

# FIRST REMINDER

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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 iShares DAX Index ETF, iShares EURO STOXX 50 Index ETF and/or iShares FTSE 100 Index 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 “HKEX”), 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 DAX Index ETF**

**(HKD Counter Stock Code: 3146)**

**(RMB Counter Stock Code: 83146)**

**(USD Counter Stock Code: 9146)**

### **iShares EURO STOXX 50 Index ETF**

**(HKD Counter Stock Code: 3155)**

**(RMB Counter Stock Code: 83155)**

**(USD Counter Stock Code: 9155)**

### **iShares FTSE 100 Index ETF**

**(HKD Counter Stock Code: 2847)**

**(RMB Counter Stock Code: 82847)**

**(USD Counter Stock Code: 9847)**

**(each a “Sub-Fund”, and together the “Sub-Funds”)**

# ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND NON-APPLICABILITY OF 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 Sub-Funds, and the non-applicability of certain provisions of the Code for the period from 29 November 2019 (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 Sub-Funds (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(a) of the Trust Deed to propose to terminate each of the Sub-Funds with effect from the Termination Date. The Manager has given written notice to HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) notifying the Trustee of its proposal to terminate the Sub-Funds pursuant to Clause 35.7(a) of the Trust Deed and the Trustee does not object to this proposal;
- the Last Trading Day of the Units in the Sub-Funds will be 28 November 2019, 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. The last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019;
- the Units of the Sub-Funds will cease trading as from 29 November 2019 (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 each Sub-Fund and no further redemption of Units of each Sub-Fund; (ii) the Manager will start to realise all the assets of each Sub-Fund and each Sub-Fund will therefore cease to track the relevant Index and will not be able to meet their respective investment objectives of tracking the performance of such Index; (iii) the Sub-Funds will no longer be marketed to the public; and (iv) the Sub-Funds will mainly hold cash, and the Sub-Funds will only be operated in a limited manner;
- given the Sub-Funds will no longer be marketed to the public and have limited operations when they cease trading, pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Funds will continue to maintain their authorisation status with the SFC without strictly complying with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are 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 Sub-Funds' auditor and Trustee, declare a Final Distribution (please refer to section 3.2 below for further information) to the investors who remain so as at 6 December 2019 (i.e. the Distribution Record Date) and the Final Distribution (converted into HKD) is expected to be payable on or around 30 December 2019 (the "Final Distribution Date"). 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;
- by the date the Trustee and the Manager have formed an opinion that each of the Sub-Funds have no outstanding contingent or actual liabilities or assets, the Trustee and the Manager will commence the completion of the termination of the Sub-Funds (i.e. the Termination Date). The Manager expects the Termination Date will be on or around 29 January 2020. The Manager will publish an announcement on the Termination Date about the termination, deauthorisation and delisting of the Sub-Funds;
- during the period from the Trading Cessation Date until, at least, the Termination Date, the Manager will maintain the Sub-Funds' respective SFC authorised status and the Sub-Funds' 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 each Sub-Fund (other than normal operating expenses such as transaction costs, any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and any taxes relating to the liquidation of assets of a Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date;
- 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 Sub-Funds previously issued to investors, including the Prospectus and the KFS, 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, fluctuation of base currency and HKD exchange rate 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 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 a Sub-Fund or otherwise deciding on the course of actions to be taken in relation to their Units in a Sub-Fund.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and Notice to their clients holding Units in each of the Sub-Funds, 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 each of the Sub-Funds on or before the Last Trading Day; and
- inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units in the Sub-Funds.

**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 9 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, whether there is any further distribution after the Final Distribution, the dates for the Deauthorisation and the Delisting and the Termination Date, 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 Sub-Funds, reserves its right to terminate each Sub-Fund in its absolute discretion by notice in writing to the Trustee under Clause 35.7(a) of the Trust Deed if the aggregate Net Asset Value of all the Units outstanding in each Sub-Fund is less than the equivalent of HK\$150,000,000.

