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THIS ANNOUNCEMENT AND NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE EXCHANGE TRADED FUNDS NAMED BELOW

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*If you are in any doubt about this Announcement and Notice or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.*

*If you have sold or transferred all your Units in the CSI Financials ETF, you should at once hand this Announcement and Notice to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.*

**IMPORTANT:** *The Stock Exchange of Hong Kong Limited (the “SEHK”), the Hong Kong Exchange and Clearing Limited, the Securities and Futures Commission (the “SFC”) and the Hong Kong Securities Clearing Company Limited (the “HKSCC”) take no responsibility for the contents of this Announcement and Notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement and Notice.*

*BlackRock Asset Management North Asia Limited (the “Manager”) accepts full responsibility for the accuracy of the information contained in this Announcement and Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.*

*SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.*

## **iShares Asia Trust (the “Trust”)**

*(A Hong Kong umbrella unit trust authorised under*

*Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)*

**iShares CSI A-Share Financials Index ETF\* (\*This is a synthetic ETF)  
(Stock Code: 2829) (the “CSI Financials ETF”)**

# **ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

**IMPORTANT:** Investors are strongly advised to consider the contents of this Announcement and Notice. This Announcement and Notice is important and requires your immediate attention. It concerns the proposed cessation of trading, proposed termination, proposed Deauthorisation and proposed Delisting of the CSI Financials ETF (the "Proposal"). Taking into account the relevant factors, including, in particular, the relatively small Net Asset Value of the CSI Financials ETF (see details of the factors in section 1 below), the Manager proposes to seek the termination, Deauthorisation and Delisting of the CSI Financials ETF.

Unless the Net Asset Value of the CSI Financials ETF fall below the Hong Kong dollar equivalent of USD 10,000,000 on any day between the date of this Announcement and Notice and 24 February 2017 (as explained further below), the implementation of the Proposal is subject to the approval by the Unitholders by way of an extraordinary general meeting (the "Meeting") of the Resolution (as set out in the accompanying notice of the Meeting (the "EGM Notice")) to be held on 20 March 2017. The Resolution must be passed by Unitholders holding 75% or more of the total number of votes cast for and against the Resolution. Please refer to the accompanying EGM Notice for details of the Meeting.

Investors should note that:

- (A) should the Net Asset Value of the CSI Financials ETF fall below the Hong Kong dollar equivalent of USD10,000,000 on any day between the date of this Announcement and Notice and 24 February 2017, being a date that is no less than 21 days before the proposed date of Meeting, the Manager will cancel the Meeting and will exercise its power to terminate the CSI Financials ETF by giving unitholders not less than three months' notice pursuant to Clause 35.7(b) of the Trust Deed. If this is the case, the Manager will publish an announcement on or before 24 February 2017 to inform Unitholders of such cancellation (the "Cancellation Announcement") and will subsequently publish an announcement in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed which will set out the following dates: the date from which no creation of Units in the primary market through any Participating Dealers will be allowed, the Last Trading Day, the Trading Cessation Date, the Distribution Record Date, the Final Distribution Date and the Termination Date;
- (B) should the Net Asset Value of the CSI Financials ETF remain above the Hong Kong dollar equivalent of USD10,000,000 in the period up to and including 24 February 2017, the Meeting will be held as scheduled on 20 March 2017, at which Unitholders will vote on the Resolution. For the avoidance of doubt, even if the Net Asset Value of the CSI Financials ETF drops below the Hong Kong dollar equivalent of USD10,000,000 after 24 February 2017 but before 20 March 2017 (the date of the Meeting), the Meeting will be held as scheduled to give Unitholders the opportunity to vote on the Resolution. The Manager will announce the result of the Meeting shortly after the Meeting and no later than 8:30am on 21 March 2017 (the "Result Announcement").

If the Proposal is approved by Unitholders at the Meeting, the Manager will proceed to terminate the CSI Financials ETF. In this case, the date from which no creation of Units in the primary market through any Participating Dealers will be allowed, the Last Trading Day, the Trading Cessation Date, the Distribution Record Date, the Final Distribution Date and the Termination Date are as set out under section 3.3 of this Announcement and Notice.

The events that will take place subsequently to implement the Proposal are set out below:

- from the Trading Cessation Date onwards, (i) there will be no further trading of Units of the CSI Financials ETF and no redemption of Units of the CSI Financials ETF; (ii) the Manager will start to realise all the assets of the CSI Financials ETF and the CSI Financials ETF will therefore cease to track the Underlying Index and will not be able to meet its investment objective of tracking the performance of such Underlying Index; (iii) the CSI Financials ETF will no longer be marketed to the public; and (iv) the CSI Financials ETF will mainly hold cash, and the CSI Financials ETF will only be operated in a limited manner;

- the Manager will, after having consulted with CSI Financials ETF's auditor, declare a Final Distribution (please refer to section 4.2 below for further information) to the investors who remain so as at the Distribution Record Date and the Final Distribution is expected to be payable on or around the Final Distribution Date. Based on the information available to the Manager as at the date of this Announcement and Notice, the Manager considers it unlikely there will be a further distribution after the Final Distribution. However, in the unlikely event there is a further distribution after the Final Distribution, the Manager will issue an announcement informing the Relevant Investors;
- by the date the Trustee and the Manager have formed an opinion that the CSI Financials ETF has no outstanding contingent or actual liabilities or assets, the Trustee and the Manager will commence the completion of the termination of the CSI Financials ETF (i.e. the Termination Date);
- during the period from the Trading Cessation Date until, at least, the Termination Date, the Manager will maintain CSI Financials ETF's SFC authorised status and SEHK listed status (and the CSI Financials ETF will continue to comply with the Code and the Trust Deed and applicable laws and regulations) and, subject to the SEHK's approval, expects the Delisting to take effect at or around the same time as the Deauthorisation;
- the Manager expects that the Deauthorisation and the Delisting will take place either on the Termination Date or shortly after the Termination Date (please note any product documentation for the CSI Financials ETF previously issued to investors, including the Prospectus, should be retained for personal use only and not for public circulation); and
- investors should pay attention to the risk factors as set out in section 7.1 below (including liquidity risk, early CAAP redemption and repurchase risk, units trading at a discount or premium and Market Makers' inefficiency risk, tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk, Net Asset Value downward adjustment risk, failure to track the Underlying Index risk, lack of voting right risk, liquidation of CAAPs risk and delay in distribution risk). Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units in the CSI Financials ETF or otherwise deciding on the course of actions to be taken in relation to their Units in the CSI Financials ETF.

