

Dear Customer,

Disclosure on Best Execution

Thank you for choosing Guotai Junan International Securities (Singapore) Pte. Limited / Guotai Junan Securities (Hong Kong) Limited / Guotai Junan Futures (Hong Kong) Limited / Guotai Junan FX Limited (interchangeably referred to as "Guotai Junan International Group", "GTJA", "we" or "us") to execute your order. GTJA offers execution service on a variety of financial products. Before we process any order(s) for our clients ("You"), we believe it is essential for you to understand how we execute such order(s) in accordance with local trading rules and regulations as well as internal policies. The information presented here is a summary of our respective GTJA entities' Best Execution Policy ("Policy") and aims to provide you with insight on how such Policy applies to your order(s), however, this information is not a full and complete explanation on how an order should be processed/executed.

GTJA is obliged to take reasonable steps to achieve the best possible results for your order execution. We take into consideration a number of factors holistically including but not limited to the below when executing order(s) where best execution applies:-

- 🕒 Size and Nature of the order(s)
- 🕒 Price
- 🕒 Cost
- 🕒 Speed of execution
- 🕒 Likelihood of execution
- 🕒 Likelihood of settlement
- 🕒 Other relevant factors

In case specific instruction is received from you, GTJA will prioritize the specific element(s) as given in your instruction when executing such order(s):-

- 🕒 Specific price and/or;
- 🕒 Specific broker and/or;
- 🕒 Specific counterparty and/or;
- 🕒 Specific timeframe and/or;
- 🕒 Specific venue etc.

Electronic orders placed by you will be routed directly to an exchange or trading venue via a Direct Market Access platform. In such situation, you will be considered to have provided a specific instruction to us.

In considering clients' specific instruction, GTJA may be prevented from executing the order(s) in accordance with the Policy to achieve the best possible results in executing those order(s). In respect of other elements of the order (if any) that are not covered by the specific instruction, we will still be obliged to provide best execution.

In assessing whether best execution applies, i.e. whether you are relying on us to provide best execution for your order(s), GTJA takes into account the following factors where applicable:-

- 🕒 Whether the transaction is initiated by you;
- 🕒 Whether it is general market practice for clients to "shop around" to obtain quotes from multiple sources/market participants;
- 🕒 Whether it is a relatively transparent market;
- 🕒 Whether we have disclosed to you that best execution is not applicable



Best execution arrangement might be applied through the exclusive use of our affiliates, connected parties and third parties. When GTJA passes its client's order to another entity for execution, we will take all sufficient steps to achieve the best possible outcome, in accordance with the Policy, taking account of the factors mentioned above and any specific instructions received from the client in relation to that order.

When we use our affiliates or connected party to execute a client's order, we will ensure that any conflicts of interest are managed appropriately to provide the best result for the client.

Special note when dealing or trading through Guotai Junan International Securities (Singapore) Pte. Limited (“GJIS”):

When you deal with or trade through GJIS, your order is placed with GJIS’ affiliate, Guotai Junan Securities (Hong Kong) Limited for execution. Guotai Junan Securities (Hong Kong) Limited has a well-established network of counterparties, brokers, market makers and liquidity providers. By leveraging on the network of our Hong Kong affiliate, GJIS is able to deliver the best possible results on a consistent basis to you.

When “Best Execution” is not applicable:

Please note that best execution may not be applicable in the following non-exhaustive scenarios:-

- 🕒 Where you accept a firm price or two-way price provided by us in response to your request for a quote;
- 🕒 Where you approach us with a request to trade and have provided specific instruction(s) to trade e.g. size, specific price limit and/or other conditions, we shall be deemed to have satisfied our best execution obligation as long as we have executed your order, or a specific part of your order, according to your specific instruction(s);
- 🕒 Order in OTC structured investment product(s) which are mostly tailor-made to meet your specific requirements and with pricing generally derived from bilateral negotiations between us where we will give priority to our affiliate(s);
- 🕒 In accordance with the terms of a contractual relationship between GTJA and the customer, we may exercise a power to terminate such relationship upon the occurrence of an event of default in respect of which the client is the defaulting party or a similar event. In exercising this power (including, without limitation, by unwinding or otherwise terminating any client position or enforcing any security), we act for our own account to protect our interests and do not act on the client’s behalf in terms of best execution.

Regardless whether best execution applies or not, we will still be required to treat you fairly and to manage any conflicts of interest that may arise.

If you have any queries after reading this document, please feel free to contact your Relationship Manager for further clarification.

By continuing to transact with us, you are deemed to have taken notice of and agreed to be bound by the best execution arrangement mentioned above.

This document does not constitute legal or any other form of advice and must not be relied on as such. It is your responsibility to review and conduct your own due diligence on relevant rules and regulations or any documentations provided to you. We will not be liable, in any circumstances, whether in contract, tort, and breach of statutory duty or for any losses or damages that may be suffered as a result of using this document. We do not owe responsibility or liability for any differences of interpretation of legislative provisions and applicable rules/regulations/circulars on which this document is based.

For and on behalf of,

Guotai Junan International Group