

Fidelity China Special Situations PLC

Half-Yearly Report for the 6 months ended 30 September 2017



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"Fidelity China Special Situations PLC aims to provide investors with direct access to the growth in the Chinese economy through a spread of investments in companies with a significant interest in China."

Nicholas Bull, Chairman

Investment Objective and Performance

The investment objective of the Company is to achieve long-term capital growth from an actively managed portfolio made up primarily of securities issued by companies listed in China or Hong Kong and Chinese companies listed elsewhere. The Company may also invest in listed companies with significant interests in China and Hong Kong.

Six months ended 30 September 2017

Net Asset Value ("NAV")
per Share total return

+13.1%

30 September 2016: +29.1%

Share Price total return

+12.2%

30 September 2016: +30.8%

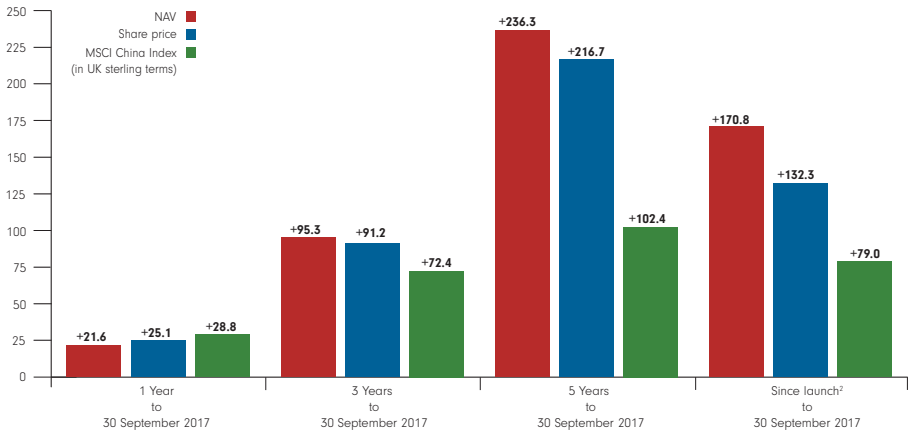
Benchmark Index* total
return

+18.2%

30 September: +26.2%

* MSCI China Index (in UK sterling terms)

Standardised Performance Total Return¹ (%)



¹ Includes reinvested dividends

² The Company launched on 19 April 2010

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Summary of Results

	30 September 2017	31 March 2017
Assets		
Gross Asset Exposure	£1,756.4m	£1,586.9m
Net Assets	£1,391.3m	£1,243.8m
Gearing	26.2%	27.6%
Net Asset Value per Ordinary Share	252.23p	225.36p
Number of Ordinary Shares held outside Treasury	551,614,480	551,914,480
Share Price and Discount data		
Share Price at period/year end	217.00p	195.70p
Share Price: period/year high	229.50p	200.00p
Share Price: period/year low	190.10p	132.00p
Discount at period/year end	14.0%	13.2%
Discount: period/year high	14.7%	19.9%
Discount: period/year low	10.5%	11.5%
Earnings for the six months ended 30 September¹		
Revenue earnings per Ordinary Share	4.06p	3.42p
Capital earnings per Ordinary Share	25.29p	43.72p
Total earnings per Ordinary Share	29.35p	47.14p
Ongoing charges for the six months ended 30 September²		
	1.12%	1.23%

1 Based on the weighted average number of Ordinary Shares held outside Treasury in issue during the period

2 Ongoing charges (excluding performance fees, finance costs and taxation) as a percentage of average Net Asset Values for the period (prepared in accordance with the methodology recommended by the Association of Investment Companies)

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Portfolio Manager's Half-Yearly Review



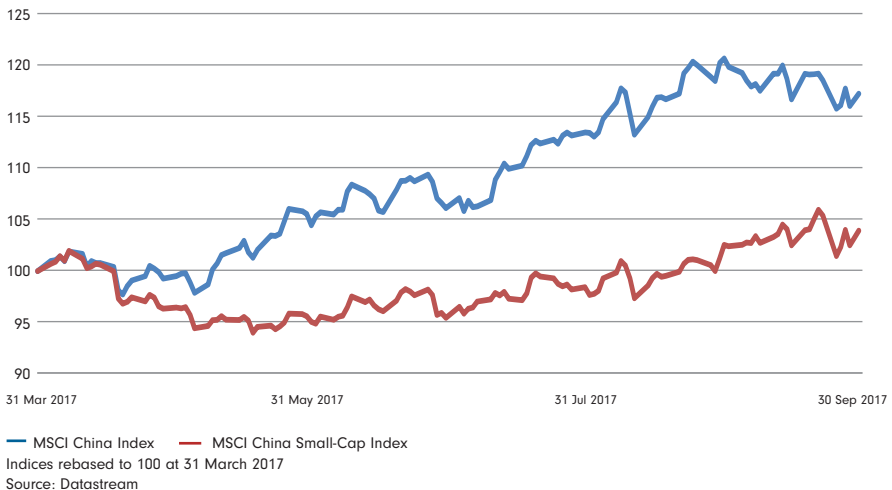
In the six months ended 30 September 2017, the NAV of the Company recorded a solid return of 13.1% and the share price 12.2%. This compared to a 18.2% rise in the MSCI China Index (the Company's Benchmark). Over the three year period, the NAV has returned 95.3% and the share price 91.2%, both outperforming the MSCI China Index which returned 72.4% (all returns on a total basis).

The relative NAV underperformance in the six month period under review can be broadly attributed to three areas: small-cap companies, IT and real estate developers. The ongoing rally in the market has been relatively narrow in scope, led by large-cap companies with real estate and IT significantly outperforming other sectors.

Small-Caps

The Company maintains a significant tilt towards small and mid-cap stocks, with a little more than 60% of the Company's assets in businesses with a market-cap below £5 billion. This compares to around 6% in the MSCI China Index. While we evaluate each business on its own merits, we generally find more ideas in the small and mid-cap area given many are under-researched and so offer mis-priced opportunities. However, smaller-cap companies have significantly lagged the broader market year-to-date. We can attribute part of this to the global trend of passive money entering the market and incremental new money finding its way to the biggest stocks by default, not because they are necessarily the best prospects with superior fundamentals. That said, a significant driver to large-cap outperformance has been the two largest stocks in the Index, Alibaba and Tencent, performing strongly and which have executed their business strategies very well. However, this is not necessarily the case for many of the other large-cap stocks in the Benchmark which continue to benefit from passive investor flows.

