

FIFTH REMINDER

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 FUND NAMED BELOW

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 WAIVER FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS OF THE CODE

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, and the waivers from strict compliance of certain provisions of the Code for the period from 27 February 2017 (i.e. the Trading Cessation Date) to the Deauthorisation date. In particular, investors should note that:

- taking into account the relevant factors, including, in particular, the relatively small Net Asset Values of the CSI Financials ETF (see details of the factors in section 1 below), the Manager has, by means of a resolution of the board of directors of the Manager, decided to exercise its power under Clause 35.7(b) of the Trust Deed to terminate the CSI Financials ETF with effect from the Termination Date. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed and the Trustee does not object to this proposal;
- the Last Trading Day of the Units in the CSI Financials ETF will be 24 February 2017, i.e. the last day on which investors may buy or sell Units on the SEHK and the last day for redemption of Units in accordance with the usual trading arrangements currently in place, but no creation of Units in the primary market through any Participating Dealers will be allowed from 23 January 2017 following the publication of this Announcement and Notice;
- the Units of the CSI Financials ETF will cease trading as from 27 February 2017 (i.e. the Trading Cessation Date); that means no further buying or selling Units on the SEHK and no redemption of Units will be possible from the Trading Cessation Date onwards;
- from the Trading Cessation Date onwards, (i) there will be no further trading of Units of the CSI Financials ETF and no further 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;
- with a view to minimising further costs, fees and expenses in managing the CSI Financials ETF following the Trading Cessation Date and in the best interest of investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the following provisions of the Code for the period commencing from the Trading Cessation Date to the Deauthorisation date: (i) Chapter 10.7 (with regard to publishing suspension announcements); (ii) paragraphs 4, and 17(a) and 17(b) of Appendix I (with regard to providing the estimated Net Asset Value or R.U.P.V. and last closing Net Asset Value on a real time or near-real time basis); and (iii) Chapters 6.1 and 11.1B (with regard to updating the Prospectus). The details and the conditions on which such waiver is granted are as described in section 5 below;
- the Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 below, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations until the Deauthorisation date;
- the Manager will, after having consulted with the CSI Financials ETF's auditor, declare a Final Distribution (please refer to section 3.2 below for further information) to the investors who remain so as at 1 March 2017 (i.e. the Distribution Record Date) and the Final Distribution is expected to be payable on or around 24 March 2017 (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);
- 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;
- during the period from the Trading Cessation Date until, at least, the Termination Date, the Manager will maintain the CSI Financials ETF's SFC authorised status and the CSI Financials ETF's SEHK listed status, and, subject to the SEHK's approval, expects the Delisting to take effect at or around the same time as the Deauthorisation;
- the Manager will bear all costs and expenses associated with the termination of the CSI Financials ETF (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;
- 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 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.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and 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 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 CSI Financials ETF.

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 10 below for further information).

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. Also, further announcements will be made in due course to inform the investors of the Final Distribution Date, the Termination Date, the dates for the Deauthorisation and the 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, reserves its right to terminate the CSI Financials ETF in its absolute discretion by notice in writing to the Trustee 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 US\$ 10,000,000.

As at 17 January 2017, the Net Asset Value of all the Units outstanding in the CSI Financials ETF was less than the Hong Kong Dollar equivalent of US\$ 10,000,000. The Manager therefore announces that it has, by means of a resolution of the board of directors of the Manager, decided to terminate the CSI Financials ETF and voluntarily seek Deauthorisation and Delisting of the CSI Financials ETF. The proposed termination, Deauthorisation and Delisting (i.e. the Proposal) will be subject to the final approval of the SFC and the SEHK, and will be completed after the Trustee and the Manager have formed an opinion that the CSI Financials ETF have no outstanding contingent or actual liabilities or assets.

Before the proposed termination, Deauthorisation and Delisting, the Units of the CSI Financials ETF will cease trading on the SEHK as from 27 February 2017, the Trading Cessation Date. Accordingly, the last day on which the Units of the CSI Financials ETF can be traded on the SEHK will be 24 February 2017, the Last Trading Day, and from the Trading Cessation Date onwards, no trading of Units on the SEHK will be allowed. Also, while investors may continue to trade Units on the SEHK on any trading day before the Trading Cessation Date, no creation of Units in the primary market through Participating Dealers will be allowed from 23 January 2017 following the publication of this Announcement and Notice.