As at 28 October 2019, the Net Asset Value of all the Units outstanding in each Sub-Fund was less than the equivalent of HK\$150,000,000. The Manager therefore announces that it has, by means of a resolution of the board of directors of the Manager, decided to terminate the Sub-Funds and voluntarily seek Deauthorisation and Delisting of these Sub-Funds. 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 Sub-Funds have no outstanding contingent or actual liabilities and assets.

Before the proposed termination, Deauthorisation and Delisting, the Units of each of the Sub-Funds will cease trading on the SEHK as from 29 November 2019, the Trading Cessation Date. Accordingly, the last day on which the Units of the Sub-Funds can be traded on the SEHK will be 28 November 2019, 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, the last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019 to allow settlement of creation orders to be completed prior to liquidation of assets which begins on the Trading Cessation Day.

The Manager by this Announcement and Notice notifies the investors of the proposed termination of the Sub-Funds. 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 Sub-Funds will cease to track the Index, and cease trading, from the Trading Cessation Date.

The Manager will bear all costs and expenses associated with the termination of each Sub-Fund (other than normal operating expenses such as transaction costs, any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and any taxes relating to the liquidation of assets of a Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date.

## 1. Proposed termination of the Sub-Funds, cessation of trading and liquidation of assets

### 1.1. Proposed termination of the Sub-Funds

According to Clause 35.7(a) of the Trust Deed, each Sub-Fund may be terminated by the Manager in its absolute discretion if the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding shall be less than HK\$150,000,000. The Trust Deed does not require investors' approval for terminating one or more of the Sub-Funds on the ground set out in Clause 35.7(a) of the Trust Deed.

The Net Asset Value and the Net Asset Value per Unit of each of the Sub-Funds as at 25 October 2019 were as follows:

Sub-Fund	Net Asset Value	Net Asset Value per Unit
iShares DAX Index ETF	EUR3,457,037.95	EUR11.52
iShares EURO STOXX 50 Index ETF	EUR3,876,062.55	EUR12.11
iShares FTSE 100 Index ETF	GBP2,474,269.48	GBP9.52

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 each of the Sub-Funds, the Manager is of the view that the proposed termination of each of the Sub-Funds would be in the best interests of the relevant investors in the Sub-Funds. Therefore, the Manager has decided to exercise its power under Clause 35.7(a) of the Trust Deed to terminate the Sub-Funds on the date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any contingent or actual assets and liabilities. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the Sub-Fund pursuant to Clause 35.7(a) of the Trust Deed, and the Trustee does not object to such proposal and acknowledges the non-applicability of certain provisions of the Code as referred to in this Announcement and Notice.

### 1.2. The proposed cessation of trading

The Manager will apply to SEHK to have the Units of the Sub-Funds cease trading on the SEHK with effect from the Trading Cessation Date, i.e. 29 November 2019. The Manager will aim to realise all of the assets of the Sub-Funds commencing from 29 November 2019 in exercise of its investment powers under Clause 9.5 of the Trust Deed.

The Manager will then proceed with a Final Distribution for each Sub-Fund on or around 30 December 2019 (see details in section 2.2 below). As such, 28 November 2019 will be the Last Trading Day when investors may buy or sell Units in the Sub-Funds on the SEHK in accordance with the usual trading arrangements currently in place.

Also, in view of the proposed cessation of trading, the last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019 to allow settlement of creation orders to be completed prior to liquidation of assets which begins on the Trading Cessation Day. Creations of Units will be limited to the creation of Units by Participating Dealers for market making activities of market makers to provide liquidity of the trading of the Units on the SEHK. There will be no creation of Units for other purposes from the date after this Announcement (i.e. 28 October 2019). For the avoidance of doubt, redemption of Units in each Sub-Fund by Participating Dealers will continue to be permitted until the Last Trading Day.

