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W.I.S.E. – SSE 50 China Tracker®*

(*This is a synthetic ETF)

標智上證 50 中國指數基金®*

(*此基金為一隻合成交易所買賣基金)

a sub-fund of the World Index Shares ETFs

(a Hong Kong unit trust authorized under section 104 of the Securities and Futures Ordinance¹ (Cap. 571 of the laws of the Hong Kong SAR))

(Stock Code: 03024)

Announcement – Direct investment and Update of Offering Document

The Manager of W.I.S.E. – SSE 50 China Tracker® (*This is a synthetic ETF) (the "**Fund**") hereby announces that the Fund may also invest and have direct access (the "**Direct Investment Route**") to certain eligible A Shares via the Shanghai-Hong Kong Stock Connect ("**Stock Connect**"), in addition to investing in A Shares indirectly through the AXP's (the "**AXP Route**"). At the initial launch of Stock Connect, exposure to A Shares through Stock Connect will not be more than 30% of the Fund's Net Asset Value. The Prospectus of the Fund (the "**Prospectus**") and the Product Key Facts Statement (collectively, the "**Offering Document**") have been updated to cater for the amendments relating to such change.

Further, other updates including changes to the PRC Capital Gain Tax provisioning and SFC authorized physical RQFII ETF units (up to 10% of Net Asset Value of the Fund) being accepted as collateral have also been made to the Offering Document.

¹ SFC authorization is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

1. Direct access to eligible A Shares via Stock Connect

Currently, according to the Prospectus, the Fund can only invest in A Shares through the AXP Route in achieving its investment objective. In view of the recent launch of Stock Connect, the Manager considers that it is beneficial for the Fund to utilize the Direct Investment Route. The Manager intends that, at the initial stage of Stock Connect, not more than 30% of the Net Asset Value of the Fund will be invested in A Shares directly. The Manager may, subject to market demands and conditions, the quota availability and the applicable regulatory requirements, vary the extent of the Fund's direct investment in A Shares via Stock Connect as it considers appropriate.

In order to cater for the Fund's direct investments in A Shares through Stock Connect, the procedures for cash Creation Application and cash Redemption Application will be introduced.

2. Changes to the Prospectus

(a) Direct Investment Route

In view of the changes relating to possible direct investment in A Shares outlined above, the Manager has revised the Offering Document. The changes are generally in the following manner:

- (i) amending the section headed "Investment Objectives and Policies of the Sub-Fund" so as to add the Fund's Direct Investment Route to achieve its investment objective;
- (ii) updating the section on "Risk Factors and Risk Management Policies" to include the additional risk disclosure in relation to direct investment in A Shares via Stock Connect, e.g. quota limitation, suspension risk, differences in trading day, operational risk, restrictions on selling imposed by front front-end, clearing and settlement risk, counterparty risk relating to brokers and regulatory risk etc.; and
- (iii) updating the section headed "Creation and Redemption of Units" to include the procedures for cash Creation Application and cash Redemption Application.

(b) PRC Capital Gain Tax provisioning

As a result of the change in respect of PRC Capital Gain Tax provisioning approach of the Fund as mentioned in the previous announcement dated 17 November 2014, the Manager has updated the relevant disclosure relating to PRC Capital Gain Tax in the Offering Document.

(c) Form of collateral taken by the Fund

The disclosure relating to the form of collateral taken by the Fund in the section headed "Collaterals" has been updated. When obtaining collateral or credit support for the Fund in respect of AXPs issued by an AXP issuer, apart from constituent stocks of the Hang Seng Index, Hang Seng China Enterprises Index and Hang Seng Composite Index and cash and cash equivalents, SFC authorized physical RQFII ETF units (up to 10% of Net Asset Value of the Fund) will also

be accepted as collateral for the Fund. Investors should note that the type of collateral taken by the Fund may change in light of prevailing market conditions.

3. Other Updates and Amendments

Other updates and minor amendments have also been made and these include the following:

- (a) The address of the Service Agent has been changed to:
HK Conversion Agency Services Limited
1/F One & Two Exchange Square
8 Connaught Place
Central
Hong Kong
- (b) On 13 November 2014, Hong Kong and the United States signed a Model 2 IGA for implementation of the Foreign Account Tax Compliance Act (FATCA). The Manager has updated such information.

The updated Offering Document will be available on the Manager's website² at www.boci-pru.com.hk/english/etf/intro.aspx (for the English version) and www.boci-pru.com.hk/chinese/etf/intro.aspx (for the Chinese version).

Terms not defined in this Announcement will have the meanings as are given to such terms in the Prospectus.

Investors who have any enquiries regarding the above may contact our call centre at: (852) 2280 8697.

11 December 2014

² Information contained in the Manager's website has not been reviewed by the SFC.