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**W.I.S.E. – CSI 300 China Tracker<sup>®\*</sup>**

(\*This is a synthetic ETF)

**標智滬深300中國指數基金<sup>®\*</sup>**

(\*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<sup>1</sup> (Cap. 571 of the laws of the Hong Kong SAR))

**(Stock Code: 02827)**

**Announcement –  
Change in respect of PRC capital gains tax provisioning  
approach of the Fund**

The Manager of W.I.S.E. – CSI 300 China Tracker<sup>®\*</sup> (\*This is a synthetic ETF) (the “Fund”) hereby announces that certain adjustments have been made to the provisioning policy with respect to capital gains tax (“CGT”) applicable to the AXP and A Shares direct investment through QFII Quota of the Fund following the clarifications set out in the PRC CGT Circular (defined below) issued on 14 November 2014.

**Background - PRC CGT Circular**

On 14 November 2014, the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the China Securities Regulatory Commission issued “Caishui [2014] No. 79 - The Circular concerning the issues of temporary exemption from the imposition of capital gains tax arising from gains from the transfer of equity

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investment assets such as PRC domestic stocks by QFII and RQFII” (the “PRC CGT Circular”).

The PRC CGT Circular states that:

1. Effective from 17 November 2014, the gains obtained by the qualified foreign institutional investors (the "QFIIs") and the RMB qualified foreign institutional investors (the "RQFIIs") from transfer of equity investment assets such as PRC domestic stocks (the “Gains”) shall temporarily be exempted from the corporate income tax.
2. The Gains obtained by QFIIs and RQFIIs prior to 17 November 2014 shall be subject to the corporate income tax according to laws.

### **Change in respect of PRC capital gains tax provisioning approach**

As a result, the NAV of the Fund on 17 November 2014 and each subsequent valuation day will reflect the following:

1. Reversal of provisions on Unrealised Gains – The CGT provisioning on unrealised gains as of 14 November 2014 will be reversed. The NAV of the Fund will be positively impacted.
2. Subject to further notice, the PRC CGT Circular clarified that effective from 17 November 2014, the Gains obtained by the QFIIs and the RQFIIs shall be temporarily exempted from the corporate income tax. The clarification allows the Manager to cease CGT provisioning for Gains made on AXPs and A Shares direct investment through QFII Quota from 17 November 2014 onwards.
3. All CGT provisions on realised gains made through AXPs and A Shares direct investment through QFII Quota up to and including 14 November 2014 will continue to be made and this is aligned with the clarifications announced by the PRC CGT Circular. The NAV of the Fund will not be impacted.

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 27<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or the Manager’s enquiry hotline at: (852) 2280 8697.

17 November 2014