MSCI China Index vs. MSCI China Small-Cap Index



Portfolio Manager's Half-Yearly Review continued

IT Sector

IT giants Alibaba and Tencent once again recorded extremely strong returns and their shares are more than 40% up over the reporting period. These are the Company's two largest holdings yet we remain underweight compared to the Index, hence both were relative detractors to performance. I continue to believe in the long-term opportunities in both. Alibaba holds a dominant e-commerce position that will go from strength-to-strength. It also has other very promising businesses in relatively early stages of development, such as Cloud and financial services. Tencent's WeChat platform has a massive 960 million users in China and is clearly the foremost online platform, but is still under-monetised relative to levels seen in the West, especially compared to the likes of Facebook. Both companies dominate online mobile smartphone payments, which further add to their extensive data sets. All of this means that Alibaba and Tencent have a captive audience and an increasing amount of extremely valuable data for advertising and identifying trends. However, with the two stocks representing close to one-third of the Benchmark, getting close to market weight would impede diversification and limit capital that could be allocated to smaller companies with better risk-reward profiles.

Elsewhere within IT, the large underweight in Baidu detracted from returns. Of the big three IT companies in China, I believe it faces the biggest challenges. Its primary business is online search, an area likely to lose market-share of online advertising spend against other areas with faster user growth, particularly social driven platforms like WeChat. Conversely, online classified platform 58.com was one of the main contributors to performance over the period after recording strong results driven by increasing property classifieds, especially in the rental market, in a growing number of cities.

The IT sector is a core investment for the Company. The structural technology shifts we see globally are happening faster in China and many companies play an important role as a consumption enabler. Also, data is now a key commodity for businesses that will continue to grow in importance over the mid-term. The Company's newest unlisted holding that was purchased in Q2 2017 is Jiguang, a leading "big data" platform (trading name is Aurora Mobile). It serves over 500,000 apps in China and works with around 250,000 developers, holding dominant market share in the "App Push Notification Service" segment. Jiguang has first mover advantage in this field and benefits from great depth and unique data granularity.

Real Estate Developers

The real estate sector has also rallied significantly, with a swathe of developers seeing share price appreciation of over 40%. However, I question the sustainability of this given increasing government measures to contain property prices. More worryingly, two of China's most highly leveraged companies, Sunac China and China Evergrande returned a staggering 237% and 251% respectively in this six-month review period. I continue to hold no developers as valuations are stretched and momentum is set to slow with government policy focused on taking the heat out of the property market.

China Consumer

Elsewhere, the Company's holdings in consumer related names, including China Meidong Auto, Yihai and Brilliance China added value. China Meidong Auto is a car dealership based in the Guangdong region that continues to grow its network while its excellent management team is highly successful in taking over weaker dealerships and turning them around. Hot pot condiment supplier Yihai continues to see growth from its relationship with popular hot pot

restaurant chain Haidilao and rapidly growing retail sales of its products. Brilliance China, a joint venture with BMW, remains in a sweet spot for aspirational Chinese consumers.

The rising Chinese middle class and their increasing aspirations is a key reason for the Company's substantial overweight position in the consumer discretionary sector. Within this area, I have been finding great potential in consumer services. The Chinese consumer is a significant purchaser of goods, but we also see a greater demand for experiences and lifestyle consumption – travel, hotels, restaurants and education, to name a few. Education is a particularly interesting industry with companies offering a range of services from school and professional test preparation (New Oriental Education & Technology) to private schools (China Yuhua Education). Despite being 'discretionary' the household budget's spend on education is often viewed as a necessity in order to compete in an ever-increasing competitive environment. The lack of price sensitivity makes for interesting investment opportunities.

Gearing

The Chinese market has rallied over the last six months supported by strong earnings revisions. This, combined with valuations that still stack up well compared to global markets and good flow of new ideas related to many of the ideas mentioned in this report, has led me to keep net gearing relatively high. We remain positive on the earnings outlook for the market, but I do envisage more shorting opportunities should valuations continue expanding, which would likely lower net market exposure. However, net gearing remains in the mid to high teens as a reflection of our conviction in the strong structural growth opportunities that exist in China.

Outlook

We are currently in the midst of a clear cyclical upturn in the economy. Supply-side reform in areas like steel and cement has helped to lift pricing across a range of commodities. On the policy front, there is increasing rhetoric focused on the risks associated with the build-up of credit we have seen in the economy. This focus could become stronger post recent leadership changes – all positive in addressing our major concern for the long-term health of the economy. The environment remains positive for ongoing growth in consumption as part of the natural expansion of the middle-class, a key investment theme for the portfolio. While market sentiment has clearly turned more positive to the risk-reward balance around the opportunities in the Chinese market, we still find good value relative to the long-term growth potential.

Dale Nicholls

Portfolio Manager
23 November 2017

Interim Management Report and Directors' Responsibility Statement

Gearing

The Company has a three year unsecured fixed rate loan facility agreement with Scotiabank Europe PLC for US\$150,000,000. The agreement was effective on 14 February 2017 and the interest rate is fixed at 3.01% per annum until the facility terminates on 14 February 2020.

To achieve further gearing, the Company uses contracts for difference ("CFDs") on a number of holdings in its portfolio.

At 30 September 2017, the Company's gearing, defined as Gross Asset Exposure in excess of Net Assets, was 26.2% (31 March 2017: 27.6%; 30 September 2016: 25.5%). This is within the limit set by the Company's Prospectus of 30%.

Discount Management

The Company's discount widened slightly from 13.2% at the start of the reporting period to 14.0% at the end of the reporting period.

The Board recognises that the Company's share price is affected by the interaction of supply and demand in the market and investor sentiment towards China, as well as the performance of the NAV per Ordinary Share. Recognising these factors, and following a detailed review by the Board of the discount policy, it is the Board's belief at present that the discount is best addressed by repurchasing the Company's shares according to market conditions. Any shares repurchased can be held in Treasury or cancelled.

In the reporting period, the Company repurchased 300,000 Ordinary Shares into Treasury. Since the end of the reporting period and as at the date of this report, a further 200,000 Ordinary Shares have been repurchased into Treasury. No Ordinary Shares have been issued in the reporting period and as at the date of this report.

Allocation of Expenses

As mentioned in the Annual Report for the year ending 31 March 2017, management fees and finance costs have, since the launch, been apportioned equally between revenue and capital. As capital returns have contributed considerably more than revenue to the total returns over the life of the Company, the Board has a reasonable expectation that future returns will also be similar. The Directors have therefore decided that with effect from 1 April 2017, 75% of management fees and finance costs will be charged to capital and the remaining 25% will be charged to revenue. Although total returns remain unchanged, the capital return has decreased and the revenue return has increased. Consequently, the amount available for distribution as dividends out of revenue reserve has increased.

