Picture credit: Yuexin Precious Metals

INTRODUCING YUEXIN PRECIOUS METALS

Eric Wang, General Manager, discusses how developments in China are shaping the ambitions of this precious metals business

Shenzhen Yuexin Precious Metals Co., Ltd. (Yuexin) was founded in October 2011 and is headquartered in Shenzhen, China, with operations in key markets across the globe. The company is one of the largest precious metal refiners in China, producing around 200 tons of gold and 20 tons of platinum in 2025. It specialises in the recycling, refining, processing, production and sales of precious metals, including gold, silver, palladium and platinum. Its trading arm, Yuexin International, is based in Hong Kong.

Among other accreditations, Yuexin is a member of the Shanghai Gold Exchange and is a Platinum and Palladium Delivery Merchant for the Guangzhou Futures Exchange (GFEX). It has also been admitted to both the London Bullion Market Association (LBMA) Good Delivery List (in respect of its refined gold and silver bullion bars) and the London Platinum and Palladium (LPPM) Good Delivery List (in respect of its refined platinum and palladium bullion bars).

Eric Wang, PhD, is a Senior Gold Investment Analyst and currently serves as Yuexin's General Manager. He entered the precious metals industry in 2003 and has since gained extensive experience across the value chain, including: precious metals jewellery processing and wholesale and retail operations; recycling and refining; assaying and testing; and standardised physical delivery. Since joining Yuexin in 2024, Eric has led its strategic development and operations across both domestic and international markets.

Yuexin operates both in mainland China and through its Hong Kong affiliate, Yuexin International. How do these businesses complement each other?

Yuexin Precious Metals was founded as a precious metals recycling and refining company. We have grown to be one of China's largest precious metals refiners, processing gold, silver, platinum and palladium for industrial and investment markets. Today, our mainland business focuses on recycling, refining, fabrication and domestic distribution, supported by significant investment in advanced refining technologies and highly automated production facilities.

One of the factors that differentiates us is our commitment to technical innovation. By adopting advanced wet refining processes and automated equipment, we have been able to achieve extremely high purity standards, including 99.9999% gold, while improving production efficiency and scaling output across multiple precious metals. This capability allows us to serve a broad customer base while maintaining the quality standards required by international markets.

Yuexin International was established in Hong Kong to extend our reach beyond mainland China. Hong Kong's position as a global financial and trading hub provides access to international investors, financial institutions and metal markets that are not as readily accessible through mainland operations alone. Together, the two businesses create a bridge between China's precious metals market and the global marketplace. The mainland business provides refining expertise and supply-chain capabilities, while Yuexin International allows us to engage in international trading, logistics and market development activities.

Our long-term objective is to become a globally-integrated precious metals service provider, leveraging China's industrial strengths while building international relationships and market access through Hong Kong.

Why is Good Delivery status so important to the business?

Good Delivery accreditation is fundamental to our international growth strategy because it serves as independent validation of the quality, purity and consistency of our products.

Being included on the LBMA and LPPM Good Delivery Lists means that our bars meet the standards required by the global wholesale bullion market. This provides confidence to customers and counterparties around the world and allows our branded bullion to be accepted and traded internationally, without the need for additional testing or verification.

For a refinery, Good Delivery status demonstrates operational excellence, robust quality control and adherence to internationally recognised responsible sourcing and refining standards. It also strengthens our ability to participate in global trading flows and serve international institutions that require these accreditations. In this regard, we enjoy relationships with a number of major global financial institutions which facilitate our trading operations and meet our foreign exchange hedging and investment needs.

How have recent developments in China shaped your business?

China's platinum group metals (PGMs) market is transitioning from a period of policy-driven growth to a more market-driven phase, creating a window for the market to reassess the value of refiners and recyclers such as Yuexin.

The launch of platinum and palladium contracts on GFEX in November 2025 marked an important structural development for China's PGMs market. With industrial participants accounting for approximately 42% of platinum futures positions and a strong correlation between futures and spot prices, GFEX is increasingly serving as a domestic mechanism for both price discovery and physical market integration.

For Chinese private domestic refiners such as Yuexin, this represents a significant change. For the first time, we have access to both domestic price discovery and domestic physical delivery. Our Yuexin-branded platinum and palladium ingots are included in the GFEX-registered brand catalogue, enabling recycled PGM material sourced domestically to be refined into standard ingots eligible for physical delivery. This effectively links Yuexin's recycling and refining operations to the domestic futures market, providing greater flexibility in price hedging and inventory management, while enhancing inventory turnover and capital efficiency.

A deeper structural shift, however, came from China's VAT reforms for platinum, also effective since November 2025. The policy removed the previous VAT exemption on imported platinum and introduced a unified 13% VAT rate, contributing to a 10-13% premium on domestic platinum prices over international benchmarks. As the cost of imported material increased, domestically-sourced recycled PGM supply, including spent automotive catalysts, electroplating solutions and jewellery scrap, became relatively more competitive, as its procurement does not incur the same import-related tax burden. In addition, the recycling of qualifying spent catalysts can benefit from a 30% VAT refund under China's resource-recycling incentive, further improving the cost economics of compliant domestic recycling.

In effect, GFEX provides a domestic price anchor, while the VAT reforms strengthen the economics of domestic recycling. This combination has created a more favourable environment for secondary PGM supply and is reflected in Yuexin's significantly higher recycled volumes in the first half of 2026 compared with the same period last year.

What opportunities do you see given the growth in demand for platinum investment products in China?

Investor interest in platinum has increased significantly as market participants seek portfolio diversification and gain a better understanding of platinum's role as both a precious and industrial metal.

We see substantial long-term potential for platinum investment products in China. The market remains relatively young compared to gold, which creates opportunities for growth in physical investment bars, institutional products and exchange-based investment activity.

As awareness increases, investors are beginning to appreciate the unique supply-and-demand characteristics of platinum and the strategic role it plays in automotive, industrial, jewellery and emerging technology applications, including AI. This combination of industrial demand and investment demand creates a compelling investment case.

For us, this trend supports growth across refining, fabrication, trading and distribution activities. It also reinforces the importance of maintaining internationally recognised quality standards so that Chinese-produced platinum can participate fully in global markets.

What is the outlook for Yuexin?

Particularly following the launch of platinum and palladium futures on the GFEX, China's platinum market continues to mature, investor participation is increasing and international interest in Asian precious metals markets is growing. As these trends continue, Yuexin is well positioned to expand its role as a bridge between China and global PGM markets.

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