

## FOURTH 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 FIVE EXCHANGE TRADED FUNDS NAMED BELOW**

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*If you are in any doubt about the contents of 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 Horizons S&P Asia ex JANZ Financials ETF, Horizons S&P Asia ex JANZ IT ETF, Horizons S&P Asia ex JANZ Industrials ETF, Horizons S&P Asia ex JANZ Energy ETF and/or Horizons S&P Asia ex JANZ Materials 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 Exchanges and Clearing Limited, the Hong Kong 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.*

*Mirae Asset Global Investments (Hong Kong) 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 an endorsement of the Trust (as defined below) and the Terminating Investment Funds (as defined below) nor does it guarantee the commercial merits of the Trust and the Terminating Investment Funds or their performance. It does not mean the Trust and the Terminating Investment Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.*

### **Horizons Exchange Traded Funds Series (the “Trust”)**

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

**Horizons S&P Asia ex JANZ Financials ETF (Stock Code: 3064)**

**Horizons S&P Asia ex JANZ IT ETF (Stock Code: 3066)**

**Horizons S&P Asia ex JANZ Industrials ETF (Stock Code: 3075)**

**Horizons S&P Asia ex JANZ Energy ETF (Stock Code: 3076)**

**Horizons S&P Asia ex JANZ Materials ETF (Stock Code: 3078)**

**(each a “Terminating Investment Fund”, collectively the “Terminating Investment Funds”)**

**ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION**

## **AND DELISTING AND WAIVER FROM STRICT COMPLIANCE OF CERTAIN PROVISIONS OF THE CODE**

Terms not defined in this Announcement and Notice will have the meanings as are given to such terms in the prospectus dated 19 September 2014 (as amended by the addenda thereto) (the “**Prospectus**”).

**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 (1) Horizons S&P Asia ex JANZ Financials ETF, (2) Horizons S&P Asia ex JANZ IT ETF, (3) Horizons S&P Asia ex JANZ Industrials ETF, (4) Horizons S&P Asia ex JANZ Energy ETF and (5) Horizons S&P Asia ex JANZ Materials ETF (the “**Terminating Investment Funds**”, each an Investment Fund as defined in the Prospectus) and the waivers from strict compliance of certain provisions of the Code for the period from 5 April 2016 (the “**Trading Cessation Date**”) to the date of deauthorisation (the “**Deauthorisation Date**”). In particular, investors should note that:

- taking into account the relevant factors, in particular, the relatively small net asset value (“**Net Asset Value**”) of each of the Terminating Investment 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 dated 26 February 2016, decided to exercise its power under Clause 27.3 of the Trust Deed and proposed to seek termination of each of the Terminating Investment Funds with effect from on or around 30 May 2016 (the “**Termination Date**”);
- the Last Trading Day (as defined in section 2.3) of the units in the Terminating Investment Funds (“**Units**”) will be 1 April 2016, i.e. the last day on which investors may buy or sell Units on the SEHK and the last day for redemption of Units in accordance with the usual trading arrangements currently in place, but no creation of Units in the primary market through a Participating Dealer will be allowed from 1 March 2016;
- the Units of the Terminating Investment Funds will cease trading as from 5 April 2016 (the “**Trading Cessation Date**”) which means it shall not be possible for investors to buy or sell Units on the SEHK and no redemption of Units will be possible from the Trading Cessation Date onwards;
- The Manager will aim to realise all of the assets of each of the Terminating Investment Funds effective from the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards, (i) there will be no further trading of Units of each of the Terminating Investment Funds and no further redemption of Units of each of the Terminating Investment Funds; (ii) the Manager will start to realise all the assets of each of the Terminating Investment Funds and each Terminating Investment Fund will therefore cease to track the respective Underlying Indices and will not be able to meet its investment objective of tracking the performance of the respective Underlying Indices; (iii) the Terminating Investment Funds will no longer be marketed to the public; (iv) the Terminating Investment Funds will mainly hold cash; and (v) the

