



FidelityTM
INTERNATIONAL

FIDELITY CHINA SPECIAL SITUATIONS PLC

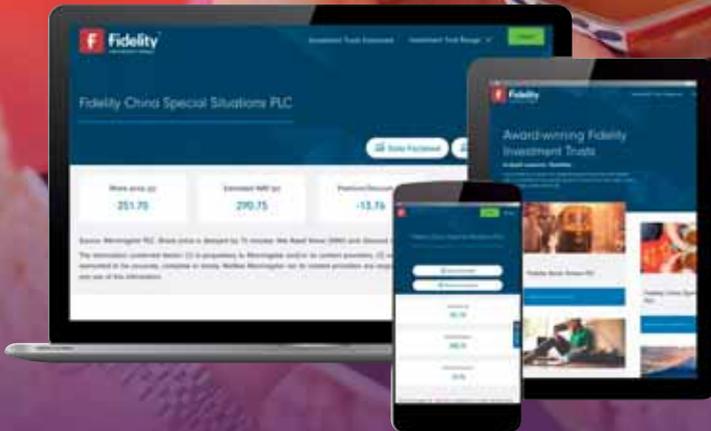
Half-Yearly Report for the
6 months ended 30 September 2018

Investment Objective

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 and Chinese companies listed elsewhere. The Company may also invest in listed companies with significant interests in China.

“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,
Fidelity China Special Situations PLC**



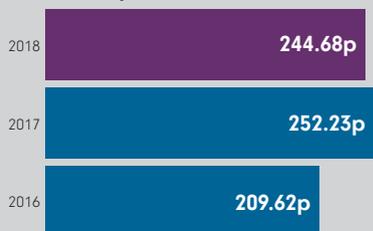
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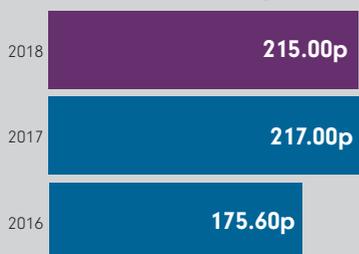
Portfolio Manager's Review

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Net Asset Value per Share as at 30 September



Share Price as at 30 September



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At a Glance

Six months ended 30 September 2018

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

-9.1%

(30 September 2017: +13.1%)

Share Price total return*

-8.8%

(30 September 2017: +12.2%)

**MSCI China Index total return*
(in UK sterling terms)**

-4.0%

(30 September 2017: +18.2%)

* Includes reinvested income

As at 30 September 2018

Equity Shareholders' Funds

£1,346.5m

Market Capitalisation

£1,183.2m

Capital Structure

Ordinary Shares of 1 penny held outside Treasury

550,314,480

Summary of the key aspects of the Investment Policy

The Portfolio Manager will focus on identifying companies which are most likely to benefit from China's growth and changing economy.

The Company is not restricted in terms of size or industry of companies included in the portfolio and may invest in unlisted securities.

The Company may also invest into other transferable securities, collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for gearing purposes and efficient portfolio management.

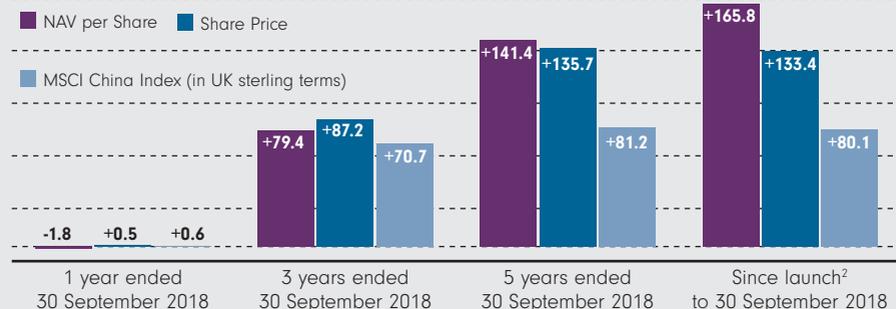
Summary of Results

	30 September 2018	31 March 2018
Assets		
Gross Asset Exposure	£1,697.1m	£1,806.6m
Net Assets	£1,346.5m	£1,502.9m
Gearing	26.0%	20.2%
Net Asset Value per Ordinary Share	244.68p	272.55p
Number of Ordinary Shares held outside Treasury	550,314,480	551,414,480
Share Price and Discount data		
Share Price	215.00p	239.00p
Share Price: period/year high	268.00p	260.00p
Share Price: period/year low	204.00p	190.10p
Discount	12.1%	12.3%
Discount: period/year high	14.6%	14.6%
Discount: period/year low	10.2%	9.8%
Earnings for the six months ended 30 September – see page 14		
	2018	2017
Revenue Earnings per Ordinary Share ¹	4.00p	4.06p
Capital (Loss)/Earnings per Ordinary Share ¹	(28.39p)	25.29p
Total (Loss)/Earnings per Ordinary Share ¹	(24.39p)	29.35p
Ongoing Charges for the six months ended 30 September ²	1.02%	1.12%

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

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

Standardised Performance Total Return¹ (%)



1 Includes reinvested income.

2 Launch Date 19 April 2010.

Sources: Fidelity and Datastream

Past performance is not a guide to future returns

Portfolio Manager's Half-Yearly Review

How did the portfolio perform?

