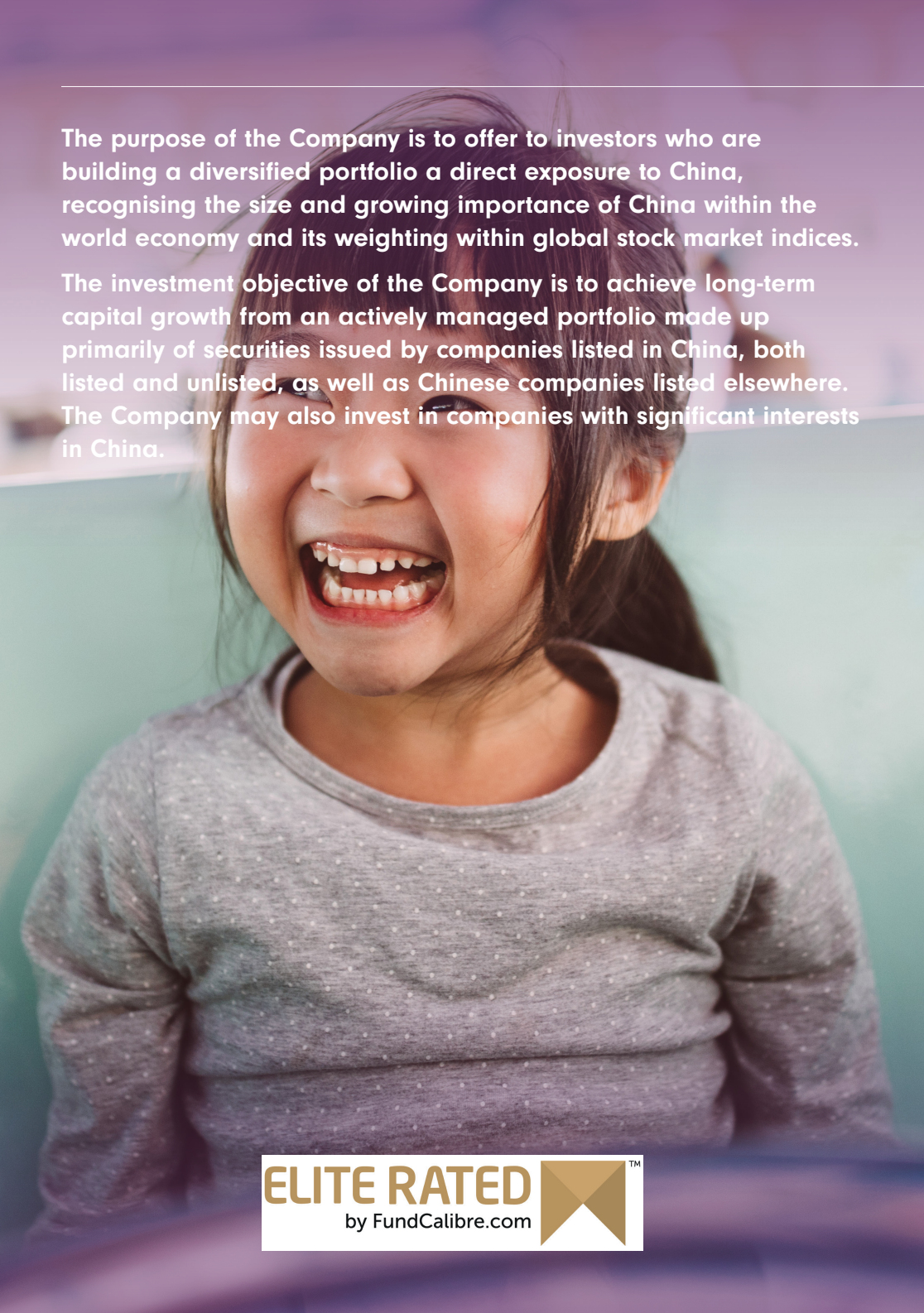




FIDELITY CHINA SPECIAL SITUATIONS PLC

Half-Yearly Report for the
6 months ended 30 September 2022



The purpose of the Company is to offer to investors who are building a diversified portfolio a direct exposure to China, recognising the size and growing importance of China within the world economy and its weighting within global stock market indices.

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, both listed and unlisted, as well as Chinese companies listed elsewhere. The Company may also invest in companies with significant interests in China.

