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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**

The Manager of W.I.S.E. – SSE 50 China Tracker®\* (the “**Fund**”) hereby announces the following change in arrangement of the Capital Gain Tax provision in respect of the A-Share access products (“**AXPs**”) issued by one of its AXP issuers, UBS AG, London Branch (“**UBS**”).

### ***Background***

At present, the provision of Capital Gain Tax in relation to AXPs issued by UBS is made by the Fund. The new arrangement is set out below:-

### ***Amendment***

Effective from 15 December 2010 (the “**Effective Date**”) and for a period of up to 5 years from the relevant date of deduction for each AXP held by the Fund (the “**5-year period**”), UBS may deduct, for its own account, a 10% Capital Gain Tax provision (or, as agreed with the Manager, at the applicable tax rate prescribed by the PRC tax authorities) from the amount payable pursuant to the AXPs irrespective of whether such tax is actually incurred by the related QFII at the time the underlying securities are traded as a result of any unwinding or rebalancing of the AXPs. The Capital

Gain Tax provision shall be calculated by UBS.

The amount deducted pursuant to the above paragraphs for Capital Gain Tax provision shall be re-paid by UBS to the Fund as soon as reasonably practicable:

- (i) in the event and to the extent that: (a) no Capital Gain Tax decision has been made by the relevant PRC tax authorities within the relevant 5-year period; or (b) it is conclusively determined by the PRC tax authorities or by UBS that such amount or any part thereof is not required to discharge any relevant Capital Gain Tax liability relating to AXP's held by the Fund; and
- (ii) upon written evidence satisfactory to UBS that the Fund was the holder of the relevant AXP's at the time on which the deduction for Capital Gain Tax provision was made from payments under such AXP's.

If a final decision on Capital Gain Tax by the PRC tax authorities is made during the relevant 5-year period that the actual applicable tax payable by UBS (or any of its affiliates) in respect of its hedge position under the AXP's held by the Fund is more than the amount of the Capital Gain Tax deducted, any shortfall shall be paid by the Fund to UBS as soon as reasonably practicable. If the actual applicable tax payable is less than the Capital Gain Tax provision of 10%, any excess shall be refunded by UBS to the Fund as soon as reasonably practicable.

In case a final decision on Capital Gain Tax is subsequently made by the relevant PRC tax authorities after the relevant 5-year period and any Capital Gain Tax is retrospectively levied against UBS (or any of its affiliates) in respect of its hedge position under the AXP's held by the Fund, the Fund will, upon request, pay UBS an amount equivalent to any such tax liabilities as soon as reasonably practicable.

The above mentioned arrangement and deductions will apply to all AXP's issued by UBS (i) which have been purchased or entered into by the Fund or the Manager on behalf of the Fund and remain outstanding at the Effective Date and (ii) which may be purchased or entered into by the Manager or the Fund on or after the Effective Date. In respect of AXP's which the Fund or the Manager on behalf of the Fund have purchased but redeemed or disposed of prior to the Effective Date, the Fund will continue to make Capital Gain Tax provision.

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.

9 December 2010