For the six months ended 30 September 2018, the NAV of the Company declined by 9.1% and its share price by 8.8%. This compared to a fall in the MSCI China Index (the Company's Benchmark Index) of 4.0%. (All performance data on a total return basis.)

Why did the portfolio underperform?

Despite strong performance by some of the holdings, the portfolio underperformed the Benchmark Index because of better performance by companies in the Index that the Company did not hold during the reporting period. This was particularly the case in the energy sector where the share prices of CNOOC and PetroChina increased with the higher oil price. This was partly offset by gains in China Petroleum & Chemical which is held because of its attractive valuation, improving refining mix and the potential unlocking of value in its marketing business. In addition certain portfolio holdings were marked down sharply. Vipshop, a major e-commerce platform for apparel and flash

sales, faced a challenging environment with strong competition and as yet little to show for its collaboration with Tencent Holdings and JD.com. Kingsoft, a software and internet service company, experienced delays in launching new online games, which brought a series of downgrades.

Strong performers included Yihai International, a 'Hotpot' condiment company which continued to deliver very strong growth particularly in the retail market through its collaboration with Haidilao, a successful restaurant chain. During the reporting period, two of the Company's unlisted holdings were listed: Aurora Mobile Limited ('Jiguang') on Nasdaq in the US and Meituan Dianping (formerly 'China Internet Plus Holdings') in Hong Kong, both at market prices above their carrying values.

Significant correction in October

Chinese stock markets were volatile during the reporting period. Additionally, October saw one of the sharpest monthly falls since the global financial crisis of 2008 (see chart below).

MSCI China, net returns (in UK sterling terms)



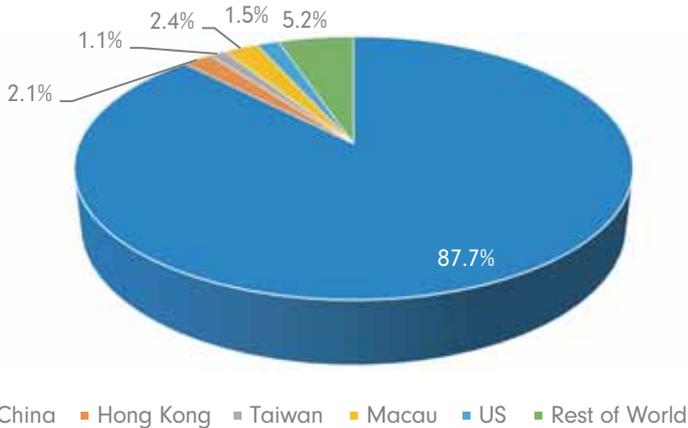
Are you worried about escalating trade tensions?

The prospect of much higher trade tariffs is clearly a concern: there are no winners in a trade war. Chinese exporters will see higher import duties on their products sold in the US and the US consumer is likely to see higher prices and increased inflation as a result. While Chinese exports to the US as a proportion of their total exports globally has been falling for years as China has expanded its global reach and trading partners, increased tariffs will impact the export sector. Of greater concern is

the broader impact on general sentiment and the prospect of delayed investment by Chinese companies in general.

A key part of the analysis we carry out on companies is evaluating their pricing power, which is clearly important when we are looking at the effect of tariffs and a company's ability to pass on higher costs. Our analysis of the companies in the portfolio shows that only 1.5% of revenues are from the US whilst over 93% come from Greater China (see chart below).

Portfolio Revenue Breakdown by Geography



Are we seeing a slowdown in consumption?

There has been a slowdown in the rate of growth of consumption, particularly in larger durable goods such as cars. This has not been helped by falling markets and the sense that house prices have peaked. Whilst there has been a tapering-off in consumption growth, I do not see signs that we are entering a major adjustment: growth rates in China remain the envy of most economies. Retail sales are still showing year-on-year growth of 9% despite

the decline in car sales. The vast majority of the companies we focus on continue to deliver solid earnings growth.

How have the two largest holdings, Alibaba and Tencent performed?

Having been big contributors to the market gains last year, both companies have dipped this year. For Alibaba Group, the slowdown in consumption is a concern, but it continues to consolidate its leading position in e-commerce

Portfolio Manager's Half-Yearly Review continued

in China and there remains significant potential to monetise its customer base. The decision to delay monetisation for the long-term health of its ecosystem was the main factor behind recently lowered earnings guidance. Still, underlying growth of around 40% remains enviable – there are few companies of this size globally achieving this rate of growth. A recent meeting with management in Hangzhou with our Board supported my confidence around this strong mid-term growth outlook. Valuations are back to compelling levels when we consider the various parts of the business including its dominant position in cloud and financial services via Ant Financial.

In August, Tencent Holdings reported its first drop in net profits for 13 years, although this did in part reflect one-off issues. It announced that there would be delays in obtaining regulatory approvals for new mobile games which account for a significant part of its revenues. This is a result of recent announcements of a review of regulation of this industry. We expect the regulatory position to become clearer in the coming months. The disappointing results and announcements sent the share price lower. However, the fundamental growth story remains unchanged and is closely linked to Chinese consumption trends with one billion active users of its WeChat messaging service. The potential to monetise this customer base remains significant. We expect Tencent to retain its leadership position in the mobile games sector. It is possible that the new regulatory regime could strengthen its position.