ELITE RATED
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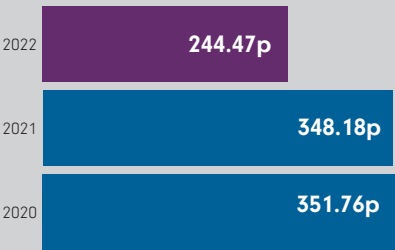
Contents



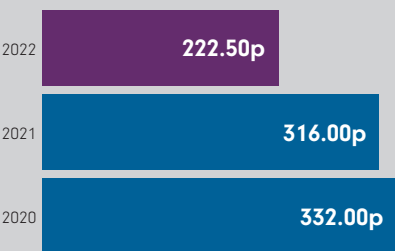
Portfolio Manager’s Half-Yearly Review

Read more on pages 04 to 10

Net Asset Value per Share as at 30 September



Share Price as at 30 September



Directors’ Reports

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At a Glance

Six months ended 30 September 2022

**Net Asset Value per
Share total return^{1,2}**

-8.4%

(30 September 2021: -16.9%)

Share Price total return^{1,2}

-9.8%

(30 September 2021: -23.7%)

**MSCI China Index total return
(in UK sterling terms)^{1,3}**

-5.5%

(30 September 2021: -14.4%)

1 Includes reinvested income.

2 Alternative Performance Measures (see Glossary to the Half-Yearly Report on page 37).

3 The Company's Benchmark Index.

As at 30 September 2022

Equity Shareholders' Funds

£1,232.1m

Market Capitalisation

£1,121.4m

Capital Structure

Ordinary Shares of 1 pence held outside of Treasury

504,003,776

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 when including companies 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 and bank borrowing for gearing purposes and efficient portfolio management.

The Company operates a variable management fee arrangement which is calculated by referencing performance relative to the MSCI China Index (in UK sterling terms).

Financial Highlights

	30 September 2022	31 March 2022
Assets		
Gross Asset Exposure	£1,558.4m	£1,765.6m
Net Assets	£1,232.1m	£1,400.6m
Gross Gearing ^{1,2}	26.5%	26.1%
Net Gearing ^{1,2}	23.3%	23.5%
Net Asset Value ("NAV") per Share ²	244.47p	272.52p
Share Price and Discount data		
Share Price at period/year end	222.50p	252.00p
Share Price: period/year high	289.00p	436.50p
Share Price: period/year low	218.00p	218.50p
Discount at period/year end ²	(9.0%)	(7.5%)
Discount: period/year high	(12.3%)	(10.4%)
(Discount)/Premium: period low/year high	(0.2%)	2.7%
Earnings for the six months ended 30 September – see pages 20 and 21		
Revenue Earnings per Ordinary Share ^{2,3}	6.45p	6.08p
Capital Loss per Ordinary Share ^{2,3}	(29.22p)	(76.74p)
Total Loss per Ordinary Share ^{2,3}	(22.77p)	(70.66p)
Ongoing Charges for the six months to 30 September ^{2,4}	0.97%	0.92%
Variable Management Fee	0.20%	0.20%
Ongoing Charges including Variable Management Fee for the six months to 30 September ^{2,4}	1.17%	1.12%

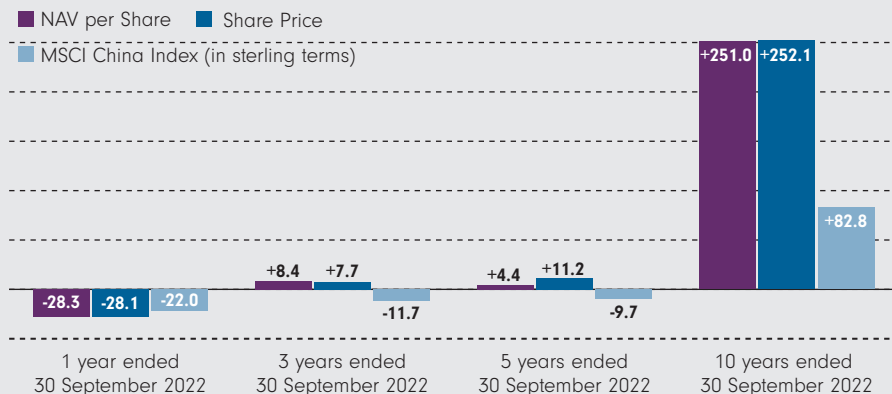
1 Defined in the Glossary to the Half-Yearly Report on pages 39 and 40.

2 Alternative Performance Measures.

3 Based on the weighted average number of shares held outside of Treasury during the reporting period.

4 Ongoing charges (excluding finance costs and taxation) expressed as a percentage of the average net asset values for the reporting period (prepared in accordance with guidance issued by the Association of Investment Companies ("AIC")).

Standardised Performance Total Return¹ (%)



¹ Includes reinvested income.

