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W.I.S.E. – CSI 300 China Tracker[®]
標智滬深 300 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 Ordinance
(Cap. 571 of the laws of the Hong Kong SAR))
(Stock Code: 2827)

Announcement

The Manager hereby announces the following changes to the W.I.S.E. – CSI 300 China Tracker[®] (the “Fund”).

Addition of new Participating Dealer and AXP issuer

Effective from 10 August 2009, UBS Securities Hong Kong Limited (“UBS HK”) will be appointed as a Participating Dealer of the Fund. UBS HK is a company incorporated in Hong Kong having its registered office at 42nd Floor, One Exchange Square, Central, Hong Kong. UBS HK is a licensed corporation authorized to carry on Type 1 regulated activity in Hong Kong pursuant to the Securities and Futures Ordinance. UBS HK is a wholly-owned subsidiary of UBS AG.

As a consequence, the Fund will now also hold AXPs issued by UBS AG, London branch. UBS AG is a QFII.

UBS AG was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CH-270.3.004.646-4.

UBS AG is incorporated and domiciled in Switzerland and operates under Swiss Code of Obligations and Swiss Federal Banking Law as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors.

UBS shares are listed on the SIX Swiss Exchange, the New York Stock Exchange and the Tokyo Stock Exchange.

According to Article 2 of the Articles of Association of UBS AG (“Articles of Association”) the purpose of UBS is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, service and trading activities in Switzerland and abroad.

The current list of Participating Dealers and AXP issuers of the Fund is available on the Manager’s website (www.boci-pru.com.hk).

Counterparty risk exposure

The Manager will seek to obtain collateral or credit support such that the exposure of the Fund to each AXP issuer does not exceed 15% of the Net Asset Value of the Fund. The current percentage exposure of the Fund to each AXP issuer is now available at the Manager’s website on www.boci-pru.com.hk.

In order to mitigate the potential counterparty risks of UBS AG, London branch, the Manager may implement measures including, without limitation, obtaining collateral or seeking the provision of other credit support from UBS AG to mitigate the counterparty risk as it deems appropriate.

Capital Gain Tax provision

In order to meet the potential tax liability for capital gains, a provision of 10% is made by an AXP issuer and/or the Fund for the Capital Gain Tax but the actual applicable tax rates imposed by the State Administration of Taxation may be different and may change from time to time.

Unless otherwise specified, the provisions of Capital Gain Tax is made by the Fund. In situation where the provision of Capital Gain Tax is made by the AXP issuer, separate arrangement may be made with regard to the treatment of the provisions. The arrangement of Deutsche Bank is set out below (and all references to AXPs held by the Fund in the paragraphs below on the arrangement refer to the AXPs issued by Deutsche Bank only):-

Deutsche Bank 5-year Tax Provision Arrangement

Effective from 10 September 2009 and for a period of up to 5 years (“**5 year period**”), Deutsche Bank (being one of the Fund’s AXP issuers) will withhold all the Capital Gain Tax provisioned in respect of AXPs held by the Fund, until, in the reasonable opinion of Deutsche Bank, a final decision is made by a competent PRC tax authority on the actual applicable tax rates.

If at the end of the 5 year period, no tax decision has been made and the Capital Gains Tax is not levied against Deutsche Bank, the amount of the provisions withheld and retained in respect of AXPs held by the Fund and not re-sold to Deutsche Bank will be returned to the Fund. However, in case a final decision is subsequently made after the 5 year period and

any Capital Gain Tax is retrospectively levied by the PRC tax authorities, the Fund will have to bear any such tax liabilities. If a final decision is made during the 5 year period and the actual applicable tax payable is more than the Capital Gain Tax provision, any shortfall shall be paid by the Fund to Deutsche Bank. If the actual applicable tax payable is below the Capital Gain Tax provision, any excess shall be refunded by Deutsche Bank to the Fund.

Deutsche Bank AXP Sale Arrangement

Further, effective from 10 September 2009 and before such final decision is made by the PRC tax authorities, in respect of any AXP which has been sold back to Deutsche Bank by the Fund, the provision of the Capital Gain Tax liability attributable to such AXP sold back to Deutsche Bank in relation to the Fund shall be kept by Deutsche Bank for its own account in consideration of Deutsche Bank agreeing to be solely liable for all Capital Gain Tax in respect of such AXP. In case a final decision is subsequently made and any Capital Gain Tax is retrospectively levied by the PRC tax authorities in respect of that AXP, such actual tax liabilities in respect of that AXP shall be solely borne by Deutsche Bank and the Fund shall not be liable for any capital gain tax in respect of that AXP.

Accordingly, changes have been made in the Prospectus to set out the details of the above arrangements with Deutsche Bank.

Distribution Tax

In addition, to date, a 10% PRC withholding tax has been levied on dividend and interest payments from PRC listed companies to foreign investors. As such, the relevant QFII will also pass on this tax liability to the Fund in the form of a Distribution Tax. As this tax is already levied, the Fund is subject to a Distribution Tax of 10%, and the Net Asset Value of the Fund is calculated net of the Distribution Tax.

Others

Changes have also been made in the Prospectus:

- clarifying that the appointment of additional participating dealers and AXP issuers will be communicated to Unitholders by way of an announcement and such information will also be available on the Manager's website (www.boci-pru.com.hk); and
- to generally update the disclosures as appropriate.

The Manager has re-issued the Fund's Prospectus dated 10 August 2009 to reflect the changes described in this announcement. A copy of the revised Prospectus will be available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and the website of the Manager at www.boci-pru.com.hk.

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

Investors who have any enquires regarding the above may contact our call centre at: (852) 2280 8697.

10 August 2009