

This is an important notice which requires your immediate attention.

Dear customers

This document summarizes the Best Execution Policy (“**Policy**”) adopted by China CITIC Bank International Limited (“**CNCBI**” or the “**Bank**”, “we, us, ours”) in relation to the following investment trading services provided to you. The Policy is designed to provide the best possible results for your orders, subject to and taking into account any specific instructions, the nature of your orders and the nature of the market and the product concerned.

The manner in which an order is executed can be affected by various factors. In determining how each of your order will be executed the Bank will take into account one or more of the following factors. Please note that the relative importance of each best execution factor may vary from case to case.

- Price and Cost of Execution;
- Speed of Execution;
- Likelihood of Execution;
- Size of the order;
- Nature of the order; and
- Any other considerations relevant to the efficient execution of the order.

Where we receive an order from you that includes a specific instruction in relation to the handling and execution of the order (this include, but not limited to, executing the order at a particular limit price, executing at a particular time or venue, or the use of a particular strategy, or specifying the characteristics of a bespoke product), subject to our legal, compliance and regulatory obligations, when we comply with those specific instructions, we will be deemed to have provided you with best execution even though such specific instructions may prevent us from taking steps that we have designed and implemented in the Policy to obtain the best possible result for the execution of that order.

We have listed below the transaction types within the Investment Trading Services provided by the Bank that are subject to the Policy and we have tried to explain below how to obtain the best possible result on execution of the orders.

- **Collective Investment Scheme (“CIS”)**
Generally, CIS itself is the only venue in which to transact in a particular CIS. An individual CIS will state in its prospectus the manner in which subscriptions and / or redemption can be purchased / made. As such, the Bank always endeavors to ensure that the CIS transaction concerned is processed and submitted to the fund house before the cut-off time so as to ensure that the order can be executed according to the terms as set out in its prospectus.
- **Listed Securities**
The Bank may execute your order through our affiliates or third party brokers. Orders of listed securities are processed on a timely basis for submission to brokers and then to the exchange according to the sequence of order receiving time.
- **Debt Securities (including Bonds)**
For secondary market bonds not issued by the Bank, you may provide specific instructions (e.g. limit price) as to how you require trades to be executed and this will limit the duty of best execution to those matters which are not covered by specific instructions. The ranking of the execution factors should typically be price and likelihood of execution and settlement. The Bank may execute your order internally as a market maker in a principal role by providing you a fair bid or ask quote that is consistent with the best execution application. In such case, no external quote will be

obtained. On the other hand, the Bank may also execute your order externally in a back-to-back principal role by sourcing and obtaining the best quote from two or more other market makers or liquidity providers. The price we quote as either principal or back-to-back principal role shall be inclusive of a reasonable spread.

For secondary market bonds issued by the Bank, the Bank will act as an agent to execute client orders and receive a fee for the execution service provided. CNCBI will source and obtain externally the best quote from two or more other market makers or liquidity providers. CNCBI will rank price, speed and likelihood of execution as the priority factors in delivering best execution in such cases.

In the case where there is only one external quote available for your order in the aforementioned quote sourcing activities, the Bank shall place speed and likelihood of execution factors with a higher priority and execute such order for you and provide adequate disclosure.

For primary markets bonds, the Bank will process your order before cut-off time to ensure the execution of the order.

- **Currency-linked Deposits (“CLD”) and Structured Deposits (“SD”)**
The Bank is acting as the principal when issuing CLD and SD to the client which means the orders are solely executed with our Bank (i.e. acting as your counterparty and dealing on our own account).
- **Equity-linked Investments and Notes**
The ranking of the execution factors is typically as follows:
 - Price
 - Speed and Likelihood of Execution.In the situation where you provide specific instructions (e.g. limit price) as to how you would like the trades to be executed, please note that this will limit the duty of best execution to those matters which are not covered by specific instructions. The Bank shall provide disclosure in the situation where there is only one quote is available.
- **OTC Foreign Exchange (“FX”) and Interest Rate Derivative Products (“OTC derivatives products”)**
Spot FX is not a Financial Instrument and so will not be covered by the Policy. CNCBI is subject to regulatory obligations to treat you fairly as well as to manage any conflicts of interest.
For other OTC derivative products including FX and interest rate derivatives, CNCBI acts as a market-maker in a principal role which means the client orders are solely executed with the Bank (i.e. acting as your counterparty and dealing on the Bank’s own account). Typically, orders for FX NDFs, FX forwards, FX and interest rate swaps and options involve highly prescriptive specific instructions from the client, and CNCBI will deem best execution to be applied by following the client’s specific instructions.
Given the high liquidity of the FX market with prices in currency crosses constantly changing, it is not feasible to obtain competing quotes from dealers prior to execution.

In general, the Policy does not apply to client who is classified as Institutional Professional Investors as defined under paragraph (a) to (j) of the definition of “Professional Investor” in section 1 of part 1 of Schedule 1 to the Securities and Futures Ordinance of Hong Kong, or client who is classified as Corporate Professional Investors as defined under paragraph 15.3A and 15.3B of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commissions (the “Code”), who has issued requests-for-quote (“**RFQ**”) or engaged in other similar quotes-driven activity, where the client does not place legitimate reliance on the Bank to provide best execution on debt securities, CLD, SD, and OTC derivatives products, as the case may be.

CNCBI will monitor the effectiveness of its execution arrangement according to the Bank’s Policy on a regular basis.

The English version shall always prevail in case of any discrepancy or inconsistency between English version and its Chinese translation.

