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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 Ordinance (Cap. 571 of the laws of the Hong Kong SAR))

(Stock Code: 03024)

**Announcement -
Transitional Arrangements**

The Manager of W.I.S.E. – SSE 50 China Tracker®>(*This is a synthetic ETF) (the “Fund”) hereby announces the transitional arrangements pending the resignation of KBC Financial Products Trading Hong Kong Limited (“KBCFPCHK”) as the participating dealer of the Fund and KBC Investments Cayman Islands Limited (“KBCIC”) as the AXP issuer of the Fund. This includes the selling back of outstanding AXPs to KBCIC and the purchase of new AXPs from other AXP issuers which will involve additional costs and expenses, including increased hedging cost.

Further to our previous announcements on 5 July 2010 and 6 July 2010, the Manager of the Fund wishes to inform investors of the following transitional arrangements.

Background

The Manager was informed by KBCFPCHK in July 2010 that KBCFPCHK was contemplated to be acquired by Daiwa Capital Markets and the transaction was expected to be completed in the fourth quarter of 2010.

The Manager received a letter issued by KBCFPTHK and KBCIC indicating, inter alia, that: (a) KBCFPTHK would cease to be a Participating Dealer upon the earlier of (i) six months after the completion of the Transaction and (ii) the end of the first quarter of 2011 (the “Proposed Termination Date”); and (b) all outstanding AXP’s issued by KBCIC will be redeemed or bought back by KBCIC or any of its affiliates on or before the Proposed Termination Date from the Fund.

Transitional Arrangements

In view of the above, the Manager has decided that it will commence certain transitional arrangements (the “Transitional Arrangements”) on or after 28 February 2011, such arrangements will include:

- i) working with KBCIC in relation to the Fund selling back the outstanding AXP’s to KBCIC in an orderly manner;
- ii) the Fund purchasing new AXP’s from other AXP issuers.

Additional Costs and Expenses, including increased hedging cost

Investors should note that the Transitional Arrangements will involve additional costs and expenses and such additional costs and expenses will have to be borne by the Fund.

In particular, investors should note that under the current market conditions, AXP issuer(s) is likely to incur increased cost for hedging the obligations of the new AXP’s and such increased cost will have to be borne by the Fund. Such hedging cost is currently estimated to be approximately 10% to 12% of the Net Asset Value of the Fund. Due to possible change in market conditions, the actual hedging cost as at the time of acquiring new AXP’s from other AXP issuer(s) may be higher or lower than the approximate figures.

The cost of acquiring new AXP’s may be increased or decreased as a result of the change in the hedging cost and such cost will be reflected in the Net Asset Value of the Fund. The Manager will adopt gradual transition strategy and other reasonable measures to try to minimize the impact of such cost to the Fund. The actual impact on the Fund may hence be affected by such measures. In any event, the Net Asset Value and the performance of the Fund may be adversely affected, which may also give rise to increased tracking errors.

Unitholders are reminded that, apart from the trading of Units in the SEHK through the stockbrokers, they may also submit Redemption Applications through the relevant Participating Dealers in respect of Units constituting an Application Unit size (which is 800,000 units) or whole multiples thereof. Unitholders should refer to the section “Creation and Redemption of Units” in the Prospectus for details of the procedures.

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.

8 February 2011