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The Manager accepts full responsibility for the accuracy of the information contained in this Announcement 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 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. – SSE 50 China Tracker[®]
標智上證 50 中國指數基金[®]
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: 03024)

**Announcement –
Update of Offering Documents**

The Manager of W.I.S.E. – SSE 50 China 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 required to collect information relating to non-Hong Kong tax residents holding accounts

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.

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/tax 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.

We have also updated the disclosure relating to PRC tax with respect to the Sub-Fund.

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 Shanghai Stock Exchange including the number of listed companies on the Shanghai Stock Exchange and its total market capitalization, the top ten holdings of the SSE 50 Index and the percentage of the total market capitalisation of the Shanghai Stock Exchange that the 50 constituent stocks of the SSE 50 Index represent set out in the Prospectus and KFS has also been updated.

The offering documents of the Sub-Fund (including the Third 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/englisht/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 the Manager's 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. – SSE 50 China Tracker[®] (the “Sub-Fund”) dated 28 April 2016, the First Addendum thereto dated 21 September 2016 and the Second Addendum thereto dated 6 October 2016 (collectively, 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.

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Third 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,
 - (i) the third and the fourth paragraphs on pages ii and iii shall be amended and restated as follows:

“On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC issued “Caishui [2014] No. 79 - The Circular Concerning the issue of temporary exemption from the imposition of capital gain tax arising from gains from the transfer of equity

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investment assets such as PRC domestic shares by QFII and RQFII” (“Circular 79”).

Pursuant to Circular 79, effective from 17 November 2014, capital gains derived by a QFII or RQFII from trading of A Shares will be temporarily exempt from withholding tax provided that the capital gains are not effectively connected with any permanent establishment (if any) that the QFII or RQFII has in China; such exemption, however, will not apply to capital gains derived by a QFII or RQFII from transactions prior to 17 November 2014.

Pursuant to “Caishui [2014] No. 81 – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets” (“Circular 81”), effective from 17 November 2014, Hong Kong market investors, both enterprises and individuals, investing in A Shares via Shanghai-Hong Kong Stock are temporarily exempted from income tax on capital gains derived from the sales of A Shares traded in Shanghai Stock Exchange.

According to Circular 81, the latest Capital Gain Tax (as referred to in Appendix IV) provisioning approach is as follows:

Based on professional and independent tax advice, the Sub-Fund currently will not set aside any Capital Gain Tax provision derived from the gains from trading of A Shares that are SSE Securities (as defined in the “Definitions” section on page 10) via the Shanghai-Hong Kong Stock Connect.

In respect of the Sub-Fund's investments in the AXP's (when it was a synthetic ETF) up to and including 16 November 2014, all the then AXP issuers had determined, agreed and settled with the Sub-Fund the relevant Capital Gain Tax liabilities by the mid-June 2016.

The Sub-Fund is the ultimate party which bears the risks relating to the PRC tax liability. The Manager will assess the Capital Gain Tax provisioning approach on an on-going basis.

Also, the Sub-Fund in investing in A Shares that are SSE Securities directly via Shanghai-Hong Kong Stock Connect would be subject to a Distribution Tax of 10% (as referred to in Appendix IV) on all cash dividends payment, distributions or cash proceeds which were referable to dividends or distributions arising from the A Shares. Pursuant to Circular 81, dividends from A Shares paid to Hong Kong market investors who invested in A Shares via Shanghai-Hong Kong Stock Connect, both enterprises and individuals, will continue to be subject to a withholding tax of 10%, and which is to be withheld at source. There is no assurance that the rate of the withholding tax will not be changed by the relevant PRC tax authority in the future.

Any future changes in the taxation policies in respect of the Sub-Fund's investment in A Shares in the PRC will impact on the Sub-Fund's returns. Investors' attention is drawn to paragraph (u) of “Risk Factors” section on pages 25 to 27. Prospective investors should consult their independent tax

advisors regarding the possible implications of capital gain tax on an investment in the Sub-Fund.”

- (ii) the following paragraphs shall be added before the sub-heading “**Personal Data or Confidential Information:**” on page vii:

“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 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."

- (iii) paragraph (1) under sub-heading "**Personal Data or Confidential Information**" on pages vii to viii 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.”

2. 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”.