PRC CGT –

As at the date of this Announcement and Notice in respect of the CSI Financials ETF (i) the Manager understands from all CAAP Issuers that their relevant PRC CGT tax filings to the PRC tax authorities for assessment has been made and such assessment has been completed by the PRC tax authorities (ii) the Manager has agreed and settled PRC CGT liability with all CAAP Issuers and (iii) the Manager accordingly believes to the best of its knowledge and after taking professional tax advice that the CSI Financials ETF has no further liability in respect of PRC CGT.

IN THE EVENT THE RESOLUTION IS NOT PASSED AT THE MEETING, THE MANAGER RESERVES ITS RIGHT TO TERMINATE THE CSI FINANCIALS ETF UNDER CLAUSE 35.7(b) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS OUTSTANDING IN THE CSI FINANCIALS ETF IS LESS THAN THE HONG KONG DOLLAR EQUIVALENT OF USD10,000,000. IN SUCH CIRCUMSTANCES, THE MANAGER SHALL GIVE NOTICE TO THE UNITHOLDERS TO FIX THE DATE (WHICH SHOULD NOT BE LESS THAN THREE MONTHS AFTER THE SERVICE OF SUCH NOTICE) AT WHICH SUCH TERMINATION IS TO TAKE EFFECT.

- The Manager will bear all costs and expenses associated with the Proposal and the Meeting (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the CSI Financials ETF, that is the liquidation of CAAPs, which will be borne by the CSI Financials ETF and by extension, its Unitholders) from the date of this Announcement and Notice up to and including the Termination Date. The Manager will closely monitor the situation to seek to implement the liquidation of CAAPs in an orderly manner, acting in the interest of the CSI Financials ETF and its Unitholders, taking into account the costs. In considering such costs, the Manager will seek to ensure these are reasonable (i) given the intention to terminate the CSI Financials ETF by the Termination Date and (ii) the prevailing market conditions.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and Notice (including the EGM Notice) to their clients holding Units in the CSI Financials ETF, and inform them of the contents of this Announcement and Notice as soon as possible;
- facilitate their clients who want to dispose of Units in the CSI Financials ETF; 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.

If investors are in doubt about the contents of this Announcement and Notice, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager (please refer to section 13 below for further information).

The Manager will, until the date of the Cancellation Announcement (if any) or the date of the Meeting, issue reminder announcements on a weekly basis to investors informing and reminding them of the Proposal and the Meeting (including the Last Trading Day, Trading Cessation Date and Distribution Record Date). Also, further announcements will be made in due course to inform investors of the Final Distribution Date, the Termination Date, the dates for the Deauthorisation and Delisting and whether there is any further distribution after the Final Distribution, as and when appropriate in accordance with the applicable regulatory requirements.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

Unless otherwise defined herein, terms and expressions used in this Announcement and Notice have the same meanings as given to them in the Prospectus.

BlackRock Asset Management North Asia Limited (the “**Manager**”), the Manager of the Trust and the CSI Financials ETF, announces its Proposal to seek the termination and the voluntary Deauthorisation and Delisting of the CSI Financials ETF. The proposed termination, Deauthorisation and Delisting of the CSI Financials ETF will be subject to the final approval of the SFC and the SEHK, and will only take place after the Trustee and the Manager have formed an opinion that the CSI Financials ETF has no outstanding contingent or actual liabilities or assets.

## 1. Extraordinary General Meeting

- 1.1 Unless the Net Asset Value of the CSI Financials ETF fall below the Hong Kong dollar equivalent of USD10,000,000 on any day between the date of this Announcement and Notice and 24 February 2017, the Proposal requires Unitholders to pass the Resolution set out in the EGM Notice. Please refer to section 8.3 below if you wish to attend and/or vote at the Meeting to be held on 20 March 2017 personally and/or appoint a representative to attend the Meeting to vote on your

behalf. The Record Date for the purpose of determining the beneficial owners of Units in the CSI Financials ETF which are entitled to vote is 13 March 2017. If the Meeting is adjourned, the Record Date will be postponed to a date which is approximately 15 days after the initial Record Date, and all votes received by the Manager for the Meeting will lapse and will not be carried forward to the adjourned meeting. If the Meeting is adjourned because a quorum is not present, the Unitholders present in person or by proxy at the adjourned meeting shall be a quorum. Unitholders who are entitled to vote in the adjourned meeting will need to vote again in the adjourned meeting. The Manager will issue a notice informing the Unitholders about the details of the adjourned meeting (if any) in due course.

## 1.2 Potential cancellation of the Meeting

According to Clause 35.7(b) of the Trust Deed, the CSI Financials ETF may be terminated by the Manager in its absolute discretion if the aggregate Net Asset Value of all the Units in the CSI Financials ETF outstanding shall be less than the Hong Kong Dollar equivalent of USD10,000,000. As such, investors should note that:

- (A) should the Net Asset Value of the CSI Financials ETF fall below the Hong Kong dollar equivalent of USD10,000,000 on any day between the date of this Announcement and Notice and 24 February 2017, being a date that is no less than 21 days before the proposed date of Meeting, the Manager will cancel the Meeting and will exercise its power to terminate the CSI Financials ETF by giving unitholders not less than three months' notice pursuant to Clause 35.7(b) of the Trust Deed. If this is the case, the Manager will publish a Cancellation Announcement on or before 24 February 2017 to inform Unitholders of such cancellation and will subsequently publish an announcement in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed.
- (B) should the Net Asset Value of the CSI Financials ETF remain above the Hong Kong dollar equivalent of USD10,000,000 in the period up to and including 24 February 2017, the Meeting will be held as scheduled on 20 March 2017, at which Unitholders will vote on the Resolution. For the avoidance of doubt, even if the Net Asset Value of the CSI Financials ETF drops below the Hong Kong dollar equivalent of USD10,000,000 after 24 February 2017 but before 20 March 2017 (the date of the Meeting), the Meeting will be held as scheduled to give Unitholders the opportunity to vote on the Resolution. The Manager will publish the Result Announcement to announce the result of the Meeting shortly after the Meeting and no later than 8:30am on 21 March 2017.

IN THE EVENT THE RESOLUTION IS NOT PASSED AT THE MEETING, THE MANAGER RESERVES ITS RIGHT TO TERMINATE THE CSI FINANCIALS ETF UNDER CLAUSE 35.7(b) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS OUTSTANDING IN THE CSI FINANCIALS ETF IS LESS THAN THE HONG KONG DOLLAR EQUIVALENT OF USD10,000,000. IN SUCH CIRCUMSTANCES, THE MANAGER SHALL GIVE NOTICE TO THE UNITHOLDERS TO FIX THE DATE (WHICH SHOULD NOT BE LESS THAN THREE MONTHS AFTER THE SERVICE OF SUCH NOTICE) AT WHICH SUCH TERMINATION IS TO TAKE EFFECT.