**Terminating Investment Funds will only be operated in a limited manner;**

- **with a view to minimising further costs, fees and expenses in managing the Terminating Investment Funds following the Trading Cessation Date and in the best interest of investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the following provisions of the Code for the period from the Trading Cessation Date to the Deauthorisation Date:**
  - (i) Chapter 10.7 (with regard to publishing suspension announcements);**
  - (ii) paragraphs 4 and 17(a) and (b) of Appendix I (with regard to providing estimated Net Asset Value or R.U.P.V. (as defined in the Code and section 5.3) and last closing Net Asset Value on a real time or near-real time basis); and**
  - (iii) Chapters 6.1 and 11.1B (with regard to updating the Prospectus and the product key facts statements (“KFS”) in respect of the Terminating Investment Funds).**

**The details and the conditions on which such waiver is granted are as described in section 5 below;**

- **the Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 below, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed and other applicable laws and regulations until the Deauthorisation Date;**
- **the Manager will, after having consulted the Terminating Investment Funds’ Auditors and Cititrust Limited (“Trustee”), declare a Final Distribution (as defined in section 1.2) to the investors who remain so as at 7 April 2016 (the “Distribution Record Date”, and the Final Distribution is expected to be payable on or around 6 May 2016 (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 investors by 16 May 2016;**
- **by the date the Trustee and the Manager form an opinion that the Terminating Investment Funds cease to have any outstanding contingent or actual assets or liabilities, the Trustee and the Manager will commence the completion of the termination of the Terminating Investment Funds (i.e. the Termination Date);**
- **during the period from the Trading Cessation Date until, at least, the Termination Date, the Terminating Investment Funds will maintain their listing status with the SEHK and authorisation status with the SFC, although the Terminating Investment Funds will be operated only in a limited manner;**
- **the Manager will bear all costs and expenses associated with the termination of each Terminating Investment Fund (other than normal operating expenses such as transaction costs and any taxes relating to**

the liquidation of assets of a Terminating Investment Fund) from the date of this Announcement and Notice up to and including the Termination Date;

- the Manager will maintain the Terminating Investment Funds' listing status, and, subject to the SEHK's approval, expects the delisting to take effect at or around the same time as the deauthorisation, which will be either on the Termination Date or immediately after the Termination Date (please note that any product documentation for the Terminating Investment Funds previously issued to investors, including the Prospectus and the KFS in respect of the Terminating Investment Funds, 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, Units trading at a discount or premium and market maker's inefficiency risk, tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk, Net Asset Value downward adjustment risk, failure to track the Underlying Indices risk and delay in distribution risk). Investors should exercise caution and consult their professional and financial advisers before dealings in the Units in the Terminating Investment Funds or otherwise deciding on the course of actions to be taken in relation to their Units in the Terminating Investment Funds.

**Stockbrokers and financial intermediaries are urged to:**

- forward a copy of this Announcement and Notice to their clients holding Units in any or all of the Terminating Investment 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 any or all of the Terminating Investment 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 Terminating Investment 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 for further information).

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. Also, further announcements will be made in due course to inform the investors of the Final Distribution Date, the Termination Date, the dates for the deauthorisation and the delisting and whether there is any further distribution after the Final Distribution as and when appropriate in accordance with the applicable regulatory requirements.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and Notice, and confirms, having made all

**reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.**

The Manager reserves its right to terminate any Terminating Investment Fund in its absolute discretion by notice in writing to the Trustee under Clause 27.3 of the Trust Deed if the aggregate Net Asset Value of the Units of the relevant class outstanding of such Terminating Investment Fund shall be less than HK\$50,000,000.

As at 26 February 2016, the Net Asset Value of all the Units outstanding in each of the Terminating Investment Funds was less than HK\$50,000,000. The Manager therefore announces that it has, by means of a resolution of the board of directors of the Manager dated 26 February 2016, decided to terminate the Terminating Investment Funds and voluntarily seek deauthorisation and delisting. The proposed termination, deauthorisation and delisting (the “**Proposal**”) will be subject to the final approval of the SFC and the SEHK, and will only be completed after the Trustee and the Manager have formed an opinion that the Terminating Investment Funds have no outstanding contingent or actual liabilities or assets.