Principal Risks and Uncertainties

The Board, with the assistance of the Manager, has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key risks and uncertainties faced by the Company.

The Board believes that the principal risks and uncertainties faced by the Company continue to fall into the following categories: market, performance, discount control, gearing and currency risks. Other risks facing the Company include cybercrime, tax and regulatory and operational (service providers) risks. Information on each of these risks is given in the Strategic Report section of the Annual Report for the year ended 31 March 2017 and can be found on the Company's pages of the Manager's website at www.fidelityinvestmenttrusts.com.

These principal risks and uncertainties have not materially changed in the six months to 30 September 2017 and are equally applicable to the remaining six months of the Company's financial year.

Transactions with the Managers and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager ("AIFM") and has delegated the investment management (other than investment management in unlisted securities) to FIL Investment Management (Hong Kong) Limited. It has delegated the investment management of the unlisted securities and the company secretariat function to FIL Investments International. Transactions with the Managers and related party transactions with the Directors are disclosed in Note 14 on page 25.

Going Concern

The Directors have considered the Company's investment objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its portfolio (being mainly securities which are readily realisable) and its expenditure and cash flow projections. They have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

By order of the Board.

FIL Investments International

23 November 2017

Directors' Responsibility Statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- a) the condensed set of Financial Statements contained within the Half-Yearly Report has been prepared in accordance with the International Accounting Standards 34: "Interim Financial Reporting"; and
- b) the Interim Management Report, together with the Portfolio Manager's Half-Yearly Review on pages 3 to 5, includes a fair review of the information required by DTR 4.2.7R and 4.2.8R.

The Half-Yearly Report has not been audited or reviewed by the Company's Independent Auditor.

The Half-Yearly Report was approved by the Board on 23 November 2017 and the above responsibility statement was signed on its behalf by Nicholas Bull, Chairman.

Twenty Largest Holdings

as at 30 September 2017

The Gross Asset Exposures shown below measure the exposure of the Company's portfolio to market price movements in the shares owned or in the shares underlying the derivative instruments. The Fair Value is the value the portfolio could be sold for and is the value shown on the Balance Sheet. Where a CFD is held, the fair value reflects the profit or loss on the contract since it was opened and is based on how much the share price of the underlying share has moved.

	Gross Asset Exposure		Fair Value
	£'000	% ¹	£'000
Long Exposures – shares unless otherwise stated			
Tencent Holdings (shares and long CFD)			
Internet, mobile and telecommunications services provider	205,262	14.8	172,352
Alibaba Group Holdings (shares and long CFD)			
e-commerce group	147,249	10.6	140,401
China Pacific Insurance (Group) Co (shares and long CFD)			
Insurance company	67,640	4.9	21,214
Hutchison China MediTech			
Pharmaceutical and healthcare group	46,454	3.3	46,454
China Life Insurance Co (shares and long CFD)			
Insurance company	39,361	2.8	16,007
58.com			
Online marketplace operator serving local merchants and consumers	37,145	2.7	37,145
Ctrip.com International			
Travel services provider	33,557	2.4	33,557
China Petroleum & Chemical Corp (long CFD)			
Oil and gas company based in Beijing	27,998	2.0	5,910
China Meidong Auto Holdings			
Automobile dealership and maintenance group	26,774	1.9	26,774
CITIC Telecom International Holdings (long CFD)			
Telecoms company	23,091	1.7	(3,012)
Shangri-La Asia			
Luxury hotel group	21,776	1.6	21,776
Xiaoju Kuaizhi Inc ("Didi Chuxing") (Unlisted)			
Mobile taxi booking applications developer	21,479	1.5	21,479
Noah Holdings			
Asset managers	20,262	1.5	20,262
Shanghai International Airport Co			
Shanghai's primary international airport operator	20,133	1.4	20,133
Yum China Holding			
Restaurant chain operator	19,020	1.4	19,020

	Gross Asset Exposure		Fair Value
	£'000	% ¹	£'000
New Oriental Education & Technology Group			
Private educational services provider	18,424	1.3	18,424
CT Environmental Group (shares and long CFD)			
Wastewater treatment and industrial water supply services	18,296	1.3	(11,390)
Yihai International Holding			
Hot pot seasonings and sauce producer	18,165	1.3	18,165
Brilliance China Automotive Holdings (long CFD)			
Automobiles, microvans, and automotive components manufacturer	17,382	1.2	3,780
Far East Horizon (shares and long CFD)			
Financial service company	16,279	1.2	6,569
Twenty largest long exposures	845,747	60.8	635,020
Other long exposures	896,553	64.4	796,385
Total long exposures before hedges (141 holdings)	1,742,300	125.2	1,431,405
Less: hedging exposures			
Hang Seng China Enterprises Index (future)	(26,280)	(1.9)	156
iShares FTSE A50 China Index ETF (short CFD)	(24,249)	(1.7)	(7,123)
Hang Seng Index (put option)	(1,129)	(0.1)	53
Total hedging exposures	(51,658)	(3.7)	(6,914)
Total long exposures after the netting of hedges	1,690,642	121.5	1,424,491
Add: short exposures			
Put option (1 holding)	12,343	0.9	938
Short CFDs (10 holdings)	53,433	3.8	(6,552)
Total short exposures	65,776	4.7	(5,614)
Gross Asset Exposure²	1,756,418	126.2	
Portfolio Fair Value^{3,4}			1,418,877
Net liabilities excluding derivative instruments			(27,541)
Net assets			1,391,336

1 Gross Asset Exposure is expressed as a percentage of net assets

2 Gross Asset Exposure comprises market exposure to investments of £1,382,656,000 plus market exposure to derivative instruments of £373,762,000

3 Portfolio Fair Value comprises investments of £1,382,656,000 plus derivative assets of £80,627,000 less derivative liabilities of £44,406,000 (per the Balance Sheet on page 14)

4 At 30 September 2017, the Company held four unlisted investments with a fair value of £52,014,000 representing 3.5% of Gross Assets (31 March 2017: three unlisted investments with a fair value of £37,179,000 representing 2.7% of Gross Assets)

Income Statement

for the six months ended 30 September 2017

	Notes	Six months ended 30 September 2017 unaudited		
		revenue £'000	capital £'000	total £'000
Revenue				
Investment income	4	19,577	–	19,577
Derivative income	4	6,882	–	6,882
Other income	4	131	–	131
Total income		26,590	–	26,590
Gains on investments at fair value through profit or loss		–	131,190	131,190
Gains on derivative instruments		–	12,667	12,667
Foreign exchange (losses)/gains on other net assets		–	(3,863)	(3,863)
Foreign exchange gains/(losses) on bank loans		–	7,733	7,733
Total income and gains		26,590	147,727	174,317
Expenses				
Investment management fees and performance fees	5	(1,664)	(4,991)	(6,655)
Other expenses		(807)	–	(807)
Profit before finance costs and taxation		24,119	142,736	166,855
Finance costs	6	(1,059)	(3,177)	(4,236)
Profit before taxation		23,060	139,559	162,619
Taxation		(632)	–	(632)
Profit after taxation for the period		22,428	139,559	161,987
Earnings per Ordinary Share	7	4.06p	25.29p	29.35p

The Company does not have any income or expenses that are not included in the profit after taxation for the period. Accordingly the profit after taxation for the period is also the total comprehensive income for the period and no separate Statement of Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company and is prepared in accordance with IFRS. The revenue and capital columns are supplementary and presented for information purposes as recommended by the Statement of Recommended Practice issued by the AIC.