## 1.3 Costs

The Manager will bear all costs and expenses associated with Proposal and the Meeting (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the CSI Financials ETF, that is the liquidation of CAAPs, which will be borne by the CSI Financials ETF and by extension, its Unitholders) from the date of this Announcement and Notice up to and including the Termination Date. As disclosed in the Prospectus, there may be costs associated with the early redemption of CAAPs which costs will be borne by the CSI Financials ETF (and by extension, its Unitholders) – please refer to the risk factor “Early CAAP Redemption and Repurchase Risk” in section 7.1 below. The Manager will closely monitor the situation to seek to implement the liquidation of CAAPs in an orderly manner, acting in the interest of the CSI Financials ETF and its Unitholders, taking into account the costs. In considering such costs, the Manager will seek to ensure these are reasonable (i) given the intention to terminate the CSI Financials ETF by the Termination Date and (ii) the prevailing market conditions.

## **2. Proposed termination of the CSI Financials ETF, cessation of trading and liquidation of assets**

### **2.1 Proposed termination of the CSI Financials ETF**

According to Clause 35.11 of the Trust Deed, the CSI Financials ETF may be terminated at any time in the event that an extraordinary resolution (i.e. a resolution passed by a majority consisting of 75% or more of the total number of votes cast for and against such resolution) to that effect is passed.

The Net Asset Value and Net Asset Value per Unit of the CSI Financials ETF as at 14 November 2016 were HKD 97,728,647 and HKD 13.96 respectively (equivalent to USD 12,596,495 and USD 1.80 respectively\*).

\* *Indicative USD/HKD exchange rate as at 14 November 2016: 7.7584*

Having taken into account the relevant factors including the interests of the investors as a whole, the currently relatively small Net Asset Value and the relatively low trading volume of the CSI Financials ETF, the Manager is of the view that the proposed termination of the CSI Financials ETF would be in the best interests of the investors in the CSI Financials ETF. Therefore, the Manager recommends that Unitholders pass the Resolution to terminate the CSI Financials ETF on the date on which the Trustee and the Manager form an opinion that the CSI Financials ETF ceases to have any outstanding contingent or actual assets or liabilities.

### **2.2 Proposed cessation of trading**

If (i) the Meeting is cancelled and the Manager exercises its power to terminate the CSI Financials ETF as described in section 1.2(A) above, OR (ii) the Meeting goes ahead on 20 March 2017 and the Proposal is approved by Unitholders at the Meeting, the Manager will proceed to terminate the CSI Financials ETF. The Manager will apply to SEHK to have the Units of the CSI Financials ETF cease trading on the SEHK with effect from the Trading Cessation Date. The Manager will aim to realise all of the assets of the CSI Financials ETF commencing from the Trading Cessation Date in exercise of its investment powers under Clause 9.5 of the Trust Deed. No further creation of Units through Participating Dealers will be allowed from 22 March 2017 onwards (if the Proposal is approved at the Meeting) or an alternative date as published in an announcement in relation to the exercise of the Manager's power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled).

The Manager will then proceed with a Final Distribution for the CSI Financials ETF on or around the Final Distribution Date. As such, the Last Trading Day will be the last day on which investors may buy or sell Units in the CSI Financials ETF on the SEHK in accordance with the usual trading arrangements currently in place.

If there are any changes to the dates referred to in this section 2.2, the Manager will issue an announcement informing investors of the revised dates.

For the avoidance of doubt redemption of Units in the CSI Financials ETF by Participating Dealers of the CSI Financials ETF will continue to be permitted until the Last Trading Day.

Investors should note that they cannot redeem Units directly from the CSI Financials ETF in the primary market. Only Participating Dealers may submit redemption applications to the Manager and the Participating Dealers may have their own application procedures for their clients and may set application cut-off times for their clients which are earlier than those set out in the Prospectus. Investors are advised to check with the Participating Dealers as to the relevant timing deadlines and the client acceptance procedures and requirements.

### **2.3 Impact on the proposed realisation of the assets**

CAAPs comprise the majority of the assets of the CSI Financials ETF, and accordingly realisation of the CSI Financials ETF's assets will involve liquidation of CAAPs. The costs associated with the liquidation of CAAPs will be borne by the CSI Financials ETF and by extension, its Unitholders. As disclosed in the Prospectus, there may be costs associated with

the early redemption of CAAPs which costs will be borne by the CSI Financials ETF (and by extension, its Unitholders)– please refer to the risk factor “Early CAAP Redemption and Repurchase Risk” in section 7.1 below. The Manager will closely monitor the situation to seek to implement the realisation of the CSI Financials ETF’s assets in an orderly manner, acting in the interest of the CSI Financials ETF and its Unitholders, taking into account the costs. In considering such costs, the Manager will seek to ensure these are reasonable (i) given the intention to terminate the CSI Financials ETF by the Termination Date and (ii) the prevailing market conditions.

Assuming the Proposal proceeds (either due to the Manager cancelling the Meeting and exercising its power to terminate the CSI Financials ETF under Clause 35.7(b) of the Trust Deed or due to the approval of the Proposal at the Meeting), after the realisation of the assets of the CSI Financials ETF, the CSI Financials ETF will mainly hold cash, primarily consisting of the proceeds from the liquidation of CAAPs. It therefore follows that, from the Trading Cessation Date, the CSI Financials ETF will cease to track its Underlying Index and will not be able to meet its investment objective of tracking the performance of its Underlying Index.

### **3 What will happen after the Trading Cessation Date?**

#### **3.1 Immediately from the Trading Cessation Date**

Assuming the Proposal proceeds (either due to the Manager cancelling the Meeting and exercising its power to terminate the CSI Financials ETF under Clause 35.7(b) of the Trust Deed or due to the approval of the Proposal at the Meeting), effective from the Trading Cessation Date, the Units of the CSI Financials ETF will cease trading on the SEHK. This means that investors will only be allowed to buy or sell Units on the SEHK until (and including) the Last Trading Day (which is 26 April 2017 if the Resolution is passed at the Meeting or, if the Meeting is cancelled, an alternative date, as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed) and will not be allowed to do so from the Trading Cessation Date onwards.

#### **3.2 During the period from the Trading Cessation Date until the Termination Date**

Assuming the Proposal proceeds (either due to the Manager cancelling the Meeting and exercising its power to terminate the CSI Financials ETF under Clause 35.7(b) of the Trust Deed or due to the approval of the Proposal at the Meeting), the Manager will, after having consulted with CSI Financials ETF’s auditor, declare a Final Distribution for the CSI Financials ETF in respect of those investors who remain invested as at the Distribution Record Date (the “**Relevant Investors**”) i.e. those investors who do not sell their Units in the CSI Financials ETF on or before the Last Trading Day. Such Final Distribution is expected to be made on or around the Final Distribution Date.