Tencent and Alibaba remain the portfolio's largest holdings.

What changes are you making to the portfolio?

Activity in the portfolio has been focused on opportunities that arise during a period of indiscriminate sell-off. Some short positions, particularly in the more cyclical stocks, have been closed as the economic slowdown was reflected in lower share prices. Some holdings and net gearing have been increased with the more compelling risk-reward opportunities.

Certain sectors are particularly sensitive to market falls, such as insurance and investment companies. In many companies, valuations have dropped to historically low levels that significantly discount their attractive long-term growth prospects. Insurance is hugely underpenetrated relative to the West with demand coming from the growing middle class in China. The long-term prospects in capital markets, particularly for institutions, make securities firms very attractive at these prices.

The A-share market is very much in the news. The inclusion of A-shares in the MSCI Index and the ability for international investors to invest through the Stock Connect facility have both given rise to strong inward flows. The Company has been investing very selectively in industrial companies in the A-share market, including in artificial intelligence and surveillance companies, which have also fallen to historical low valuation levels despite their strong mid-term growth prospects.

What is your outlook for the market?

China is a volatile market so there are always such risks. I take comfort from much lower valuations following the recent falls and the fact that negative factors overhanging the market have been well publicised. Investments in the

Company's portfolio are predominantly focused on the domestic market and only 1.5% of their revenues are exposed to the US. Even with a general economic slowdown, the medium term prospects for earnings growth remain strong. The current level of the stock market may or may not be the bottom of the market, but I am confident of long-term growth in the Company's portfolio from these levels.

Dale Nicholls

Portfolio Manager
22 November 2018

Interim Management Report

Gearing

The Company has a three-year unsecured fixed rate facility agreement with Scotiabank Europe PLC for US\$150,000,000. 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 2018, the Company’s gearing, defined as Gross Asset Exposure in excess of Net Assets, was 26.0% (31 March 2018: 20.2%; 30 September 2017: 26.2%). This is within the limit set by the Company’s Prospectus of 30%.

Unlisted Investments

The Company held four unlisted investments at the start of the reporting period. Two new investments were made in the reporting period and two investments became listed: Aurora Mobile Limited (‘Jiguang’) and Meituan Dianping (formerly ‘China Internet Plus Holdings’), both at prices above their carrying values. Accordingly, the Company held four unlisted investments at the end of the period.

Discount Management

The Company’s discount narrowed slightly from 12.3% at the start of the reporting period to 12.1% 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 share.

Recognising these factors, the Board regularly reviews the level of discount and continues to discuss the ways in which it might be reduced so that the Company’s shares can trade at a level closer to the NAV. The Board also monitors market practice amongst peer group

companies and also take regular advice from the Company’s Broker on this subject.

At present, the Board believes that the discount is best addressed by repurchasing the Company’s shares, when appropriate, according to market conditions. During the reporting period, the Board authorised the repurchase of 1,100,000 ordinary shares by the Company to be held in Treasury. These share repurchases will have benefited shareholders as the NAV per share has been increased by purchasing shares at a discount. Since the end of the reporting period and as at the date of this report, the Company has repurchased a further 450,000 ordinary shares into Treasury.

Management Fees

As mentioned in the Annual Report for the year ended 31 March 2018 and effective from 1 July 2018, the Board agreed a new fee arrangement with FIL Investment Services (UK) Limited, the Company’s Alternative Investment Fund Manager (the “Manager”). The new fee reduced the annual fee of 1.00% of net assets to 0.90% of net assets per annum, with a +/-0.20% variation fee based on the Company’s NAV per share performance relative to the Company’s Benchmark Index. The maximum fee that the Company will now pay is 1.10% of net assets, but if the Company underperforms against the Benchmark Index, then the overall fee could fall as low as 0.70% of net assets. The revised management fee provides an overall reduction from the previous management fee structure, especially in those years where a performance fee was payable.

The management fee paid for the three months from 1 April to 30 June 2018 was at 1.00% of net assets and for the three months to 30 September 2018 was at 0.90% in line with the new fee arrangements.

In addition, the annual administration fee reduced by £500,000 to £100,000 with effect from 1 April 2018.

Board of Directors

John Ford did not stand for re-election at the Annual General Meeting ("AGM") and left the Board on 25 July 2018.

David Causer plans to stand down from the Board at next year's AGM when he will have completed nine years on the Board since the Company launched in 2010.

Mike Balfour was appointed to the Board on 1 October 2018. It is intended that he will become Chair of the Audit and Risk Committee after the next AGM in succession to David Causer. This is in line with the Board's succession plan.

Vera Hong Wei resigned from the Board on 31 October 2018. The Board has appointed a specialist consultancy firm to identify a new Director.

Principal Risks and Uncertainties

The Board, with the assistance of the Alternative Investment Fund Manager (FIL Investment Services (UK) Limited/the "Manager"), has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key risks and uncertainties that the Company faces.