Before the proposed termination, deauthorisation and delisting, the Units of each of the Terminating Investment Funds will cease trading on the SEHK as from 5 April 2016, the Trading Cessation Date. Accordingly, the last day on which the Units of the Terminating Investment Funds can be traded on the SEHK will be 1 April 2016, the Last Trading Day, and from the Trading Cessation Date onwards, no trading of Units on the SEHK will be allowed. Also, while investors may continue to trade Units on the SEHK on any trading day before the Trading Cessation Date, no creation of Units in the Terminating Investment Funds in the primary market through a Participating Dealer will be allowed from 1 March 2016 following the publication of this Announcement and Notice.

By this Announcement and Notice, the Manager notifies the investors of the proposed termination of the Terminating Investment Funds. Also, as required under Chapter 11.1A of the Code and 27.4 of Trust Deed, no less than one month’s notice is hereby given to the investors, notifying them that the Terminating Investment Funds will cease to track the respective Underlying Indices, and cease trading, from the Trading Cessation Date.

The Manager will bear all costs and expenses associated with the termination of each Terminating Investment Fund (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of each Terminating Investment Fund) from the date of this Announcement and Notice up to and including the Termination Date.

## **1. Proposed termination of the Terminating Investment Funds, cessation of trading and liquidation of assets**

### **1.1. Proposed termination of the Terminating Investment Funds**

According to Clause 27.3 of the Trust Deed, each Terminating Investment Fund may be terminated by the Manager in its absolute discretion by notice in writing in the event that in relation to the Trust, the aggregate Net Asset Value shall be less than HK\$50,000,000 or in relation to any Terminating Investment Fund, the aggregate Net Asset Value of the Units of the relevant class outstanding of such Terminating Investment Fund shall be less than HK\$50,000,000. According to the Trust Deed, Unitholders’ approval shall not be required for terminating one or

more of the Terminating Investment Funds on the ground set out under such Clause 27.3.

As at 26 February 2016, the Net Asset Value and the Net Asset Value per Unit of each of the Terminating Investment Funds were as follows:

Name	Net Asset Value	the Net Asset Value per Unit
Horizons S&P Asia ex JANZ Financials ETF	HK\$17,338,527.22	HK\$21.6732
Horizons S&P Asia ex JANZ IT ETF	HK\$26,426,211.48	HK\$26.4263
Horizons S&P Asia ex JANZ Industrials ETF	HK\$10,686,399.61	HK\$17.8107
Horizons S&P Asia ex JANZ Energy ETF	HK\$7,306,255.28	HK\$12.1771
Horizons S&P Asia ex JANZ Materials ETF	HK\$14,488,472.36	HK\$14.4885

Having taken into account the relevant factors including interests of the investors as a whole, the current relatively small Net Asset Value of each of the Terminating Investment Fund, the Manager is of the view that the proposed termination of each of the Terminating Investment Funds would be in the best interests of the investors of the Terminating Investment Funds. Therefore, the Manager has decided to exercise its power under Clause 27.3 of the Trust Deed, and has provided written notice to the Trustee as required, to propose termination of the Terminating Investment Funds on the date on which the Trustee and the Manager form an opinion that the Terminating Investment Funds cease to have any contingent or actual assets or liabilities.

## 1.2. The proposed cessation of trading

The Manager will apply to SEHK to have the Units of the Terminating Investment Funds cease trading on the SEHK with effect from 5 April 2016, the Trading Cessation Date. The Manager will aim to realise all of the assets of each of the Terminating Investment Funds effective from the Trading Cessation Date in exercise of its investment powers under Clause 12.5 of the Trust Deed. The realisation of the assets of the Terminating Investment Funds associated with the proposed termination, deauthorisation and delisting will not incur any additional cost on each of the Terminating Investment Funds as compared to the costs associated with normal redemption of investments.