On the Termination Date (which is expected to be on or around 23 June 2017 if the Resolution is passed at the Meeting or, if the Meeting is cancelled, an alternative date, as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed), the Manager and the Trustee will commence the completion of the termination of the CSI Financials ETF.

During the period from the Trading Cessation Date until, at least, the Termination Date, the CSI Financials ETF will continue to have listing status on the SEHK, and the CSI Financials ETF will remain authorised by the SFC and continue to comply with the Code, Trust Deed and applicable laws and regulations, although it will be operated only in a limited manner (as described in section 5.2 below).

The Deauthorisation and Delisting will take place either on the Termination Date or shortly after the Termination Date, subject to the SFC’s and the SEHK’s approval respectively. The Manager expects, subject to the approval of SEHK, that the Delisting will only take place at or around the same time of the Deauthorisation.

The proposed termination, Deauthorisation and Delisting will be subject to the payment of all outstanding fees and expenses (please refer to section 6 below for further information), the discharge of all outstanding liabilities of the CSI Financials ETF, as well as the final approvals of the SFC and the SEHK.

Following Deauthorisation, the CSI Financials ETF will no longer be subject to regulation by the SFC. Any product documentation for the CSI Financials ETF previously issued to investors, including the Prospectus, should be retained for personal use only and not for public circulation. Further, stockbrokers, financial intermediaries and investors must not circulate any marketing or other product documentation relating to the CSI Financials ETF to the public in Hong Kong as this may be in breach of the SFO.

### 3.3 Important dates

A. **It is anticipated that the expected important dates in respect of the Meeting will be as follows:**

Dispatch of this Announcement and Notice	18 November 2016 (Friday)
Last day for the Manager to cancel the Meeting if the Net Asset Value of the CSI Financials ETF falls below the Hong Kong dollar equivalent of USD10,000,000 before this date	24 February 2017 (Friday)
The date as at which an investor needs to be recorded by the HKSCC Nominees Limited as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to attend and vote at the Meeting (the “ <b>Record Date</b> ”)*	13 March 2017 (Monday)
Meeting*	10:00a.m. on 20 March 2017 (Monday)
Announcement of the results of the Meeting*	Before 8:30am on 21 March 2017 (Tuesday)

\* If the Meeting is not cancelled on or before 24 February 2017.

B. **If the Meeting is not cancelled on or before 24 February 2017 and the Proposal is approved by Unitholders at the Meeting:**

No further creation of Units from this date	22 March 2017 (Wednesday)
Last day for dealings in the Units on the SEHK and last day for redemption of Units by Participating Dealers (the “ <b>Last Trading Day</b> ”)	26 April 2017 (Wednesday)
Dealings in the Units on the SEHK cease (the “ <b>Trading Cessation Date</b> ”) and no further redemption of Units, i.e. same date on which the Manager will start to realise all the assets of the CSI Financials ETF and the CSI Financials ETF will cease to be able to track its Underlying Index	27 April 2017 (Thursday)
The date as at which an investor needs to be recorded by HKSCC as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to the Final Distribution and further distribution (if any) (the “ <b>Distribution Record Date</b> ”)	2 May 2017 (Tuesday)
Final Distribution, after having consulted with the CSI Financials ETF’s auditor, will be paid to the investors who are still holding Units as at the Distribution Record Date (the “ <b>Final Distribution Date</b> ”)	On or around 9 June 2017 (Friday)

Termination of the CSI Financials ETF (the “ <b>Termination Date</b> ”)	On or around 23 June 2017 (Friday), which is the date on which the Manager and the Trustee form an opinion that the CSI Financials ETF ceases to have any outstanding contingent or actual assets or liabilities.
Deauthorisation and Delisting of the CSI Financials ETF	On or around 23 June 2017 (Friday), which is the date on which the SFC and SEHK approve the Deauthorisation and Delisting respectively.  The Manager expects that the Deauthorisation and Delisting will take place either on the Termination Date or shortly after the Termination Date.

- C. **If the Meeting is cancelled on or before 24 February 2017 and the Manager exercises its power under Clause 35.7(b) of the Trust Deed to terminate the CSI Financials ETF, the dates listed under B. will not apply and the Manager will announce alternative dates as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed.**

The Manager will, on a weekly basis from the date of this Announcement and Notice to the date of the Cancellation Announcement (if any) or the date of the Meeting, issue reminder announcements informing and reminding investors of the Proposal and the Meeting (including the Last Trading Day, Trading Cessation Date and Distribution Record Date). Also, further announcements will be made in due course to inform investors of the Final Distribution Date, the Termination Date, the dates for the Deauthorisation and Delisting and whether there is any further distribution after the Final Distribution, as and when appropriate in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in this section, the Manager will issue an announcement informing investors.

All stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice, together with any further announcements, to their clients investing in the Units of the CSI Financials ETF, and inform them of the contents of this Announcement and Notice, and any further announcements, as soon as possible.

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

##### 4.1 Trading on the SEHK on any trading day up to (and including) the Last Trading Day

On any trading day up to (and including) the Last Trading Day, an investor may continue to buy or sell its Units in the CSI Financials ETF 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 CSI Financials ETF will continue to perform their market making functions in accordance with the Trading Rules of the SEHK in respect of the CSI Financials ETF.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units of the CSI Financials ETF on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units of the CSI Financials ETF or such other applicable rate) and a trading fee (at 0.005% of the price of the Units of the CSI Financials ETF) will be payable by each of the buyer and the seller of the Units.

No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Units of the CSI Financials ETF on the SEHK.

The trading price of Units of the CSI Financials ETF may be below or above the Net Asset Value per Unit of the CSI Financials ETF.

## 4.2 Holding Units after the Last Trading Day

Assuming the Proposal proceeds (either due to the Manager cancelling the Meeting and exercising its power to terminate the CSI Financials ETF under Clause 35.7(b) of the Trust Deed or due to the approval of the Proposal at the Meeting), for Relevant Investors who are still holding Units in the CSI Financials ETF after the Last Trading Day, the Manager will, after having consulted with the CSI Financials ETF's auditor, declare Final Distributions in respect of such Relevant Investors. Each Relevant Investor will be entitled to a Final Distribution of an amount equal to the CSI Financials ETF's then Net Asset Value in proportion to the Relevant Investor's interests in the CSI Financials ETF as at the Distribution Record Date ("**Final Distribution**"). The CSI Financials ETF's then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the CSI Financials ETF as described in section 2.3 above.

