

SHFE Non-ferrous Metal Delivery Product Registration Guidelines (Revised)

Chapter I General Principles

Article 1 Subject to the Trading Rules of Shanghai Futures Exchange, the Guidelines herein are stipulated to enhance the management of futures delivery products and protect the legal rights of the parties involved in the futures transactions.

Article 2 The Exchange, members, customers and registered producers shall abide by the guidelines.

Chapter II Product Registration

Article 3 Requirements for applicants for registration:

(1) Applicants for registration shall be domestic or international producers of relevant products.

(2) The annual output of applying producers shall reach the required amount. (for the time being, the amount for copper is 40,000 tons, for aluminum, 100,000 tons, for zinc, 50,000 tons). The quality of products shall meet the existing national or international standards and the production techniques shall be in compliance with China's industrial policies. The Exchange may, on its own accord, make adjustments to the requirements, such as annual output etc., in respect of the market circumstances.

(3) The products applied for registration shall have a substantial market share in the spot market, and the producer enjoys a good reputation in the market.

(4) The certificate of trademark registration issued by the related state authority to the applying producer.

(5) Recommendation by at least one member of SHFE.

(6) Other requirements by SHFE.

Article 4 The following documents and materials shall be provided by the producer applying for product registration.

- (1) Report of Application for Registration
- (2) Letter of Commitment (pls. see appendix I)
- (3) SHFE Registration Form of Copper cathode(Cu-CATH-1) or Unalloyed aluminum ingots for remelting(Al 99.70) or Zinc ingots(Zn99.995) (pls. see appendix II, III and IV.)
- (4) A photocopy of the business license and tax registration certificate
- (5) A photocopy of the trademark registration certificate
- (6) Name list of shareholders and illustration of shareholding structure
- (7) Project approval document and the acceptance certificate for environment protection
- (8) Documents of product quality management measures
 - a. Major documents of quality management (manual of quality management, management procedures, operation instructions)
 - b. Standards of internal control
 - c. Inspection items for major raw materials and auxiliary materials
 - d. Quality examination items for finished product
 - e. Major inspection equipments (name, model, quantity)
- (9) The latest quality analysis report released by a quality inspection authority
- (10) Product analysis report for the recent three months by the producer
- (11) Flow chart of production techniques (pls. describe respectively if there are over two techniques)
- (12) Introduction to the relevant production equipments (specification, parameter, quantity, etc.)
- (13) Color pictures of the appearance, logo and package of the product applied for

registration, with the following information indicated

- a. external size and weight of a single piece/ingot
- b. external size and weight of a single bundle
- c. way of packaging, materials (including packaging clips), location of logo

(14)Color pictures of the main production equipments and facilities, production workshops (pls. describe respectively if there are over two production sites)

(15)Audited financial report for the previous year

(16)Reports by over 5 main domestic users on their recent use of the product (including corporate profile of the users, rank among peers, main products, production techniques, product specifications, product technology indicators, standards and so on)

(17)Letter of recommendation for product registration by at least one member of SHFE

The recommending member has the duty of ensuring the correctness, integrity of application information and materials, and the reliability and capability of the applicant.

(18)Registration information and materials at the other exchanges

(19)Other documents required by the exchange.

All the application documents and materials must be in Chinese. English version is just for reference. In case of discrepancy, the original version in Chinese shall prevail.

Article 5 Procedures of examination and approval

(1) Pre-examination by the Exchange

The pre-examination will be conducted by the Exchange on the basis of the written documents provided by the applicant. Those who pass the pre-examination are qualified to undergo quality supervision and inspection.

(2) Quality supervision and inspection

a. Quality inspection for domestic products

- According to the requirements stipulated in Outline of Quality Supervision and Inspection of Products Applied for Registration of SHFE (Pls. see appendix V), the quality inspection agency designated by the Exchange will conduct the on-site inspection at applicant's domicile.
- The items to be inspected include, but are not limited to, the quality management system, the intrinsic quality of the product, the appearance, packing, measurement, technique procedures etc.
- The inspection agency shall note down the details of the inspection and provide a complete inspection report.
- With regards to the real conditions, an on-site inspection will be conducted at the production site of the users who provide product use report.

b. Quality inspection for overseas products

- 200 tons of products applied for registration shall be deposited in the delivery warehouse designated or recognized by the Exchange. The cargo shall be in two batches, which shall be produced at an interval of over one month. The quality inspection agency designated by the Exchange will conduct the inspection on items including appearance, quality, packing, weight, chemical components etc.