The Manager will then proceed with the final distribution of the assets (the “**Final Distribution**”) of each Terminating Investment Fund on or around 6 May 2016 (see details in section 2.2 below). This means 1 April 2016 will be the Last Trading Day when investors may buy or sell Units in the Terminating Investment Funds on the SEHK in accordance with the usual trading arrangements in place at the date of this Announcement and Notice.

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

Further, in view of the proposed cessation of trading, no further creation of Units in the Terminating Investment Funds will be allowed from 1 March 2016. For the avoidance of doubt, redemption of Units in the Terminating Investment Funds by

Participating Dealers will continue to be permitted until the Last Trading Day. However, investors should note that application for redemption of Units can only be made by Participating Dealers and the Participating Dealer may have its own application procedures and cut-off times to the Manager which may be earlier than those set out in the Prospectus. Investors are advised to check with Participating Dealers as to the relevant timing deadlines and client acceptance procedures and requirements.

### **1.3. Impacts on the proposed liquidation of the assets of the Terminating Investment Funds**

After liquidation of all the assets of each of the Terminating Investment Funds (as described in section 1.2 above), each of the Terminating Investment Funds will only hold cash, primarily consisting of the proceeds from the liquidation of the assets of each of the Terminating Investment Funds. Following this, from the Trading Cessation Date, each of the Terminating Investment Funds will cease to track their respective Underlying Indices, and will not be able to meet their investment objective of tracking the performance of their respective Underlying Indices.

## **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 of the Terminating Investment Funds will cease trading on the SEHK. This means investors will only be allowed to buy or sell Units of the Terminating Investment Funds on the SEHK until and inclusive of the Last Trading Day, being 1 April 2016. From the Trading Cessation Date onwards, no trading of the Units of the Terminating Investment Funds on the SEHK will be allowed.

### **2.2 During the period from the Trading Cessation Date until the Termination Date (as defined in section 2.3 below)**

After consulting the Terminating Investment Funds' Auditors and the Trustee, the Manager shall declare a Final Distribution (as defined in section 3.2 below) in respect of those investors who remain invested in the Terminating Investment Funds as of the Distribution Record Date (the "**Relevant Investors**"). Such Final Distribution will be made on or around 6 May 2016.

On or around 30 May 2016, the date where the Manager and Trustee are of the opinion that the Terminating Investment Funds cease to have any contingent or actual assets or liabilities (the "**Termination Date**"), the Manager and the Trustee will commence the completion of terminating the Terminating Investment Funds.

During the period from the Trading Cessation Date until, at least, the Termination Date, the Terminating Investment Funds will still maintain its listing status with the SEHK and remain SFC authorised, however the Terminating Investment Funds will be operated in a limited manner (as described in section 4.2 below). The Manager has therefore applied to the SFC, and has been granted, waivers from strict compliance of certain provisions of the Code for the period from the Trading Cessation Date to the Deauthorisation Date. The details and the conditions on which such waiver is granted are as described in section 5 below.

The deauthorisation and delisting of the Terminating Investment Funds will take place either on the Termination Date or immediately after the Termination Date, subject to the SFC's and SEHK's approval respectively. The Manager expects, subject to the SFC's and SEHK's approval, 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, discharge of all other liabilities of the Terminating Investment Funds, as well as the final approvals by the SFC and the SEHK.

Following deauthorisation, the Terminating Investment Funds will no longer be regulated by the SFC and will not be available for public distribution in Hong Kong. Any product documentation for the Terminating Investment Funds previously issued to investors, including the Prospectus and any KFS in respect of the Terminating Investment Funds, should be retained for personal use only and not for public circulation. Stockbrokers, financial intermediaries and investors must not circulate any marketing or other product information relating to the Terminating Investment Funds to the public in Hong Kong as this may be in breach of the Securities and Futures Ordinance.