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

Investors should note that they cannot redeem Units directly from the Sub-Funds 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**

After the realisation of the assets of each Sub-Fund (as described in section 1.2 above), each Sub-Fund will mainly hold cash, primarily consisting of the proceeds from the realisation of the assets. It therefore follows that, from the Trading Cessation Date, each Sub-Fund will cease to track its respective Index and will not be able to meet its respective investment objectives of tracking the performance of its 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 each Sub-Fund will cease trading on the SEHK and there will be no further redemption of Units in the primary market. 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 28 November 2019 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 Sub-Funds' auditor and Trustee, declare a Final Distribution for each Sub-Fund 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 relevant Sub-Fund on or before the Last Trading Day. Such Final Distribution (converted into HKD) is expected to be made on or around 30 December 2019. Please refer to section 3.2 below for further details on the Final Distribution.

On the Termination Date (which is expected to be on or around 29 January 2020) which is the date on which the Trustee and the Manager form an opinion that each of the Sub-Funds cease to have any contingent or actual assets and liabilities, the Manager and the Trustee will commence the completion of the termination of the Sub-Funds.

During the period from the Trading Cessation Date until, at least, the Termination Date, each Sub-Fund will continue to have listing status on the SEHK, and each Sub-Fund will remain authorised by the SFC, although the Sub-Funds will be operated only in a limited manner (as described in section 4.2 below). Pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Funds will continue to maintain their authorisation status with the SFC without the need to strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are 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 and SFC respectively, 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 each of the Sub-Funds, as well as the final approvals of the SFC and the SEHK.

Following Deauthorisation, the Sub-Funds will no longer be subject to regulation by the SFC. Any product documentation for the Sub-Funds previously issued to investors, including the Prospectus and the KFS, 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 Sub-Funds 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 Sub-Funds will be as follows:

Dispatch of this Announcement and Notice	28 October 2019 (Monday)
Last day for creation of Units in each Sub-Fund by Participating Dealers	27 November 2019 (Wednesday)
Last day for dealings in the Units in each Sub-Fund on the SEHK and last day for redemption of Units in each Sub-Fund by Participating Dealers (the " <b>Last Trading Day</b> ")	28 November 2019 (Thursday)
Dealings in the Units in each Sub-Fund on the SEHK cease (the " <b>Trading Cessation Date</b> ") and no further redemption of Units of each Sub-Fund, i.e. same date on which the Manager will start to realise all the assets of the Sub-Funds and each Sub-Fund will cease to be able to track its respective Index	29 November 2019 (Friday)
The date as at which an investor needs to be recorded by HKSCC as the beneficial owner of Units of a Sub-Fund 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> ")	6 December 2019 (Friday)
Dispatch of announcement on the Final Distribution per Unit	On or around 20 December 2019 (Friday)
Final Distribution (converted into HKD), after having consulted with the Sub-Funds' auditor and Trustee, 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 30 December 2019 (Monday)
Termination of the Sub-Funds (the " <b>Termination Date</b> ")	On or around 29 January 2020 (Wednesday), which is the date on which the Manager and the Trustee form an opinion that the Sub-Funds cease to have any respective contingent or actual assets and liabilities
Deauthorisation and Delisting of the Sub-Funds	On or around 29 January 2020 (Wednesday), 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, whether there is any further distribution after the Final Distribution with regard to the Sub-Funds, the dates for the Deauthorisation and Delisting, as well as the Termination Date, 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 to inform 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 each Sub-Fund, 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 Sub-Funds on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market prices. The Market Makers of the Sub-Funds will continue to perform their market making functions in accordance with the Trading Rules of the SEHK in respect of each Sub-Fund.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units of each Sub-Fund on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units of each Sub-Fund or such other applicable rate) and a trading fee (at 0.005% of the price of the Units of each Sub-Fund) 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 Sub-Funds on the SEHK.

The trading price of Units of each Sub-Fund may be below or above the Net Asset Value per Unit of the relevant Sub-Fund. Please see the “Units trading at a discount or premium and Market Makers’ inefficiency risk” in section 7.1 below.

#### **3.2. Holding Units after the Last Trading Day**

For Relevant Investors who are still holding Units in each of the Sub-Funds after the Last Trading Day, the Manager will, after having consulted with the Sub-Funds’ auditor and Trustee, declare Final Distribution for each Sub-Fund in respect of such Relevant Investors.