Sources: Fidelity and Datastream

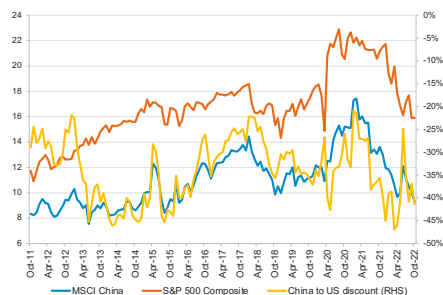
Past performance is not a guide to future returns

Portfolio Manager's Half-Yearly Review

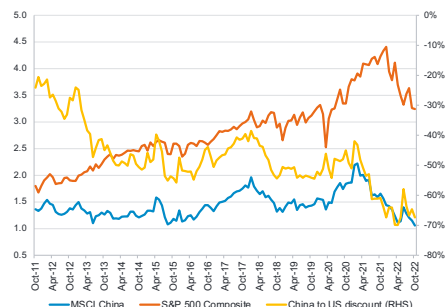
Recent market action

Before delving into the period under review, I think it is critical to address the recent stock market performance since the closing of the National Party Congress in late October. Without a doubt, sentiment towards the China market seems dire (in fact, probably the worst I have seen), and the market action that we have recently endured has seen a number of mostly foreign investors sell down their exposure. However, I do believe the sell-down was somewhat overdone. Whilst I appreciate that there are concerns over some of the perceived optics from the Congress itself, we did not enter this political event with high expectations for shifts in policy direction. Economic growth remains challenged, with the current policy around zero COVID ("ZCP") and the weakness in the property sector being major factors. I remain of the view that policy will gradually move to address these factors, along with further easing of both the monetary and fiscal side. This stands in contrast to the trends we see in many developed markets. Similarly, valuations have moved to significant discounts versus both history and other markets, as can be seen in the charts below. In this environment, whilst it may seem contrarian versus the consensus bearish view, my investment process remains consistent, and if anything, I am finding a plethora of buying ideas and opportunities and this is reflected in rising net gearing levels for the Company.

12 Month Forward Price-to-Earnings



12 Month Forward Price-to-Book



(Source: Refinitiv DataStream, 31 October 2022)

The period under review

Given persistent concerns over a global surge in inflationary pressures and mounting fears of a recession, volatility across most asset classes remained elevated – Chinese equities were no exemption. During the reporting period, Chinese economic growth continued to face multiple headwinds; notably the negative impact on demand and activities resulting from the ZCP, the lingering weakness in the property sector, despite stimulus measures from the government, and the threat of ongoing geopolitical tensions. Unlike most major economies though, benign inflationary pressures in China have enabled the People's Bank of China to maintain a more accommodative monetary policy stance versus other central banks. From an economic perspective, China's policy and earnings cycle is perhaps at least one cycle ahead of other major economies; and I believe this factor, juxtaposed with current undemanding market valuations and the country's long-term growth drivers, should not be ignored despite the market volatility we have experienced.

We have recently seen extreme market reactions following the conclusion of the 20th Party Congress of the Communist Party. Whilst the market appears disappointed by President Xi not nominating a successor and the make

up of the seven members of the Standing Committee of the Politburo, neither outcome should have come as a major surprise to market participants. Additionally, it is difficult to point to any obvious policy changes as a result of this outcome. While national security and social equality are clearly important for Beijing, I believe that economic growth also remains a priority, as laid out in the mid-term economic goals which imply a doubling GDP per capita by 2035 (as mentioned at the 20th National Party Congress on 17 October 2022).

With this backdrop, self-sufficiency and import substitution will continue to be major themes in the coming years. Recent US regulations limiting the sale of advanced semiconductor chips/chipmaking equipment used in Artificial Intelligence and supercomputing to Chinese companies have made headlines globally. I continue to monitor these developments and the impact they could have on various industries and companies. I believe this could accelerate the development of domestic industries and supply chains in China, a trend which is clearly supported by the government. I remain focused on potential investment opportunities as a result. During the same period, the rapid pace of innovation continues, which combined with the domestic substitution trend and market consolidation stories, has driven a significant weighting in industrials in the portfolio.

Meanwhile, I believe the peak of new regulatory reforms, particularly in China's internet space, is now behind us. The Chinese authorities have now laid out the framework around areas such as anti-monopoly, data protection, data sharing, and cross-selling within an online eco-system. The increasing visibility around the regulatory landscape should result in further clarity around the earnings outlook and add support to valuations in these sectors.

The impact of China's ZCP has taken a toll on the economy as well as on market sentiment. While China's new leadership unsurprisingly made no concrete shift from the ZCP, and while we are witnessing targeted lockdowns again, we believe the direction of travel in the ZCP is positive. We are already seeing some nuanced relaxation and improvement in areas such as the shortening of quarantine times and the adoption of a standardised approach across the nation. I do not think we should underestimate the risks from China's COVID policy and can expect that the short-term outlook for the consumer sector will remain tough; however, if we see gradual tweaks, this could underpin an economic recovery as we have seen in other countries following the loosening of restrictions. Household deposits have grown significantly since the beginning of the pandemic, and this has the potential to be released in increased spending with some normalisation after the relaxation of the ZCP.