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

(i) the definition of “Associate” on page 3 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 “subsidiary” and “holding company” on page 11 shall be amended and restated as follows:

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

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

(i) the heading of the risk factor “(e) Foreign exchange risk and currency conversion risk” on page 18 shall be modified to “(e) Foreign exchange risk and RMB currency and conversion risks”;

(ii) sub-paragraph (i) of the risk factor “(l) Risks associated with the Shanghai-Hong Kong Stock Connect” on pages 20 to 21 shall be amended and restated as follows:

“Quota limitations: Shanghai-Hong Kong Stock Connect is subject to a Daily Quota, which does not belong to the Sub-Fund and can only be utilized on a first-come-first serve basis. The Daily Quota is monitored by SEHK and SSE. The Daily Quota limits the maximum net buy value of cross-boundary trades under Shanghai-Hong Kong Stock Connect each day. The Daily Quota will be reset every day. Unused Daily Quota will not be carried over to next day’s Daily Quota.

The Northbound Daily Quota balance is disseminated on the Hong Kong Exchanges and Clearing Limited (“HKEx”) website.

If the Northbound Daily Quota Balance drops to zero or Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected.

Once the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during a continuous auction session, no further buy orders will be accepted for the remainder of the day.

It should be noted that quota limitations may restrict the Sub-Fund's ability to invest in SSE Securities through Shanghai-Hong Kong Stock Connect on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.”

- (iii) the following sub-paragraph shall be added immediately after sub-paragraph “(xi) Regulatory Risk” on page 24:

“(xii) Foreign exchange/ currency conversion risk:

The Sub-Fund may be subject to exchange rate fluctuations between Hong Kong dollars and RMB (specifically CNH or CNY) given that the Sub-Fund is denominated in Hong Kong dollars, but the SSE Securities acquired via Shanghai-Hong Kong Stock Connect (as the case may be) are denominated in CNH. Share securities acquired through QFII are denominated in CNY, while the cash holding of the Sub-Fund could be in either RMB or Hong Kong dollars. The Sub-Fund may also be subject to bid/offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.”

- (iv) the following risk factor shall be inserted before the risk factor headed “(q) PRC tax risk” on page 25:

“(q) Equity market risk – The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

(r) Risk associated with high volatility of the equity market in Mainland China – High market volatility and potential settlement difficulties in the Mainland China equity market may result in significant fluctuations in the prices of the securities traded on such market and may have an adverse impact on the prices of PRC securities in which the Sub-Fund invests and thereby may adversely affect the value of the Sub-Fund.

(s) Risk associated with regulatory/exchanges requirements/policies of the equity market in Mainland China – Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

(t) 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.”

- (v) the original risk factors headed “(q) PRC tax risk” on pages 25 to 27 shall be renumbered, amended and restated as follows:

- “(u) PRC tax risk – Under the prevailing PRC Corporate Income Tax Law, gains derived by a non-resident from the trading of A Shares would be subject to PRC withholding income tax unless exempted under tax law and/or an applicable tax treaty.

On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC issued Circular 79 (as referred to in Appendix IV).

Pursuant to Circular 79, effective from 17 November 2014, capital gains derived by a QFII or RQFII from trading of A Shares will be temporarily exempt from withholding tax provided that the capital gains are not effectively connected with any permanent establishment (if any) that the QFII or RQFII has in China; such exemption, however, will not apply to capital gains derived by a QFII or RQFII from transactions prior to 17 November 2014.

Pursuant to Circular 81 (as referred to in Appendix IV) effective from 17 November 2014, Hong Kong market investors, both enterprises and individuals, investing in A Shares via Shanghai-Hong Kong Stock Connect are temporarily exempted from income tax on capital gains derived from the sales of A Shares traded in the SSE.

According to Circular 81, the latest Capital Gain Tax provisioning approach is as follows:

Based on professional and independent tax advice, the Sub-Fund currently will not set aside any Capital Gain Tax provision derived from the gains from trading of A Shares that are SSE Securities via Shanghai-Hong Kong Stock Connect.

In respect of the Sub-Fund's investments in the AXP's (when it was a synthetic ETF) up to and including 16 November 2014, all the then AXP

issuers had determined, agreed and settled with the Sub-Fund the relevant Capital Gain Tax liabilities by the mid-June 2016.

As the Sub-Fund is the ultimate party which bears the risks relating to the Capital Gain Tax liability, any future changes in the taxation policies in respect of the Sub-Fund's investment in A Shares in the PRC will impact on the Sub-Fund's returns.

The Manager will assess the Capital Gain Tax provisioning approach on an on-going basis. Should the PRC tax policies in respect of the Capital Gain Tax change, the Manager may decide to set aside provision to meet any potential Capital Gain Tax liability in the future. Prospective investors should consult their independent tax advisors regarding the possible implications of capital gain tax on an investment in the Sub-Fund.