此屬重要通知，務請閣下即時垂注。

親愛的客戶：

本文件概述中信銀行(國際)有限公司(「信銀國際」或「本行」)就本行為閣下提供的以下投資交易服務而所採納的最佳執行政策(「政策」)。政策旨在遵從並考慮任何指定指令、交易指示性質、以及市場性質和相關產品後，為閣下的交易指示爭取提供最佳結果。

執行交易指示的方式可能會受到不同因素的影響。在確定閣下的交易指示執行方式時，我們會考慮以下因素。請注意，最佳執行因素的相對重要性視乎個別情況而異。

- 執行價格和成本；
- 交易獲執行速度；
- 交易獲執行的可能性；
- 交易指示所涉及的數量規模；
- 交易指示性質；及
- 與有效執行交易指示相關的任何其他因素。

當本行收到閣下的交易指示，其包括閣下就有關交易指示處理及執行的指令(包括但不限於指定執行限價、指定執行時間或地點、指定策略、或指定定制產品的特徵)，本行須在合法合規、以及履行監管職責的先決條件下為閣下執行相關的交易指示，所以即使該等指令可能令本行無法在執行過程中完全依從最佳執行政策，以獲得最佳結果，本行將仍然被視作已為您的相關交易指示採用最佳執行政策並爭取最佳結果。

以下乃解釋本行如何受本行最佳執行政策約束、而由本行提供的投資交易服務的交易類型，並解釋之相關交易指示如何在執行過程中爭取最佳結果。

- 集體投資計劃
集體投資計劃一般只可透過該集體投資計劃進行交易。集體投資計劃會於其章程中說明認購及/或贖回方式。本行致力於截止時間前處理集體投資計劃交易指示並交予相關基金公司，以確保交易指示可按照章程所載的條款執行。
- 上市證券
本行可通過關聯公司或第三方經紀執行閣下的交易指示。買賣上市證券的交易指示會及時處理，其根據交易指示接收時間順序交予經紀，再由經紀交予交易所。
- 債務證券(包括債券)
對於在二級市場買賣非本行發行的債券，閣下可發出有關如何執行交易的特定指令(例如限價)，然而此將限制最佳執行操作(尤其指沒被該等特定指令涵蓋的執行因素)。一般情況下，執行交易指令會先按價格，然後按執行與結算的可能性。對於閣下的交易指示，本行可能以主事人角色擔任「莊家」(market maker)通過本行的交易櫃檯執行，並會根據最佳執行政策提供公平買賣報價。對此本行將不會採用外部報價。本行或可能會以背對背主

事人角色從最少兩個其他不同的「莊家」或流通量提供商獲取最好報價。本行以主事人角色擔任「莊家」或以背對背主事人角色為閣下提供的報價已包含本行的合理收益。

對於在二級市場買賣本行發行的債券，本行會以代理人身份執行客戶交易指示並收取相關的服務費用。本行會從最少兩個其他不同的「莊家」或流通量提供商獲取最好報價。此情況下，本行會優先考慮執行價格、速度和可能性，以旨在實施最佳執行政策。

如果在上述提到本行向外尋求報價活動中本行只能為閣下的交易獲得一個外部報價時，本行將以速度和執行因素的可能性放在優先位置，並為閣下執行該交易及提供充分的披露。

對於一級市場債券，本行會於截止時間前處理交易指示，以確保交易指示得以執行。

- 高息貨幣聯繫存款(CLD)和結構性存款(SD)
信銀國際以主事人身份為其提供的高息貨幣聯繫存款和結構性存款的發行人及產品安排人，即相關的交易指示只會透過本行執行(即由信銀國際擔任交易對手)。
- 股票掛鈎投資及票據
影響執行操作的因素大致根據以下排序：
 - 價格
 - 速度和執行可能性。若閣下就發出有關如何執行交易發出的特定指令(例如限價)，此其將限制最佳執行操作(尤其指沒被該等特定指令涵蓋的事項的最佳執行因素操作)。若本行只能獲得一個報價，本行將向閣下作出披露。
- 場外外匯及利率衍生產品
現貨外匯不是金融工具，因此不在最佳執行政策的涵蓋範圍內。信銀國際嚴格遵守相關監管框架，適當處理利益衝突，以及採取一切合理步驟確保客戶獲得公平對待。
對於其他場外衍生產品，包括外匯及利率衍生產品，本行會以主事人角色擔任「莊家」，即客戶交易指示只會透過本行執行(即由信銀國際擔任交易對手)。

一般情況下，涉及無本金交割遠期外匯交易、外匯遠期、外匯及利率掉期和期權合約的交易指示包括仔細的客戶個別具體的指令，信銀國際會依照該等指令進行操作並被視作已採納最佳執行政策。由於外匯市場的高流動性，貨幣的交叉價格匯率不斷變化，本行不可能在執行交易指示前從外匯交易商取得競爭報價。

一般而言，本政策並不適用於在香港《證券及期貨條例》附表1第1部第1條「專業投資者」第(a)至(j)條中定義為「機構專業投資者」客戶或屬於《證券及期貨事務監察委員會持牌人或註冊人操守準則》(《操守準則》)第15.3A段及15.3B段的規定被歸類為「法團專業投資者」客戶發出報價請求(RFQ)或從事其他類似涉及報價的交易活動，基於此類客戶並非依賴本行對於債務證券、CLD、SD和場外衍生產品相關交易提供最佳執行政策。

信銀國際根據最佳執行政策定期監督相關執行安排的有效性。如果英文版本與其版本之間存在任何差異歧義或不一致，則應始終概以英文版本為準。