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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 FUND 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 professional adviser.*

*If you have sold or transferred all your Units in the iShares MSCI Emerging Markets ETF (HK), 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 Exchanges and Clearing Limited (the “HKEX”), the Securities and Futures Commission (the “SFC”) and the Hong Kong Securities Clearing Company Limited 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 MSCI Emerging Markets ETF (HK)**

**(HKD Counter Stock Code: 3022)**

**(USD Counter Stock Code: 9022)**

**(the “Sub-Fund”)**

## **ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND NON- APPLICABILITY OF CERTAIN PROVISIONS OF THE CODE ON UNIT TRUSTS AND MUTUAL FUNDS**

Terms not defined in this Announcement and Notice will have the meanings as are given to such terms in the prospectus of the Trust and the Sub-Fund (the “Prospectus”) published on 30 April 2024.

**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 of units of the Sub-Fund (the “Units”) on the SEHK, proposed termination and proposed deauthorisation of the Sub-Fund, proposed delisting of the Sub-Fund from the SEHK and the non-applicability of certain provisions of the Code on Unit Trusts and Mutual Funds (the “Code”) for the period from 16 August 2024 (i.e. the Trading Cessation Date) to the date of deauthorisation of the Sub-Fund (the “Deauthorisation Date”). In particular, investors should note that:

- taking into account the relevant factors, including, in particular, the relatively small Net Asset Value of the Sub-Fund (see section 1 below), the Manager has decided to exercise its power under Clause 35.7(a) of the trust deed dated 16 November 2001, as amended from time to time (the “Trust

Deed”), to seek termination of the Sub-Fund with effect from the Termination Date (as defined in section 2.4 below);

- the Last Trading Day (as defined in section 2.4 below) of the Units will be 15 August 2024;
- the Units will cease trading from the Trading Cessation Date (as defined in section 2.4 below), i.e. 16 August 2024;
- the Manager will aim to realise all of the assets of the Sub-Fund from the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards, (i) there will be no further trading of Units on the SEHK and no further creation and redemption of Units; (ii) the Manager will start to realise all the assets of the Sub-Fund and the Sub-Fund will therefore cease to track the performance of its Underlying Index and will not be able to meet its investment objective of tracking the performance of its Underlying Index; (iii) the Sub-Fund will no longer be marketed or offered to the public; (iv) the Sub-Fund will mainly hold cash; and (v) the Sub-Fund will only be operated in a limited manner;
- the Manager, upon consultation with the Trustee and the auditor of the Sub-Fund (the “Auditor”) will declare a Distribution (as defined in section 2.2 below) to the investors who remain so as at 30 August 2024 (i.e. the Distribution Record Date). The amount of Distribution will equal the total net assets of the Sub-Fund as at 30 August 2024, which will exclude (i) any taxes payable; and (ii) any expenses payable. The Distribution is expected to be payable on or around 13 September 2024 (i.e. the Distribution Date);
- on a date on or after which the Trustee and the Manager form an opinion that the Sub-Fund ceases to have any outstanding contingent or actual assets and liabilities, the Trustee and the Manager will commence the completion of the termination of the Sub-Fund (i.e. the Termination Date). The Manager expects the Termination Date will be on or around 15 October 2024. The Manager will publish an announcement on or shortly before the Termination Date about the termination, deauthorisation and delisting of the Sub-Fund;
- from the Trading Cessation Date until the Termination Date, the Manager will maintain the Sub-Fund’s SFC authorised status and SEHK listed status. Subject to the SEHK’s approval, delisting should take effect at or around the same time as the deauthorisation;
- the Manager will bear the costs and expenses associated with the termination of the Sub-Fund (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the Sub-Fund, which will be borne by the Sub-Fund and by extension, its Unitholders) from the date of this Announcement and Notice up to and including the Termination Date. As the Sub-Fund is a feeder fund investing substantially in the iShares MSCI EM UCITS ETF USD (Dist) (the “Master ETF”), which is managed by connected persons of the Manager, the Manager has not charged, and will not charge, any management fee in respect of the Sub-Fund. As a feeder fund investing substantially in the Master ETF, in relation to the shares in the Master ETF held by the Sub-Fund, the Sub-Fund has borne, and will continue to bear, indirectly a proportion of the Master ETF Fee (as defined in section 4.4 below) of the Master ETF, until the Manager has realised all shares in the Master ETF held in the portfolio of the Sub-Fund. Such Master ETF Fee is deducted from the net asset value of the Master ETF and reflected in the net asset value per share of the Master ETF;
- the Manager expects that the deauthorisation and delisting of the Sub-Fund will take place either on the Termination Date or shortly after the Termination Date. Please note that, following deauthorisation, any product documentation for the Sub-Fund previously issued to investors, including the Prospectus and the Product Key Facts Statement (the “KFS”), should be retained for personal use only and not for public circulation; and
- investors should pay attention to the risk factors set out in section 5.1 below (including liquidity 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 Sub-Fund’s Underlying Index risk,