### 2.3 Important dates

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

Dispatch of Announcement and Notice	29 February 2016 (Monday)
No further creation of Units in each of the Terminating Investment Funds	1 March 2016 (Tuesday)
Last day for dealings in the Units of each of the Terminating Investment Funds on the SEHK and last day for redemption of Units of each of the Terminating Investment Funds (the " <b>Last Trading Day</b> ")	1 April 2016 (Friday)
Dealings in the Units on the SEHK cease and no further redemption of Units of each of the Terminating Investment Funds (the " <b>Trading Cessation Date</b> "), i.e. same date on which all the investments of the Terminating Investment Funds will start to be liquidated and each of the Terminating Investment Funds will cease to be able to track the Underlying Index	5 April 2016 (Tuesday)
The date as at which an investor needs to be recorded by HKSCC as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS to be entitled to the Final Distribution and further distribution, if any (the " <b>Distribution Record Date</b> ")	7 April 2016 (Thursday)
Final Distribution, after the Manager having consulted with the Terminating Investment Fund's	On or around 6 May 2016 (Friday)



Auditors and the Trustee, will be paid to the investors who are still holding Units as at the Distribution Record Date (the “ <b>Final Distribution Date</b> ”)	
Termination of the Terminating Investment Funds (the “ <b>Termination Date</b> ”)	On or around 30 May 2016 (Monday), which is the date on which the Manager and the Trustee form an opinion that the Terminating Investment Funds cease to have any contingent or actual assets or liabilities
Deauthorisation and delisting of the Terminating Investment Funds	<p>On or around 30 May 2016 (Monday) which is the date which the SFC and SEHK approve the deauthorisation and delisting respectively</p> <p>The Manager expects that the deauthorisation and delisting will take place either on the Termination Date or immediately after the Termination Date</p>

The Manager will, on a weekly basis from the date of this Announcement and Notice to the Last Trading Day, issue reminder announcements informing and reminding investors of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. In addition, the Manager will issue further announcements in due course to inform the investors of the Final Distribution Date, the dates for the deauthorisation and delisting of the Terminating Investment Funds, as well as the Termination Date, and whether there is any further distribution after the Final Distribution, as and when appropriate in accordance with the applicable regulatory requirements before the Termination Date. If there is any change to the dates mentioned in this section, the Manager will issue an announcement to inform the 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 any or all of the Terminating Investment Funds, 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 inclusive of the Last Trading Day, an investor may continue to buy or sell its Units in the Terminating Investment 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 maker

of the Terminating Investment Funds, Commerz Securities Hong Kong Limited (the “**Market Maker**”) will continue to perform its market making functions in accordance with the trading rules of the SEHK.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units of each of the Terminating Investment Funds on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units of each of the Terminating Investment Funds) and a trading fee (at 0.005% of the price of the Units of each of the Terminating Investment Funds) will be payable by the buyer and the seller of the Units. No stamp duty will be imposed on any sale or purchase of the Units of the Terminating Investment Funds on the SEHK.

The trading price of Units of each of the Terminating Investment Funds may be below or above the Net Asset Value per Unit.

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

For Relevant Investors who are recorded by HKSCC as the beneficial owner of Units which are registered in the name of HKSCC Nominees Limited and held in CCASS, after consulting the Terminating Investment Fund’s Auditors and the Trustee, the Manager will declare a Final Distribution in respect of such Relevant Investors. Each Relevant Investor will be entitled to a Final Distribution of an amount equal to the relevant Terminating Investment Fund’s then Net Asset Value in proportion to the Relevant Investor’s interests in that Terminating Investment Fund as at the Distribution Record Date. The Terminating Investment Fund’s then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the relevant Terminating Investment Fund as described in section 1.3 above.

The Final Distribution payable to each Relevant Investor is expected to be paid to the accounts of its financial intermediary or stockbroker maintained with CCASS on or around 6 May 2016. The Manager will issue a further announcement to inform the investors of the exact day of payment of the Final Distribution, together with the amount of Final Distribution per Unit in respect of the relevant Terminating Investment Fund, when the same are available.

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 investors by 16 May 2016. If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement of the revised dates.