The Final Distribution in respect of the CSI Financials ETF to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS on the Final Distribution Date (expected to be on or around 9 June 2017 if the Resolution is passed at the Meeting or, if the Meeting is cancelled, an alternative date, as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed). The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution in respect of the CSI Financials ETF, together with the amount of Final Distribution per Unit in respect of the CSI Financials ETF, in due course. The Manager does not expect or anticipate there will be a further distribution after the Final Distribution. However, in the unlikely event there is a further distribution after the Final Distribution, the Manager will issue an announcement informing the Relevant Investors.

**IMPORTANT NOTE: Investors should note and consider the risk factors as set out in section 7.1 below and consult with their professional and financial advisers before disposing of any Units in the CSI Financials ETF. If an investor disposes of its Units in the CSI Financials ETF 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 for the CSI Financials ETF, in respect of any Units of the CSI Financials ETF so disposed. Investors should therefore exercise caution and consult with their professional and financial advisers before dealing in their Units in the CSI Financials ETF or otherwise deciding on any course of action to be taken in relation to their Units in the CSI Financials ETF.**

## 5. Consequences of the commencement of the cessation of trading

### 5.1 Continued existence of the CSI Financials ETF

The CSI Financials ETF will maintain its SFC authorisation status and its SEHK listing status, until the Deauthorisation and Delisting. Deauthorisation and Delisting will follow as soon as possible after the termination of the CSI Financials ETF.

By the time the Trustee and the Manager form an opinion that the CSI Financials ETF ceases to have any outstanding contingent or actual assets or liabilities, the Manager and the Trustee will complete the proposed termination process and the Manager will proceed with applying to the SFC for Deauthorisation, and to the SEHK to complete the Delisting of the CSI Financials ETF respectively.

### 5.2 Limited operation of the CSI Financials ETF

During the period from the Trading Cessation Date until the Deauthorisation, the CSI Financials ETF (i) will continue to comply with the Code and the Trust Deed and applicable laws and regulations and (ii) will only be operated in a limited manner as there will not be any trading of Units in the CSI Financials ETF, and the CSI Financials ETF will have no investment activities from the Trading Cessation Date onwards.

Relevant Investors are reminded to contact their stockbrokers or financial intermediaries to check whether there will be any fees or charges including custody fees that they may need to bear with regard to their unitholding in the CSI Financials ETF during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

## 6. Costs

As indicated in section 4.1 above, investors' stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units in the CSI Financials ETF on or before the Last Trading Day.

All redemptions of Units in the CSI Financials ETF by the Participating Dealers will be subject to the fees and costs as set out in the CSI Financials ETF's Prospectus. The Participating Dealers may pass on to the relevant investors such fees and costs. The Participating Dealers may also impose fees and charges in handling any redemption request which would also increase the cost of redemption. Investors are advised to check with the Participating Dealers as to the relevant fees, costs and charges.

The Manager will bear all costs and expenses associated with the Proposal and the Meeting (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the CSI Financials ETF, that is, the liquidation of CAAPs, which will be borne by the CSI Financials ETF and by extension, its Unitholders) from the date of this Announcement and Notice up to and including the Termination Date. The Manager will continue to charge a Management Fee up to and including the Final Distribution Date. For completeness, if there is a further distribution after the Final Distribution Date, the Manager will only charge a Management Fee up to and including the Final Distribution Date.

For your information, the ongoing charges over a year\* as disclosed in the Prospectus for the CSI Financials ETF is 1.07%.

\* *The ongoing charges figures are based on expenses for the year ended 31 December 2015 for the CSI Financials ETF, expressed as a percentage of the NAV for the CSI Financials ETF.*

The Manager does not expect that the termination of the CSI Financials ETF will impact the figures disclosed above for ongoing charges. Please note for completeness the ongoing charges figures shown above are calculated in accordance with the guidance under the relevant SFC circular, and exclude the following costs and expenses associated with the termination of the CSI Financials ETF (which are to be borne by the CSI Financials ETF and by extension, its Unitholders): (i) normal operating expenses such as transaction costs (including the costs associated with the liquidation of CAAPs) and (ii) any taxes relating to the liquidation of assets of the CSI Financials ETF.

The CSI Financials ETF does not have any unamortised preliminary expense or contingent liabilities (such as outstanding litigation) as at the date of this Announcement and Notice.

## 7. Other matters

### 7.1 Other implications of the proposed cessation of trading, the proposed termination of the CSI Financials ETF and the proposed Deauthorisation and Delisting

In consequence of this Announcement and Notice and the proposed cessation of trading, the proposed termination of the CSI Financials ETF and the proposed Deauthorisation and Delisting, investors should note and consider the following risks:

**Liquidity risk** – Trading of Units in the CSI Financials ETF on the SEHK from the date of this Announcement and Notice may become less liquid.

**Early CAAP Redemption and Repurchase Risk** – CAAPs are securities issued by counterparties which are designed to synthetically replicate A Share exposure. Due to their synthetic nature, these CAAPs may have costs associated with their early redemption (including for example, in circumstances where the CSI Financials ETF is terminated) that are potentially significantly higher than the costs of trading the underlying A-Shares, particularly during times of high market volatility. These costs can also vary significantly through time. Factors influencing this cost differential include A Share market volatility, foreign exchange market volatility and costs associated with redeeming the CAAPs prior to maturity,

such as the cost of unwinding the hedging positions associated with the CAAPs. Such costs may vary depending on market conditions and are beyond the control of the Manager. Hence, in the event of termination of the CSI Financials ETF, the net cash proceeds (if any) derived from the realisation of the CAAPs investments comprised in the CSI Financials ETF paid to investors may deviate significantly from the underlying value of the A Shares, leading to a loss to investors.

***Units trading at a discount or premium and Market Makers' inefficiency risk*** – Although up to (and including) the Last Trading Day, the Market Makers will continue to perform their market making functions in respect of the CSI Financials ETF in accordance with the Trading Rules of the SEHK, Units in the CSI Financials ETF may trade at a discount compared to its Net Asset Value in extreme market situations. This is because many investors may want to sell their Units in the CSI Financials ETF after the Proposal has been announced but there may not be many investors in the market who are willing to purchase such Units. On the other hand, it is also possible that the Units of the CSI Financials ETF may trade at a premium because there will be no creation of new Units from 22 March 2017 (if the Proposal is passed at the Meeting) or an alternative date as published in an announcement in relation to the exercise of the Manager's power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled) and consequently the divergence between the supply of and demand for such Units may be larger than usual. The Market Makers may not be able to effectively perform its market making activities to provide liquidity of the trading of Units in the CSI Financials ETF on the SEHK in these extreme market situations. As a result, the price volatility of the Units in the CSI Financials ETF may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day.

***Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk*** – It is possible that the size of the CSI Financials ETF may drop drastically before the Last Trading Day. This may impair the Manager's ability to fulfill the investment objectives of the CSI Financials ETF and result in significant tracking error. In the extreme situation where the size of the CSI Financials ETF becomes so small that the Manager considers that it is not in the best interest of the CSI Financials ETF to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the CSI Financials ETF into cash or deposits in order to protect the interest of the investors of the CSI Financials ETF.

***Net Asset Value downward adjustment risk*** – Changes in economic environment, consumption pattern and investors' expectations may have significant impact on the value of the investments and there may be significant drop in value of the securities.

***Failure to track the Underlying Index risk*** – The Manager will aim to realise all CAAPs held by the CSI Financials ETF with effect from the Trading Cessation Date. Thereafter, the CSI Financials ETF's assets will mainly be in cash. The CSI Financials ETF will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, the CSI Financials ETF will cease to track its Underlying Index, and will not be able to meet its investment objective of tracking the performance of its Underlying Index.

***Lack of voting right risk*** – Only investors who are determined as beneficial owners of Units in the CSI Financials ETF as at the Record Date will be entitled to vote at the Meeting. However, as the trading of Units will continue from the Record Date through the date of the Meeting, investors who purchase the Units after the Record Date but before the date of the Meeting will not be entitled to vote at the Meeting. By contrast, investors who sell their Units after the Record Date but before the date of the Meeting Day will remain entitled to vote at the Meeting.

***Liquidation of CAAPs Risk*** – Although the CAAPs held by the CSI Financials ETF may be listed, CAAPs have no active secondary market. In addition, the Manager may have to agree with each CAAP Issuer that, in any event, the Manager will not sell any CAAP to (i) any Taiwanese person or (ii) any PRC individual, PRC corporate, PRC bank, or insider of the issuer of the A Share to which a CAAP is linked or (iii) investors whose source of funding for the CAAP is derived or originates from the PRC or (iv) any other party without the consent of the CAAP Issuers. Further, where there is a market disruption event or hedging disruption event that prevents the CAAP Issuers from liquidating the underlying hedging positions, this can impact the Manager's ability to liquidate the CAAPs held by the CSI Financials ETF.

**Delay in distribution risk** – Assuming the Proposal proceeds (either due to the Manager cancelling the Meeting and exercising its power to terminate the CSI Financials ETF under Clause 35.7(b) of the Trust Deed or due to the approval of the Proposal at the Meeting), the Manager will aim to realise all of the assets of the CSI Financials ETF and then proceed with the Final Distribution as soon as practicable. However, the Manager may not be able to realise all the assets of the CSI Financials ETF in a timely manner (see for example, “Liquidation of CAAPs Risk”). In this case, the payment of the Final Distributions to the Relevant Investors may be delayed.

Investors attention is also drawn to the risks disclosed in the Prospectus for the CSI Financials ETF (see “Risk Factors” section in the Prospectus), including “Investors Buying at a Premium Risk”.

## 7.2 Tax implications

Based on the Manager’s understanding of the law and practice in force at the date of this Announcement and Notice, as the Trust and the CSI Financials ETF are collective investment schemes authorised under Section 104 of the SFO, profits of the CSI Financials ETF derived from realisation of its assets are exempt from Hong Kong profits tax.

No Hong Kong profits tax shall generally be payable by investors in respect of the Final Distribution to the extent of distribution of profits and/or capital of the CSI Financials ETF. For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business are sourced in Hong Kong and the Units are revenue assets of the investors.

Investors should consult their professional tax advisers as to their particular tax position.

## 7.3 Connected party transaction

Except as disclosed in the paragraph below, none of the connected persons of the Manager and/or the Trustee\* is involved in any transaction in relation to the CSI Financials ETF, nor holds any interest in the CSI Financials ETF.

\* *Please note The Hongkong and Shanghai Banking Corporation Limited (“HSBC Limited”), a Participating Dealer, is a connected person of the Trustee and may hold a substantial amount of Units in the CSI Financials ETF from time to time. HSBC Limited may decide to dispose of all or part of their Units, either by selling the Units on the SEHK or by redeeming the Units in the primary market, after being informed of the Proposal via this Announcement and Notice. Any disposal of Units by HSBC Limited, which is beyond the control of the Manager, may significantly reduce the size of the CSI Financials ETF and impair the Manager’s ability to fulfill the investment objectives of the CSI Financials ETF and result in significant tracking error. Please refer to “Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk” in section 7.1 above.*

## 8. Procedures

### 8.1 Extraordinary General Meeting

Unless the Net Asset Value of the CSI Financials ETF fall below the Hong Kong dollar equivalent of USD10,000,000 on any day between the date of this Announcement and Notice and 24 February 2017, the implementation of the Proposal is subject to the approval by the Unitholders at the Meeting to be held on 20 March 2017 of the Resolution (as set out in the accompanying EGM Notice) to approve the termination of the CSI Financials ETF, Deauthorisation and Delisting.

The quorum for passing the Resolution shall be Unitholders present in person or by proxy registered as holding not less than one-quarter of all the Units for the time being in issue. If the Meeting is adjourned because a quorum is not present, the Unitholders present in person or by proxy at the adjourned meeting shall be a quorum.

The Resolution must be passed by Unitholders holding 75% or more of the total number of votes cast for and against the Resolution. None of the Trustee, the Manager or any of their respective Connected Persons shall cast any vote in respect of Units beneficially owned by it in relation to the Resolution as it or its Connected Persons has a material interest in the Resolution. Furthermore, all Units beneficially owned by the Trustee or the Manager (as the case may be) and any of their respective Connected Persons shall be ignored for all purposes in establishing whether or not a quorum is present as if such Units were not then in issue.

According to the Manager's understanding as at the date of this Announcement and Notice, the Trustee, the Manager and any of their respective Connected Persons are the parties which have to abstain from voting and whose Units have to be ignored for purposes in establishing whether or not a quorum is present as if such Units were not then in issue.

## 8.2 Recommendation

The Manager considers the Proposal to be in the best interest of investors and recommends investors to vote in favour of the Resolution.

## 8.3 Action to be taken

If you would like to vote and/or to attend the Meeting personally and/or appoint a representative to attend the Meeting to vote on your behalf, you will need to follow Procedure (A) if you hold an investor participant account with CCASS and your Units are held in that account as at the Record Date; or Procedure (B) if your Units are held by or through your broker or custodian who is a participant of CCASS as at the Record Date.