Ongoing weakness in the property sector has been another drag on growth for the economy. Year to date property sales through September are down 30%. Some private property developers are in financial difficulty, defaulting on debt and delaying project completions. The mortgage boycott in July 2022 further heightened investors' concerns over the property sector. We are closely watching the potential systemic risks. While the credit risk potential for mortgages remains quite manageable in my view, we need to keep an eye on the banks' exposure to private developers. We have increasingly seen supportive policies to tackle these issues, including government funding to complete unfinished projects, tax cuts etc. While we also believe that keeping property prices affordable remains a priority as part of general common prosperity goals, we believe we will see more meaningful supportive measures to stabilise the sector. I expect that while private developers

Portfolio Manager's Half-Yearly Review continued

will continue to be challenged, the stronger state-owned developers with sound balance sheets are poised to weather this period of uncertainty, and will be able to gain significant market share as the sector consolidates – think of it as a flight to safety to the better managed developers. Shareholders should note that the Company currently has no direct exposure to private property developers or the state-owned banks whose lending support they rely on.

In terms of earnings, while revisions, on the whole, continue to be down, we saw some positive signs across several sectors. Fundamentally, when looking at our proprietary research sectoral views for September 2022, we saw downgrades in industries such as jewellery, autos, cosmetics, agriculture, healthcare and building materials as sporadic COVID outbreaks and a weaker macro environment continued to weigh on fundamentals. However, looking at sector performance, key upgrades were in advertising and renewables, with downgrades coming from data centres, cosmetics, agriculture building and materials. So, valuations have become attractive for some sectors whilst others are not yet seeing negatives fully priced in. Near-term fundamentals generally remain tepid, but I believe this is more than factored into what remain very attractive equity valuations. We continue to be very focused on sectors that will benefit from policy support, such as those in renewable energy, semiconductors and infrastructure related sectors. However, these themes are well-known by the market and so often trade at stretched valuations. Therefore, stock picking is key.

Against this backdrop, the Company's NAV declined 8.4% in sterling terms, while the MSCI China Index (the Benchmark Index) was down by 5.5% in the six-month reporting period to 30 September 2022. The Company's share price fell by 9.8% over the same period, reflecting a widening of the discount to NAV. (All performance data on a total return basis.)

Performance and Portfolio review

Together with the broad Chinese market, the Company's performance slid on concerns over stringent COVID controls, rising geopolitical tensions and a deteriorating inflationary outlook globally. Mixed corporate results and weak economic data kept investors on edge. Structural growth winners within the financial sector were weighed down by wider macroeconomic concerns and weak sentiment. Selected healthcare holdings declined amid geopolitical tensions and regulatory overhang.

Within financials, the shares of credit facilitator Lufax Holding have been materially de-rated, triggered by concerns over pending fintech regulation, American depositary receipt ("ADR") de-listing risk and asset quality deterioration. I believe regulatory rectification is likely close to its end, and the company's future Hong Kong listing will mitigate the ADR de-listing risk. The weak macroeconomic environment amid a lockdown-stricken Chinese economy has negatively impacted its asset quality. It has taken steps to tighten credit standards and prioritised asset quality over loan growth, which I believe, in turn, mitigates these risks. Lufax remains severely undervalued and provides significant upside potential. Its strength is underpinned by its leading position in online lending with differentiated positioning.

Challenging market conditions and weak sentiment negatively weighed on the performance of third-party wealth management company Noah Holdings. Despite these challenges, Noah's assets under management remains resilient. It continues to grow its client base, positioning itself for robust growth once we see some stabilisation of the market. Its strength is underpinned by structural tailwinds from growth in the wealth management sector in China amid rising household assets and its shift into alternative/capital market products.

Shares in China's biggest social network company Tencent Holdings declined as it faced a series of short-term headwinds. Its advertising business has been impacted significantly by Shanghai's lockdowns, while its gaming business is experiencing tough competition internationally and slower growth domestically due to regulation. In addition, its fintech and cloud businesses have slowed down on weak consumer and enterprise spending. Nevertheless, its outlook is improving as its advertising business has started to recover. Commercial payment transactions are also recovering to high-teens growth.

China's contract manufacturing organisation ("CMO") and contract research organisation ("CRO") industry remains pressured by concerns over a slowdown in global biotech funding and an overhang from US-China geopolitical tensions. As such, the position in Asia's dominant CRO/CMO player WuXi AppTec detracted from performance. Nonetheless, it is a long-term growth compounder backed by solid fundamentals. WuXi is building capacity globally, helping to minimise risks from geopolitical turmoil. Shares in Chinese artificial intelligence software maker SenseTime declined. Although its 2021 results were in line on sales and profits, concerns over a higher loss ratio and a lack of standardisation in scaling up the business weighed on the shares.