Further, to date, the Sub-Fund in investing in A Shares that are SSE Securities directly via Shanghai-Hong Kong Stock Connect, would be subject to a Distribution Tax (as referred to in Appendix IV) of 10% on all cash dividends payment or cash proceeds which were referable to dividends or distributions arising from the A Shares. Pursuant to Circular 81, dividends from A Shares paid to Hong Kong market investors who invested in A Shares via Shanghai-Hong Kong Stock Connect, both enterprises and individuals, will continue to be subject to a withholding tax of 10%, and which is to be withheld at source. There is no assurance that the rate of the withholding tax will not be changed by the relevant PRC tax authority in the future.

The taxation laws and other regulations of the PRC are constantly changing, and may be changed with retrospective effect to the advantage or disadvantage of investors in the Sub-Fund. The interpretation and application of tax laws and other applicable regulations by the relevant authorities may not be as transparent or predictable as compared to the authorities administering similar regimes in other developed jurisdictions.

Since the Sub-Fund is the ultimate parties which will bear the risks relating to PRC tax liabilities, any changes to legislation, the interpretation or application of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties (which may be on a retrospective basis) will impact on the Sub-Fund's returns. There can be no guarantee that regulatory changes that have a detrimental impact on the investments of the Sub-Fund will not occur.

Further, investors should note that the tax exemption on gains derived from trading of A Shares via Shanghai-Hong Kong Stock Connect under Circular 81 was granted on a temporary basis and there is no assurance that the Sub-Fund will continue to enjoy the tax exemption over a long period of time. If the exemption under Circular 81 is withdrawn, or if guidance is issued in relation to the tax position for A Shares traded via Shanghai-Hong Kong Stock Connect which differs from the current practice of the Manager, any tax liability as a result of capital gains derived from the trading of A

Shares via Shanghai-Hong Kong Stock Connect may be directly borne by the Sub-Fund and may result in a substantial impact to the Sub-Fund's Net Asset Value.

The PRC tax rules and practices in relation to Shanghai-Hong Kong Stock Connect are new. It is possible that any future announcement by the PRC tax authority may subject the Sub-Fund to unforeseen tax obligations, which may have retrospective effect.

Investors should seek their own tax advice on their Mainland China tax position with regard to their investment in the Sub-Fund.”

- (vi) the following risk factor shall be inserted immediately after the re-numbered risk factor headed “(u) PRC tax risk” on pages 25-27:

“(v) 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-Fund 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 to which AEOI is applicable, (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 communicated 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.”

- (vii) the original risk factors headed “(r) Risks relating to obligations of the Sub-Fund under FATCA Regulations” and “(s) Withholding Tax Risk” on pages 27 -28 shall respectively be re-numbered and re-named as “(w) Risks relating to obligations under FATCA regulations” and “(x) Withholding tax risk under FATCA regime”, and the risk factor “(w) Risks relating to obligations under FATCA regulations” shall be amended and restated as follows:

“(w) 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 (x) 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.”

- (viii) the original risk factors (t), (u) and (v) shall respectively be re-numbered as (y), (z) and (aa);
- (ix) the following risk factor shall be added inserted immediately after the re-numbered risk factor headed “(aa) Legal and Regulatory risk” on page 29:
 - “(bb) Reliance on market maker risks – Although the Manager will ensure that at least one market maker will maintain a market for the Units and that at least one market maker gives not less than 3 months’ notice prior to terminating market making arrangement under the relevant market maker agreement,

liquidity in the market for the Units may be adversely affected if there is no or only one market maker for the Units. There is also no guarantee that any market making activity will be effective.”

5. 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 41 to 42:

“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 “(t) Liquidity Risk” and sub-paragraph (ii) of paragraph (o) “Risk related to equity securities like A Shares” 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.”

6. The paragraph under the heading “**Shanghai Stock Exchange**” in Appendix I “A SHARE MARKET IN THE PRC” of the Prospectus on page 60 shall be amended and restated as follows:

“Shanghai Stock Exchange

The Shanghai Stock Exchange was founded on 26 November 1990 and has been in operation since 19 December 1990. The Shanghai Stock Exchange has become the most preeminent stock market in the PRC in terms of the number of listed companies, number of shares listed, total market value, tradable market value, securities turnover in value and the T-bond turnover in value. As at 11 January 2017, there was a total of 1192 listed companies and total market capitalization of approximately RMB 28.95 trillion.”

7. The paragraphs respectively under the sub-headings “Trading day”, “Trading hours for trading SSE Securities through Shanghai-Hong Kong Stock Connect” and “Trading quota” in Appendix I on pages 60 to 62 shall be amended and restated as follows:

“Trading day and trading hours

Until special banking arrangements are established, investors (including the Sub-Fund) will only be allowed to trade on the other market on days where Hong Kong and Mainland markets are both open for trading, and banking services are available in both Hong Kong and Mainland markets on the corresponding settlement days. This arrangement is essential in ensuring that investors and brokers will have the necessary

banking support on the relevant settlement days when they will be required to make payments.