All of the profit and total comprehensive income is attributable to the equity shareholders of the Company. There are no minority interests.

No operations were acquired or discontinued in the period and all items in the above statement derive from continuing operations.

	Year ended 31 March 2017 audited			Six months ended 30 September 2016 unaudited		
	revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
	20,534	-	20,534	17,871	-	17,871
	6,182	-	6,182	5,644	-	5,644
	162	-	162	84	-	84
	26,878	-	26,878	23,599	-	23,599
	-	330,480	330,480	-	232,740	232,740
	-	17,568	17,568	-	18,114	18,114
	-	6,936	6,936	660	6,153	6,813
	-	(15,350)	(15,350)	-	(10,959)	(10,959)
	26,878	339,634	366,512	24,259	246,048	270,307
	(5,485)	(5,485)	(10,970)	(2,682)	(3,353)	(6,035)
	(1,737)	-	(1,737)	(938)	-	(938)
	19,656	334,149	353,805	20,639	242,695	263,334
	(2,809)	(2,809)	(5,618)	(1,143)	(1,143)	(2,286)
	16,847	331,340	348,187	19,496	241,552	261,048
	(709)	-	(709)	(615)	-	(615)
	16,138	331,340	347,478	18,881	241,552	260,433
	2.92p	60.01p	62.93p	3.42p	43.72p	47.14p

Statement of Changes in Equity

for the six months ended 30 September 2017

	Note	share capital £'000
Six months ended 30 September 2017 (unaudited)		
Total equity at 31 March 2017		5,713
Repurchase of Ordinary shares		-
Profit after taxation for the period		-
Dividend paid to Shareholders	8	-
Total equity at 30 September 2017		5,713
Year ended 31 March 2017 (audited)		
Total equity at 31 March 2016		5,713
Repurchase of Ordinary shares		-
Profit after taxation for the year		-
Dividend paid to Shareholders	8	-
Total equity at 31 March 2017		5,713
Six months ended 30 September 2016 (unaudited)		
Total equity at 31 March 2016		5,713
Repurchase of Ordinary shares		-
Profit after taxation for the period		-
Dividend paid to Shareholders	8	-
Total equity at 30 September 2016		5,713

share premium account £'000	capital redemption reserve £'000	other reserve £'000	capital reserve £'000	revenue reserve £'000	total equity £'000
211,569	914	336,625	665,544	23,429	1,243,794
-	-	(647)	-	-	(647)
-	-	-	139,559	22,428	161,987
-	-	-	-	(13,798)	(13,798)
211,569	914	335,978	805,103	32,059	1,391,336
211,569	914	338,837	334,204	17,241	908,478
-	-	(2,212)	-	-	(2,212)
-	-	-	331,340	16,138	347,478
-	-	-	-	(9,950)	(9,950)
211,569	914	336,625	665,544	23,429	1,243,794
211,569	914	338,837	334,204	17,241	908,478
-	-	(2,064)	-	-	(2,064)
-	-	-	241,552	18,881	260,433
-	-	-	-	(9,950)	(9,950)
211,569	914	336,773	575,756	26,172	1,156,897

Balance Sheet

at 30 September 2017

Company number 7133583

	Notes	30.09.17 unaudited £'000	31.03.17 audited £'000	30.09.16 unaudited £'000
Non current assets				
Investments at fair value through profit or loss	9	1,382,656	1,295,266	1,201,252
Current assets				
Derivative instruments	9	80,627	48,639	41,076
Amounts held at futures clearing houses and brokers		2,181	2,069	4,119
Other receivables	10	4,678	13,154	19,206
Cash and cash equivalents		80,353	47,722	45,211
		167,839	111,584	109,612
Current liabilities				
Derivative instruments	9	(44,406)	(33,458)	(27,946)
Bank loans	9	-	-	(115,274)
Other payables	11	(2,821)	(9,933)	(10,747)
		(47,227)	(43,391)	(153,967)
Net current assets/(liabilities)		120,612	68,193	(44,355)
Total assets less current liabilities		1,503,268	1,363,459	1,156,897
Non-current liabilities				
Bank loans	9	(111,932)	(119,665)	-
Net assets		1,391,336	1,243,794	1,156,897
Equity attributable to equity shareholders				
Share capital	12	5,713	5,713	5,713
Share premium account		211,569	211,569	211,569
Capital redemption reserve		914	914	914
Other reserve		335,978	336,625	336,773
Capital reserve		805,103	665,544	575,756
Revenue reserve		32,059	23,429	26,172
Total equity		1,391,336	1,243,794	1,156,897
Net asset value per Ordinary Share	13	252.23p	225.36p	209.62p

Cash Flow Statement

at 30 September 2017

	Six months ended 30 September 2017 unaudited £'000	Year ended 31 March 2017 audited £'000	Six months ended 30 September 2016 unaudited £'000
Operating activities			
Cash inflow from investment income	17,424	19,331	15,064
Cash inflow from derivative income	6,304	6,095	5,366
Cash inflow from other income	131	162	84
Cash outflow from Directors' fees	(82)	(168)	(41)
Cash outflow from other payments	(8,881)	(21,605)	(14,878)
Cash outflow from the purchase of investments	(195,780)	(447,722)	(218,640)
Cash outflow from the purchase of derivatives	(2,487)	(2,705)	(1,286)
Cash inflow from the sale of investments	244,941	466,823	230,821
Cash outflow from the sale of derivatives	(6,345)	(2,715)	(1,537)
Cash (outflow)/inflow from amounts held at futures clearing houses and brokers	(112)	11,130	8,621
Net cash inflow from operating activities before servicing of finance	55,113	28,626	23,574
Financing activities			
Cash outflow from loan interest paid	(1,781)	(2,310)	(1,005)
Cash outflow from CFD interest paid	(1,197)	(2,042)	(807)
Cash outflow short CFD dividends paid	(1,196)	(1,084)	(448)
Cash outflow from the repurchase of Ordinary Shares	(647)	(2,720)	(2,572)
Cash outflow from dividends paid to shareholders	(13,798)	(9,950)	(9,950)
Cash outflow from financing activities	(18,619)	(18,106)	(14,782)
Increase in cash and cash equivalents	36,494	10,520	8,792
Cash and cash equivalents at the start of the period	47,722	30,266	30,266
Effect of foreign exchange movements	(3,863)	6,936	6,153
Cash and cash equivalents at the end of the period	80,353	47,722	45,211

