

IMPORTANT: The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission (“SFC”) and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading and that opinions expressed in this Announcement have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Announcement, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

W.I.S.E. – CSI HK 100 Tracker™
標智中證香港 100 指數基金™
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: 02825)

**Announcement –
Update of Offering Documents**

The Manager of W.I.S.E. – CSI HK 100 Tracker™ (the “**Sub-Fund**”) hereby announces that the offering documents of the Sub-Fund have been updated.

The Manager would like to inform investors of the following matters and the latest amendments to the offering documents of the Sub-Fund:

Automatic Exchange of Financial Account Information (“AEOI”)

You may be aware that over 100 jurisdictions have committed to the implementation of AEOI regarding tax matters based on the Common Reporting Standard (the “CRS”) released by the Organisation of Economic Co-operation and Development (“OECD”) in July 2014.

The Inland Revenue (Amendment) (No. 3) Ordinance 2016 (“the Amendment Ordinance”), which came into effect on 30 June 2016, has established common obligations on Financial Institutions (“FIs”) in Hong Kong to collect and review information in an effort to identify the account holders’ jurisdiction(s) of tax residence. Under the AEOI framework, FIs are

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

required to collect information relating to non-Hong Kong tax residents holding accounts with the FIs, and exchange such information with the jurisdiction(s) in which that account holder is a resident for tax purpose. Please refer to the Hong Kong Inland Revenue Department (“IRD”) website for further information in relation to AEOI (http://www.ird.gov.hk/eng/faq/dta_aeoi.htm).

Under the Amendment Ordinance, details of the Unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD.

The Sub-Fund is required to comply with the requirements of AEOI as implemented by Hong Kong. The Manager, the Trustee and/or other service providers to the Sub-Fund shall collect and provide to the IRD tax information relating to the Unitholders and prospective investors. By investing in the Sub-Fund or continuing to invest in the Sub-Fund, the Unitholders acknowledge that they may be required to provide additional information in order for the Sub-Fund to comply with AEOI.

In view of AEOI, the Prospectus of the Sub-Fund has been revised. We have added relevant paragraphs relating to AEOI under the section headed “IMPORTANT INFORMATION FOR INVESTORS” and revised the relevant paragraphs under the sub-heading “Personal Data or Confidential Information”. We have also enhanced the risk disclosure to include the “Risks relating to obligations to comply with AEOI”.

Please note that CRS/AEOI is a complex area and the above information does not constitute any tax or legal advice. This communication is not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties. Each Unitholder should consult its own professional advisor(s) on the administrative and substantive implications of CRS/AEOI on its current or proposed investment in the Sub-Fund.

Modifying certain existing definitions

The section headed “DEFINITIONS” of the Prospectus has been amended by modifying certain existing definitions.

Modification/ updating of risk disclosure

The risk disclosure of the Sub-Fund as set out in the section headed “Risk Factors” of the Prospectus and the relevant key risks in the KFS have been modified and/or updated.

Liquidity risk management

Further, the Manager hereby informs investors of the Sub-Fund that it has employed a process and maintains tools and methods for monitoring the liquidity of the Sub-Fund. The overall process involves appropriate oversight by management, measurement processes, regular assessment, on-going monitoring and internal control procedures. Despite the above, investors should be aware of the potential impact of the liquidity risks on the Sub-Fund.

Update of information

In the meantime, information relating to the top ten holdings of the CSI Hong Kong 100 Index set out in the Prospectus and KFS has also been updated.

The offering documents of the Sub-Fund (including the Second Addendum and the updated KFS) are now available on the website of the Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and the Manager's website ² 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). Hard copies may also be obtained from Manager at 27th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong free of charge.

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 the Manager at 27th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or our enquiry hotline at (852) 2280 8697.

17 January 2017

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

IMPORTANT: This Addendum is supplemental to and forms part of the Prospectus of W.I.S.E. – CSI HK 100 Tracker™ (the “Sub-Fund”) dated 28 April 2016 and the First Addendum thereto dated 6 October 2016 (the “Prospectus”). Unless otherwise defined herein, words and expressions defined in the Prospectus shall have the same meaning when used in this Addendum.