delay in distribution risk and distribution in other currency risk). Investors should exercise caution and consult their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and Notice to their clients holding Units in the Sub-Fund, 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 Sub-Fund 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.

Stockbrokers and financial intermediaries are also urged to inform their clients of the distribution arrangements as set out in section 2.2 below and the possible impact on their clients in relation to such arrangements.

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 7 below).

## 1. Proposed termination of the Sub-Fund, cessation of trading and realisation of assets

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

According to Clause 35.7(a) of the Trust Deed, the Sub-Fund may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee on any date falling after a period of one year from the date of creation of the Sub-Fund if on such date the aggregate Net Asset Value of all the Units in the Sub-Fund outstanding shall be less than HK\$150,000,000. The Trust Deed does not require investors' approval for terminating the Sub-Fund on the ground set out in Clause 35.7(a).

As at 12 July 2024, the Net Asset Value and the Net Asset Value per Unit of the Sub-Fund are as follows:

Net Asset Value	Net Asset Value per Unit
USD8,573,896	USD65.95

Having taken into account the relevant factors including the interests of the investors as a whole and the current relatively small Net Asset Value of the Sub-Fund, the Manager is of the view that the proposed termination of the Sub-Fund would be in the best interests of the investors of the Sub-Fund. Therefore, the Manager decided to exercise its power under Clause 35.7(a) of the Trust Deed by giving notice in writing to the Trustee of its proposal to terminate the Sub-Fund on a date on or after which the Trustee and the Manager form an opinion that the Sub-Fund ceases to have any outstanding contingent or actual assets and liabilities. The Manager has, pursuant to Clause 35.7(a) of the Trust Deed, given written notice to the Trustee notifying the Trustee of its proposal to terminate the Sub-Fund and to voluntarily seek the deauthorisation and delisting of the Sub-Fund (the "**Proposal**"), 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.

As required under Clause 35.10 of the Trust Deed, no less than three months' notice is hereby given to the investors, notifying them of the proposed termination of the Sub-Fund. Also, as required under Chapters 11.1A and 11.2 of the Code, no less than one month's notice is hereby given to the investors, notifying them that the Sub-Fund will cease to track the performance of the Underlying Index, and cease trading, from the Trading Cessation Date.

### 1.2. Proposed cessation of trading of the Sub-Fund

The Manager will apply to SEHK to have the Units cease trading on the SEHK with effect from the Trading Cessation Date, i.e. 16 August 2024. The Manager will aim to realise all of the assets of the Sub-Fund effective

from the Trading Cessation Date in exercise of its power to realise investments under Clause 9.5 of the Trust Deed.

The realisation of assets of the Sub-Fund will not incur any additional cost as compared to the costs associated with normal realisation of investments.