The following table illustrates the holiday arrangement of Northbound trading of SSE Securities:

	Mainland	Hong Kong	Open for Northbound Trading?	
Day-1	Business Day	Business Day	Yes	
Day-2	Business Day	Business Day	No	HK market closes on money settlement day
Day-3	Business Day	Public Holiday	No	HK market closes on trading day
Day-4	Public Holiday	Business Day	No	Mainland market closes

If a Northbound trading day is a half trading day in Hong Kong market, Northbound Trading will continue until the market for Shanghai-Hong Kong Stock Connect Northbound Trading is closed. The Northbound trading calendar for Shanghai-Hong Kong Stock Connect is available on HKEx website.

Northbound trading follows Shanghai Stock Exchange’s trading hours. However, SEHK will accept Northbound orders from SEHK Participants five minutes before the Mainland market sessions open in the morning and in the afternoon.

Information relating to trading day and trading hours for trading SSE Securities through Shanghai-Hong Kong Stock Connect can be found on the HKEx website.

Trading quota

Trading under Shanghai-Hong Kong Stock Connect is currently subject to a Daily Quota which is monitored by SEHK and Shanghai Stock Exchange respectively. The Daily Quota limits the maximum net buy value of cross-boundary trades under Shanghai-Hong Kong Stock Connect each day. The quotas do not belong to the Sub-Fund and are utilised on a first-come-first-serve basis. The Northbound Daily Quota is set at RMB13 billion for Shanghai-Hong Kong Stock Connect.

SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx website at www.hkex.com.hk. The Daily Quota may change in future. The Manager will not notify investors in case of a change of quota.”

8. The paragraphs respectively under the sub-headings “Corporate actions and shareholders’ meetings” and “Foreign shareholding restrictions” in Appendix I on pages 62 to 63 shall be amended and restated as follows:

“Corporate actions and shareholders’ meetings

Same as for SEHK-listed securities, corporate action information of SSE Securities will be available through CCASS, via the existing nominee related enquiry functions and reports.

Hong Kong and overseas investors may cast their votes by providing instructions to HKSCC through their CCCPs.

Companies listed on the Shanghai Stock Exchange usually announce information regarding annual general meetings and extraordinary general meetings two to three weeks before the meeting date. HKSCC will inform CCASS Participants of the details of general meetings such as the meeting date, time and the number of proposed resolutions. CCASS Participants who have the relevant holdings in their stock accounts (for themselves or as agents for the underlying investors) as at the record date may provide HKSCC with instructions on how to cast their votes via CCASS's existing voting functions.

Foreign shareholding restrictions

Under current PRC rules, a single foreign investor's shareholding in a listed company is not allowed to exceed 10% of the company's total issued shares, while all foreign investors' shareholding in the A Shares of a listed company is not allowed to exceed 30% of its total issued shares.

SSE Securities purchased through Shanghai-Hong Kong Stock Connect will be considered in totality with those purchased by QFII and RQFII, and subject to the same foreign shareholding restriction. Should the shareholding of a single investor in an A Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. If the 30% threshold is exceeded due to Shanghai-Hong Kong Stock Connect, HKEX will identify the relevant SEHK Participant and require it to follow the forced-sale requirements."

9. In Appendix II "THE SSE 50 INDEX ("SSE 50")" of the Prospectus,

- (i) The first sentence of the first paragraph on page 64 shall be amended and restated as follows:

"The SSE 50 is an index consisting of 50 constituent stocks which are the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange, and it is estimated that as of 11 January 2017, the 50 constituent stocks of the SSE 50 represent around 41.68% of the total market capitalisation of the Shanghai Stock Exchange."