**IMPORTANT NOTE: Investors should pay attention to the risk factors as set out in section 7.1 below and consult their professional and financial advisers before disposing of the Units in the Terminating Investment Funds. If an investor disposes of its Units in the Terminating Investment Funds 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 or any 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 in the Terminating Investment Funds or otherwise deciding on any course of actions to be taken in relation to their Units in any of the Terminating Investment Funds.**

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

##### **4.1 Continued existence of the Terminating Investment Funds**

The Terminating Investment Funds, despite the commencement of the cessation of trading from the Trading Cessation Date, will continue to maintain their listing status on the SEHK and authorisation status with the SFC until completion of the proposed termination, deauthorisation and delisting. Delisting will follow as soon as possible after the termination of the Terminating Investment Funds.

When the Manager and Trustee form an opinion that the Terminating Investment Funds cease to have any contingent or actual assets or liabilities, the Manager and the Trustee will complete the proposed termination process, and the Manager will proceed with applying to the SFC for deauthorisation, and to the SEHK to complete the delisting.

##### **4.2 Limited operation of the Investment Fund**

During the period from the Trading Cessation Date up until deauthorisation, each of the Terminating Investment Funds will only be operated in a limited manner as there will not be any trading of Units of the Terminating Investment Funds and the Terminating Investment Funds will have no investment activities from 5 April 2016, the Trading Cessation Date onwards.

#### **5. Waiver**

##### **5.1 Background**

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

However, following the date of this Announcement and Notice, there will be no further creation of Units, and from the Trading Cessation Date onwards:

- (i) there will be no further trading of Units of the Terminating Investment Funds and no further redemption of each of Units of the Terminating Investment Funds;
- (ii) the Manager will start to realise all the assets of the Terminating Investment Funds and the Terminating Investment Funds will therefore cease to track their respective Underlying Indices and will not be able to meet their investment objective of tracking the performance of the respective Underlying Indices;
- (iii) the Terminating Investment Funds will no longer be marketed to the public;
- (iv) the Terminating Investment Funds will mainly hold cash; and

- (v) the Terminating Investment Funds will only be operated in a limited manner.

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

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

## **5.2 Publishing of the suspension of dealing**

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

The Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the Investor Notification Requirements under Chapter 10.7 of the Code, subject to the conditions that: (a) a statement shall be posted in a prominent position of the Manager’s website from the Trading Cessation Date until the Deauthorisation Date to notify investors that the Units of the Terminating Investment Funds have ceased trading on the SEHK from 5 April 2016, and draw investors’ attention to this Announcement and Notice and all other relevant announcements; and (b) the announcements in relation to the Terminating Investment Funds will remain published on the Manager’s website for a period of one year after the Deauthorisation Date.

Because the Terminating Investment Funds will maintain their listing status after the Last Trading Day (1 April 2016) until the Deauthorisation Date, investors may continue to access further announcements in relation to the Terminating Investment Funds via the SEHK’s website and the Manager’s website during such period. In addition, as one of the conditions of this waiver, the announcements in relation to the Terminating Investment Funds will remain published on the Manager’s website for a period of one year after the Deauthorisation Date. The Manager is of the view that one year period should be sufficient to cater for investors who may have questions about the Terminating Investment Funds after the Deauthorisation Date. Also, according to the current policy of SEHK (which may change from time to time), all announcements in relation to the Terminating Investment Funds will remain published on the SEHK’s website for a period of at least 5 years after delisting of the Terminating Investment Funds.

## **5.3 Provision of estimated Net Asset Value or R.U.P.V.<sup>1</sup> and last closing Net Asset Value on a real time or near real time basis**

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<sup>1</sup> R.U.P.V stands for “Reference Underlying Portfolio Value” which is updated at 15-second intervals during trading hours.

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

As following the date of this Announcement and Notice, there will be no further creation of Units in the Terminating Investment Funds, and from the Trading Cessation Date onwards, there will be no further trading of Units in the Terminating Investment Funds on the SEHK and no further redemption of Units in the Terminating Investment Funds, and the Terminating Investment Funds will mainly hold cash and only be operated in a limited manner. The Manager proposes with the consent of the Trustee that the Net Asset Value per Unit of each Terminating Investment Fund will be updated on the Manager's website only when there is any event which causes the Net Asset Value to change. The Manager and the Trustee expect that the events which will cause the Net Asset Value per Unit of the Terminating Investment Funds to change are: (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 Terminating Investment Funds concerned; and (iv) any deduction of fees, operating expenses or taxes related to the liquidation of the assets of each of the Terminating Investment Funds.