The Board considers 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 2018 and can be found on the Company's pages of the Manager's website at www.fidelityinvestmenttrusts.com.

The Company continues to have exposure to a number of companies with all or part of

their business in Variable Interest Entity ("VIE") structures. VIEs are entities where the controlling interest is not based on a majority of voting rights and may result in a risk to investors in not being able to enforce their ownership rights in certain circumstances. As at 30 September 2018, 47.96% of the companies in the portfolio had a VIE structure (Benchmark Index: 38.16%).

These principal risks and uncertainties have not materially changed in the six months to 30 September 2018 and are equally applicable to the remaining six months of the Company's financial year.

Transactions with the Managers and Related Parties

The Manager 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 15 on page 29.

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 and 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 in preparing these Financial Statements.

By order of the Board.

FIL Investments International

22 November 2018

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, including the Portfolio Manager's Half-Yearly Review on pages 4 to 9, 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 22 November 2018 and the above responsibility statement was signed on its behalf by Nicholas Bull, Chairman.

Twenty Largest Holdings

as at 30 September 2018

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 Balance Sheet Value is the actual value of the portfolio. Where a contract for difference ("CFD") is held, the Balance Sheet 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		Balance Sheet Value
Long Exposures – shares unless otherwise stated	£'000	% ¹	£'000
Tencent Holdings (shares and long CFDs)			
Internet, mobile and telecommunications services provider	200,606	14.9	85,298
Alibaba Group Holdings (shares and long CFD)			
e-commerce group	142,912	10.6	135,882
China Pacific Insurance Group (shares and long CFDs)			
Insurance company	66,552	5.0	4,405
Hutchison China MediTech			
Pharmaceutical and healthcare group	47,333	3.5	47,333
China Meidong Auto Holdings			
Automobile dealership and maintenance group	34,963	2.6	34,963
China Petroleum & Chemical Corporation (long CFD)			
Oil and gas company based in Beijing	32,503	2.4	622
China Life Insurance Company (long CFD)			
Insurance company	32,144	2.4	(9,527)
CITIC Telecom International Holdings (long CFDs)			
Telecoms company	27,461	2.1	3,629
Kingdee International (long CFD)			
Enterprise management and e-commerce software company	27,265	2.0	1,920
21Vianet Group			
Internet and data center service provider	26,428	2.0	26,428
Noah Holdings			
Asset managers	26,123	1.9	26,123
China Taiping Insurance Holdings (shares and long CFD)			
Insurance company	24,167	1.8	14,738
Unlisted Investment			
Leading manufacturer of drones	22,985	1.7	22,985

Twenty Largest Holdings continued

Long Exposures – shares unless otherwise stated	Gross Asset Exposure		Balance Sheet Value
	£'000	% ¹	£'000
NetEase			
Internet technology company	22,136	1.6	22,136
Xiaoju Kuaizhi Inc ('Didi Chuxing') (unlisted)			
Mobile taxi booking applications developer	22,054	1.6	22,054
Meituan Dianping			
Online food delivery to ticketing services platform	20,903	1.6	20,903
58.com			
Online marketplace operator serving local merchants and consumers	20,573	1.5	20,573
Aurora Mobile Limited ('Jiguang')			
Design and development of software solutions	19,443	1.4	19,443
Ctrip.com			
Travel services provider	19,105	1.4	19,105
China Biologic Products Holdings			
Plasma-based biopharmaceutical company	18,841	1.4	18,841
Twenty largest long exposures	854,497	63.4	537,854
Other long exposures	926,030	68.8	787,669
Total long exposures before hedges (166 holdings)	1,780,527	132.2	1,325,523
Less: hedging exposures			
Hang Seng China Enterprises Index (future)	(47,382)	(3.6)	45
iShares FTSE A50 China Index ETF (short CFDs)	(23,793)	(1.8)	4,938
S&P 500 (put option)	(4,420)	(0.3)	209
Hang Seng Index (put options)	(58,522)	(4.3)	3,218
Total hedging exposures	(134,117)	(10.0)	8,410
Total long exposures after the netting of hedges	1,646,410	122.2	1,333,933

Long Exposures – shares unless otherwise stated	Gross Asset Exposure		Balance Sheet Value
	£'000	% ¹	£'000
Add: short exposures			
Short CFDs (14 holdings)	50,690	3.8	(354)
Gross Asset Exposure²	1,697,100	126.0	
Portfolio Fair Value^{3,4}			1,333,579
Net assets excluding derivative instruments			12,957
Net assets			1,346,536

- 1 Gross Asset Exposure is expressed as a percentage of net assets
- 2 Gross Asset Exposure comprises market exposure to investments of £1,412,941,000 plus market exposure to derivative instruments of £284,159,000
- 3 Portfolio Fair Value comprises investments of £1,412,941,000 plus derivative assets of £22,217,000 less derivative liabilities of £101,579,000 (per the Balance Sheet on page 18)
- 4 At 30 September 2018, the Company held four unlisted investments with a fair value of £62,111,000 representing 4.3% of Gross Assets (31 March 2018: four unlisted investments with a fair value of £64,339,000 representing 4.0% of Gross Assets)