The Manager by this Announcement and Notice notifies the investors of the proposed termination of the CSI Financials ETF. Also, as required under Chapter 11.1A of the Code, no less than one month’s notice is hereby given to the investors, notifying them that the CSI Financials ETF will cease to track the Underlying Index, and cease trading, from the Trading Cessation Date.

The Manager will bear all costs and expenses associated with the termination of the CSI Financials ETF (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the CSI Financials ETF, including 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.

1. Proposed termination of the CSI Financials ETF, cessation of trading and liquidation of assets

1.1 Proposed termination of the CSI Financials ETF

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 US\$ 10,000,000. The Trust Deed does not require investors’ approval for terminating the CSI Financials ETF on the ground set out in Clause 35.7(b) of the Trust Deed.

The Net Asset Value and Net Asset Value per Unit of the CSI Financials ETF as at 17 January 2017 were as follows:

Net Asset Value	Net Asset Value per Unit
HK\$74,035,456	HK\$13.22

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 has decided to exercise its power under Clause 35.7(b) of the Trust Deed to terminate the CSI Financials ETF on the date on which the Trustee and the Manager form an opinion that the CSI Financials ETF cease to have any contingent or actual assets or liabilities. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the CSI Financials ETF pursuant to Clause 35.7(b) of the Trust Deed, and the Trustee does not object to such proposal.

1.2 The proposed cessation of trading

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, i.e. 27 February 2017. The Manager will aim to realise all of the assets of the CSI Financials ETF commencing from 27 February 2017 in exercise of its investment powers under Clause 9.5 of the Trust Deed.

The Manager will then proceed with a Final Distribution for the CSI Financials ETF on or around 24 March 2017 (see details in section 2.2 below). As such, 24 February 2017 will be the Last Trading 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 is any change to the dates mentioned in this paragraph, the Manager will issue an announcement of the revised dates.

Also, in view of the proposed cessation of trading, no further creation of Units through Participating Dealers will be allowed from 23 January 2017.

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.

1.3 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 this 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.

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.

2. What will happen after the Trading Cessation Date?

2.1 Immediately from the Trading Cessation Date

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 24 February 2017 and will not be allowed to do so from the Trading Cessation Date onwards.

2.2 During the period from the Trading Cessation Date until the Termination Date

The Manager will, after having consulted with the 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 24 March 2017.

On the Termination Date, which is expected to be on or around 28 April 2017, 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, although each will be operated only in a limited manner (as described in section 4.2 below). The Manager has therefore applied to the SFC, and has been granted, waivers from strict compliance of certain provisions of the Code for the period from the Trading Cessation Date to the date of Deauthorisation. The details and the conditions on which such waiver is granted are as described in section 5 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.

2.3 Important dates

Subject to the SFC's and the SEHK's respective approvals for the proposed arrangements set out in this Announcement and Notice, it is anticipated that the expected important dates in respect of the CSI Financials ETF will be as follows:

Dispatch of this Announcement and Notice	20 January 2017 (Friday)
No further creation of Units in the CSI Financials ETF from this date	23 January 2017 (Monday)
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 (the " Last Trading Day ")	24 February 2017 (Friday)
Dealings in the Units in the CSI Financials ETF on the SEHK cease (the " Trading Cessation Date ") and no further redemption of Units of the CSI Financials ETF, 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 February 2017 (Monday)
The date as at which an investor needs to be recorded by HKSCC as the beneficial owner of Units of the CSI Financials ETF 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 " Distribution Record Date ")	1 March 2017 (Wednesday)
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 " Final Distribution Date ")	On or around 24 March 2017 (Friday)
Termination of the CSI Financials ETF (the " Termination Date ")	On or around 28 April 2017 (Friday), which is the date on which the Manager and the Trustee form an opinion that the CSI Financials ETF cease to have any respective contingent or actual assets or liabilities.
Deauthorisation and Delisting of the CSI Financials ETF	On or around 28 April 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.

