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Disclosure on Best Execution

The purpose of this document is to provide clients (“You”) of SPDB International (“SPDBI” or “We”) and its three subsidiaries¹, which are corporations licensed by the Securities and Futures Commission (“SFC”), with the information about how to execute your trading instructions and the relevant policy being adopted (hereinafter referred to as “Best Execution Policy” or the “Policy”) when carrying on the regulated activities under the Securities and Future Ordinance.

Before we execute any order(s) for you, it is essential for you to understand how we execute your order(s) in accordance with the relevant local trading rules and regulations as well as the internal policies of SPDBI.

The information presented below is a summary of our Best Execution Policy. It aims to provide you with a general understanding of how the Policy applies to your order(s). However, this information should not be treated as a full and complete explanation of how a particular order to be dealt with or the Policy.

Please note that this document does not constitute any legally binding obligations or fiduciary duties for SPDBI or any of its affiliates. Please read this document carefully before giving any trading instruction to or through SPDBI. By giving any trading instructions to or through SPDBI, you are deemed to have taken notice of and agreed to be bound by the best execution arrangement mentioned below.

In executing your order(s), SPDBI is obliged to take reasonable measures to obtain the best possible result 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:-

- Price
- Costs
- Nature of the order(s)
- Specific description(s) of your order(s)
- Size of the order instruction

¹ SPDB International's subsidiaries have obtained Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) licenses issued by the SFC.

- Speed of execution
- Likelihood of execution
- Likelihood of settlement
- Market liquidity and the impact of order(s) on the market
- Other relevant factor(s)

The above best execution factors are not sequenced in any particular order of priority, and we will consider the relative importance of best execution factors on a case-by-case basis.

Client's specific instruction(s)

In case we receive specific instruction from you, we will prioritize the specific element(s) given in your specific instruction when executing such order(s):-

- Specific price and/or
- Specific brokers and/or
- Specific counterparty and/or
- Specific timeframe and/or
- Specific trading venues

Electronic order placed by you is to be considered as a specific instruction to SPDBI, which will be routed directly to an exchange or trading venue via a Direct Market Access platform.

Generally speaking, the specific elements received from your instruction(s), the fewer options SPDBI will have when executing such order(s), and the fewer opportunities of exercising the best execution. Restrictive factors such as complexity, large amount, and price deviation from market prices will reduce the chance of achieving the best execution.

SPDBI may be bound by the specific instruction(s) issued by you when implementing the best execution principles. In assessing whether best execution applies, i.e.

whether you are relying on us to provide best execution for your order(s), we take into account the following factors where applicable:-

- Whether the transaction is initiated by you
- Whether you are capable of obtaining competitive prices through bilateral negotiations based on your product knowledge, experience and market access level
- Whether it is general market practice for you 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 we pass your order to another entity for execution, we will take all sufficient steps to achieve the best possible outcome in accordance with relevant policies.

Please note that the best execution may not be applied to the following non-exhaustive circumstances, and you will be deemed not to rely on us to provide the best execution for the transaction:-

- 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 fulfilled 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 SPDBI and the client, we may exercise a right 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 right (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 of whether it is appropriate to execute transactions on the best terms, we will still treat all clients fairly and manage any conflicts of interest that may arise.

If you have any queries after reading this disclosure document, please feel free to contact us for further clarification.