

IMPORTANT:

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Investments involve risks, including the loss of principal. You are advised to consider your investment objectives and circumstances in determining the suitability of an investment in the Trust. An investment in the Trust may not be suitable for everyone.

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

*a Hong Kong unit trust authorized under
Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong*

iShares Hang Seng TECH ETF
(HKD Counter Stock Code: 03067)
(USD Counter Stock Code: 09067)

**a sub-fund of the iShares Asia Trust (the “Trust”)
(the “Sub-Fund”)**

Announcement

BlackRock Asset Management North Asia Limited (the “**Manager**”) hereby announces the following in respect of the Sub-Fund. Unless specified otherwise, capitalised terms have the same meaning as stated in the Prospectus of the Sub-Fund.

The United States government issued an Executive Order on 12 November 2020 titled “Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies” (the “**Executive Order**”) which imposes sanctions targeting certain Chinese companies deemed to be affiliated with or supporting the Chinese military (each a “**sanctioned entity**”) and prohibits any transaction by any United States person in publicly traded securities, or any securities that are derivative of, or are designed to provide investment exposure to such securities, of sanctioned entities with effect from the effective date applicable to a sanctioned entity. The Manager is part of the BlackRock group of companies, the ultimate holding company of which is Blackrock, Inc., a company incorporated in the United States. Based on the Manager’s current interpretation of the Executive Order and the Frequently Asked Questions issued by The Office of Foreign Assets Control (the “**OFAC**”) of the US Department of the Treasury, the Executive Order is applicable to the funds managed by the Manager to the extent that such funds hold securities of entities that are identified by the United States government as sanctioned entities as at the effective date applicable to a sanctioned entity.

The Underlying Index of the Sub-Fund contains constituent securities of an entity that has been identified by the United States government as a sanctioned entity, namely Semiconductor Manufacturing International Corp (SMIC), with effect from 1 February 2021. In light of the Executive Order and subject to any changes to the list of sanctioned entities, the Sub-Fund will not make any new investments in SMIC with effect from 1 February 2021.

The weight of SMIC in the Sub-Fund and in the Underlying Index as at 28 January 2021 is 6.523% and 6.518% respectively (rounded to the nearest 3 decimal places).

The list of entities identified as sanctioned entities under the Executive Order may be updated from time to time and can be found at OFAC's website: <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/chinese-military-companies-sanctions>¹. Based on the Manager's current understanding of the OFAC FAQs, once an entity is identified, there is a 60-day implementation period before the prohibition on investments in such entity becomes effective. In light of the Executive Order, the Sub-Fund will not make any new investments in sanctioned entities with effect from the relevant effective date applicable to such sanctioned entities.

As disclosed in the Prospectus of the Sub-Fund, the Sub-Fund adopts a representative sampling strategy, which means that the Sub-Fund invests in a representative sample of the Securities included in the Underlying Index that collectively has an investment profile that reflects the profile of the Underlying Index. By adopting a representative sampling strategy, the Manager shall seek to minimize tracking error by, for example, investing in securities that have a high correlation to the sanctioned entities. As such, the Sub-Fund may or may not hold all of the Securities that are included in the Underlying Index, and may hold Securities which are not included in the Underlying Index, provided that the sample closely reflects the overall characteristics of the Underlying Index.

Investors should note that, as a consequence of the above, the weight of the sanctioned entity within the Sub-Fund may deviate from the weight of such sanctioned entity within the Underlying Index, which can result in a difference in performance between the Sub-Fund and the Underlying Index. In addition, the use of a representative sampling investment strategy can be expected to result in greater tracking error than a full replication strategy, which means that the Sub-Fund's daily returns may not track those of the Underlying Index.

Investors' attention is drawn to the selling restrictions and risks disclosed in the Prospectus, in particular those under the "Important Information" and "Risk Factors" sections in the Prospectus of the Sub-Fund (including the "Tracking Error Risk"). Investors should exercise caution before making any investment decisions.

The Manager is continuously monitoring the situation, including the tracking error, tracking difference, impact of any creation and redemption and any further changes to the Underlying Index, and will notify investors if it considers that the representative sampling strategy is no longer appropriate to fulfil the investment objective of the Sub-Fund.

If you have any questions concerning this announcement, please contact us on +852 3903 2823 or at 16th Floor Champion Tower, 3 Garden Road, Central, Hong Kong.

BlackRock Asset Management North Asia Limited
貝萊德資產管理北亞有限公司
as Manager of the Trust and the Sub-Fund
Hong Kong, 29 January 2021

¹ This website has not been reviewed by the Securities and Futures Commission