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*SFC authorization is not a recommendation or endorsement of the Fund (as defined below) and the Sub-Fund (as defined below) nor does it guarantee the commercial merits of the Fund and the Sub-Fund or their performance. It does not mean the Fund and the Sub-Fund are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.*

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**W.I.S.E. – CSI 300 China Tracker<sup>®</sup>**  
**標智滬深 300 中國指數基金<sup>®</sup>**  
**a sub-fund (the “Sub-Fund”)**  
**of the World Index Shares ETFs (the “Fund”)**  
(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: 02827)**

**Announcement**  
**Removal of Collateral Requirement Conditions**

<p>The Manager hereby announces that the requirement to obtain collateral in relation to the Sub-Fund has been removed with immediate effect.</p>
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Reference is made to the announcements respectively dated 20 December 2017 and 28 December 2017 issued by the Manager (collectively, the “**Previous Announcements**”).

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

As mentioned in the Previous Announcements, the Manager has applied for and has been granted approval by the SFC to remove the Synthetic Fund Name Condition (as defined in the announcement dated 20 December 2017) and the removal of such Synthetic Fund Name Condition has taken effect from 28 December 2017.

The Sub-Fund's current holding in physical A Shares has increased to and will be maintained at more than 90% of its Net Asset Value on an ongoing basis. The Sub-Fund currently does not invest in AXPs<sup>1</sup>. Accordingly, the Manager has applied for and has been granted approval by the SFC with immediate effect to remove the collateral requirement conditions as imposed by the SFC pursuant to its letter dated 29 August 2011 (the "**Collateral Requirement Conditions**").

The Collateral Requirement Conditions are summarized below:

- “(i) As soon as practicable but in any event no later than 31 October 2011:
  - (a) collateral held by the Sub-Fund must represent at least 100% of the Sub-Fund's gross total counterparty risk exposure and be maintained, marked to market on a daily basis with a view to ensuring that there is no uncollateralized counterparty risk exposure;
  - (b) where collateral taken is in the nature of equity securities, such collateral shall be subject to an additional requirement such that the market value of such equity collateral represents at least 120% of the related gross counterparty risk exposure.
  
- (ii) Without prejudice to the generality of any rules and regulations:
  - (a) the collateral must meet the requirements in 8.8(e) of the Code on Unit Trusts and Mutual Funds, as supplemented by such other guidance from the Securities and Futures Commission ("**SFC**") from time to time;
  - (b) the Manager, as a fiduciary and with due care and skill, shall adopt a prudent hair-cut policy on any non-equity collateral held by the Sub-Fund taking into account all relevant factors, including without limitation, the credit quality, liquidity, duration and other relevant terms of the collateral held.
  
- (iii) Notwithstanding the conditions set out in paragraph (i) above, the Manager, as a fiduciary, shall dynamically manage the collateral with due care and skill, and in the interest of the unitholders, having due regard to the market circumstances from time to time. The Manager shall remain vigilant in its risk management and, if market circumstances so require, the Manager shall in its professional judgment decide whether the full implementation of the conditions set out in paragraph (i) above shall be accelerated to a date ahead of 31 October 2011.
  
- (iv) The collateral management policy of the Sub-Fund, as amended from time to time, shall be published on the Sub-Fund's website as soon as practicable but in any event no later than 12 September 2011, provided that the policy shall be in compliance with the conditions set out in paragraph (i) and (ii) above.”

Consequential amendments, including removal of the relevant disclosures relating to the collaterals arrangement, including the related risk factors, have been reflected in the updated Prospectus (the "**Prospectus**") and Product Key Facts Statement ("**KFS**") of the Sub-Fund. Investors should exercise caution in dealing with the Units of the Sub-Fund.

The Prospectus has also incorporated other updates and amendments, including:

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<sup>1</sup> The Manager reserves the right to invest in AXPs for not more than 10% of the Net Asset Value of the Sub-Fund for cash management and contingency planning purposes. Any such investment in AXPs will be uncollateralized.

1. removal/amendment of the relevant disclosures relating to AXP;
2. update of information relating to QFII regulations; and
3. update of the number of listed companies on the Shanghai Stock Exchange and its total market capitalization, the number of listed companies on the Shenzhen Stock Exchange and its total market capitalization, the top ten holdings of the CSI 300 index and the percentage of the total market capitalization of the Shenzhen Stock Exchange and the Shanghai Stock Exchange that the 300 constituent stocks of the CSI 300 Index represent.

The changes mentioned above are not subject to Unitholders' approval pursuant to the Trust Deed of the Fund or any applicable laws or regulations. The Trustee of the Fund has confirmed that it does not have any comments on the changes. The Manager considers the changes are beneficial to the Sub-Fund and its Unitholders and will not have a material adverse effect on the Unitholders. Unitholders may need to assess to what extent the above changes will affect their tax positions and should seek their own tax advice where applicable.

The updated Prospectus and KFS are now available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and the website of the Manager<sup>2</sup> at [www.boci-pru.com.hk/english/etf/intro.aspx](http://www.boci-pru.com.hk/english/etf/intro.aspx) (for English) and [www.boci-pru.com.hk/chinese/etf/intro.aspx](http://www.boci-pru.com.hk/chinese/etf/intro.aspx) (for Chinese). Hard copies of the updated Prospectus and KFS may also be obtained from the Manager's office at 27<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong free of charge. A copy of the Trust Deed is available for inspection free of charge during normal business hours at the Manager's office. Unitholders may also obtain a copy of the Trust Deed upon payment of a reasonable fee.

Investors who have any enquiries regarding the above may contact the Manager at the above address or the Manager's enquiry hotline at (852) 2280 8697.

8 February 2018

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<sup>2</sup> The Manager's website has not been reviewed by the SFC.