Notes to the Financial Statements

1 Principal Activity

Fidelity China Special Situations PLC is an Investment Company incorporated in England and Wales with a premium listing on the London Stock Exchange. The Company's registration number is 7133583, and its registered office is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP. The Company has been approved by HM Revenue & Customs as an Investment Trust under Section 1158 of the Corporation Tax Act, 2010 and intends to conduct its affairs so as to continue to be approved.

2 Publication of Non-statutory Accounts

The Financial Statements in this half-yearly financial report have not been audited by the Company's Independent Auditor and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 March 2017 is extracted from the latest published financial statements of the Company. Those financial statements were delivered to the Registrar of Companies and included the Independent Auditor's Report which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Act.

3 Basis of Preparation

These half-yearly financial statements have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting and use the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 March 2017. Those Financial Statements were prepared in accordance with; International Financial Reporting Standards ("IFRS"), to the extent that they have been adopted by the European Union, the Companies Acts that apply to companies reporting under IFRS, IFRIC interpretations and, as far as it is consistent with IFRS, the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") issued by the Association of Investment Companies ("AIC"), in November 2014.

As explained in the Interim Management Report and Directors' Responsibility Statement on page 6, with effect from 1 April 2017, 25% of investment management fees and finance costs are charged to revenue and 75% to capital. Prior to 1 April 2017, investment management fees and finance costs were charged 50% to revenue and 50% to capital.

4 Income

	Six months ended 30.09.17 unaudited £'000	Year ended 31.03.17 audited £'000	Six months ended 30.09.16 unaudited £'000
Investment income			
Overseas dividends	19,426	20,278	17,776
Overseas scrip dividends	151	256	95
	19,577	20,534	17,871
Derivative income			
Dividends on long CFDs	6,869	6,170	5,637
Interest on short CFDs	13	12	7
	6,882	6,182	5,644
Other income			
Deposit interest	131	162	84
Total income	26,590	26,878	23,599

Notes to the Financial Statements continued

5 Investment Management Fees and Performance Fees

	revenue* £'000	capital* £'000	total £'000
Six months ended 30 September 2017 (unaudited)			
Investment management fees	1,664	4,991	6,655

Year ended 31 March 2017 (audited)

Investment management fees	5,485	5,485	10,970
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Six months ended 30 September 2016 (unaudited)

Investment management fees	2,682	2,682	5,364
Performance fees	-	671	671
	2,682	3,353	6,035

* As disclosed in Note 3, investment management fees for the six months ended 30 September 2017 are charged 25% to revenue and 75% to capital. For the year ended 31 March 2017 and the six months ended 30 September 2016, investment management fees were charged 50% to revenue and 50% to capital.

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investment Management (Hong Kong) Limited and FIL Investments International. They are all Fidelity group companies.

The Investment Managers provide investment management services for an annual fee of 1.0% of the net asset value ("NAV"). Fees are payable monthly in arrears and are calculated on the last business day of each month.

In addition, the Investment Managers are entitled to an annual performance fee of 15.0% of any change in the NAV per Ordinary Share attributable to performance which is more than 2% above the return on the MSCI China Index, subject to a maximum performance fee payable in any financial year equal to 1.0% of the arithmetic mean of the NAV calculated at the end of each month during the year. Any outperformance above the cap is lost. If the Company's NAV performance in any year is less than 2% above the return on the MSCI China Index, the under-performance must be made good before any further performance fee becomes payable. Both the NAV per Ordinary Share and the MSCI China Index are calculated on a total return basis.

There is no performance fee payable for the six months ended 30 September 2017 (year ended 31 March 2017: £nil and six months ended 30 September 2016: £671,000).

6 Finance Costs

	revenue* £'000	capital* £'000	total £'000
Six months ended 30 September 2017 (unaudited)			
Interest on bank loans and overdrafts	437	1,311	1,748
Interest paid on CFDs	323	969	1,292
Dividends paid on short CFDs	299	897	1,196
	1,059	3,177	4,236

Year ended 31 March 2017 (audited)

Interest on bank loans and overdrafts	1,278	1,278	2,556
Interest paid on CFDs	989	989	1,978
Dividends paid on short CFDs	542	542	1,084
	2,809	2,809	5,618

Six months ended 30 September 2016 (unaudited)

Interest on bank loans and overdrafts	527	527	1,054
Interest paid on CFDs	392	392	784
Dividends paid on short CFDs	224	224	448
	1,143	1,143	2,286

* As disclosed in Note 3, finance costs for the six months ended 30 September 2017 are charged 25% to revenue and 75% to capital. For the year ended 31 March 2017 and the six months ended 30 September 2016, finance costs were charged 50% to revenue and 50% to capital.

Notes to the Financial Statements continued

7 Earnings per Ordinary Share

	Six months ended 30.09.17 unaudited	Year ended 31.03.17 audited	Six months ended 30.09.16 unaudited
Revenue earnings per Ordinary Share	4.06p	2.92p	3.42p
Capital earnings per Ordinary Share	25.29p	60.01p	43.72p
Total earnings per Ordinary Share	29.35p	62.93p	47.14p
Net revenue profit after taxation for the period	22,428	16,138	18,881
Net capital profit after taxation for the period	139,559	331,340	241,552
Net total profit after taxation for the period	161,987	347,478	260,433
Weighted average number of Ordinary Shares held outside Treasury in issue	551,899,179	552,192,288	552,472,677

8 Dividend Paid to Shareholders

	Six months ended 30.09.17 unaudited £'000	Year ended 31.03.17 audited £'000	Six months ended 30.09.16 unaudited £'000
Dividend paid of 2.50 pence per Ordinary Share for the year ended 31 March 2017	13,798	-	-
Dividend paid of 1.80 pence per Ordinary Share for the year ended 31 March 2016	-	9,950	9,950
	13,798	9,950	9,950

No dividend has been declared for the six months ended 30 September 2017.