Income Statement

for the six months ended 30 September 2018

		Six months ended 30 September 2018 unaudited		
	Notes	revenue £'000	capital £'000	total £'000
Revenue				
Investment income	4	17,125	–	17,125
Derivative income	4	9,748	–	9,748
Other income	4	140	–	140
Total income		27,013	–	27,013
(Losses)/gains on investments at fair value through profit or loss		–	(84,752)	(84,752)
(Losses)/gains on derivative instruments		–	(58,811)	(58,811)
Foreign exchange gains/(losses) on other net assets		–	4,940	4,940
Foreign exchange (losses)/gains on bank loans		–	(7,950)	(7,950)
Total income and gains/(losses)		27,013	(146,573)	(119,560)
Expenses				
Investment management fees	5	(1,788)	(5,363)	(7,151)
Other expenses		(614)	–	(614)
Profit/(loss) before finance costs and taxation		24,611	(151,936)	(127,325)
Finance costs	6	(1,601)	(4,805)	(6,406)
Profit/(loss) before taxation		23,010	(156,741)	(133,731)
Taxation	7	(972)	321	(651)
Profit/(loss) after taxation for the period		22,038	(156,420)	(134,382)
Earnings/(loss) per ordinary share	8	4.00p	(28.39p)	(24.39p)

The Company does not have any income or expenses that are not included in the profit/(loss) after taxation for the period. Accordingly the profit/(loss) after taxation for the period is also the total comprehensive income for the period and no separate Statement of Other 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 the profit/(losses) 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 2018 audited			Six months ended 30 September 2017 unaudited		
revenue £'000	capital £'000	total £'000	revenue £'000	capital £'000	total £'000
21,761	-	21,761	19,577	-	19,577
7,076	-	7,076	6,882	-	6,882
163	-	163	131	-	131
29,000	-	29,000	26,590	-	26,590
-	212,441	212,441	-	131,190	131,190
-	45,967	45,967	-	12,667	12,667
-	(954)	(954)	-	(3,863)	(3,863)
-	12,690	12,690	-	7,733	7,733
29,000	270,144	299,144	26,590	147,727	174,317
(3,548)	(10,645)	(14,193)	(1,664)	(4,991)	(6,655)
(1,630)	-	(1,630)	(807)	-	(807)
23,822	259,499	283,321	24,119	142,736	166,855
(2,161)	(6,485)	(8,646)	(1,059)	(3,177)	(4,236)
21,661	253,014	274,675	23,060	139,559	162,619
(673)	-	(673)	(632)	-	(632)
20,988	253,014	274,002	22,428	139,559	161,987
3.80p	45.86p	49.66p	4.06p	25.29p	29.35p

Statement of Changes in Equity

for the six months ended 30 September 2018

	Note	share capital £'000
Six months ended 30 September 2018 (unaudited)		
Total equity at 31 March 2018		5,713
Repurchase of ordinary shares		-
(Loss)/profit after taxation for the period		-
Dividend paid	9	-
Total equity at 30 September 2018		5,713
Year ended 31 March 2018 (audited)		
Total equity at 31 March 2017		5,713
Repurchase of ordinary shares		-
Profit after taxation for the year		-
Dividend paid	9	-
Total equity at 31 March 2018		5,713
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	9	-
Total equity at 30 September 2017		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	335,493	918,558	30,619	1,502,866
-	-	(2,666)	-	-	(2,666)
-	-	-	(156,420)	22,038	(134,382)
-	-	-	-	(19,282)	(19,282)
211,569	914	332,827	762,138	33,375	1,346,536
211,569	914	336,625	665,544	23,429	1,243,794
-	-	(1,132)	-	-	(1,132)
-	-	-	253,014	20,988	274,002
-	-	-	-	(13,798)	(13,798)
211,569	914	335,493	918,558	30,619	1,502,866
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

Balance Sheet

as at 30 September 2018

Company number 7133583

	Notes	30.09.18 unaudited £'000	31.03.18 audited £'000	30.09.17 unaudited £'000
Non current assets				
Investments at fair value through profit or loss	10	1,412,941	1,495,818	1,382,656
Current assets				
Derivative instruments	10	22,217	37,518	80,627
Amounts held at futures clearing houses and brokers		84,977	30,247	2,181
Other receivables	11	5,651	10,714	4,678
Cash and cash equivalents		42,764	80,439	80,353
		155,609	158,918	167,839
Current liabilities				
Derivative instruments	10	(101,579)	(34,841)	(44,406)
Other payables	12	(5,510)	(10,054)	(2,821)
		(107,089)	(44,895)	(47,227)
Net current assets				
		48,520	114,023	120,612
Total assets less current liabilities				
		1,461,461	1,609,841	1,503,268
Non-current liabilities				
Bank loans		(114,925)	(106,975)	(111,932)
Net assets				
		1,346,536	1,502,866	1,391,336
Equity attributable to equity shareholders				
Share capital	13	5,713	5,713	5,713
Share premium account		211,569	211,569	211,569
Capital redemption reserve		914	914	914
Other reserve		332,827	335,493	335,978
Capital reserve		762,138	918,558	805,103
Revenue reserve		33,375	30,619	32,059
Total equity				
		1,346,536	1,502,866	1,391,336
Net asset value per ordinary share				
	14	244.68p	272.55p	252.23p