15 August 2024 will be the Last Trading Day when investors may buy or sell Units on the SEHK in accordance with the usual trading arrangements currently in place, and no creation and redemption of Units through Participating Dealers will be allowed after such date. Creation and redemption of Units by Participating Dealers will continue to be permitted until the Last Trading 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 after this Announcement and Notice has been published.

Investors should note that they cannot create or redeem Units directly in the primary market. Only Participating Dealers may submit creation and redemption applications to the Manager. 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 but in any event no later than the Last Trading Day. 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 of the proposed realisation of the assets of the Sub-Fund**

After the realisation of the assets of the Sub-Fund, the Sub-Fund will mainly hold cash (primarily consisting of the proceeds from the realisation of the assets of the Sub-Fund). It therefore follows that, from the Trading Cessation Date, the Sub-Fund will cease to track the Underlying Index, and will not be able to meet its investment objective of tracking the performance of the Underlying Index.

## **2. What will happen on or before the Last Trading Day and from the Trading Cessation Date?**

### **2.1. Trading on the SEHK 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 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-Fund (collectively the “**Market Makers**”) will continue to perform their market making functions in accordance with the trading rules of the SEHK until the Last Trading Day.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units), an Accounting and Financial Reporting Council transaction levy (at 0.00015% of the price of the Units) and a trading fee (at 0.00565% of the price of the Units) will be payable by 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 on the SEHK.

The trading price of Units may be below or above the Net Asset Value per Unit. Please see the risk factor in section 5.1 below.

Relevant Investors (as defined in section 2.2 below) 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 holdings of Units during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

### **2.2. Distribution(s)**

For Relevant Investors (as defined below) who are still holding Units of the Sub-Fund after the Last Trading Day, the Manager will, after consulting the Trustee and the Auditor, declare a distribution in USD (for Units in both HKD counter and USD counter) (the “**Distribution**”) in respect of those investors who remain invested in the Sub-Fund as of the Distribution Record Date (i.e. 30 August 2024) (the “**Relevant Investors**”). Such Distribution is expected to be made on or around 13 September 2024 (i.e. the Distribution Date).

Each Relevant Investor will be entitled to a Distribution of an amount equal to the Sub-Fund’s then Net Asset Value in proportion to the Relevant Investor’s Units in the Sub-Fund as at the Distribution Record Date. The Sub-Fund’s then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the Sub-Fund as described in section 1.2 above (which exclude (i) any taxes payable, and (ii) any expenses payable).

The Distribution payable to each Relevant Investor is expected to be paid on or around 13 September 2024, to the accounts of its financial intermediary or stockbroker maintained with CCASS as at the Distribution Record Date. The Manager will issue a further announcement at least five business days before the Distribution Date to inform the Relevant Investors of the exact day of payment of the Distribution, together with the amount of Distribution per Unit in respect of the Sub-Fund in due course.

The Manager does not expect or anticipate there will be a further distribution after the Distribution. However, in the unlikely event there is a further distribution after the Distribution, the Manager will issue an announcement informing the Relevant Investors.

**IMPORTANT NOTE: Investors should pay attention to the risk factors as set out in section 5.1 below and consult their professional and financial advisers before disposing of their Units. If an investor disposes of its Units at any time on or before the Last Trading Day, such investor will not in any circumstances be entitled to any portion of the Distribution or further distribution (if any) in respect of any Units so disposed. Investors should therefore exercise caution and consult their professional and financial advisers before dealing in their Units or otherwise deciding on any course of actions to be taken in relation to their Units.**

### 2.3. Between the Trading Cessation Date and the Termination Date

Following the realisation of the assets and the Distribution and further distribution (if any), on a day on or after which the Manager and the Trustee form an opinion that the Sub-Fund ceases to have any outstanding contingent or actual assets and liabilities (i.e. Termination Date), the Manager and the Trustee will proceed to terminate the Sub-Fund.