### *Procedure (A)*

- If you personally hold an account with CCASS, HKSCC will notify you of the Meeting.
- If you wish to vote but do not wish to attend the Meeting, you simply need to instruct HKSCC whether you wish to vote in favour of the Resolution or against it on or before the CCASS Deadline. HKSCC will then vote on your behalf according to your wishes.
- If you wish to vote in person or appoint a representative to attend the Meeting to vote on your behalf, you need to notify HKSCC that you or your representative (as the case may be) would like to attend and vote at the Meeting. You will need to do so on or before the CCASS Deadline. HKSCC will appoint you or your representative (as the case may be) as its corporate representative in respect of your own Units and then provide the Manager and the Registrar with a list of corporate representatives who will attend and vote at the Meeting. You or your representative (as the case may be) will only be permitted to attend the Meeting if your name or your representative's name (as the case may be) is on HKSCC's list.

### *Procedure (B)*

- If you hold your Units through a broker or custodian who is a participant of CCASS, HKSCC will only notify your broker or custodian of the Meeting.
- Your broker or custodian should then notify you of the Meeting. If you do not hear from your broker or custodian about the Meeting, we recommend that you contact your broker or custodian.
- If you wish to vote but do not wish to attend the Meeting, you simply need to instruct your broker or custodian whether you wish to vote in favour of the Resolution or against it on or before the deadline as determined by your broker or custodian. Your broker or custodian should then make arrangements with HKSCC to vote on your behalf according to your wishes.

- If you wish to vote in person or appoint a representative to attend the Meeting to vote on your behalf you need to notify your broker or custodian that you or your representative (as the case may be) would like to attend and vote at the Meeting. You will need to do so on or before the deadline as determined by your broker or custodian. Your broker or custodian should then make arrangements with HKSCC for your name or your representative's name (as the case may be) to be added to the list of corporate representatives who will attend the Meeting. HKSCC will then provide the Manager and the Registrar with that list. You or your representative (as the case may be) will only be permitted to attend the Meeting if your name or your representative's name (as the case may be) is on HKSCC's list.

Please note that whether you follow Procedure (A) or Procedure (B) your ability or your representative's ability (as the case may be) to attend the Meeting will depend on HKSCC being notified of your wish to attend the Meeting in person or to appoint a representative to attend the Meeting (as the case may be). The list, prepared by HKSCC, of corporate representatives who notified their wish to attend the Meeting in person or to appoint a representative to attend the Meeting (as the case may be) will be conclusive and persons not named on the list will not be permitted to attend. This means whether or not a person will be admitted to the Meeting is beyond the control of the Manager or the Trustee and Registrar.

The Resolution shall be decided by a poll. On a poll every Unitholder who is present in person or by representative shall have one vote for every Unit of which he is the Unitholder.

The Result Announcement will be published on the Manager's website [www.blackrock.com/hk](http://www.blackrock.com/hk) and HKEx's website shortly after the Meeting.

## 9. What will happen if the Resolution is not passed at the Meeting?

IN THE EVENT THE RESOLUTION IS NOT PASSED AT THE MEETING, THE MANAGER RESERVES ITS RIGHT TO TERMINATE THE CSI FINANCIALS ETF UNDER CLAUSE 35.7(b) OF THE TRUST DEED IF THE AGGREGATE NET ASSET VALUE OF ALL THE UNITS OUTSTANDING IN THE CSI FINANCIALS ETF IS LESS THAN THE HONG KONG DOLLAR EQUIVALENT OF USD10,000,000. IN SUCH CIRCUMSTANCES, THE MANAGER SHALL GIVE NOTICE TO THE UNITHOLDERS TO FIX THE DATE (WHICH SHOULD NOT BE LESS THAN THREE MONTHS AFTER THE SERVICE OF SUCH NOTICE) AT WHICH SUCH TERMINATION IS TO TAKE EFFECT.

## 10. Cancellation of Meeting

Please note that should the Net Asset Value of the CSI Financials ETF fall below the Hong Kong dollar equivalent of USD10,000,000 on any day between the date of this Announcement and Notice and 24 February 2017, being a date that is no less than 21 days before the proposed date of Meeting, the Manager will cancel the Meeting and will exercise its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed. If this is the case, the Manager will publish the Cancellation Announcement on or before 24 February 2017 to inform Unitholders of such cancellation and will subsequently publish an announcement in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed by giving unitholders not less than three months' notice.

## 11. PRC CGT

Reference is made to the announcement made by the Manager dated 30 October 2015 (the "CGT Announcement").

It was noted in the CGT Announcement that the Manager was in the process of liaising with each of the CAAP Issuers in respect of amounts withheld by the CAAP Issuers on realised capital gains attributable to trading of A-Shares to which CAAPs held by the CSI Financials ETF are linked, to determine if, upon finalization of the CAAP Issuer's PRC CGT liabilities with the PRC tax authorities, there is (i) any excess amount payable by the CAAP Issuers to the CSI Financials ETF or (ii) any shortfall amount payable from the CSI Financials ETF to the CAAP Issuers. It was also noted in the CGT

Announcement that, depending on whether the tax provisioning for the CSI Financials ETF is greater or less than the amount of PRC CGT attributable to the CSI Financials ETF, there could be several significant (positive or negative) adjustments to the Net Asset Value of the CSI Financials ETF as the reconciliation process is completed with each CAAP Issuer.

As at the date of this Announcement and Notice in respect of the CSI Financials ETF (i) the Manager understands from all CAAP Issuers that their relevant PRC CGT tax filings to the PRC tax authorities for assessment has been made and such assessment has been completed by the PRC tax authorities (ii) the Manager has agreed and settled PRC CGT liability with all CAAP Issuers and (iii) the Manager accordingly believes to the best of its knowledge and after taking professional tax advice that the CSI Financials ETF has no further liability in respect of PRC CGT.

## **12. Documents available for inspection**

A copy of the Trust Deed is available for inspection free of charge at the offices of the Manager and copies thereof may be obtained from the Manager at a cost of HKD 150 per set. Copies of the (i) audited accounts and the half-yearly unaudited reports of the Trust and the CSI Financials ETF and (ii) the Prospectus are available from the Manager free of charge.

## **13. Enquiries**

If you have any queries concerning this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Manager at (852) 3903 2823 during office hours (except Hong Kong statutory holidays) or by email: [iSharesAsiaEnquiry@blackrock.com](mailto:iSharesAsiaEnquiry@blackrock.com).