Cash Flow Statement

at 30 September 2018

	Six months ended 30 September 2018 unaudited £'000	Year ended 31 March 2018 audited £'000	Six months ended 30 September 2017 unaudited £'000
Operating activities			
Cash inflow from investment income	16,054	19,148	17,424
Cash inflow from derivative income	8,957	7,078	6,304
Cash inflow from other income	140	163	131
Cash outflow from Directors' fees	(109)	(148)	(82)
Cash outflow from other payments	(7,250)	(17,335)	(8,881)
Cash outflow from the purchase of investments	(259,285)	(438,969)	(195,780)
Cash outflow from the purchase of derivatives	(8,486)	(7,914)	(2,487)
Cash inflow from the sale of investments	258,885	456,943	244,941
Cash inflow/(outflow) from the settlement of derivatives	31,792	66,385	(6,345)
Cash outflow from amounts held at futures clearing houses and brokers	(54,976)	(28,178)	(112)
Net cash (outflow)/inflow from operating activities before servicing of finance	(14,278)	57,173	55,113
Financing activities			
Cash outflow from loan interest paid	(1,736)	(3,487)	(1,781)
Cash outflow from CFD interest paid	(2,909)	(3,180)	(1,197)
Cash outflow from short CFD dividends paid	(1,744)	(1,905)	(1,196)
Cash outflow from the repurchase of ordinary shares	(2,666)	(1,132)	(647)
Cash outflow from dividends paid to shareholders	(19,282)	(13,798)	(13,798)
Cash outflow from financing activities	(28,337)	(23,502)	(18,619)
(Decrease)/increase in cash and cash equivalents	(42,615)	33,671	36,494
Cash and cash equivalents at the start of the period	80,439	47,722	47,722
Effect of foreign exchange movements	4,940	(954)	(3,863)
Cash and cash equivalents at the end of the period	42,764	80,439	80,353

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 2018 is extracted from the latest published Financial Statements of the Company. Those Financial Statements were delivered to the Registrar of Companies and included in 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 2018. 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, IFRC 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, and updated in January 2017 with consequential amendments.

4 Income

	Six months ended 30.09.18 unaudited £'000	Year ended 31.03.18 audited £'000	Six months ended 30.09.17 unaudited £'000
Investment income			
Overseas dividends	17,125	20,753	19,426
Overseas scrip dividends	-	1,008	151
	17,125	21,761	19,577
Derivative income			
Dividends on long CFDs	9,638	7,026	6,869
Interest on short CFDs	110	50	13
	9,748	7,076	6,882
Other income			
Deposit interest	140	163	131
Total income	27,013	29,000	26,590

Notes to the Financial Statements continued

5 Investment Management Fees

	revenue £'000	capital £'000	total £'000
Six months ended 30 September 2018 (unaudited)			
Investment management fees	1,788	5,363	7,151
Year ended 31 March 2018 (audited)			
Investment management fees	3,548	10,645	14,193
Six months ended 30 September 2017 (unaudited)			
Investment management fees	1,664	4,991	6,655

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

From 1 July 2018, the Company has adopted a variable management fee model ("VMF"). The new arrangement has replaced the Company's previous agreement of 1.00% of the Company's net assets per annum and has removed the existing performance fee of up to 1.00%. The new fee has reduced the annual headline fee of 1.00% of net assets to 0.90% of net assets per annum plus a +/- 0.20% variation fee based on the Company's NAV per share performance relative to the Company's Benchmark Index. The maximum fee that the Company will pay is 1.10% of net assets, but if the Company underperforms against the Benchmark Index, then the overall fee could fall as low as 0.70% of net assets.

6 Finance Costs

	revenue £'000	capital £'000	total £'000
Six months ended 30 September 2018 (unaudited)			
Interest on bank loans and overdrafts	446	1,339	1,785
Interest paid on CFDs	719	2,158	2,877
Dividends paid on short CFDs	436	1,308	1,744
	1,601	4,805	6,406
Year ended 31 March 2018 (audited)			
Interest on bank loans and overdrafts	854	2,563	3,417
Interest paid on CFDs	831	2,493	3,324
Dividends paid on short CFDs	476	1,429	1,905
	2,161	6,485	8,646
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

Notes to the Financial Statements continued

7 Taxation

	revenue £'000	capital £'000	total £'000
Six months ended 30 September 2018 (unaudited)			
UK Corporation tax	321	(321)	-
Overseas taxation	651	-	651
Taxation charge for the period	972	(321)	651
Year ended 31 March 2018 (audited)			
Overseas taxation	673	-	673
Taxation charge for the year	673	-	673
Six months ended 30 September 2017 (unaudited)			
Overseas taxation	632	-	632
Taxation charge for the period	632	-	632

8 Earnings/(Loss) per Ordinary Share

	Six months ended 30.09.18 unaudited	Year ended 31.03.18 audited	Six months ended 30.09.17 unaudited
Revenue earnings per ordinary share	4.00p	3.80p	4.06p
Capital (loss)/earnings per ordinary share	(28.39p)	45.86p	25.29p
Total (loss)/earnings per ordinary share	(24.39p)	49.66p	29.35p