During the period from the Trading Cessation Date until the Termination Date, although the Sub-Fund will continue to be listed on the SEHK and will remain authorised by the SFC, the Sub-Fund will no longer be marketed or offered to the public and will only be operated in a limited manner because there will be no trading of Units and the Sub-Fund will have no investment activities from the Trading Cessation Date onwards. As such, pursuant to Chapter 8.6(t) of the Code and paragraph 13 of the Frequently Asked Questions on Exchange Traded Funds and Listed Funds issued by the SFC (the “ETF FAQs”), the Sub-Fund will continue to maintain its 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 Deauthorisation Date, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in section 3 below.

The deauthorisation and delisting of the Sub-Fund will take place either on the Termination Date or shortly after the Termination Date, subject to the SFC’s and SEHK’s respective approvals. The Manager expects that the delisting should take effect at or around the same time as the deauthorisation.

The proposed termination, deauthorisation and delisting of the Sub-Fund will be subject to the payment of all outstanding fees and expenses (please refer to section 4 below), discharge of all outstanding liabilities of Sub-Fund, as well as final approvals by the SFC and the SEHK respectively.

Following deauthorisation, the Sub-Fund will no longer be subject to regulation by the SFC and will not be available for public distribution in Hong Kong. Any product documentation for the Sub-Fund 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-Fund to the public in Hong Kong as this may be in breach of the Securities and Futures Ordinance of Hong Kong (the “SFO”).

### 2.4. 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-Fund will be as follows:

Dispatch of this Announcement and Notice	After market close on 15 July 2024 (Monday)
No further request for creation of Units by investors in the primary market via Participating Dealers (other than by Participating Dealers for market making activities) after this Announcement and Notice has been published	16 July 2024 (Tuesday)

<p>Last day on which requests for creation by Participating Dealers for market making activities and redemption of Units in the primary market by Participating Dealers may be accepted</p> <p>Last day for trading of the Units on the SEHK in the secondary market</p> <p>(the “<b>Last Trading Day</b>”)</p>	15 August 2024 (Thursday)
<p>No further requests for creation and redemption of Units in the primary market by Participating Dealers will be accepted</p> <p>Cessation of trading in the Units on the SEHK in the secondary market</p> <p>The date on which the Manager will start to realise all the investments of the Sub-Fund and the Sub-Fund will cease to track the performance of its Underlying Index</p> <p>The day from which the Sub-Fund shall no longer be marketed or offered to the public in Hong Kong</p> <p>(the “<b>Trading Cessation Date</b>”)</p>	16 August 2024 (Friday)
<p>Last valuation of the Sub-Fund to be conducted upon realisation of all assets</p> <p>(the “<b>Last Valuation Date</b>”)</p>	30 August 2024 (Friday)
<p>Record date for determining the eligibility of entitlement for the Distribution and further distribution, if any</p> <p>(the “<b>Distribution Record Date</b>”)</p>	By close of business on 30 August 2024 (Friday)
<p>Dispatch of announcement on Distribution and the distribution rate per Unit</p>	6 September 2024 (Friday), at least five business days before the Distribution Date
<p>Distribution, after the Manager having consulted the Trustee and the Auditor, will be paid to the investors who are still holding Units as at the Distribution Record Date</p> <p>(the “<b>Distribution Date</b>”)</p>	On or around 13 September 2024 (Friday)
<p>Termination of the Sub-Fund on a date on or after the Manager and the Trustee form an opinion that the Sub-Fund ceases to have any outstanding contingent or actual assets and liabilities</p> <p>(the “<b>Termination Date</b>”)</p>	Expected to be 15 October 2024 (Tuesday)
<p>Deauthorisation and delisting of the Sub-Fund</p> <p>The date of deauthorisation and delisting will be the date 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.</p>	On or shortly after the Termination Date

The Manager will issue the following:

