

**Order Handling and Best Execution Policy**  
**China Renaissance Securities (Hong Kong) Limited**

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## Introduction

China Renaissance Securities (Hong Kong) Limited ("CRSHK") is licensed by the Securities and Futures Commission of Hong Kong ("SFC") with CE number AZX839.

This document summarises the Order Handling and Best Execution Policy of CRSHK Cash Equities Department in relation to agency orders executed on behalf of Clients. CRSHK has established and implemented a framework of Policies and Procedures which are designed to take all reasonable steps to deliver to a Client the best available terms on a consistent basis when executing orders on the Client's behalf, as an agent within the equity public market arenas.

## Scope

The policy applies to CRSHK Cash Equities Department in relation to agency orders executed on behalf of clients.

The policy has been provided to help clients understanding the client order execution practice of CRSHK.

## Client Order Handling

Below are certain principles of practices which CRSHK should also adhere to, in particular when they are conducting agency activities and executing orders on behalf of clients.

Where executing orders on behalf of clients:

- orders must be promptly and accurately recorded and allocated
- orders that are otherwise comparable must be carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client require otherwise
- clients must be informed of any material difficulty relevant to the proper carrying out of an order promptly upon the staff becoming aware of the difficulty.

For these purposes, orders should not be treated as otherwise comparable if they are received by different media and it would not be practicable to treat them sequentially.

## Priority to Client Orders

CRSHK's Equities Business, in the capacity as agent for our clients, have a fiduciary relationship with those clients. A fundamental obligation that arises from this relationship is that CRSHK must always act in the best interest of our clients and must not place itself in a position in which its interests are in conflict with those of our clients. Staff must handle client's orders fairly and in the order in which they are received. In particular, CRSHK that participates on a recognized stock exchange must not give unfair preference to any CRSHK, Group or staff accounts, or to any client, over another client.

Client orders may be aggregated with orders for CRSHK's or Group's own account, provided that such aggregation does not operate to the disadvantage of any of the clients whose orders have been aggregated. Client orders shall in all cases, have priority over transactions for CRSHK's or Group's own account and personal accounts of staff.

### Allocation

All relevant account information should be obtained at the time of receipt of any client order. All transactions must be allocated properly after execution, and all client transactions must be booked to the correct client account as soon as practicable. Client orders must not be executed unless an account has been opened with the correct account details.

### Best Execution

Best Execution obligation requires CRSHK to take all reasonable measures to obtain the best possible results for its clients when executing orders on their behalf. In executing the order for all clients as an agent, each staff shall take reasonable care to execute the order at the most advantageous price possible taking into consideration the size of the transaction and the prevailing market conditions.

### Client Specific Instructions

When a client places an order with a specific instruction, CRSHK will take reasonable steps to execute the orders in accordance with such instructions.

Where the Client specifies instructions which may conflict with, and therefore prevent CRSHK from fully following this Order Handling and Best Execution Policy, CRSHK will be deemed to have taken all reasonable steps to provide the best outcome. There is no guarantee that best execution will be achieved in all circumstances.

### Execution Venues

Subject to any specific client's instructions and local market regulations, CRSHK shall direct client orders to the venue that CRSHK believes it will provide the best possible result. This may be any one of the following:

- a. regulated Exchange, CRSHK or affiliates or broker's membership
- b. liquidity providers (subject to client's consent) or
- c. CRSHK's crossing network (subject to client's consent)

### Best Execution Factors

CRSHK will take all reasonable steps to obtain the best outcome when handling and executing orders on behalf of its client. CRSHK may consider any or any combination of the following factors to determine the manner in which a client order will be executed:

- a. Price
- b. Cost
- c. Speed and likelihood of execution
- d. Size of the order
- e. Market impact
- f. Any other factors relevant to the execution of the order

### Principal and Facilitation

CRSHK will take all reasonable steps to obtain the best outcome when handling agency orders and in that respect CRSHK may consider that may include interaction with principal or facilitation flows. In every occasion the option will be given to the client and permission sought before any interaction. Client activity will always take precedence and principal activities will be barred from trading until all agency orders are concluded per individual security.

### Electronic Trading

This policy and document are also relevant and applicable to our Terms and Conditions for Electronic Trading Services.

### Monitoring and Review

CRSHK will monitor the effectiveness of its order execution arrangements and our Order Handling and Best Execution Policy in order to identify any issues that may affect its ability to continue to obtain the best outcome for Client order handling and execution on a consistent basis using the venues stated in this Order Handling and Best Execution Policy.

CRSHK will review its order handling and execution arrangements and this Order Handling and Best Execution Policy from time to time or whenever a material change occurs. CRSHK will notify Clients of any material changes to its order execution arrangements or this Order Handling and Best Execution Policy as described above.