The earnings/(loss) per ordinary share is based on the profit/(loss) after taxation for the period divided by the weighted average number of ordinary shares in issue held outside Treasury during the period, as shown below:

	£'000	£'000	£'000
Revenue profit after taxation for the period	22,038	20,988	22,428
Capital (loss)/profit after taxation for the period	(156,420)	253,014	139,559
Total (loss)/profit after taxation for the period	(134,382)	274,002	161,987
	number	number	number
Weighted average number of ordinary shares held outside Treasury in issue	550,973,770	551,681,603	551,899,179

9 Dividends Paid to Shareholders

	Six months ended 30.09.18 unaudited £'000	Year ended 31.03.18 audited £'000	Six months ended 30.09.17 unaudited £'000
Dividend paid of 3.50 pence per ordinary share for the year ended 31 March 2018	19,282	-	-
Dividend paid of 2.50 pence per ordinary share for the year ended 31 March 2017	-	13,798	13,798
	19,282	13,798	13,798

No dividend has been declared for the six months ended 30 September 2018.

10 Fair Value Hierarchy

The Company is required to disclose the fair value hierarchy that classifies its 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

Notes to the Financial Statements continued

10 Fair Value Hierarchy continued

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 2018 (Accounting Policies Notes 2 (l) and (m) on pages 48 and 49). The table below sets out the Company's fair value hierarchy:

30 September 2018 (unaudited)	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
Financial assets at fair value through profit or loss				
Investments – shares	1,320,582	–	92,359	1,412,941
Derivative instruments	1,650	20,567	–	22,217
	1,322,232	20,567	92,359	1,435,158
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(101,579)	–	(101,579)
Financial liabilities at fair value				
Bank loan	–	(113,546)	–	(113,546)

31 March 2018 (audited)	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
Financial assets at fair value through profit or loss				
Investments – shares	1,431,461	–	64,357	1,495,818
Derivative instruments	9,253	28,265	–	37,518
	1,440,714	28,265	64,357	1,533,336
Financial liabilities at fair value through profit or loss				
Derivative instruments	–	(34,841)	–	(34,841)
Financial liabilities at fair value				
Bank loan	–	(105,860)	–	(105,860)

10 Fair Value Hierarchy continued

30 September 2017 (unaudited)	level 1 £'000	level 2 £'000	level 3 £'000	total £'000
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 fair value				
Bank loan	–	(112,213)	–	(112,213)

11 Other Receivables

	Six months ended 30.09.18 unaudited £'000	Year ended 31.03.18 audited £'000	Six months ended 30.09.17 unaudited £'000
Amounts due from dissenters claim	–	5,354	–
Securities sold for future settlement	2,685	3,750	2,041
Accrued income	2,887	1,551	2,569
Other receivables	79	59	68
	5,651	10,714	4,678

12 Other Payables

	Six months ended 30.09.18 unaudited £'000	Year ended 31.03.18 audited £'000	Six months ended 30.09.17 unaudited £'000
Securities purchased for future settlement	2,608	7,798	868
Investment management, secretarial and administration fees	2,047	1,439	1,202
Accrued expenses	855	817	751
	5,510	10,054	2,821

Notes to the Financial Statements continued

13 Share Capital

	30 September 2018 unaudited		31 March 2018 audited		30 September 2017 unaudited	
	number of shares	£'000	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	551,414,480	5,514	551,914,480	5,519	551,914,480	5,519
Ordinary shares repurchased into Treasury	(1,100,000)	(11)	(500,000)	(5)	(300,000)	(3)
End of the period	550,314,480	5,503	551,414,480	5,514	551,614,480	5,516
Ordinary shares of 1 penny each – Held in Treasury*						
Beginning of the period	19,940,000	199	19,440,000	194	19,440,000	194
Ordinary Shares repurchased into Treasury	1,100,000	11	500,000	5	300,000	3
End of the period	21,040,000	210	19,940,000	199	19,740,000	197
Total share capital		5,713		5,713		5,713

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

During the period the Company repurchased 1,100,000 ordinary shares (year ended 31 March 2018: 500,000 and six months ended 30 September 2017: 300,000) and held them in Treasury. The cost of repurchasing these shares of £2,666,000 (year ended 31 March 2018: £1,132,000 and six months ended 30 September 2017: £647,000) was charged to the Other Reserve.

14 Net Asset Value Per Ordinary Share

The net asset value per ordinary share is based on net assets of £1,346,536,000 (31 March 2018: £1,502,866,000 and 30 September 2017: £1,391,336,000) and on 550,314,480 (31 March 2018: 551,414,480 and 30 September 2017: 551,614,480) ordinary shares, being the number of ordinary shares held outside Treasury in issue at the period end. It is the Company's policy that shares held in Treasury will only be reissued at a premium to net asset value per share and, therefore, the shares held in Treasury have no dilutive effect.

15 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. They are all Fidelity group companies.

