

香港中央結算有限公司

(香港交易及結算所有限公司全資附屬公司)

HONG KONG SECURITIES CLEARING COMPANY LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

通告 CIRCULAR

- Subject:** Proposed Cessation of Trading, Termination, Voluntary Deauthorisation and Delisting
- XIE Shares India (Nifty 50) ETF* (Stock Code: 3091)
 - XIE Shares Indonesia (LQ45) ETF* (Stock Code: 3031)
 - XIE Shares Korea (KOSPI 200) ETF* (Stock Code: 3090)
 - XIE Shares Malaysia (FTSE Bursa Malaysia KLCI) ETF* (Stock Code: 3029)
 - XIE Shares Philippines (PSEi) ETF* (Stock Code: 3037)
 - XIE Shares Taiwan (TAIEX) ETF* (Stock Code: 3089)
 - XIE Shares Thailand (SET50) ETF* (Stock Code: 3069)
- (* This is a synthetic ETF)
(each a “Terminating Index Fund”, collectively the “Terminating Index Funds”)
- Enquiry:** Exchange Participant General Enquiry Hotline (Tel: 2840 3626)
CCASS Participant General Enquiry Hotline (Tel: 2979 7111)

Exchange and CCASS Participants are requested to note that Enhanced Investment Products Limited (the “Manager”) has issued an Announcement and Notice on HKEXnews.hk (<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0929/LTN20160929047.pdf>) concerning the proposed cessation of trading, termination, voluntary deauthorisation and delisting and waiver from strict compliance with certain provisions of the code (the “Announcement and Notice”).

Capitalized terms used herein shall have the same meanings set out in the Announcement and Notice unless the context otherwise requires.

According to the Announcement and Notice, the expected Last Trading Day of the Units in the Terminating Index Funds on The Stock Exchange of Hong Kong Limited (the “SEHK”) will be 31 October 2016, after which the Terminating Index Funds will no longer be traded on the SEHK. The expected Deauthorisation and Delisting of the Terminating Index Funds will be on or around 29 December 2016.

Upon Deauthorisation and Delisting of the Terminating Index Funds, the Terminating Index Funds will no longer be subject to Hong Kong regulation by the Securities and Futures Commission (the “SFC”) nor recognized as the eligible securities in Central Clearing and Settlement System (“CCASS”) by Hong Kong Securities Clearing Company Limited (“HKSCC”).

Exchange and CCASS Participants should inform and liaise with their clients as soon as possible to take any appropriate action(s). Potential course of action(s) to be taken by investors on or before the Last Trading Day are briefly mentioned below.

Potential actions to be taken by investors on or before the Last Trading Day

1. Trading on the SEHK on any trading day up to and including the Last Trading Day (i.e. from now up to and including 31 October 2016)

On any trading day up to and inclusive of the Last Trading Day, an investor may continue to buy or sell its Units in the Termination Index Funds on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market prices. The market makers of The Terminating Index Funds, CLSA Limited and Commerz Securities Hong Kong Limited (the “Market Makers”) will continue to perform their market making functions in accordance with the trading rules of the SEHK in respect of the Terminating Index Funds. These Exchange Trades will be cleared inside CCASS and automatically settled on a Continuous Net Settlement (CNS) basis as usual unless they are isolated from the CNS System by the counterparty Exchange Participants at the time of trade or isolated from the CNS System by HKSCC, in which case such trades will be settled on a trade-for-trade (TFT) basis.

2. Holding Units after the Last Trading Day

Relevant Investors who are recorded by HKSCC as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS will be entitled to a Final Distribution of an amount equal to the relevant Terminating Index Fund’s then Net Asset Value in proportion to the Relevant Investor’s interests in that Terminating Index Fund as at the Distribution Record Date (i.e. 3 November 2016).

The Final Distribution payable to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS on or around 23 November 2016.

IMPORTANT NOTES: If an investor disposes of its Units in the Terminating Index Funds at any time on or before the Last Trading Day, such investor will not in any circumstances be entitled to any portion of the Final Distribution or any further distribution (if any) in respect of any Units in the Terminating Index Funds so disposed. Investors should therefore exercise caution and consult their professional and financial advisers before dealing in their Units in the Terminating Index Funds or otherwise deciding on any course of actions to be taken in relation to their Units in any of the Terminating Index Funds.

Exchange/CCASS Participants are urged to:

- forward a copy of the Announcement and Notice to their clients holding Units in any or all of the Terminating Index Funds, and inform them of the contents of the Announcement and Notice as soon as possible;

- facilitate their clients who want to dispose of Units in any or all of the Terminating Index Funds on or before the Last Trading Day; and
- inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units in the Terminating Index Funds.

For further information on the Announcement and Notice, please contact the Manager directly by calling (852) 2110 8600.

Trading in the ETF(s) may not be suitable for all members of the public. Exchange Participants should advise their clients to carefully consider whether trading in the ETF(s) is/are appropriate for them in light of their understanding of the product nature and characteristics, their own investment objectives, skills and experience, financial resources, risk tolerance and other relevant circumstances prior to making any decision.

Further information such as the prospectus and other documents issued by the manager is available on the [HKEXnews website](#) and on the [ETF webpage](#)

Kennis Cheuk

Vice President

Depository and Nominee Services