On a positive note, robust stock picking within the materials and information technology sector, along with an overweight position in the industrials sector, contributed to performance. Within materials, the allocation to plastics pipe company ERA added value. The company remains a key industry player with a solid market position. Its market share is expected to expand further as it takes share from smaller players and delivers solid volume growth. Moreover, it is building up its distribution

channels and optimising product flow in weak regions to improve utilisation and efficiency. The shares of electronic specialty gas products supplier in the semiconductor supply chain, Guangdong Huate Gas, advanced. Its performance was supported by positive sentiment around Chinese semiconductor's localisation and import substitution trends. Huate's successful launch of new semiconductor gas products, as well as continued capacity expansion, places it favourably to gain market share from incumbent players over the long-term.

A position in the oil tanker shipping company COSCO SHIPPING Energy Transportation ("CSET") added notable value. CSET is the largest oil tanker owner in the world and has benefited from the tailwind associated with oil demand recovery as air and road traffic regain momentum. During the review period, markets priced in demand recovery from easing restrictions in China, extended seaborne oil trades to Europe as well as the accelerated ramp up of US shale production. At the same time, tanker supply was tight, with 25-year low orderbooks, low floating storage and increased scrapping of aged vessels. Recognition of this demand and supply mismatch has led to strong gains in its share price.

The position in control systems provider HollySys Automation Technologies contributed to performance. Its industrial automation operations remain strong amid an improving product offering. It offers a long runway for growth especially through opportunities in factory automation. Its shares were supported by news of a privatisation deal for the company.

Also contributing to positive relative returns were preferred names in the unlisted space. The biggest contributor within the unlisted segment was Pony.ai, an autonomous vehicle

Portfolio Manager's Half-Yearly Review continued

technology company. The company saw a significant uplift in value with its most recent capital raising.

The continued focus on Environmental, Social and Governance ("ESG") and Sustainability

Fidelity International continues to develop its sustainability ratings system and processes to meet the ever-evolving landscape of investing through an ESG lens. Before highlighting our most recent updates, I think it's important to reiterate why we have institutionalised sustainability into our investment process. There are three layers to our approach. The first is a foundation of robust sustainable investing practices that consists of a common language, framework, and standards – this helps to build sustainable financial futures. The second layer is made up of different modules that will evolve to meet dynamic requirements – building digital tools to support effective analysis, integration, and the reporting of sustainability in our investment process – for example, climate ratings and voting monitoring. The final layer is how we communicate our process externally (such as meetings and engagement with companies' management teams).

There are also four key components to our research platform. The first consists of sustainable research and ratings where we assess an issuer's sustainability characteristics, with an emphasis on how it operates and any associated negative impact and risks. The Sustainable Development Goals ("SDG") Alignment measures the percentage of revenues that contribute to the UN's SDGs with an emphasis on what it does and its associated positive impacts. From a financial perspective, this research and rating assess an issuer's potential financial risk and reward. Finally, the climate rating addresses an issuer's alignment to its net zero aim; in the case of Chinese companies this is a 2060 target.

We believe our proprietary ratings add value to third party ESG research and have enhanced our offering to better suit our clients' objectives as well as adhering to our fundamental investment philosophy. Too often different ESG research providers reach different conclusions on the same companies, due to different underlying methodologies and judgements on materiality. Furthermore, by using an average, we feel that the 'overall' score used by others can mask a complex set of underlying "E", "S" and "G" factors.

In China, I continue to see progress when it comes to sustainable investing; of note, an accelerating renewable energy build-out for green energy transition, the focus on protecting gig-work welfare and mandatory ESG reporting by corporates. In fact, the improvement in the level of ESG transparency has seen 1,410 companies (accounting for 30% of total A-Share listed companies) issue ESG reports this year (2021: 1,151 companies and 24.6% of the A-Share listed companies). While there is still room for improvement, especially in areas such as corporate E and S disclosure rates, I believe efforts to improve communications and engagements with companies will continue to help drive strong progress.

Current positioning

In terms of opportunities and ideas, the Company remains focused on stocks and sectors well-positioned to benefit from China's long-term structural growth drivers. The regulatory wave that we have seen over the last 12 months or more has created significant bifurcation in valuations in the market between those sectors "aligned" with government policy and those that have come under regulatory scrutiny. Therefore, it is not simply a matter of owning companies in the portfolio that are aligned – one needs to be disciplined and selective.

During the review period, I increased the Company's portfolio exposure to consumer names offering extremely attractive valuations as many have been sold-off over lockdown concerns. As such, I increased the allocation to branded variety retailer MINISO. Its unique quasi-direct retail model enables fast store expansion and strong operational control. I believe governance concerns here are overdone. I also added a new holding in premium liquor producer Kweichow Moutai. It has a dominant position in the country's high-end liquor market. With its strong brand and pricing power, the company stands to benefit from market share gains and improving management incentives to deliver earnings. It offers a structural growth opportunity in the Chinese consumption space.