9 Fair Value Hierarchy

Under IFRS 13: Fair Value Measurement, the International Accounting Standards Board requires investment companies to disclose the fair value hierarchy that classifies financial instruments measured at fair value at one of three levels, according to the relative reliability of the inputs used to estimate the fair values.

Classification	Input
Level 1	Valued using quoted prices in active markets for identical assets
Level 2	Valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1
Level 3	Valued by reference to valuation techniques using inputs that are not based on observable market data

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. The valuation techniques used by the Company are as disclosed in the Company's Annual Report for the year ended 31 March 2017 (Accounting Policies, Notes 2(l) and 2(m) on pages 45 and 46). The table below sets out the Company's fair value hierarchy:

	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
30 September 2017 (unaudited)				
Financial assets at fair value through profit or loss				
Investments – shares	1,323,903	–	55,679	1,379,582
Investments – equity linked notes	–	3,074	–	3,074
Derivative instruments	156	80,471	–	80,627
	1,324,059	83,545	55,679	1,463,283
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(44,406)	–	(44,406)
Financial liabilities at amortised cost				
Bank Loan – US dollar 150,000,000	–	(112,213)	–	(112,213)

Notes to the Financial Statements continued

9 Fair Value Hierarchy continued

31 March 2017 (audited)	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
Financial assets at fair value through profit or loss				
Investments – shares	1,225,115	-	37,179	1,262,294
Investments – equity linked notes	-	2,972	-	2,972
Derivative instruments	487	48,152	-	48,639
	1,225,602	51,124	37,179	1,313,905

Financial liabilities at fair value through profit or loss

Derivative instruments	-	(33,458)	-	(33,458)
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Financial liabilities at amortised cost

Bank Loan – US dollar 150,000,000	-	(119,098)	-	(119,098)
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30 September 2016 (unaudited)	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
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Financial assets at fair value through profit or loss

Investments – shares	1,173,791	-	24,287	1,198,078
Investments – equity linked notes	-	3,174	-	3,174
Derivative instruments	-	41,076	-	41,076
	1,173,791	44,250	24,287	1,242,328

Financial liabilities at fair value through profit or loss

Derivative instruments	-	(27,946)	-	(27,946)
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Financial liabilities at amortised cost

Bank Loan – US dollar 150,000,000	-	(115,864)	-	(115,864)
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10 Other Receivables

	30.09.17 unaudited £'000	31.03.17 audited £'000	30.09.16 unaudited £'000
Securities sold for future settlement	2,041	12,487	15,794
Accrued income	2,569	621	3,348
Other receivables	68	46	64
	4,678	13,154	19,206

11 Other Payables

	30.09.17 unaudited £'000	31.03.17 audited £'000	30.09.16 unaudited £'000
Securities purchased for future settlement	868	6,104	6,377
Performance fee payable to the Managers	-	-	671
Other amounts payable to the Managers	1,202	3,041	3,109
Accrued expenses	751	788	590
	2,821	9,933	10,747

Notes to the Financial Statements continued

12 Share Capital

	Six months ended 30.09.17 unaudited		Year ended 31.03.17 audited	Six months ended 30.09.16 unaudited
	number of shares	£'000	number of shares	£'000
Issued, allotted and fully paid				
Ordinary Shares of 1 penny each held outside Treasury				
Beginning of the period	551,914,480	5,519	553,339,480	5,533
Ordinary Shares repurchased into Treasury	(300,000)	(3)	(1,425,000)	(14)
End of the period	551,614,480	5,516	551,914,480	5,519
Held in Treasury				
Beginning of the period	19,440,000	194	18,015,000	180
Ordinary Shares repurchased into Treasury	300,000	3	1,425,000	14
End of the period	19,740,000	197	19,440,000	194
Total share capital	571,354,480	5,713	571,354,480	5,713

During the period the Company repurchased 300,000 Ordinary Shares (year ended 31 March 2017: 1,425,000 and six months ended 30 September 2016: 1,425,000) and held them in Treasury. The cost of repurchasing these shares of £647,000 (year ended 31 March 2017: £2,212,000 and six months ended 30 September 2016: £2,064,000) was charged to the Other Reserve.

The shares held in Treasury carry no rights to vote, to receive a dividend or to participate in a winding up of the Company.

13 Net Asset Value Per Ordinary Share

The net asset value per Ordinary Share is based on net assets of £1,391,336,000 (31 March 2017: £1,243,794,000 and 30 September 2016: £1,156,897,000) and on 551,614,480 (31 March 2017: 551,914,480 and 30 September 2016: 551,914,480) Ordinary Shares, being the number of Ordinary Shares held outside Treasury in issue at the period end. It is the Company's policy that Ordinary Shares held in Treasury will only be issued at a premium to net asset value per share and, therefore, the shares held in Treasury have no dilutive effect.

14 Transactions with the Managers and Related Parties

FIL Investment Services (UK) Limited is the Company's Alternative Investment Fund Manager and has delegated portfolio management to FIL Investment Management (Hong Kong) Limited and FIL Investments International ("the Investment Managers"). They are all Fidelity group companies.

Details of the fee arrangements are given in Note 5. The following amounts were charged by the Investment Managers in the period; investment management fees: £6,655,000 (year ended 31 March 2017: £10,970,000 and six months ended 30 September 2016: £5,364,000), performance fees: £nil (year ended 31 March 2017: £nil and six months ended 30 September 2016: £671,000) and accounting, administration and secretarial fees: £300,000 (year ended 31 March 2017: £600,000 and six months ended 30 September 2016: £300,000). Fidelity also provides the Company with marketing services. The amount charged for these services was £106,000 (year ended 31 March 2017: £257,000 and six months ended 30 September 2016: £163,000). Amounts payable to the Managers at the Balance Sheet date are included in other payables and are disclosed in Note 11.

As at 30 September 2017, the Board consisted of six non-executive Directors (as shown in the Shareholder Information on page 30) all of whom are considered to be independent by the Board, apart from John Ford who is employed by Fidelity. None of the Directors has a service contract with the Company.

The Chairman receives an annual fee of £42,000, the Audit Committee Chairman receives an annual fee of £32,000, the Chairman of the Investment Committee receives an annual fee of £31,500, the Senior Independent Director receives an annual fee of £31,500 and each other Director receives an annual fee of £26,500, apart from John Ford who waives his Directors' fees. The following members of the Board hold Ordinary Shares in the Company: Nicholas Bull 90,804 shares, David Causer 65,804 shares, John Ford 7,720 shares, Peter Pleydell-Bouverie 78,683 shares, Elisabeth Scott 19,819 shares and Vera Hong Wei 3,015 shares.

Glossary to the Half-Yearly Report

AIF

Alternative Investment Fund. The Company is an AIF.