With regards to the real conditions, the Exchange may conduct an on-site inspection at applicant's domicile.

- The quality inspection of products is pursuant to the existing quality standards of PRC. The inspection report shall be made by the designated quality inspection agency.

(3) Trial use of the product

- a. The product applied for registration shall undergo trial use by 5 domestic users

which are designate or recognized by the Exchange.

b. The applicant shall provide the trial users with two batches, over 50 tons each, of products for trial use which are produced at an interval of over one month. Trial batches shall be designated or recognized by the quality inspection agency and the Exchange. The trial users shall ensure that the products on trial will not be mixed with or contaminated by other products through the trial period. Trial use of each batch of products shall be completed in three months after the arrival of the product at the users' domicile.

c. During the process of trial use, the trial users shall maintain contact with the quality inspection agency and the Exchange to facilitate the supervision and inspection of the product. The quality inspection agency is liable for the recognition of the reliability, accuracy and integrity of trial use procedures.

d. The Exchange reserves the right to require further trial use of the product with regards to the real conditions.

e. After the trial use, the users shall issue the use report when the product regarded as qualified.

The report shall address the following contents.

- The evaluation and testing of the product (apparent and intrinsic quality, packing, logo etc.) before trial use
- The name of the trial product, production techniques, quality analysis report, required standards (standards prevailing on the level of corporation, sector or the state), problems occurring during the trial use.
- Comments on the conclusion of trial use

f. Product type for trial use

The type of products for trial use shall be in compliance with the following stipulation.

- Copper: round copper wire for electrical purposes (the maximum diameter is 0.1mm)
- Aluminum: all types of materials for processing
- Zinc: all types of materials for processing

The Exchange may adjust the stipulation of the type of products for trial use with regards to the market conditions.

(4) The approval of the Exchange

On the basis of application documentation, inspection of the product and results of trial use, the Exchange will make the determination on whether to approve of registering the product. Once the registration is authorized, the Exchange will notify the applicant, the entire membership and designed delivery warehouse via post.

Article 6 Fees on the applicant include:

(1) Registration fee:

Domestic products: RMB 100,000 for each product

Overseas products: RMB 250,000 for each product

(2) Inspection fee:

Domestic products: RMB 20,000 for each product

Overseas products: RMB 20,000 for each product

The Exchange may adjust the related fees with regards to the real conditions.

Registration fee shall be paid before the approval of the registration is authorized.

Chapter III Regular and Annual Selective Check

Article 7 To ensure the quality of delivery products, the Exchange will conduct regular and annual selective check on the registered products.

(1)Regular selective check

The Exchange may, at any time, conduct a selective check on the delivery products deposited in the designated warehouse.

(2)Annual selective check

The Exchange will require the designated quality inspection agency to conduct an annual quality check of the registered products.

(3)The check fees are on the producers of the registered products.

(4)With regards to the results of regular and annual selective check, the Exchange will notify the related producers of rectification, if any. The responses to the notice and effectiveness of rectification will be considered as one of the decisive factors in the adjustment of registered products.

Chapter IV Suspension or cancellation of registration qualification

Article 8 In the following situations, the Exchange may suspend or cancel the registration qualification of the registered producers.

(1) Split-up or split-off of registered producers, consolidation, name change, restructuring of its corporate organization

(2)The transferring of the registered trademark

(3)Dissolution or bankruptcy of registered producers

(4)Registered products are found substandard by the regular or annual check, and fail to meet the quality standard after rectification.

(5) A large amount of user complaints on the quality occurs, and the product fails to meet the required standards in the quality inspection.

(6)Production and operation are in abnormal situation. Annual output fails to meet

what is required by the Exchange, and no explanation is made to the Exchange.

(7)The producer fails to report to the Exchange the substantial changes in its production and operation, as is required in the related rules and regulations.