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

### **BlackRock Asset Management North Asia Limited**

as Manager of the Trust and the CSI Financials ETF

18 November 2016

## 14. Definitions

In this Announcement and Notice, unless the context otherwise requires, the following terms shall have the following meanings:

CAAP	means a US dollar denominated China A Share Access Product being a derivative instrument (such as a warrant, note or participation certificate) linked to (a) an A Share that is linked or not linked to the Underlying Index; or (b) the Underlying Index with the characteristics described in the Prospectus.
CAAP Issuer	means a substantial financial institution which has agreed to issue and repurchase CAAPs to and from the CSI Financials ETF.
Cancellation Announcement	has the meaning as defined on page 2 of this Announcement and Notice.
CCASS	the Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.
CCASS Deadline	being such date as may be informed by HKSCC through CCASS channels to be the last day for an investor who personally holds an account with CCASS to instruct HKSCC whether he/she wishes to vote in favour of the Resolution or against it.
CGT	Capital Gains Tax.
Code	the Code on Unit Trusts and Mutual Funds issued by the SFC (as amended or replaced from time to time).
Connected Person	has the meaning as set out in the Code which at the date of this Announcement and Notice means in relation to a company:  (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes in that company; or  (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or  (c) any member of the group of which that company forms part; or  (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).
Deauthorisation	the deauthorisation of the CSI Financials ETF and its offering documents by the SFC under section 106 of the SFO.
Delisting	the delisting of the CSI Financials ETF from the SEHK.

Distribution Record Date	the date for the purpose of determining the beneficial owners of Units in the CSI Financials ETF who are entitled to the Final Distribution in respect of the CSI Financials ETF and further distribution (if any) in respect of the CSI Financials ETF, being 2 May 2017 (if the Proposal is passed at the Meeting) or an alternative date as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled).
EGM Notice	the notice of the Meeting included in this Announcement and Notice.
Final Distribution	has the meaning given to that term in section 4.2 above.
Final Distribution Date	the date on which the Final Distribution of the CSI Financials ETF will take place, expected to be on or around 9 June 2017 (if the Proposal is passed at the Meeting) or an alternative date as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled).
HKSCC	Hong Kong Securities Clearing Company Limited or its successors.
Last Trading Day	the last day for dealings in the Units in the CSI Financials ETF on the SEHK and last day for redemption of Units in the CSI Financials ETF by Participating Dealers, being 26 April 2017 (if the Proposal is passed at the Meeting) or an alternative date as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled).
Management Fee	the management fee as disclosed in the Prospectus.
Manager	BlackRock Asset Management North Asia Limited or its successors.
Market Maker	a broker or dealer permitted by the SEHK to act as such by making a market for the Units of the CSI Financials ETF in the secondary market on the SEHK.
Meeting	the extraordinary general meeting of the Trust and the CSI Financials ETF to be held on 20 March 2017, unless cancelled by the Manager on or before 24 February 2017 as described in this Announcement and Notice.
Participating Dealer	any licensed broker or dealer who is (or who has appointed an agent who is) admitted by HKSCC as either a Direct Clearing Participant or a General Clearing Participant (as defined in the General Rules of CCASS) in CCASS and who has entered into a Participation Agreement in respect of the CSI Financials ETF.
PRC	means The People's Republic of China excluding the Hong Kong Special Administrative Region of the People's Republic of China and the Macau Special Administrative Region of the People's Republic of China.
Proposal	the proposal to terminate the CSI Financials ETF, and to voluntarily seek the Deauthorisation and the Delisting.

Prospectus	the CSI Financials ETF's combined prospectus (including the product key facts statement) dated 21 November 2016 as supplemented from time to time.
Record Date	13 March 2017, being the date for the purpose of determining the beneficial owners of Units in the CSI Financials ETF who are entitled to vote.
Relevant Investors	has the meaning given to that term in section 3.2 above.
Resolution	the extraordinary resolution as set out in the EGM Notice
Result Announcement	has the meaning as defined on page 2 of this Announcement and Notice.
SEHK	The Stock Exchange of Hong Kong Limited or its successors.
SFC	the Securities and Futures Commission of Hong Kong or its successors.
SFO	the Securities and Futures Ordinance (Cap.571 Laws of Hong Kong).
Termination Date	the date on which the Trustee and the Manager form an opinion that the CSI Financials ETF ceases to have any outstanding contingent or actual assets or liabilities, expected to be on or around 23 June 2017 (if the Proposal is passed at the Meeting) or an alternative date as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled).
Trading Cessation Date	the date on which the dealings in the Units of the CSI Financials ETF on the SEHK cease, being 27 April 2017 (if the Proposal is passed at the Meeting) or an alternative date as stated in the announcement published by the Manager in relation to the exercise of its power to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed (if the Meeting is cancelled).
Trust Deed	the trust deed for the iShares Asia Trust dated 16 November 2001 between Barclays Global Investors North Asia Limited (now known as BlackRock Asset Management North Asia Limited) and the Trustee constituting the Trust, as amended from time to time.
Trustee	HSBC Institutional Trust Services (Asia) Limited or its successors.
Underlying Index	means the CSI 300 Financials Index.
Units	in respect of the CSI Financials ETF, representing undivided shares in the CSI Financials ETF.
Unitholder	a holder of Units in respect of the CSI Financials ETF.

# NOTICE OF EXTRAORDINARY GENERAL MEETING

## **iShares Asia Trust**

*(A Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)*

### **iShares CSI A-Share Financials Index ETF\* (\*This is a synthetic ETF) (Stock Code: 2829) (the “CSI Financials ETF”)**

# NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary meeting (the “**Meeting**”) of the Trust and the CSI Financials ETF will be held at 16/F Champion Tower, 3 Garden Road, Central, Hong Kong on 20 March 2017 at 10:00a.m. for the purpose of considering and, if thought fit, passing the following resolution:

### **EXTRAORDINARY RESOLUTION**

THAT:

- (i) the termination of the CSI Financials ETF;
- (ii) the voluntary deauthorisation of the CSI Financials ETF and its offering documents pursuant to section 106 of the Securities and Futures Ordinance, which is conditional on (i); and
- (iii) the voluntary withdrawal of the listing of the units of the CSI Financials ETF (the “Units”) from The Stock Exchange of Hong Kong Limited (the “SEHK”), which is conditional on (i) and (ii);

are hereby approved and the Manager is authorised to take all necessary steps to effect the same.

The quorum for passing the extraordinary resolution shall be unitholders present in person or by proxy registered as holding not less than one-quarter of all the Units for the time being in issue.

The extraordinary resolution must be pass by unitholders holding 75% or more of the total number of votes cast for and against the extraordinary resolution.

Please refer to section 8 “Procedures” of the Announcement and Notice if you wish to attend and/or vote at the Meeting.

**BlackRock Asset Management North Asia Limited**  
as Manager of the Trust and the CSI Financials ETF  
Hong Kong,

18 November 2016