AIFM

Alternative Investment Fund Manager. The Board has appointed FIL Investment Services (UK) Limited to act as the Company's AIFM.

AIFMD

The Alternative Investment Fund Managers Directive is a European Union Directive implemented on 22 July 2014.

Benchmark Index

MSCI China Index total return – in UK sterling and is a composite of China “B”, “H”, “Red Chip” and “P Chip” share classes.

China “A” Shares

Shares traded on the Chinese Stock Exchanges in Chinese renminbi. Foreign investors were unable to participate in the China “A” Shares market until the introduction of the QFII program in 2002 which provided a legal framework for licensed QFIIs to invest in China “A” shares on the Chinese Stock exchanges and certain other securities previously not eligible for investment by foreign investors.

China “B” Shares

Shares traded on the Shenzhen Stock Exchange and Shanghai Stock Exchange in Hong Kong dollars and US dollars, respectively. The shares are available to foreign individuals and institutional investors and since February 2001, have also been available to domestic individual investors who trade through legal foreign currency accounts.

China “H” Shares

Shares in companies incorporated in the PRC and listed on the Hong Kong Stock Exchange. They are available to non-Chinese investors and are traded in Hong Kong dollars on the Hong Kong Stock Exchange.

Chinese Renminbi

Currency of the PRC.

Chinese Stock Exchanges

The Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange located within the PRC.

Contract For Difference (CFD)

A contract for difference is a derivative. It is a contract between the Company and an investment bank at the end of which the parties exchange the difference between the opening price and the closing price of the underlying asset of the specified financial instrument. It does not involve the Company buying or selling the underlying asset, only agreeing to receive or pay the movement in its share price. A contract for difference allows the Company to gain access to the movement in the share price by depositing a small amount of cash known as margin. The Company may reason that the asset price will rise, by buying (“long” position) or fall, by selling (“short” position). If the Company holds long positions, dividends are received and interest is paid. If the Company holds short positions, dividends are paid.

Debt

Bank borrowings and long contracts for difference.

Derivatives

Financial instruments whose value is derived from the value of an underlying asset or other financial instruments. The main categories of [derivatives](#) are [contracts for difference](#), [warrants](#), [futures](#) and [options](#).

Discount

If the share price of the Company is lower than the [Net Asset Value per Ordinary Share](#), the Company's shares are said to be trading at a [discount](#). It is shown as a percentage of the [Net Asset Value per Ordinary Share](#).

Equity Linked Notes (ELNs)

Debt instruments whose return on investment is linked to specific equities or equity markets. The return on [equity linked notes](#) may be determined by an equity index, a basket of equities, or a single equity.

Fair Value

The carrying value in the Balance Sheet which represents the amount that would be received or paid on disposal of the financial asset or liability.

Forward Currency Contract

An agreement to buy or sell a currency, commodity or other asset at a specified future date and at a predetermined price. It is not standardised and is not traded on organised exchanges.

Future or Future Contract

An agreement to buy or sell a stated amount of a security, currency or commodity at a specific future date and at a pre-agreed price.

Gearing

[Gross Asset Exposure](#) in excess of [Net Assets](#).

Gross Assets

[Net Assets](#) plus borrowings.

Gross Asset Exposure

The value of the portfolio to which the Company is exposed, whether through direct or indirect investment (including the economic value of the exposure in the underlying asset of the [derivatives](#), but excluding [forward currency contracts](#)).

Hedging

A hedge position demonstrates risk reduction qualities by delivering short exposure to an asset which has regional congruence and a correlation of at least 80% to long exposures in the Company's portfolio. It therefore distinguishes itself from a "short" which is a position not opened with the objective of reducing the long exposure in the portfolio. Qualifying hedge exposures do not count towards the short exposure limits. For the purposes of calculating [Gross Asset Exposure](#), the exposure attributed to the hedge positions will be deducted from the exposure of the corresponding long positions. Short positions are added to long positions in arriving at the [Gross Asset Exposure](#).

Index Linked Securities

Debt instruments whose return on investment is linked to changes in interest rates, stock exchanges, or other price indices.

Investment Manager

FIL Investment Management (Hong Kong) Limited.

Glossary to the Half-Yearly Report continued

Investment Managers

Together, represents the [Investment Manager](#) and the [Unlisted Investment Manager](#).

Management Fee

The annual management fee is 1.0% of the [Net Asset Value](#) of the Company.

Manager

FIL Investment Services (UK) Limited is the appointed Manager under the Alternative Investment Fund Managers Directive ([AIFMD](#)) and has delegated the investment management of the Company to the [Investment Managers](#).

MSCI China Index

The Benchmark Index of the investment performance of the Company, UK sterling equivalent.

Net Assets

[Net Assets](#) represent the Company's total assets less the Company's total liabilities.

Net Asset Value (NAV)

[Net Asset Value](#) is sometimes described as "Shareholders' Funds" and is the total value of the Company's assets less the total value of its liabilities. For valuation purposes, it is common to express the [Net Asset Value](#) on a per share basis.

Net Asset Value (NAV) per Ordinary Share

The [NAV per Ordinary Share](#) is calculated as [Shareholders' Funds](#) divided by the number of Ordinary Shares in issue.

Ongoing Charges

[Ongoing charges](#) are the regular, recurring operational expenses of the Company. Finance costs, taxation and the costs of buying and selling investments are excluded. The [ongoing charges](#) figure is expressed as a percentage of the average daily [net asset values](#) for the reporting period.

Options

An [option](#) is a contract which gives the right but not the obligation to buy or sell an underlying asset at an agreed price on or before an agreed date. [Options](#) may be call or put and are used to gain or reduce exposure to the underlying asset on a conditional basis.

P Chips

Companies controlled by mainland China individuals, with the establishment and origin of the company in mainland China. [P Chips](#) are incorporated outside of the [PRC](#) and traded on the Stock Exchange of Hong Kong with a majority of revenues or assets derived from mainland China.

Performance Fee

The [Investment Managers](#) are entitled to an annual performance fee of 15% of any change in NAV attributable to performance which is more than 2% above the returns on the [MSCI China Index](#) total return - in UK sterling (after making good any cumulative under-performance, including the 2% hurdle, carried forward from previous years), subject to a maximum [performance fee](#) payable in any year equal to 1.0% of the arithmetic mean of the value of assets with the valuation calculated at the end of each month during the year.

Portfolio

The Company's [portfolio](#) which may be made up of equities, [index linked securities](#), [equity linked notes](#) and other debt securities, cash deposits, money market instruments, foreign currency exchange transactions and other interests including [derivatives](#) (such as [futures](#), [options](#) and [contracts for difference](#)).