The Manager will, on a weekly basis from the date of this Announcement and Notice to the Last Trading Day, issue reminder announcements informing and reminding investors of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. In addition, the Manager will issue further announcements in due course to inform the investors of the Final Distribution Date, the dates for the Deauthorisation and Delisting, as well as the Termination Date, and whether there is any further distribution after the Final Distribution with regard to the CSI Financials ETF, 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 the Relevant Investors of the revised dates.

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.

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

3.1 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 relevant Sub-Fund.

3.2 Holding Units after the Last Trading Day

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 1.3 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 or around 24 March 2017. The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution, together with the amount of Final Distribution per Unit, 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.

If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement informing the Relevant Investors of the revised dates.

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 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.

4. Consequences of the commencement of the cessation of trading

4.1 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 cease to have any 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.

4.2 Limited operation of the CSI Financials ETF

During the period from the Trading Cessation Date until the Deauthorisation, the CSI Financials ETF 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.

5. Waiver

5.1 Background

As set out in section 2.2 above, while the Units in the CSI Financials ETF will cease trading effective from the Trading Cessation Date, because of certain outstanding actual or contingent assets or liabilities in relation to the CSI Financials ETF, the CSI Financials ETF will remain in existence after the Trading Cessation Date until the Termination Date. During such period, the CSI Financials ETF will maintain their SFC authorised status and their SEHK listed status, until the completion of the proposed termination, Deauthorisation and Delisting.

However, following the date of this Announcement and Notice, there will be no further creation of Units, and from the Trading Cessation Date onwards: (i) there will be no further trading of Units and no further redemption of Units in 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 its Underlying Index. Therefore the CSI Financials ETF will not be able to meet its respective investment objective of tracking the performance of its 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 will only be operated in a limited manner.

Accordingly, with a view to minimising further costs, fees and expenses in managing the CSI Financials ETF following the Trading Cessation Date and in the best interest of investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with certain provisions of the Code for the period from the Trading Cessation Date to the date of Deauthorisation.

The details of the waiver granted and the conditions on which such waiver was granted are set out in this section 5.

5.2 Publishing of the suspension of dealing

Under Chapter 10.7 of the Code, the Manager is required to: (a) immediately notify the SFC if dealing in Units of the CSI Financials ETF ceases or is suspended; and (b) publish the fact that dealing is suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner (the requirements under (b) are referred to as the “Investor Notification Requirements”).

The Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the Investor Notification Requirements under Chapter 10.7 of the Code (for the period from the Trading Cessation Date to the Deauthorisation date), subject to the conditions that a statement shall be posted in a prominent position of the Manager’s website from the Trading Cessation Date until the date of Deauthorisation to notify investors that the Units of the CSI Financials ETF have ceased trading on the SEHK from 27 February 2017, and draw investors’ attention to this Announcement and Notice and all other relevant announcements.

Because the CSI Financials ETF will retain their SEHK listing status after the Last Trading Day (24 February 2017) until the date of Deauthorisation, investors may continue to access further announcements in relation to the CSI Financials ETF via the HKEx's website and the Manager's website during such period. Also, according to the current policy of the SEHK (which may change from time to time), all announcements in relation to the CSI Financials ETF will remain published on the HKEx's website for a period of at least five years after the date of Delisting.

5.3 Provision of the estimated Net Asset Value or R.U.P.V.¹ and last closing Net Asset Value on a real time or near real time basis

Under Paragraphs 4, and 17(a) and 17(b) of Appendix I to the Code, the Manager is required to provide the estimated Net Asset Value or R.U.P.V. and last closing Net Asset Value of the CSI Financials ETF to the public on a real time or near real time basis unless otherwise waived, via any suitable channels in paragraph 18 of Appendix I of the Code (which include the CSI Financials ETF's own website).

As following the date of this Announcement and Notice, there will be no further creation of Units in the CSI Financials ETF, and from the Trading Cessation Date onwards, there will be no further trading of Units in the CSI Financials ETF and no further redemption of Units in the CSI Financials ETF, and the CSI Financials ETF will mainly hold cash and only be operated in a limited manner, the Manager proposes and the Trustee consents that the Net Asset Value per Unit of the CSI Financials ETF will be updated on the Manager's website only when there is any event which causes that Net Asset Value to change. The Manager and the Trustee expect that the events which will cause the Net Asset Value per Unit of the CSI Financials ETF to change are: (i) the Final Distribution (please see further in section 3.2 above); (ii) further distribution (if any); and (iii) any change in the market value of any dividend receivable by the CSI Financials ETF.