I continue to remain overweight in the IT sector, which has been subject to greater regulation and scrutiny by Chinese regulators. Nevertheless, I believe the worst is now behind us, and the focus going forward will be on refining and implementing those regulatory policies while being mindful of the inherent risk. Within the technology space, I added a new position in information technology services provider Longshine Technology, which is a major beneficiary of China's power grid digitalisation. It is well-positioned to benefit from grid digitalisation capital expenditure growth and its software solutions are critical in promoting grid digitalisation on the consumption side.

The significant potential for growth in the Chinese semiconductor industry, particularly given the geopolitical pressures, is well understood in the market, and reflected in quite extended valuations for many of the related companies listed in China. Leveraging our global research capability, we identified and invested in a Japan listed semiconductor component supplier, RS Technologies, which

has a unique China angle which has not been well understood by the market. The company is the global leader in reclaimed wafers, which tends to be far less cyclical than other parts of the semiconductor supply chain. In addition, the company is seeing significant growth in its 38% owned China subsidiary company, Gritek, which is ramping up production of prime wafers. We correctly identified significant value in this subsidiary, which was not reflected in the parent company valuation: Gritek started trading on the STAR board in Shanghai from 10 November 2022 and has appreciated significantly at the time of writing. Whilst we have seen a major move upwards in RS Technologies on the back of this, it still trades at a significant discount to the value of its stake in its subsidiary.

Industrials continue to account for a sizeable position in the Company's holdings. The core thesis around industry consolidation remains very much in place as areas such as building materials are very fragmented relative to more developed markets. Some of our paint holdings have underperformed due to property sector concerns, but I maintain a high level of conviction in the long-term story and see significant potential for future upside as fundamentals normalise. For many of these companies, the exposure to residential property is relatively low and they should benefit from the increased infrastructure investment that I expect to occur.

I also increased exposure to the real estate sector. All the challenges discussed here have pushed valuations to extremely low levels. I added a new position in state-owned enterprise property developer China Overseas Grand Oceans Group ("COGO"). COGO remains well-placed to consolidate the market upon industry recovery and COVID-19 loosening measures. It is also poised to benefit from the decline in privately-owned developers

Portfolio Manager's Half-Yearly Review continued

in the lower-tier cities. The company's balance sheet remains solid, and extremely low valuations offer a comfortable margin of safety.

Conversely, I have trimmed the exposure to the energy sector. The positions in the oil tanker shipping company CSET and in China Merchants Energy Shipping were sold, the former after strong performance. CSET is still performing well but is less attractively valued when compared to other parts of the market.

Outlook

Some commentators have suggested that the consolidation of President Xi's power and the make-up of the Politburo Standing Committee mean policy going forward will focus squarely on social issues, i.e. the focus on "common prosperity" of recent years, and that growth policies and innovation will take a back seat. I believe these concerns are misplaced. It is worth highlighting that, despite the Congress delivering no overall change, policy tweaks are ongoing: from the move away from full city lockdowns to the potential to reassess policy, if the World Health Organisation amends its overarching view on the virus. Hong Kong's recent change in approach also bodes well for improvement. The significant impact of lockdowns on the economy are clear and should be a strong incentive for change. I remain of the view that economic expansion remains a priority and we will see increasing measures to spur growth both from the authorities' fiscal and monetary stance. Key economic meetings in the months ahead, starting with the Central Economic Work Conference in December 2022 are going to be closely monitored.

As always, I remain most focused on the operating performance of the companies that I invest in. While government policy is always something to evaluate, analysing the outlook for companies and management teams' ability

to navigate and execute their strategies is key, and what will deliver performance for stocks over the long-term. The resilience of Chinese private companies should not be underestimated. I have been encouraged by the pick-up in the number of companies taking themselves private and the record level of share buybacks taking place this year, which attests to the appeal of current undemanding valuations.

As highlighted upfront, current market sentiment is probably the worst I have ever seen it, driving valuations to extreme levels, but I have no doubt this is creating great opportunities to add value for the Company's shareholders on a medium-term view. My conviction in the value on offer is reflected in the Company's relatively high net gearing as I look to capitalise on these opportunities. I continue to be a shareholder in the Company and in line with recommendations around disclosing one's "skin in the game", I can confirm that I currently own 96,742 shares.

Dale Nicholls

Portfolio Manager
30 November 2022

Spotlight on the Top 5 Holdings

as at 30 September 2022

The top five holdings comprise 30.0% of the Company's Net Assets.