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

- (A) the Net Asset Value per Unit of each Terminating Investment Fund as of 5 April 2016 (i.e. the Trading Cessation Date), which will be the latest Net Asset Value per Unit of each Terminating Investment Fund, will be published on the Manager's website; and
- (B) the Manager shall update the latest available Net Asset Value per Unit of each of the Terminating Investment Funds on the Manager's website as soon as practicable should there be any other change to the Net Asset Value of each Terminating Investment 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 Terminating Investment Funds concerned; and (iv) any deduction of fees, operating expenses or taxes related to the liquidation of the assets of each of the Terminating Investment Funds.

#### **5.4 Updating of the Prospectus and KFS in respect of the Terminating Investment Funds**

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

In view of the cessation of trading of Units of the Terminating Investment Funds from the Trading Cessation Date, and there being no further creation or redemption of Units of the Terminating Investment Funds, the Manager considers

that it is not necessary to update the Prospectus and the KFS in respect of the Terminating Investment Funds (which by their nature are offering documents) to reflect any future changes to the Terminating Investment Funds prior to the Deauthorisation Date.

As such, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Chapters 6.1 and 11.1B of the Code so that the Prospectus and the KFS in respect of the Terminating Investment Funds need not be updated in respect of disclosure affecting the Terminating Investment Funds only from the Trading Cessation Date.

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

- (A) promptly notify investors of any changes to the Terminating Investment Funds or to the Prospectus or the KFS of the Terminating Investment Funds by means of publishing the announcement(s) on its and Hong Kong Exchanges and Clearing Limited's websites (each, a "**Relevant Future Announcement**");
- (B) 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 of the relevant Terminating Investment Fund, and any other Relevant Future Announcement(s); and
- (C) issue an updated Prospectus on the Deauthorisation Date to remove all references to the Terminating Investment 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 Terminating Investment Funds.

## **6. Costs**

As indicated in section 3.1 above, stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units of the Terminating Investment Funds on or before the Last Trading Day.

All redemption of Units of the Terminating Investment Funds by Participating Dealers will be subject to the fees and costs as set out in the Prospectus. Participating Dealers may pass on to the relevant investors such fees and costs, and may also impose fees and charges in handling redemption requests which would increase the cost of redemption. Investors are advised to check with Participating Dealers as to their relevant fees, costs and charges.

The Manager will bear all costs and expenses associated with the termination of each Terminating Investment Fund (other than normal operating expenses such as transaction costs and any taxes relating to the liquidation of assets of a Terminating Investment 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 Final Distribution Date.

For your information, the ongoing charges over a year\* as disclosed in the product key facts statements for the:

- Horizons S&P Asia ex JANZ Financials ETF is 1.75%;
- Horizons S&P Asia ex JANZ IT ETF is 1.40%;
- Horizons S&P Asia ex JANZ Industrials ETF is 2.18%;
- Horizons S&P Asia ex JANZ Energy ETF is 2.42%; and
- Horizons S&P Asia ex JANZ Materials ETF is 1.85%.

\* The ongoing charges figures are annualised figures based on expenses reported in each of the Terminating Investment Fund's audited financial statements for the period ended 31 March 2015, expressed as a percentage of each of the Terminating Investment Fund's average Net Asset Value over the same period.

The Manager does not expect that the termination of the Terminating Investment 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 Terminating Investment Funds (which are to be borne by each relevant Terminating Investment Fund): (i) normal operating expenses such as transaction costs and (ii) any taxes relating to the liquidation of assets of the Terminating Investment Funds.