(8)Other situations recognized by the Exchange

In situation as stated in item (1), (2), producers shall re-register with the Exchange.

Article 9 When disputes over the quality of delivery products arise, registered producers shall cooperate with the Exchange to properly settle the disputes. If the quality problem of the delivery products is registered producer's own cause, the producer shall assume the responsibility of compensation.

Chapter V Supplementary Provisions

Article 10 SHFE reserves the right to interpret the guidelines.

Article 11 The guidelines shall come into effect as of the date of release.

List of Appendixes

Appendix I Letter of Commitment

Appendix II SHFE Registration Form of Copper cathode (Cu-CATH-1)

Appendix III SHFE Registration Form of Unalloyed aluminum ingots for remelting
(A1 99.70)

Appendix IV SHFE Registration Form of Zinc ingots (Zn99.995)

Appendix V SHFE Outline of Quality Supervision and Inspection of Products Applied
for Registration

Appendix I

Letter of Commitment

Date

In view of making the _____ ® (product) of our company be or continue to be the registered product that can be physically delivered at the Shanghai Futures Exchange against its listed futures contracts, we commit ourselves to the following:

1. We will abide by SHFE Non-ferrous Metal Delivery Product Registration Guidelines (Revised).
2. We will undertake any inspection arising from disputes over quality at any time and assume the corresponding responsibilities.
3. We will timely report to the Exchange the changes in production and operation, including changes in production capacity, implemented technical standards, trademark, external size of products, and restructuring of corporate organization.
4. We will pay inspection fee to the quality inspection agency designated by the Exchange for the annual check which is stipulated in SHFE Guidelines for Registration of Non-ferrous Metals.

Official Seal or Signature

Appendix II

SHFE Registration Form of Copper cathode(Cu-CATH-1) General Corporate Information

Date

Product	Copper cathode(Cu-CATH-1)		
Implemented technical standard			
Applicant			
Country			
Registered Address			
Factory Address			
Zip Code		Fax	
Contact Department		Contact Person	
Contact phone number			

Official Seal or Signature

Corporate Profile

Note:

The profile shall include, but are not limited to, geographic location, history of development, rules and regulations, list of shareholders, employees, major products, output, quality of products, rank among peers, management, origin of raw materials, energy supply, corporate strengths, development plan, etc.

Products produced with SX-EW, ISA or other special technique shall be indicated in the enterprise profile.

Product Profile

Product Name		Registered Trademark		
Implemented Standard		Date of Implementation		
Capacity (tons/year)		Output in Last Year (tons) (from to) (month)		
Output in this Year (tons) (from to)(month)		including	Output of Copper cathode(Cu-CATH-1) (tons)	
			Output of copper cathode(Cu-CATH-2) (tons)	
Sales Volume(tons)		Volume for Self Use (tons)		
External Size (mm) (Length*Breadth*Height)	Weight per piece (kg)	Weight per bundle (kg)	Pieces per bundle (approximately)	Bundles per lot(25tons/lot)
Way of stacking :				
Way of packing, packing materials and specifications:				
marks and description:				
Package clips and description:				
Package difference between the product for physical market and for futures delivery:				
Registration number of the trademark Expiry date Logo Note: If more than one trademark is in use, please indicate the difference in logo, package, production plant, etc.				

Major Commercial & Technical Indicators

Items	Actual Performance in last year	Plan for this year	Accumulation output in this year (by the end of____) (month)
1.Production Volume (tons)			
2.Production Value (RMB100 million)			
3.Profits (RMB 10,000)			
4. Electricity Current Efficiency (%)			
5.Unit Consumption of Direct Current (kW·h)/ton			
6.Unit Consumption of Alternating Current (kW·h)/ton			
7.Average Current Strength (A)			
8. Overall Recycling rate (%)			
9.Unit Cost (Yuan / ton)			

Appendix III

SHFE Registration Form of Unalloyed aluminum ingots for remelting (AL99.70) General Corporate Information

Date

Product	Unalloyed aluminum ingots for remelting (AL99.70)		
Implemented technical standard			
Applicant			
Country			
Registered Address			
Factory Address			
Zip Code		Fax	
Contact Department		Contact Person	
Contact phone number			

Official Seal or Signature

Corporate Profile

Note:

The profile shall include, but are not limited to, geographic location, history of development, rules and regulations, shareholders, employees, major products, output, quality of products, rank among peers, management, origin of raw materials, energy supply, corporate strengths, development plan, etc.