The Manager accepts full responsibility for the accuracy of the information contained in this Addendum and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement in this Addendum misleading.

If you are in doubt about the contents of the Prospectus and this Addendum, you should seek independent professional financial advice.

The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission (“SFC”) and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Addendum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.

W.I.S.E. – CSI HK 100 Tracker™

標智中證100 指數基金™

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: 02825)

Second Addendum to the Prospectus

The Prospectus is hereby supplemented, with immediate effect, as follows:

1. Under the section headed “**IMPORTANT INFORMATION FOR INVESTORS**” of the Prospectus, the following paragraphs shall be added immediately before the sub-heading “**Personal Data or Confidential Information**” on page vi:

“Automatic Exchange of Financial Account Information”

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the “**Amendment Ordinance**”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FI**”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and exchange such information with the jurisdiction(s) in which that

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

account holder is a resident for tax purpose. Further information regarding AEOI is available on the website of the Hong Kong Inland Revenue Department (“**IRD**”) (http://www.ird.gov.hk/eng/tax/dta_aeoi.htm).

Generally, tax information will be exchanged only with AEOI partner jurisdictions with which Hong Kong has a Competent Authority Agreement (“**CAA**”); however, the Sub-Fund and/or the Manager, the Trustee and their associated or affiliated companies, connected persons, delegates, contractors, authorised agents or service providers (collectively, the “**Relevant Agents**”) may further collect information on the tax residence of account holders (irrespective of whether or not that account holder is a reportable person) of other jurisdictions (in which a person is tax resident irrespective of whether that territory is a reportable jurisdiction).

The Sub-Fund is required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Sub-Fund and/or the Relevant Agents shall collect and provide to IRD tax information relating to the Unitholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the Sub-Fund to, amongst other things: (i) register the Sub-Fund’s status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. the Unitholders) to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Amendment Ordinance, details of the Unitholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

By investing in the Sub-Fund or continuing to invest in the Sub-Fund, the Unitholders acknowledge that they may be required to provide additional information to the Sub-Fund and/or the Relevant Agents in order for the Sub-Fund to comply with AEOI. The Unitholders’ information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons), may be transmitted by the IRD to authorities in other jurisdictions.

For the purposes herein, “AEOI” includes:

- (a) the Organization for Economic Co-operation and Development (“**OECD**”) Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard (the “**CRS**”) and any associated guidance;
- (b) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Hong Kong government (or any government body in Hong Kong) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or

- implement the legislation, regulations, guidance or standards described in (a) above; and
- (c) any legislation, regulations or guidance in Hong Kong that give effect to the matters outlined in (a) to (b) above.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Fund.”