Industry Communication Services



Tencent Holdings

% of Net Assets

10.7%

Tencent Holdings is a world-leading internet and technology company that develops innovative products and services to improve the quality of life of people around the world. Its businesses are among the world's largest and span social network, music, web portals, e-commerce, internet services, payment systems, smartphones, mobile and online multiplayer games. As China's internet user growth slows down, Tencent's enviable user base gives it a strong competitive advantage, despite recent regulatory and macro headwinds. It became one of the first internet companies in China to publish a carbon neutrality plan.

Industry Consumer Discretionary



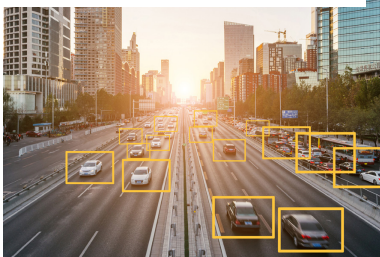
Alibaba Group Holding

% of Net Assets

8.6%

Alibaba Group Holding holds a dominant position in the e-commerce market. It enables businesses to transform the way they market, sell, operate and improve their efficiencies by providing technology infrastructure and marketing reach. Its core China retail marketplace, Taobao and Tmall, continues to deliver enhanced user engagement and add more value to merchants. The company has built a comprehensive ecosystem that has superior breadth and depth and is the foundation of its loyal merchants and consumers base, which ultimately supports its pricing power.

Industry Consumer Discretionary



Pony.ai (unlisted)

% of Net Assets

5.0%

Pony.ai is the Toyota backed autonomous vehicle technology company and presents significant growth potential as a market leader in an emerging new industry that will transform traditional ways of transportation. The company plans to commercialise autonomous driving for all sizes of vehicles and to operate on both ridesharing and delivery service networks. Since the launch of its robotaxi app, it offers a robotaxi service in Beijing and Guangzhou.

Spotlight on the Top 5 Holdings continued

as at 30 September 2022

Industry Information Technology



DJI International (unlisted)

% of Net Assets

3.1%

DJI International is a world leader in developing and manufacturing innovative drone and camera technology. It is well positioned to benefit from increasing market demand for commercial drones for varied purposes, including photography, filmmaking, mapping, surveying, inspections, agricultural spraying and search-and-rescue. DJI offers a large selection of products to meet market needs, supported by its advanced technological breakthroughs.

Industry Manufacturing



Chime Biologics (unlisted)

% of Net Assets

2.6%

Chime Biologics is a Chinese based Contract Development and Manufacturing Organization (CDMO). The company provides solutions supporting customers from early-stage biopharmaceutical development through to late-stage clinical and commercial manufacturing. It is a long-term compounder and is well-positioned to benefit from booming CDMO demand globally, particularly from strong demand in China. The company's rapid growth is mainly driven by it continuously increasing research and development investment in biologic drugs and the increasing penetration rate of biologic drug outsourcing services.

Twenty Largest Holdings

as at 30 September 2022

The Asset Exposures shown below measure the exposure of the Company's portfolio to market price movements in the shares, equity linked notes and convertible bonds 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 contract for difference ("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 shares has moved.

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Long Exposures – shares unless otherwise stated			
Tencent Holdings (shares and long CFDs)			
Internet, mobile and telecommunications service provider	131,601	10.7	66,307
Alibaba Group Holding (shares and long CFDs)			
e-commerce group	105,498	8.6	32,472
Pony.ai (unlisted)			
Developer of artificial intelligence and autonomous driving technology solutions	61,721	5.0	61,721
DJI International (unlisted)			
Manufacturer of drones	37,755	3.1	37,755
Chime Biologics Convertible Bond (unlisted)			
Contract Development and Manufacturing Organization (CDMO)	32,090	2.6	32,090
ERA (shares and equity linked notes)			
Manufacturer of plastic valves and fittings	30,828	2.5	30,828
Crystal International Group			
Clothing manufacturer	29,294	2.4	29,294
WuXi AppTec Group (long CFDs)			
Pharmaceutical, biopharmaceutical and medical device outsourcing provider	29,127	2.4	(392)
Venturous Holdings (unlisted)			
Investment company	28,885	2.3	28,885
ByteDance (unlisted)			
Technology company	28,779	2.3	28,779
HollySys Automation Technologies			
Provider of automation control system solutions	28,702	2.3	28,702