Each Relevant Investor will be entitled to a Final Distribution of an amount (converted into HKD) equal to the relevant Sub-Fund’s then Net Asset Value in proportion to the Relevant Investor’s interests in the Sub-Fund as at the Distribution Record Date (“**Final Distribution**”). The relevant Sub-Fund’s then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the relevant Sub-Fund as described in section 1.3 above. The net proceeds from the realisation of the assets of each Sub-Fund will be converted from such Sub-Fund’s base currency to HKD based on the then prevailing market rate. Such conversion will be consistent with the best execution standards.



The Final Distribution (converted into HKD) in respect of a Sub-Fund to each Relevant Investor is expected to be paid on or around 30 December 2019, to the accounts of its financial intermediary or stockbroker maintained with CCASS as at the Record Date. The Manager will issue further announcement to inform the Relevant Investors of the exact day of payment of the Final Distribution in respect of a Sub-Fund, together with the amount of Final Distribution per Unit in respect of a Sub-Fund, 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 any Units in a Sub-Fund. If an investor disposes of its Units in a Sub-Fund 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 relevant Sub-Fund, in respect of any Units of a Sub-Fund so disposed. Investors should therefore exercise caution and consult with their professional and financial advisers before dealing in their Units in a Sub-Fund or otherwise deciding on any course of action to be taken in relation to their Units in such Sub-Fund.**

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

##### 4.1. Continued existence of the Sub-Funds

Each of the Sub-Funds 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 each Sub-Fund.

By the time the Trustee and the Manager form an opinion that each of the Sub-Funds cease to have any contingent or actual assets and 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 each Sub-Fund respectively.

##### 4.2. Limited operation of the Sub-Funds

During the period from the Trading Cessation Date until the Deauthorisation, each Sub-Fund will only be operated in a limited manner as there will not be any trading of Units in each Sub-Fund and the Sub-Funds will have no investment activities from the Trading Cessation Date onwards.

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 Sub-Funds during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

#### 5. Non-applicability of certain provisions of the Code

##### 5.1. Background

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

However, the last day for creation of Units in each Sub-Fund by Participating Dealers is 27 November 2019, and from the Trading Cessation Date onwards: (i) there will be no further trading of Units and no further redemption of Units in each Sub-Fund; (ii) the Manager will start to realise all the assets of each Sub-Fund and each Sub-Fund will therefore cease to track its relevant Index. Therefore each Sub-Fund will not be able to meet its respective investment objective of tracking the performance of its relevant Index; (iii) the Sub-Funds will no longer be marketed to the public; and (iv) the Sub-Funds will mainly hold cash, and will only be operated in a limited manner.

Accordingly, pursuant to 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Funds will continue to maintain their authorisation status with the SFC without the need to strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the date of Deauthorisation, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described 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 a Sub-Fund 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 Manager will continue to manage the Sub-Funds without strict compliance with Chapter 10.7 of the Code (for the period from the Trading Cessation Date to the Deauthorisation date), subject to the condition that a statement shall be posted in a prominent position of the relevant Sub-Fund's website from the Trading Cessation Date until the date of Deauthorisation to notify investors that the Units of each of the Sub-Funds have ceased trading on the SEHK from 29 November 2019, and draw investors' attention to this Announcement and Notice and all other relevant announcements.

Because each of the Sub-Funds will retain their SEHK listing status after the Last Trading Day (28 November 2019) until the date of Deauthorisation, investors may continue to access further announcements in relation to the Sub-Funds via the HKEX's website and the relevant Sub-Fund's website during such period.

## **5.3. Provision of real time or near-real time indicative Net Asset Value per Unit and last Net Asset Value**

Under 8.6(u)(i) and (ii) of the Code, the Manager is required to provide real time or near-real time indicative Net Asset Value per Unit of the Sub-Funds (updated at least every 15 seconds during trading hours) and last Net Asset Value per Unit and last Net Asset Value of the Sub-Funds (updated on a daily basis) on the Sub-Funds' website or such other channels as the SFC considers appropriate.