Each of the Terminating Investment 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, deauthorisation and delisting of the Terminating Investment Funds**

In consequence of this Announcement and Notice and the proposed cessation of trading, the proposed termination of the Terminating Investment Funds and the proposed deauthorisation and delisting, investors should note and consider the following risks:

*Liquidity risk* – Trading of Units in each of the Terminating Investment 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 Maker's 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 Terminating Investment Funds in accordance with the Trading Rules of the SEHK, Units in each of the Terminating Investment Funds may trade at a discount compared to their Net Asset Value in extreme market situations. This is because many investors may want to sell their Units in the Terminating Investment 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 Terminating Investment Funds may trade at a premium as there will be no creation of new Units from 1 March 2016, and

consequently the divergence between the supply of and demand for the Units of the Terminating Investment Funds may be larger than usual. In particular, should there be a large demand for such Units before the Trading Cessation Date, the Market Maker may not be able to effectively perform its market making activities to provide liquidity of the trading of Units of each Terminating Investment Fund on the SEHK in these extreme market situations. Following this, the price volatility of the Units of each Terminating Investment Fund may be higher than usual from the date of this Announcement and Notice through the Last Trading Day;

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

*Failure to track the Underlying Indices* – All assets of the Terminating Investment Funds will be liquidated with effect from the Trading Cessation Date. Thereafter, the entirety of the Terminating Investment Funds' assets will be cash and the Terminating Investment Funds will operate in a limited manner. Following this, from the Trading Cessation Date, each of the Terminating Investment Funds will cease to track their respective Underlying Indices, and will not be able to meet its investment objective of tracking the performance of their respective Underlying Indices; and

*Delay in distribution risk* – The Manager will aim to realise all of the assets of all the Terminating Investment Funds and then proceed with the Final Distribution as soon as practicable. However, the Manager may not be able to realise all the assets of the Terminating Investment 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 Distribution to the Relevant Investors may be delayed.

Investor attention is also drawn to the risks disclosed in the Prospectus of the Terminating Investment Funds.

## **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 Terminating Investment Funds are collective investment schemes authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong), profits of the Terminating Investment Funds derived from realisation of its assets are exempt from Hong Kong profits tax.



No tax is expected to be payable by investors in Hong Kong in respect of the Final Distribution or further distributions (if any) to the extent of distribution of profits and/or capital of the Terminating Investment Funds. For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units in the Terminating Investment Funds 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 Terminating Investment Funds are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

### **7.3 Connected party transaction**

Mirae Asset Wealth Management (HK) Limited, which is a Connected Person of the Manager, currently acts as one of the Participating Dealers of the Terminating Investment Funds.

However, Mirae Asset Wealth Management (HK) 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 Mirae Asset Wealth Management (HK) Limited, which is beyond the control of the Manager, may reduce the size of the relevant Terminating Investment Funds and impair the Manager's ability to fulfil the investment objectives of the relevant Terminating Investment 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.

Subject to the above, no other connected persons of the Manager and/or the Trustee is involved in any transaction in relation to the Terminating Investment Funds, nor holds any interest in the Terminating Investment Funds.

### **8. Documents available for inspection**

Copies of the following documents are available for inspection free of charge upon request at the Manager's registered office during normal business hours:

- the Trust Deed;
- the Participation Agreements;
- the Service Agreements;
- the latest annual and semi-annual reports of the Trust and Terminating Investment Funds (if any); and
- the Prospectus.

Copies of the Trust Deed may be purchased from the Manager at a reasonable fee. Copies of the annual and the semi-annual reports and Prospectus are available from the Manager free of charge.

### **9. Enquiries**

If you have any questions in relation to the contents of this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Manager by calling (852) 2295 1500 during office hours (except Hong Kong statutory holidays), or visiting the Manager in person at Level 15, Three Pacific Place, 1 Queen's Road East, Hong Kong, or visiting the Manager's website: <http://www.horizonsetfs.com.hk><sup>2</sup>.

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.

**Mirae Asset Global Investments (Hong Kong) Limited**  
as Manager of the Terminating Investment Funds

**29 February 2016**

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<sup>2</sup> The website has not been reviewed by the SFC.