- (ii) The first paragraph (including the top 10 largest constituent securities of the SSE 50) under the heading "Ten Largest Constituent Stocks" under the section headed "1. Basic Information" on page 65 shall be amended and restated as follows:

"As at 11 January 2017, the 10 largest constituent stocks of the SSE 50 (out of 50 constituent stocks) and their respective weightings are listed below:

Code	Stock Name	% of SSE 50
601318	Ping An Insurance (Group) Company of China Ltd.	9.67%

601166	Industrial Bank Co., Ltd.	5.46%
600016	China Minsheng Banking Corp., Ltd.	5.39%
600036	China Merchants Bank Co., Limited	4.69%
600519	Kweichow Moutai Co., Ltd.	4.40%
601328	Bank of Communications Co., Ltd.	4.03%
600000	Shanghai Pudong Development Bank Co., Ltd.	3.54%
601668	China State Construction Engineering Co., Ltd.	3.32%
600837	Haitong Securities Company Limited	3.27%
600030	CITIC Securities Co., Ltd.	3.21%

10. In Appendix IV “FEES AND CHARGES APPLICABLE TO THE SUB-FUND” of the Prospectus,

- (i) The paragraphs under the heading “*Capital Gain Tax and Distribution Tax*” on pages 75 to 77 shall be amended and restated as follows:

“PRC Tax

(a) Corporate Income Tax (“CIT”):

Under the prevailing PRC CIT Law, gains derived by a non-resident from the trading of A Shares would be subject to PRC withholding income tax (“WIT”) unless exempted under tax law and/or an applicable tax treaty.

Capital Gain Tax and Distribution Tax

The Sub-Fund is the ultimate party which bears the risks relating to the following taxes if they are so levied by the PRC tax authority: (a) WIT on the capital gain derived from the PRC investment (the “**Capital Gain Tax**”) and (b) WIT on dividend /distribution income derived from the PRC investment (the “**Distribution Tax**”), the details of which are set out below.

Capital Gain Tax

On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC issued “Caishui [2014] No. 79 - The Circular Concerning the issue of temporary exemption from the imposition of capital gain tax arising from gains from the transfer of equity investment assets such as PRC domestic shares by QFII and RQFII” (“**Circular 79**”).

Pursuant to Circular 79, effective from 17 November 2014, capital gains derived by a QFII or RQFII from trading of A Shares are temporarily exempt from withholding tax, provided that the capital gains are not effectively connected with any permanent establishment (if any) that the QFII or RQFII has in China; such exemption, however, will not apply to capital gains derived by a QFII or RQFII from transactions prior to 17 November 2014.

Pursuant to “Caishui [2014] No. 81 – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets” (“**Circular 81**”), effective from 17 November 2014, Hong Kong market investors, both enterprises and individuals, investing in A Shares via Shanghai-Hong Kong Stock Connect are temporarily exempted from income tax on capital gains derived from the sales of A Shares traded in the Shanghai Stock Exchange.

According to Circular 81, the latest Capital Gain Tax provisioning approach is as follows.

Based on professional and independent tax advice, the Sub-Fund currently will not set aside any Capital Gain Tax provision derived from the gains from trading of A Shares by the Sub-Fund through that are SSE Securities via Shanghai-Hong Kong Stock Connect.

In respect of the Sub-Fund's investments in the AXP's (when it was a synthetic ETF) up to and including 16 November 2014, all the then AXP issuers had determined, agreed and settled with the Sub-Fund the relevant Capital Gain Tax liabilities by the mid-June of 2016.

As the Sub-Fund is the ultimate party which bears the risks relating to the Capital Gain Tax liability of , any future changes in the taxation policies in respect of the Sub-Fund's investment in A Shares in the PRC will impact on the Sub-Fund's returns.

The Manager will assess the Capital Gain Tax provisioning approach on an on-going basis. Should the PRC tax policies in respect of the Capital Gain Tax change, the Manager may decide to set aside provision to meet any potential Capital Gain Tax liability in the future.

Distribution Tax

In respect of the Distribution Tax, to date, a 10% PRC withholding tax has been levied on dividend, distributions and interest payments from PRC listed companies to foreign investors. Pursuant to Circular 81, dividends from A Shares paid to Hong Kong market investors who invested in A Shares via Shanghai-Hong Kong Stock Connect, both enterprises and individuals, will continue to be subject to a withholding tax of 10%, and which is to be withheld at source. There is no assurance that the rate of the withholding tax will not be changed by the relevant PRC tax authority in the future.

(b) Value-added Tax (“VAT”) and surtaxes

In China, business tax was completely replaced by VAT starting from May 1, 2016. QFIIs are exempted from VAT on securities trading activities in China according to Caishui [2016] No. 36 (“Circular 36”). According to Circular 81 and Circular 36, the Sub-Fund is exempted from VAT on A Share trading activities through Shanghai-Hong Kong Stock Connect.

(c) Stamp Duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of A Shares traded on the PRC stock exchanges. In the case of contracts for sale of A Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

According to "Caishui [2016] No. 127 – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets", Hong Kong and overseas investors borrows and returns listed shares in relation to shares guarantee and short-selling through Shanghai-Hong Kong Stock Connect, will be exempt from stamp duty from 5 December 2016."

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

17 January 2017