The Manager will continue to manage the Sub-Funds without strict compliance with 8.6(u)(i) and (ii) of the Code from the Trading Cessation Date to the Deauthorisation date, subject to the following conditions and requirements imposed by the SFC and which the Manager has undertaken to meet:

- (A) the Net Asset Value per Unit of each Sub-Fund as of 28 November 2019 (i.e. the Last Trading Date), which will be the latest Net Asset Value per Unit of each Sub-Fund, will be published on the relevant Sub-Fund's website;
- (B) the Manager shall update the latest available Net Asset Value per Unit of each Sub-Fund on the relevant Sub-Fund's website as soon as practicable should there be any other change to the Net Asset Value of each Sub-Fund including but not limited to changes arising from (i) the Final Distribution (please see further in section 3.2 above); (ii) further distribution (if any); (iii) any change in the market value of any scrip dividend receivable by the Sub-Fund concerned; and (iv) any deduction of transaction costs or taxes relating to the realisation of assets of the Sub-Fund.

#### 5.4. Updating of the Prospectus and the KFS

Under Chapters 6.1 and 11.1B of the Code, the Prospectus and the KFS in respect of the Sub-Funds must be up-to-date and must be updated to incorporate any relevant changes to the relevant Sub-Fund.

The Manager will continue to manage the Sub-Funds without updating the Prospectus and the KFS in respect of the Sub-Funds as required under 6.1 and 11.1B of the Code from the Trading Cessation Date to the Deauthorisation date, subject to the following conditions and requirements imposed by the SFC and which the Manager has undertaken to meet:

- (A) the Manager shall promptly notify investors of any changes to the Sub-Funds or to the Prospectus or the KFS by means of publishing the announcement(s) on its and the HKEX's websites (each, a **"Relevant Future Announcement"**);
- (B) the Manager shall ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement and Notice together with the Prospectus, the KFS and any other Relevant Future Announcement(s); and
- (C) the Manager shall issue an updated Prospectus on the Deauthorisation date to remove all references to the Sub-Funds.

#### 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 Sub-Funds.

### 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 a Sub-Fund on or before the Last Trading Day.

All creations and redemptions of Units in a Sub-Fund by the Participating Dealers will be subject to the fees and costs as set out in the Sub-Funds' 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 each Sub-Fund (other than normal operating expenses such as transaction costs, any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and any taxes relating to the liquidation of assets of a Sub-Fund) 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 Distribution Record Date.

For your information, the ongoing charges over a year\* as disclosed in the KFS for each Sub-Fund is as follows:

- iShares DAX Index ETF: 0.22%
- iShares EURO STOXX 50 Index ETF: 0.25%
- iShares FTSE 100 Index ETF: 0.26%

\* *The ongoing charges figures are based on expenses for the year ended 31 December 2018 for each Sub-Fund.*

The Manager does not expect that the termination of the Sub-Funds 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 Sub-Funds (which are to be borne by each relevant Sub-Fund): (i) normal operating expenses such as transaction costs, (ii) any costs involved in the conversion of liquidation proceeds from the base currency of a Sub-Fund to HKD and (iii) any taxes relating to the liquidation of assets of the Sub-Funds.

Each of the Sub-Funds 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 Sub-Funds and the proposed Deauthorisation and Delisting

In consequence of this Announcement and Notice and the proposed cessation of trading, the proposed termination of the Sub-Funds and the proposed Deauthorisation and Delisting, investors should note and consider the following risks:

**Liquidity risk** – Trading of Units in each of the Sub-Funds on the SEHK from the date of this Announcement and Notice may become less liquid.

**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 relevant Sub-Funds in accordance with the Trading Rules of the SEHK, Units in each of the Sub-Funds may trade on the secondary market at a discount compared to their Net Asset Value per Unit in extreme market situations. This is because many investors may want to sell their Units in the Sub-Funds 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 each of the Sub-Funds may trade at a premium because there will be no creation of new Units from 28 November 2019 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 each Sub-Fund on the SEHK in these extreme market situations. As a result, the price volatility of the Units in each Sub-Fund may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day.

**Fluctuation of base currency and HKD exchange rate risk** – The liquidation proceeds of each Sub-Fund will be paid to Unitholders in HKD and not the base currency of the Sub-Funds. Accordingly, Unitholders will be exposed to exchange rate risk between the base currency of the Sub-Funds and HKD.