- (i) (on a weekly basis from the date of this Announcement and Notice to the Last Trading Day) reminder announcements informing and reminding investors of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date;
- (ii) (in due course) an announcement to inform the Relevant Investors of the details of Distribution (including the Distribution Date, the amount of Distribution and Distribution rate per Unit) and further distribution (if any);



- (iii) (prior to further distribution, if any) an announcement to inform the Relevant Investors of the details of further distribution (including the further distribution date, the amount of further distribution and further distribution rate per Unit); and
- (iv) (on or shortly before the Termination Date) an announcement informing the Relevant Investors about the Termination Date, Deauthorisation Date and date of delisting of the Sub-Fund,

in accordance with the applicable regulatory requirements.

If there is any change to the dates mentioned set out in the table above, 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 holding the Units in the Sub-Fund, and inform them of the contents of this Announcement and Notice, and any further announcements, as soon as possible.

### **3. Non-applicability of certain provisions of the Code**

#### **3.1. Background**

As set out in section 2.3 above, while the Units will cease trading on the SEHK effective from the Trading Cessation Date, because of certain outstanding contingent or actual assets and liabilities in relation to the Sub-Fund, the Sub-Fund will remain in existence after the Trading Cessation Date until the Termination Date. During such period, the Sub-Fund will remain authorised by the SFC and maintain its SEHK listed status until the completion of the proposed termination, deauthorisation and delisting of the Sub-Fund.

Pursuant to Chapter 8.6(t) of the Code and paragraph 13 of the ETF FAQs, the Sub-Fund may not strictly comply with certain provisions of the Code for the period from and including the Trading Cessation Date up until the Deauthorisation Date, provided that the specific conditions and requirements imposed by the SFC are met. Such conditions and requirements are described in this section 3.

#### **3.2. 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-Fund 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 Sub-Fund's website from the Trading Cessation Date until the Deauthorisation Date to notify investors that the Units of the Sub-Fund have ceased trading on the SEHK from 16 August 2024 (i.e. the Trading Cessation Date), and draw investors' attention to this Announcement and Notice, the subsequent reminder announcements and all other relevant announcements.

As the Sub-Fund will maintain its listed status with SEHK during the period from and including the Trading Cessation Date up until the date of delisting and deauthorisation, investors may continue to access further announcements in relation to the Sub-Fund via the Manager's website [www.blackrock.com/hk](http://www.blackrock.com/hk) and HKEX's website (these websites have not been reviewed by the SFC) during such period.

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

Under Chapters 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-Fund (updated at least every 15 seconds during trading hours) and last Net Asset Value per Unit and last Net Asset Value of the Sub-Fund (updated on a daily basis) on the Sub-Fund's website or such other channels as the SFC considers appropriate.

The Manager will continue to manage the Sub-Fund without strict compliance with Chapters 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 Manager shall ensure that the Net Asset Value per Unit as of 15 August 2024 (i.e. the Last Trading Day), which will be the latest Net Asset Value per Unit, will be published on the Manager's website [www.blackrock.com/hk](http://www.blackrock.com/hk) (this website has not been reviewed by the SFC); and
- (B) the Manager shall update the latest available Net Asset Value per Unit on the Manager's website [www.blackrock.com/hk](http://www.blackrock.com/hk) (this website has not been reviewed by the SFC) as soon as practicable should there be any other change to the Net Asset Value of the Sub-Fund, including but not limited to changes arising from (i) the payment of Distribution (please see further in section 2.2 above); (ii) further distribution (if any);

- (iii) any deduction of transaction costs or taxes relating to the realisation of the assets of the Sub-Fund; and
- (iv) any change in market value of the scrip dividend receivable by the Sub-Fund (if any) of the underlying investments.