PRC

The People's Republic of China (excluding Taiwan and the Special Administrative Regions of Hong Kong and Macau of the [PRC](#)).

Premium

If the share price of the Company is higher than the [Net Asset Value per Ordinary Share](#), the Company's shares are said to be trading at a [premium](#). The [premium](#) is shown as a percentage of the [Net Asset Value per Ordinary Share](#).

QFII

The [Investment Manager](#) is a [QFII](#) (a Qualified Foreign Institutional Investor) and as such has been granted a [QFII](#) licence by the China Securities Regulatory Commission ("CSRC") which permits the Company to invest in [China "A" Shares](#) through the [Investment Manager](#) and has received an allocation of quota for onshore investment from the State Administration of Foreign Exchange of the [PRC](#) ("SAFE").

Red Chips

Companies incorporated outside China but which are based in mainland China. [Red Chips](#) are listed on, and are required to observe the filing and reporting requirements of the Hong Kong Stock Exchange. [Red Chips](#) typically have a significant portion of their business interests located in mainland China and many are owned, either directly or indirectly, by organisations or enterprises controlled by the Chinese state, provinces or municipalities.

Return

The [return](#) generated in a given period from investments:

- **Revenue Return** – reflects the dividends and interest from investments and other income, net of expenses, finance costs and taxation;
- **Capital Return** – reflects the return on capital, excluding any revenue return; and
- **Total Return** – reflects the aggregate of revenue and capital returns.

Shareholders' Funds

Also described as [Net Asset Value](#), [Shareholders' Funds](#) represent the total value of the Company's assets less the total value of its liabilities as shown in the balance sheet.

Short Stock Exposure

The position of the Company when it has sold a security or [derivative](#) that it does not own but is now committed to eventually purchase in order to satisfy its obligation to sell. It is a strategy used to capitalise on an expected decline in the security's or [derivative's](#) price.

Treasury Shares

Ordinary Shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not receive dividends, have no voting rights and are excluded from the [Net Asset Value](#) calculation.

Unlisted Investment Manager

FIL Investment Services (UK) Limited.

Unlisted Companies

Companies not listed on a regulated stock exchange. They are stated at best estimate of [fair value](#), based on recognised valuation techniques which may take account of recent arm's length transactions in the investments. FIL Investment Services (UK) Limited is the Company's [Unlisted Investment Manager](#).

Warrants

A [derivative](#) security that gives the Company the right to purchase securities (usually equity) from the issuer at a specific price and within a certain time frame.

Directory

Board of Directors

Nicholas Bull FCA (Chairman)
David Causer FCA (Chairman of the Audit Committee)
John Ford
The Hon. Peter Pleydell-Bouverie DL (Chairman of the Investment Committee)
Elisabeth Scott (Senior Independent Director)
Vera Wei

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Oakhill House
130 Tonbridge Road
Hildenborough
Tonbridge
Kent
TN11 9DZ

Investment Manager

FIL Investment Management (Hong Kong) Limited
Level 21
Two Pacific Place
88 Queensway
Admiralty
Hong Kong

Unlisted Investment Manager, Secretary and Registered Office

FIL Investments International
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP
Email: investmenttrusts@fil.com

Banker and Custodian

JPMorgan Chase Bank (London Branch)
125 London Wall
London
EC2Y 5AJ

Depository

J.P. Morgan Europe Limited
25 Bank Street
London
E14 5JP

Financial Adviser and Stockbrokers

Cenkos Securities plc
6,7,8 Tokenhouse Yard
London
EC2R 7AS

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5RB

Lawyer

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Registrar

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Shareholder Information

Investing in Fidelity China Special Situations Plc

Fidelity China Special Situations PLC is a company listed on the London Stock Exchange and you can buy its shares through a stockbroker, share shop or bank. Fidelity also offers a range of options, so that you can invest in the way that is best for you. Details of how to invest can be found on Fidelity's website at www.fidelityinvestmenttrusts.com

Contact information

Shareholders and Fidelity Platform Investors should contact the appropriate administrator using the contact details given below and on page 32. Links to the websites of major platforms can be found online at www.fidelityinvestmenttrusts.com

Shareholders on the main share register

Shareholders should note that Capita Asset Services was acquired by Link Group and the new brand name is Link Asset Services. There is no change in the services offered to shareholders.

Contact Link Asset Services, Registrar to Fidelity China Special Situations PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Telephone: **0871 664 0300** (calls cost 12p per minute plus network extras. If you are outside the United Kingdom, call **+44 371 664 0300**. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 am to 5.30 pm Monday to Friday, excluding public holidays in England and Wales).

Email: enquiries@linkgroup.co.uk

Details of individual shareholdings and other information can also be obtained online from the Registrar's Share Portal at www.signalshares.com. Shareholders are able to manage their shareholding online by registering for the Share Portal, a free and secure online access service. Facilities include:

Account Enquiry – Shareholders can access their personal shareholding, including share transaction history, dividend payment history and obtain an up-to-date shareholding valuation.

Amendment of Standing Data – Shareholders can change their registered postal address and add, change or delete dividend mandate instructions. Shareholders can also download forms such as change of address, stock transfer and dividend mandate forms as well as buy and sell shares in the Company.

Should you have any queries in respect of the Link Share Portal, contact the helpline on **0871 664 0300** (calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call **+44 371 664 0300**. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales).

Link share dealing service

Link Asset Services offer a low cost share dealing service to buy or sell shares. Further information is available at www.linksharedeal.com, or by telephoning **0371 664 0445** (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 8.00 am to 4.30 pm, Monday to Friday excluding public holidays in England and Wales). The Link Share Dealing Service allows you to deal in the shares of other companies for which Link Asset Services acts as Registrar, provided you are already a shareholder in the relevant company, and that company offers the Share Deal facility to its shareholders.

Shareholder Information continued

Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or by writing to: UK Customer Service, Fidelity International, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ. Website: www.fidelity.co.uk/its.

Private investors: call free on **0800 41 41 10**, 9.00 am to 6.00 pm, Monday to Saturday.

Financial advisers: call free on **0800 41 41 81**, 8.00 am to 6.00 pm, Monday to Friday.

General enquiries

General enquiries should be made to the Secretary, at the Company's registered office: FIL Investments International, Investment Trusts, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

Telephone: **01732 361144**

Email: investmenttrusts@fil.com

Website: www.fidelityinvestmenttrusts.com

Financial Calendar 2017/2018

30 September 2017	Half-Yearly period end
November 2017	Announcement of Half-Yearly results
November 2017	Publication of Half-Yearly Report
31 March 2018	Financial year end
June 2018	Publication of Annual Report
July 2018	Annual General Meeting



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