**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 Sub-Funds may drop drastically before the Last Trading Day. This may impair the Manager's ability to fulfill the investment objectives of a Sub-Fund and result in significant tracking error. In the extreme situation where the size of the relevant Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the relevant Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the relevant Sub-Fund into cash or deposits in order to protect the interest of the investors of that Sub-Fund.

**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 Sub-Fund Index risk** – The Manager will aim to realise all securities held by the Sub-Funds with effect from the Trading Cessation Date. Thereafter, the Sub-Funds’ assets will mainly be in cash. The Sub-Funds will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, each of the Sub-Funds will cease to track their relevant Index, and will not be able to meet its investment objective of tracking the performance of its relevant Index.

**Delay in distribution risk** – The Manager will aim to realise all of the assets of the Sub-Funds 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 Sub-Funds in a timely manner during certain periods of time, for example, when the trading on the relevant stock exchanges is restricted or suspended or when the official clearing and settlement depository of the relevant market is closed. 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 Sub-Funds (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 Sub-Funds are collective investment schemes authorised under Section 104 of the SFO, profits of the Sub-Funds derived from realisation of their assets are exempt from Hong Kong profits tax. Notwithstanding that profits of the Sub-Funds derived from realisation of their assets are exempt from Hong Kong profits tax, the Sub-Funds may be subject to tax in certain jurisdictions where investments are made on income or capital gains derived from such investments.

No Hong Kong profits tax shall generally be payable by investors in respect of the Final Distributions to the extent of distribution of profits and/or capital of the Sub-Funds. 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**

None of the connected persons of the Manager and/or the Trustee\* is involved in any transaction in relation to the Sub-Funds, nor holds any interest in the Sub-Funds.

\* *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 Sub-Funds 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 relevant Sub-Fund and impair the Manager’s ability to fulfill the investment objectives of the relevant Sub-Funds 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. 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 Sub-Funds and (ii) the Prospectus and the KFS are available from the Manager free of charge.

**9. 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 Sub-Funds

28 October 2019

## DEFINITIONS

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

CCASS	The Central Clearing and Settlement System established and operated by HKSCC or any successor system operated by HKSCC or its successors.
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 each Sub-Fund and their respective offering documents by the SFC under section 106 of the SFO.
Delisting	The delisting of each Sub-Fund from the SEHK.
Distribution Record Date	6 December 2019, being the date for the purpose of determining the beneficial owners of Units in each of the Sub-Funds who are entitled to the Final Distribution in respect of that Sub-Fund and further distribution (if any) in respect of that Sub-Fund.
ETF FAQs	Frequently Asked Questions on Exchange Traded Funds and Listed Funds issued by the SFC.
Final Distribution	Has the meaning given to that term in section 3.2 above.
Final Distribution Date	On or around 30 December 2019, being the date on which the Final Distribution of the relevant Sub-Fund will take place.
HKSCC	Hong Kong Securities Clearing Company Limited or its successors.
Index	In respect of each Sub-Fund, the index (as disclosed in the Prospectus for the Sub-Fund) against which that Sub-Fund is benchmarked.
KFS	The product key facts statement in respect of each Sub-Fund, each dated 30 April 2019.
Last Trading Day	28 November 2019, being the last day for dealings in the Units in a Sub-Fund on the SEHK and last day for redemption of Units in a Sub-Fund 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 Sub-Funds 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 each of the Sub-Funds.
Proposal	The proposal to terminate each of the Sub-Funds, and to voluntarily seek the Deauthorisation and the Delisting.

Prospectus	The Sub-Funds' combined prospectus dated 30 April 2019 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	The date on which the Trustee and the Manager form an opinion that the Sub-Funds cease to have any contingent or actual assets and liabilities.
Trading Cessation Date	29 November 2019, being the date on which the dealings in the Units of the Sub-Funds 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.
Units	In respect of a Sub-Fund, representing undivided shares in such Sub-Fund.
Unitholder	A holder of Units in respect of a Sub-Fund.