2. the first paragraph under sub-heading “**Personal Data or Confidential Information**” on page vi to vii shall be amended and restated as follows:
- (1) Personal Data or Confidential Information (including information necessary to ascertain tax status, information for reporting of tax withholding and details of transaction) provided by a Unitholder (in any form or certification or otherwise) will be used, shared, stored, processed, transferred and disclosed (within or outside Hong Kong) so that the Relevant Agents can carry out their obligations in respect of the Fund and/or the Sub-Fund or for other purposes including but not limited to (a) processing the subscription and redemption of Units, completing the information on the Register of Unitholders, carrying out instructions or responding to Unitholders’ enquiries, verifying data and providing administrative or other relevant services to the Unitholder (including the mailing of reports, notices or newsletters); (b) in compliance with any applicable law, regulation, statute, ordinance, rule, judgment, decree, code, guidelines, directive, circulars, sanctions regime, court order issued by other regulatory authorities of relevant jurisdiction, exchange or market, whether legal, regulatory, governmental, tax, law enforcement, self-regulatory, industry or others which apply in respect of the Fund and/or the Sub-Fund or the Unitholders’ investments and/or bind or apply to the Relevant Agents from time to time or any agreement with any tax or fiscal authority in any jurisdiction and meeting any demands, disclosure, notification or reporting requirements to which any recipient of the data is subject under applicable laws and regulations, including but not limited to compliance with obligations pursuant to the FATCA, verifying the identity of a Unitholder or establishing whether a Unitholder is a US Person for the purposes of FATCA and compliance with reporting or other obligations under the IRC and the United States Treasury Regulations promulgated under the IRC or any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including under AEOI), including reporting obligations that may be imposed by future legislation (collectively, the “**Regulatory Requirements**”); (c) prevention, detection, sanction or investigation of crime, fraud, money laundering, corruption, tax evasion, terrorist financing and any other violation of laws or unlawful activities and fulfilling related Regulatory Requirements; (d) enforcing or defending the rights of the Fund and/or the Sub-Fund and/or the Relevant Agents; (e) fulfilling internal operational or compliance requirements of the Relevant Agents; and (f) maintenance or continuation of overall relationship with the Unitholder.”
3. Under the “TABLE OF CONTENTS” of the Prospectus, the sub-heading “Liquidity Risk Management” shall be added immediately after the sub-heading “Compulsory Redemptions under Certain Circumstances” under the heading “CREATION AND REDEMPTION OF UNITS”.

4. Under the section headed “**DEFINITIONS**” of the Prospectus,

- (i) the definition of “Associate” on page 2 shall be amended and restated as follows:

“**Associate**” in relation to a body corporate, means an associated company as defined in the Companies Ordinance;

- (ii) the definition of “Companies Ordinance” on page 3 shall be amended and restated as follows:

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);”

- (iii) the definition of “subsidiary” and “holding company” on page 7 shall be amended and restated as follows:

“**subsidiary**” and “**holding company**” have the meaning given to them in the Companies Ordinance;

5. Under the section headed “**RISK FACTORS**” of the Prospectus,

- (i) the following risk factor shall be inserted before the risk factor headed “(s) Tax risk” on page 17:

“(s) Liquidity risk - Liquidity risk exists when particular investments are difficult to purchase or sell. Investments made by the Sub-Fund may become illiquid or less liquid in response to market developments or adverse investor perceptions. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and more difficult to value. Certain securities may also be illiquid due to limited trading markets or contractual restrictions on their resale. The Sub-Fund is exposed to the risk that a particular investment or position cannot be unwound or offset easily.

To meet redemption requests, the Sub-Fund may be forced to sell securities, at an unfavorable time and/or under unfavorable conditions. This can have an impact on the value of the Sub-Fund.”

- (ii) the original risk factor headed “(s) Tax risk” on page 17 shall be re-numbered as “(t) Tax risk”;

- (iii) the following risk factor shall be inserted immediately after the re-numbered risk factor headed “(t) Tax risk” on page 17:

“(u) Risks relating to obligations to comply with AEOI

The Unitholders shall be required to, (i) upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the Sub-Funds to satisfy reporting or other obligations under AEOI or to satisfy any obligations relating to any applicable laws

and regulations or any agreements with any tax or fiscal authority in any jurisdictions, (ii) update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) otherwise comply with any reporting obligations imposed under AEOI, including reporting obligations that may be imposed by future legislation. The information provided by the Unitholders may be transmitted by the IRD to authorities in other jurisdictions.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Fund.”

- (iv) the original risk factors headed “(t) Risks relating to obligations of the Sub-Fund under FATCA Regulations” and “(u) Withholding Tax Risk” on pages 17 to 18 shall respectively be re-numbered and re-named as “(v) Risks relating to obligations under FATCA regulations” and “(w) Withholding tax risk under FATCA regime”, and the risk factor “(v) Risks relating to obligations under FATCA regulations” shall be amended and restated as follows:

“(v) Risks relating to obligations under FATCA regulations

The Unitholders shall be required to, (i) upon demand by the Trustee or the Manager provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the Sub-Fund (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA as more particularly described in paragraph (w) below) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which Sub-Fund receives payments, and/or (B) to satisfy reporting or other obligations under the IRC and the United States Treasury Regulations promulgated under the IRC, or to satisfy any obligations relating to any applicable laws and regulations or any agreements with any tax or fiscal authority in any jurisdictions, (ii) update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) otherwise comply with any reporting obligations imposed under the FATCA regulations.

