shape	Weights	First Issued
Chinese Lunar Calendar Animals – e.g. Year of the Dog	Minted	Rectangular	100 g, 50 g	2006
	Minted	Rectangular	50 g (pair), 25 g (pair)	2006
	Minted	Round	50 g, 30 g	2006
Mid-Autumn Festival – Golden Stamps	Minted	Rectangular	20 g (series of 4 bars with colour)	2006
Mid-Autumn Festival – Golden Moon Cakes	Minted	Round Moon Cake	10 g (series of 4 bars)	2006
Golden Badge Blessing for Fortune, Prosperity, Longevity and Happiness	Minted	Round	30 g (series of 4 bars – colour painted)	2008
CHNGOLD Product	Minted	Rectangular	200 g, 100 g, 50 g, 20 g	2008
Celebration of Baby Birth	Minted	Rectangular	20 g	2008
Money Series	Minted	Round with Hole	8 g, 6 g, 5 g, 3 g	2008
Wedding Series	Minted	Round	30 g	2008
	Minted	Rectangular	20 g, 10 g	2008

Source: China National Gold Group Gold Jewellery Co Ltd



Zhongyuan Gold Smelter is located in Sanmenxia City, 1,000 km south west of Beijing.



**HISTORY OF GOLD BAR MANUFACTURE**

During the 1990s, the Zhongyuan Gold Smelter manufactured 3 kg and 1000 g bars that recorded the name of the refinery, but not its logo.

In 2000, 400 oz bars were first issued for delivery to the People's Bank of China.

In 2002, when the Shanghai Gold Exchange was opened, 3 kg and 1000 g were issued that recorded the refinery's official stamp.

In 2006, following market liberalization, the refinery started to manufacture an extensive range of cast and minted bars for CNGGGJ, banks and other entities in China.

Since 2006, the refinery has also been able to manufacture gold bars to a fineness of 999.99, using a technology that it had developed in 2005.

In 2009, 25 kg and 50 kg bars were included in the refinery's standard range. They are believed to be the world's largest gold bars that are readily available.

**LONDON GOOD DELIVERY BAR**



400 oz (12.5 kg)

**OFFICIAL STAMP  
Zhongyuan Gold Smelter**



Applied to London and Shanghai Good Delivery bars, and other bars issued under the name of Zhongyuan Gold Smelter.

In use since 2000.



Stamping bars at the Zhongyuan Gold Smelter.



Polishing bars at the Zhongyuan Gold Smelter.



SHANGHAI GOOD DELIVERY BARS

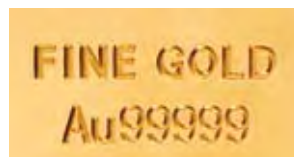


1000 g



3 kg

**99999 FINE GOLD**



Zhongyuan Gold Smelter has manufactured bars with a gold purity of 99.999% since 2006.



CHINA NATIONAL GOLD GROUP GOLD JEWELLERY CO LTD

ISSUED GOLD BARS – EXAMPLES

MAIN GOLD INVESTMENT BARS



"Brick" bars were launched in 2006.  
Range of 5 cast bars: 50 g – 1000 g



"Boat" bars, which resemble the shape of traditional Chinese junks, were launched in 2008.

Range of 5 cast bars: 50 g – 1000 g



OTHER FINANCIAL-TYPE GOLD BARS



“Stored-Value Bullion” bars were launched in 2006.

Range of 6 cast bars: 30 g – 1000 g



“New Year Greeting” bars, which depict animals from the Chinese Lunar Calendar, were launched in 2006.

Range of 4 minted bars: 20 g – 200 g





99999 GOLD BARS



“CHNGOLD Product” bars were launched in 2008.

Range of 4 minted bars: 20 g – 200 g



“Blessing for Fortune, Prosperity, Longevity and Happiness” bars were launched in 2008.

Minted bars, incorporating colour: 30 g





“Golden Stamp” bars, in a variety of designs that celebrate the Mid-Autumn Festival, were launched in 2008.

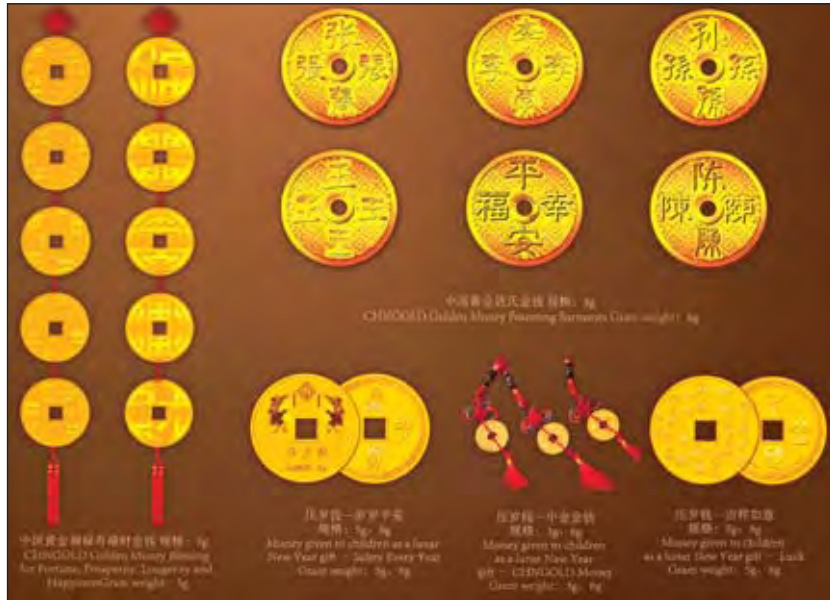
Minted bars: 20 g



“Golden Moon Cake” bars, in a variety of designs that celebrate the Mid-Autumn Festival, were launched in 2008.

Minted bars: 10 g






“Ancient Money” bars, which depict the shape of Chinese coinage first issued during the Qin Dynasty (221 – 206 BC), were launched in 2008.


Range of 4 minted bars with different designs: 3 g – 8 g.

**OFFICIAL STAMPS**  
**China National Gold Group Gold Jewellery Co Ltd**



Version 1

Applied to many cast and minted bars. In use since 2006. In process of being phased out.



Version 2

Applied progressively to many cast and minted bars since 2010.



JEWELLERY



China Gold is a major supplier of jewellery to the Chinese market through its 50 retail shops and over 1,600 franchised shops in 600 cities.



China Gold's branded kilobars are popular among investors in China.

Many investors have purchased "Treasure Chests" containing 5 kilobars.



This supplement is indebted to the support of  
**China National Gold Group Corporation**  
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**China National Gold Group Gold Jewellery Co Ltd**  
**China Gold Co Ltd – Zhongjin Gold Co Ltd**  
**World Gold Council**

Refer to disclaimer on website: [www.goldbarsworldwide.com](http://www.goldbarsworldwide.com)

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