Product Profile

Product Name		Registered Trademark	
Implemented Standard		Date of Implementation	
Capacity (tons/year)		Output in Last Year (tons) (from to) (month)	
Output in this Year (tons) (from to)(month)		including	Production volume of Al 99.70
Sales Volume(tons)		Volume for Self Use (tons)	
External Size (mm) (Length*Breadth*Height)	Weight per ingot (kg)	Weight per bundle (kg)	Ingots per bundle (approximately)
Large side:			Bundles per lot (25tons/lot)
Small side:			
<p>Way of stacking :</p> <p>1. _____ layer(s) per bundle _____ layer(s) at upper part, _____ piece(s)/layer; _____ layer(s) at lower part, _____ piece(s)/layer.</p> <p>2. Way of stacking at each layer</p>			
Way of packing, packing materials and specifications:			
Marks and Description:			
Package Clips and Description:			
Package difference between the product for physical market and for futures delivery:			
<p>Registration number of the trademark</p> <p>Expiry date</p> <p>Logo</p> <p>Note: If more than one trademark is in use, please indicate the difference in logo, package, production plant, etc.</p>			

Major Commercial & Technical Indicators

Items	Actual Performance in last year	Plan for this year	Accumulation output in this year (by the end of ____) (month)
1.Production Volume (tons)			
2.Production Value (RMB100 million)			
3.Profits (RMB 10,000)			
4.Consumption of Alternating Current of Primary Aluminum (kW·h)/ton			
5. Electricity Current efficiency (%)			
6.Average Current Strength (A)			
7.Consumption of Direct Current of Primary Aluminum (kW·h)/ton			
8.Average Bath Voltage (V)			
9.Unit consumption of alumina (kg/ton)			
10. Unit Consumption of Fluoride Salt (kg/ton)			
11. Unit Consumption of Anode Carbon Block (kg/ton)			
12.Unit cost (Yuan /ton)			

Appendix IV

SHFE Registration Form of Zinc ingots (Zn99.995)

General Corporate Information

Date

Product	Zn99.995		
Implemented technical standard			
Applicant			
Country			
Registered Address			
Factory Address			
Zip Code		Fax	
Contact Department		Contact Person	
Contact phone number			

Official Seal or Signature

Corporate Profile

Note:

The profile shall include, but are not limited to, geographic location, history of development, rules and regulations, shareholders, employees, major products, output, quality of products, rank among peers, management, origin of raw materials, energy supply, corporate strengths, development plan, etc.

Product Profile

Product Name		Registered Trademark		
Implemented Standard		Date of Implementation		
Capacity (tons/year)		Output in Last Year (tons) (from to) (month)		
Output in this Year (tons) (from to)(month)		including	Production volume of Zn99.995	
Sales Volume(tons)		Volume for Self Use (tons)		
External Size (mm) (Length*Bredth*Height)	Weight per ingot (kilo)	Weight per bundle (kilo)	Ingots per bundle (approximately)	Bundles per lot (25tons/lot)
Large side :				
Small side :				
Way of stacking : 1. _____ layer(s) per bundle _____ layer(s) at upper part, _____ piece(s)/layer; _____ layer(s) at lower part, _____ piece(s)/layer. 2. Way of stacking at each layer				
Way of packing, packing materials and specifications:				
Marks and description:				
Package clips and description:				
Package difference between the product for physical market and for futures delivery:				
Registration number of the trademark Expiry date Logo Note: If more than one trademark is in use, please indicate the difference in logo, package, production plant, etc.				