### 3.4. Updating of the Prospectus and KFS

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

The Manager will continue to manage the Sub-Fund without updating the Prospectus (in respect of disclosure affecting the Sub-Fund only) and the KFS in respect of the Sub-Fund as required under Chapters 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 as soon as reasonably practicable notify investors of any changes to the Sub-Fund or to the Prospectus (in respect of disclosure affecting the Sub-Fund only) or the KFS by means of publishing the announcement(s) on the Manager's website [www.blackrock.com/hk](http://www.blackrock.com/hk) and the HKEX's website (these websites have not been reviewed by the SFC) (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-Fund.

### 3.5. Other related matter

The Manager confirms that, save for the particular provisions of the Code set out in sections 3.2 to 3.4 above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other applicable laws and regulations in respect of the Sub-Fund.

## 4. Costs

### 4.1. Trading on the SEHK

As indicated in section 2.1 above, stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units on or before the Last Trading Day.

### 4.2. Creation and redemption by Participating Dealers

All creations and redemptions of Units in the Sub-Fund by the Participating Dealers will be subject to the fees and costs as set out in the Sub-Fund'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 creation and redemption request which would also increase the cost of creation and redemption. Investors are advised to check with the Participating Dealers as to the relevant fees, costs and charges.

### 4.3. Ongoing charges

The ongoing charges over a year for the Sub-Fund as a percentage of the Net Asset Value is 0.18%\*.

*\* The ongoing charges figure is based on expenses for the year ended 31 December 2023 for the Sub-Fund. It represents the sum of the ongoing expenses chargeable to the Sub-Fund expressed as a percentage of the average Net Asset Value.*

The Manager does not expect that the termination of the Sub-Fund will impact the figure disclosed above for ongoing charges. Please note for completeness the ongoing charges figure shown above is calculated in accordance with the guidance under the relevant SFC circular, and excludes the following costs and expenses associated with the termination of the Sub-Fund (which are to be borne by the Sub-Fund): (i) normal operating expenses such as transaction costs and (ii) any taxes relating to the liquidation of assets of the Sub-Fund.

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



#### 4.4. Cost of termination, deauthorisation and delisting

The Manager will bear all costs and expenses associated with the termination, deauthorisation and delisting of the Sub-Fund (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of the Sub-Fund) from the date of this Announcement and Notice up to and including the date of deauthorisation and delisting of the Sub-Fund.

As the Sub-Fund is a feeder fund investing substantially in the Master ETF, which is managed by connected persons of the Manager (please refer to section 5.3 below and the Prospectus for further details), the Manager has not charged, and will not charge, any management fee in respect of the Sub-Fund.

The Master ETF employs an “all in one” fee structure whereby the Master ETF pays all of its fees, operating costs and expenses as a single flat fee (the “**Master ETF Fee**”). As a feeder fund investing substantially in the Master ETF, in relation to the shares in the Master ETF held by the Sub-Fund, the Sub-Fund has borne, and will continue to bear, indirectly a proportion of the Master ETF Fee of the Master ETF, until the Manager has realised all shares in the Master ETF held in the portfolio of the Sub-Fund. Such Master ETF Fee is deducted from the net asset value of the Master ETF and reflected in the net asset value per share of the Master ETF.

### 5. Other matters

#### 5.1. Other implications of the proposed cessation of trading, termination, deauthorisation and delisting of the Sub-Fund

In consequence of this Announcement and Notice and the proposed cessation of trading of the Units on the SEHK, termination, deauthorisation and delisting of the Sub-Fund from the SEHK, investors should note and consider the following risks:

**Liquidity risk** – Trading of Units in the Sub-Fund 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** – The Units of the Sub-Fund may trade at a discount or premium of its Net Asset Value. Although the Manager expects that, up to (and including) the Last Trading Day, the Market Makers will continue to perform their market making functions in respect of the Sub-Fund in accordance with the trading rules of the SEHK, Units 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 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 may trade at a premium, and consequently the divergence between the supply of and demand for the Units of the Sub-Fund may be larger than usual. In particular, should there be a large demand for Units before the Trading Cessation Date, the Market Makers may not be able to effectively perform its market making activities to provide liquidity of the trading of Units on the SEHK in these extreme market situations. As a result, the price volatility of the Units 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 Sub-Fund may drop drastically before the Last Trading Day. This may impair the Manager’s ability to fulfill the investment objective of the Sub-Fund and result in significant tracking error. In the extreme situation where the size of the Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the 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 investments. Such market movements may result in substantial downward adjustment of the Net Asset Value per Unit before the Last Trading Day.