The Sub-Fund will endeavour to satisfy any obligations imposed under the FATCA regulations so as to avoid the imposition of FATCA withholding, however, no assurance can be given that the Sub-Fund will be able to satisfy those obligations. If the Sub-Fund becomes subject to FATCA withholding, the value of the Units held by the Unitholders may suffer material losses.

If the Unitholder or an intermediary through which it holds interest in the Sub-Fund fails to provide the Sub-Fund, its agents or authorised representatives with complete and accurate information that may be required by the Sub-Fund to comply with FATCA, the Unitholder may be subject to withholding on amounts otherwise distributable to the Unitholder,

may be compelled to sell his interest in the Sub-Fund, or in certain situations, the Unitholders' interest in the Sub-Fund may be sold involuntarily (provided that the Sub-Fund observes applicable laws and regulations, act in good faith and on reasonable grounds).

In cases where Unitholders invest in the Sub-Fund through an intermediary, Unitholders are reminded to check whether such intermediary is FATCA compliant. If Unitholders are in any doubt, they should consult their tax advisor, stockbroker, bank manager, solicitor, accountant and other financial adviser regarding the possible implications of FATCA on the Unitholders and the Sub-Fund.

Unitholders, and intermediaries acting for Unitholders, should therefore take note that if they meet the definition of US Person for FATCA purpose then they will need to declare this to the Sub-Fund and submit any mandatory documentation.”

(v) the original risk factor headed “(v) Conflict of interest risk” on page 18 shall be re-numbered as “(x) Conflict of interest risk”.

6. The following new sub-section headed “Liquidity Risk Management” shall be inserted immediately after the sub-section headed “Compulsory Redemptions under Certain Circumstances” of the Prospectus on pages 29 to 30:

“Liquidity Risk Management

Unitholders should be aware of the potential impact of the liquidity risks on the Sub-Fund. For details, please refer to paragraph “(s) Liquidity risk” of “Risk Factors” section above.

The Manager employs a liquidity risk management process and maintains tools and methods for monitoring the liquidity of the Sub-Fund. The overall process involves appropriate oversight by management, measurement processes, regular assessment, on-going monitoring and internal control procedures.

The liquidity risk management tools include implementation of and maintaining appropriate practice to delay and/or limit redemptions to allow them to be proceeded in an orderly manner and performing periodic liquidity stress testing under different market conditions to assess the liquidity position of the Sub-Fund.”

7. Under the section headed “1. Basic Information” in Appendix I “THE CSI HONG KONG 100 INDEX (“CSI HK 100”)” of the Prospectus, the first paragraph (including the top 10 largest constituent securities of the CSI HK 100) under the heading “Ten Largest Constituent Securities” on pages 45 to 46 is amended and restated as follows:

“The 10 largest constituent securities of the CSI HK 100 (out of 100 constituent securities) and their respective weightings as at 11 January 2017 are listed below for reference purpose:

Code	Stock Name	% of CSI HK 100
0700.HK	Tencent Holdings Limited	10.38%
0005.HK	HSBC Holdings plc	10.29%
0939.HK	China Construction Bank Corporation	5.87%
1299.HK	AIA Group Limited	5.75%
0941.HK	China Mobile Limited	5.36%
1398.HK	Industrial and Commercial Bank of China Limited	4.25%
3988.HK	Bank of China Limited	3.03%
0001.HK	CK Hutchison Holdings Limited	2.56%
0388.HK	Hong Kong Exchanges and Clearing Limited	2.37%
2888.HK	Standard Chartered plc	2.23%

”

The Prospectus may only be distributed if accompanied by this Addendum.

17 January 2017