Details of the current fee arrangements are given in Note 5 above. During the year management fees of £7,151,000 (year ended 31 March 2018: £14,193,000 and six months ended 30 September 2017: £6,655,000), and accounting, administration and secretarial fees of £50,000 (year ended 31 March 2018: £600,000 and six months ended 30 September 2017: £300,000) were payable to the Managers. Fidelity also provides the Company with marketing services. The total amount charged for these services during the period was £117,000 (year ended 31 March 2018: £201,000 and six months ended 30 September 2017: £106,000). Amounts payable to the Managers at the Balance Sheet date are included in other payables and are disclosed in Note 12 above.

At the date of this report, the Board consisted of five non-executive Directors (as shown in the shareholder information on page 34) all of whom are considered to be independent by the Board. 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. The following members of the Board hold ordinary shares in the Company at the date of this report: Mike Balfour 45,000 shares, Nicholas Bull 110,804 shares, David Causer 65,804 shares, Peter Pleydell-Bouverie 93,758 shares and Elisabeth Scott 19,819 shares.

Glossary to the Half-Yearly Report

AIC

The Association of Investment Companies ("AIC"). The Company is a member of the AIC.

AIF

Alternative Investment Fund ("AIF"). The Company is an AIF.

AIFM

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

AIFMD

The Alternative Investment Fund Managers Directive ("AIFMD") 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 QFIs 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 from time to time.

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.

Investment Managers

Together, represents the **Investment Manager** and the **Unlisted Investment Manager**.

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.

Glossary to the Half-Yearly Report continued

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.

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**).

Portfolio Manager

Dale Nicholls is the appointed **Portfolio Manager** of the Company and is responsible for managing the Company’s assets.

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.

Total Shareholder Return (TSR)

[Total shareholder return](#) (TSR) is the total return of shares to shareholders, or the capital gains, plus dividends paid.

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 which has delegated this function to FIL Investments International.

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](#).

Variable Management Fee (VMF)

With effect from 1 July 2018, the Company adopted the [Variable Management Fee \(VMF\)](#) model. The base fee is 0.90% of net assets per annum plus a +/- 0.20% variation fee based on performance relative to the Company's [Benchmark Index](#) (the MSCI China Index). The maximum fee that the Company will pay is 1.10% of net assets per annum. If the Company underperforms against the [Benchmark Index](#), then the overall fee could be as low as 0.70% of net assets per annum.

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)
Mike Balfour CA (with effect from 1 October 2018)
The Hon. Peter Pleydell-Bouverie DL (Chairman of the Investment Committee)
Elisabeth Scott (Senior Independent Director)

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 5EY

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 platform, 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 and the latest Key Information Document 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 36. Links to the websites of major platforms can be found online at www.fidelityinvestmenttrusts.com

Shareholders on the main share register

Contact Link Asset Services, Registrar to Fidelity China Special Situations PLC, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Telephone: **0371 664 0300** (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 9:00 – 17:30 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 **0371 664 0300** (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 9:00 – 17:30, 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 – 16:30, 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 – 18:00, Monday to Saturday.

Financial advisers: call free on **0800 41 41 81**, 8:00 – 18:00, 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

If you hold Fidelity China Special Situations PLC shares in an account provided by Fidelity International, you will receive a report every six months detailing all of your transactions and the value of your shares.

Financial Calendar 2018/2019	
30 September 2018	Half-Yearly period end
November 2018	Announcement of Half-Yearly results
November 2018	Publication of Half-Yearly Report
31 March 2019	Financial year end
June 2019	Publication of Annual Report
July 2019	Annual General Meeting

General Data Protection Regulation (“GDPR”)

What personal data is collected and how it is used

The Company is an investment trust which is a public limited company and, as such, has certain regulatory obligations such as the requirement to send documents to its shareholders such as the Annual Report, proxy forms and other documents that relate to meetings of the Company. The Company will therefore collect shareholders’ personal data such as names, addresses and identification numbers such as investor codes and will use this personal data to fulfil its statutory obligations.

Any personal data collected will be kept securely on computer systems and in some circumstances on paper. Personal information is kept secure in line with Fidelity’s Information Security policies and standards. If you are unhappy with how we have used your personal data, you can complain by contacting the UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Surrey KT20 6RP.

Sharing personal data

In order to assist the Company in meeting its statutory requirements, the Company delegates certain duties around the processing of this data to its third party service providers, such as the Company’s Registrar and Printers. The Company has appointed Fidelity to undertake marketing activities for the Company and their privacy statement can be found on the Company website at <https://investment-trusts.fidelity.co.uk/security-privacy/>

The Company’s agreements with the third party service providers have been updated to be compliant with GDPR requirements. The Company confirms to its shareholders that their data will not be shared with any third party for any other purpose, such as for marketing purposes. In some circumstances, it may be necessary to transfer shareholders’ personal data across national borders to Fidelity Group entities operating in the EEA. Where this does occur, European standard of protections will be applied to the personal data that is processed. Where personal data is transferred within the Fidelity group, but outside of the EEA, that data will subsequently receive the same degree of protection as it would in the EEA.

How long will personal data be kept for?

We will keep the personal data for as long as is necessary for these purposes and no longer than we are legally permitted to do so.

Requesting access, making changes to your personal data and other important information

Shareholders can access the information that the Company holds about them or ask for it to be corrected or deleted by contacting Fidelity’s UK Data Protection Officer, Fidelity International, Beech Gate, Millfield Lane, Surrey KT20 6RP.



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