**Failure to track the Sub-Fund’s Underlying Index risk** – All assets of the Sub-Fund, to the extent possible, will be liquidated with effect from the Trading Cessation Date. Thereafter, the Sub-Fund’s assets will mainly be cash. The Sub-Fund will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, the Sub-Fund will cease to track the performance of its Underlying Index, and will not be able to meet its investment objective of tracking the performance of its Underlying Index.

**Delay in distribution risk** – The Manager will aim to realise all of the assets of the Sub-Fund and proceed with the Distribution and further distribution (if any) as soon as practicable. However, the Manager may not be able to realise all the assets of the Sub-Fund in a timely manner during certain periods of time, for example, when trading of the Master ETF on the relevant stock exchanges in the secondary market is restricted or suspended or when the official clearing and settlement depository of the relevant market is closed. In this case, the payment of Distribution or further distribution (if any) to the Relevant Investors may be delayed.

**Distribution in other currency risk** – Investors should note that all Units will receive distributions in the base currency of the Sub-Fund (i.e. in USD) only. In the event that the relevant Unitholder has no USD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distribution from USD to HKD or other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

Investors' attention is also drawn to the risk factors disclosed in the Prospectus.

## 5.2. 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 Sub-Fund is a collective investment scheme authorised under Section 104 of the SFO, profits of the Sub-Fund derived from realisation of its assets are exempted from Hong Kong profits tax. Notwithstanding that profits of the Sub-Fund derived from realisation of its assets are exempted from Hong Kong profits tax, the Sub-Fund may be subject to tax in certain jurisdictions where investments are made, on income or capital gains derived from such investments.

Distribution or further distribution (if any) to the extent of distribution of profits and/or capital of the Sub-Fund should generally not be subject to Hong Kong profits tax by Hong Kong investors (whether by way of withholding or otherwise). For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units in the Sub-Fund may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business, sourced in Hong Kong, as well as the Units of the Sub-Fund are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

## 5.3. Connected party transaction

As disclosed in the Prospectus, the Sub-Fund is a feeder fund investing substantially in the Master ETF, and the Master ETF is managed by the Master ETF Manager (BlackRock Asset Management Ireland Limited), who has delegated responsibility for investment and reinvestment of the Master ETF's assets to the Master ETF Investment Manager (BlackRock Advisors (UK) Limited). Both the Master ETF Manager and Master ETF Investment Manager are affiliates of the Manager. Whilst all transactions will be at arm's length, conflicts of interest may arise from time to time amongst any of them. The Manager will have regard to its obligations to the Sub-Fund and its Unitholders and will endeavour to ensure such conflicts are resolved fairly.

Other than as disclosed above, none of the connected persons of the Manager and/or the Trustee\* is involved in any transaction in relation to the Sub-Fund, nor holds any interest in the Sub-Fund.

*\* 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-Fund from time to time. HSBC Limited may decide to dispose of all or part of its 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 Sub-Fund and impair the Manager's ability to fulfill the investment objectives of the Sub-Fund 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 5.1 above.*

## 6. 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.

The most recent annual report and accounts of the Trust and the Sub-Fund, the most recent interim report of the Trust and the Sub-Fund and the Prospectus and the KFS of the Sub-Fund may also be obtained from the Manager's website [www.blackrock.com/hk](http://www.blackrock.com/hk) (this website has not been reviewed by the SFC) or the offices of the Manager free of charge.

## 7. 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 contents of 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-Fund

**15 July 2024**