Accordingly, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Paragraphs 4, and 17(a) and 17(b) of Appendix I to the Code (for the period from the Trading Cessation Date to the Deauthorisation date), subject to the following conditions:

- (A) the Net Asset Value per Unit of the CSI Financials ETF as of 24 February 2017 (i.e. the Last Trading Day), which will be the latest available Net Asset Value per Unit of the CSI Financials ETF, will be published on the Manager's website; and
- (B) the Manager shall update the latest available Net Asset Value per Unit of the CSI Financials ETF on the Manager's website as soon as practicable should there be any other change to the Net Asset Value of the CSI Financials ETF including but not limited to changes arising from (i) the Final Distribution (please see further in section 3.2 above); (i) further distribution (if any); and (iii) any change in the market value of any scrip dividend receivable by the CSI Financials ETF.

5.4 Updating of the Prospectus

Under Chapters 6.1 and 11.1B of the Code, the Prospectus must be up-to-date and must be updated to incorporate any relevant changes to the CSI Financials ETF.

In view of the cessation of trading of Units of the CSI Financials ETF from the Trading Cessation Date, and there being no further creation or redemption of Units of the CSI Financials ETF, the Manager considers that it is not necessary to update the Prospectus (which by their nature are offering documents) to reflect any future changes to the CSI Financials ETF.

As such, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Chapters 6.1 and 11.1B of the Code (for the period from the Trading Cessation Date to the Deauthorisation date) so that the Prospectus need not be updated from the Trading Cessation Date.

¹ R.U.P.V stands for "Reference Underlying Portfolio Value" which is updated at 15-second intervals during trading hours.

Without prejudice to the other obligations of the Manager under Chapter 11.1B of the Code, the Manager has undertaken and confirmed with the SFC that it shall:

- (A) promptly notify investors of any changes to the CSI Financials ETF or to the Prospectus by means of publishing the announcement(s) on its and the HKEx's websites (each, a "**Relevant Future Announcement**"); and
- (B) ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement and Notice together with the Prospectus, and any other Relevant Future Announcement(s).

5.5 Other related matter

The Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations in respect of the CSI Financials ETF.

6. Costs

As indicated in section 3.1 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 termination of the CSI Financials ETF (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 to 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 their 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 23 January 2017 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 relevant 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 their Underlying Index, and will not be able to meet its investment objective of tracking the performance of its Underlying Index.

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 – The Manager will aim to realise all of the assets of the CSI Financials ETF and then proceed with the Final Distributions 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 their 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. 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 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.

9. 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 HK\$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.

10. 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.

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

20 January 2017

11. 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.
CCASS	The Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.
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).
Deauthorisation	The deauthorisation of the CSI Financials ETF and their respective 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	1 March 2017, being 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.
Final Distribution	Has the meaning given to that term in section 3.2 above.
Final Distribution Date	On or around 24 March 2017, being the date on which the Final Distribution of the CSI Financials ETF will take place.
HKSCC	Hong Kong Securities Clearing Company Limited or its successors.
Investor Notification Requirements	Has the meaning given to that term in section 5.2 above.
Last Trading Day	24 February 2017, being 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.
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.

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 prospectus dated 21 November 2016 (including the product key facts statement dated 10 January 2017) as supplemented from time to time.
Relevant Future Announcement	Has the meaning given to that term in section 5.4 above.
Relevant Investors	Has the meaning given to that term in section 2.2 above.
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	On or around 28 April 2017, which is the date on which the Trustee and the Manager form an opinion that the CSI Financials ETF cease to have any contingent or actual assets or liabilities.
Trading Cessation Date	27 February 2017, being the date on which the dealings in the Units of the CSI Financials ETF on the SEHK cease.
Trust Deed	The trust deed 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	the index against which the CSI Financials ETF is benchmarked, as stated in the Prospectus.
Units	representing undivided shares in the CSI Financials ETF.
Unitholder	A holder of Units in respect of the CSI Financials ETF.