Major Commercial & Technical Indicators

Items	Actual performance in last year	Plan for This Year	Accumulation output in this year (by the end of ____) (month)
1.Production Volume (tons)			
2.Production Value (RMB100 million)			
3.Profits (RMB 10,000)			
4.Total recycling rate of distilled zinc in smelting (%)			
5.Total recycling rate of refined zinc in smelting (%)			
6.Total recycling rate of electrolytic zinc in smelting (%)			
7.Consumption of coal for distilled zinc (kg/ton)			
8.Consumption of DC of Electrolytic Zinc (kW·h)/ton			
9.Overall Energy Consumption of Refined Zinc (in standard coal) (kg/ton)			
10.Overall Energy Consumption of Electrolytic Zinc(in standard coal)(kg/ton)			
11.Unit Cost (Yuan/ton)			

Appendix V

SHFE Outline of Quality Supervision and Inspection of Products Applied for Registration

I. Quality supervision and inspection of Copper cathode (Cu-CATH-1)

(1) Inspection of producer's quality management system

a. Producer briefs on the quality management system

b. The following technical documents shall be provided by the inspected producer.

- The framework of quality management system
- Quality control operating procedures and corporate internal control standard
- List of analysis instruments, equipments and stuff for quality control

c. Original records of quality certificate and the order of issuance and management

(2) Surface quality inspection

a. Standards of surface quality stipulated in GB /T467-1997

b. Surface quality inspection shall cover the logo of the producer, brand of the product, batch number, batch weight and check seal of technical supervision authority in each bundle of copper cathode.

c. Batch size for surface quality inspection

One batch will be chosen at random and about 100 pieces from the batch will be inspected.

(3) Inherent quality inspection

It is conducted with the method of arbitration analysis which is stipulated in GB/T467-1997.

(4) Packing and weight inspection

a. Packing materials

- b. Tightness of bundling
 - c. Pieces per bundle (to check the compliance with registration application)
 - d. weight discrepancy of bundles
 - Discrepancy between bundles
 - Discrepancy between bundles at delivery-in and at inspection
- (5) Authentication of quality certificate

II. Quality supervision and inspection of Unalloyed aluminum ingots for remelting

(1) Inspection of producer's quality management system

- a. Producer briefs on the quality management system
- b. The following technical documents shall be provided by the inspected producer.
 - The framework of quality management system
 - Quality control operating procedure and corporate internal control standard
 - List of analysis instruments, equipments and stuff for quality control
- c. Original records of quality certificate and the order of issuance and management

(2) Appearance inspection

- a. Requirements for appearance stipulated in GB/T1196-2002
- b. Appearance inspection shall cover color marks, logo of the producer, smelting

batch number and inspection seal on each ingot.

c. Batch size for appearance inspection

- Two smelting batches are to be chosen at random.
- About 100 pieces of ingots from one or two bundles of each batch are to be inspected.

(3) Inherent quality inspection

It is conducted with the method of arbitration analysis which is stipulated in

GB / T1196-2002.

(4) Packing and weight inspection

a. Packing materials

b. Tightness of bundling

c. Pieces of ingots per bundle (to check the compliance with registration application)

d. weight discrepancy of bundles

- Discrepancy among different bundles
- Discrepancy between bundles at deliver-in and at inspection

(5) Authentication of quality certificate

III. Quality supervision and inspection of Zinc ingots

(1) Inspection of producer's quality management system

a. Producer briefs on the quality management system

b. The following technical documents shall be provided by the inspected producer.

- The framework of quality management system
- Quality control operating procedure and corporate internal control standard
- List of analysis instruments, equipments and stuff for quality control

c. Original records of quality certificate and the order of issuance and management

(2) Surface quality inspection

a. Standards of surface quality stipulated in GB/T470-1997

b. Appearance inspection shall cover color marks, logo of the producer, and smelting

batch number on each ingot.

c. Batch size for appearance inspection

- Two batches are to be chosen at random.
- About 100 pieces of ingots from one or two bundles of each batch are to be

inspected.

(3) Inherent quality inspection

It is conducted with the method of arbitration analysis which is stipulated in GB / T470-1997.

(4) Packing and weight inspection

a. Packing materials

b. Tightness of bundles

c. Pieces of ingots per bundle (to check the compliance with registration application)

d. weight discrepancy of bundles

- Discrepancy among different bundles
- Discrepancy between bundles at deliver-in and at inspection

(5) Authentication of quality certificate