Twenty Largest Holdings continued

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
China Life Insurance (long CFDs and call option)			
Insurance company	26,821	2.2	(2,058)
VNET Group			
Internet and data center service provider	26,023	2.1	26,023
China Pacific Insurance Group (long CFDs)			
Insurance company	25,589	2.1	(2,151)
Trip.com Group (long CFD)			
Travel services provider	23,829	1.9	1,744
Postal Savings Bank of China			
Commercial retail bank	23,718	1.9	23,718
SKSHU Paint Company			
Paint manufacturing company	21,195	1.7	21,195
China Foods (long CFD)			
Processor and distributor of food and beverages	20,845	1.7	577
Lufax Holding (shares and call options)			
Technology empowered personal financial services platform	20,770	1.7	18,637
Luk Fook Holdings International (long CFD)			
Jewellery company	20,394	1.7	(2,260)
Twenty largest long exposures	753,464	61.2	461,866
Other long exposures	972,393	78.9	765,001
Total long exposures before hedges (144 companies)	1,725,857	140.1	1,226,867
Less: hedging exposures			
Hang Seng Index (future)	(111,849)	(9.1)	4,634
Hang Seng China Enterprises Index (future)	(65,978)	(5.4)	1,839
iShares China Large-Cap ETF (put option)	(9,213)	(0.7)	1,221
Total hedging exposures	(187,040)	(15.2)	7,694
Total long exposures after the netting of hedges	1,538,817	124.9	1,234,561

	Asset Exposure		Fair Value
	£'000	% ¹	£'000
Short exposures			
Short CFDs (2 holdings)	17,669	1.4	3,218
Put options (1 holding)	1,957	0.2	653
Total short exposures	19,626	1.6	3,871
Gross Asset Exposure²	1,558,443	126.5	
Portfolio Fair Value³			1,238,432
Net current liabilities (excluding derivative instruments)			(6,309)
Net Assets			1,232,123

1 Asset Exposure is expressed as a percentage of Net Assets.

2 Gross Asset Exposure comprises market exposure to investments of £1,256,604,000 plus market exposure to derivative instruments of £301,839,000.

3 Portfolio Fair Value comprises investments of £1,256,604,000 plus derivative assets of £15,978,000 less derivative liabilities of £34,150,000 (per the Balance Sheet on page 24).

Interim Management Report and Directors' Responsibility Statement

Unlisted Companies

The Company can invest up to 15% of its Net Assets plus Borrowings in unlisted companies which carry on business, or have significant interests, in China. The limit is applied at the time of purchase of the investment. The unlisted space in China continues to expand quite markedly and offers excellent opportunities for patient and long-term investors.

As at 30 September 2022, the Company had 17.3% of Net Assets plus Borrowings in nine unlisted investments (31 March 2022: 13.2% of Net Assets plus Borrowings in ten unlisted investments). In the reporting period, the Company elected to convert its holding of the unlisted preference shares in Xiaoju Kuaizhi (Didi Chuxing) to listed American Depositary Shares.

Gearing

The Company has a three-year unsecured fixed rate facility agreement with Scotiabank Europe PLC for US\$100,000,000. The interest rate is fixed at 2.606% per annum until the facility terminates on 14 February 2023.

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

As at 30 September 2022, the Company's Gross Gearing, which is Gross Asset Exposure in excess of Net Assets, was 26.5% (31 March 2022: 26.1%). The level of Gross Gearing is determined by the Manager within the limit set by the Board of 30%. Net Gearing, which nets off short positions, was 23.3% (31 March 2022: 23.5%).

Discount Management

The Board believes that investors are best served when the Company's share price trades close to its net asset value ("NAV"). The Board recognises that the share price is affected by

the interaction of supply and demand in the market based on investor sentiment towards China and the performance of the NAV per share. The Board has a discount control policy in place whereby it seeks to maintain the discount in single digits in normal market conditions. Subject to market conditions, it will authorise the repurchase of shares with the objective of stabilising the share price discount within a single digit range. There are certain limits imposed on the Company's ability to repurchase its own shares in the market.

The Company's discount widened from 7.5% at the start of the reporting period to 9.0% at the end of the reporting period. The Board undertook active discount management in the period, the primary purpose of which was, and remains, the intent to reduce discount volatility. As a result, the Board authorised the repurchase of 9,953,633 shares into Treasury in its effort to stabilise the discount. These share repurchases have benefited remaining 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 Board has continued to operate its discount management policy and the Company has repurchased a further 12,057,461 shares into Treasury.

Ongoing Charge

The Ongoing Charge (the costs of running the Company) for the six months ended 30 September 2022 was 0.97% (31 March 2022: 0.94%). The variable element of the management fee was a charge of 0.20% (31 March 2022: 0.20%). Therefore, the Ongoing Charge including the variable element for the reporting period was 1.17% (31 March 2022: 1.14%).

Board of Directors

As part of the Board's succession plan, Nicholas Bull retired as Chairman of the

Board at the conclusion of the Annual General Meeting ("AGM") on 20 July 2022. Mike Balfour succeeded him as Chairman of the Board on the same date. As Mr Balfour was the Chairman of the Audit and Risk Committee, Alastair Bruce succeeded him in that role at the same time.

The Board appointed Georgina Field as a non-executive Director on 1 July 2022 and she was subsequently elected by shareholders at the AGM on 20 July 2022.

Linda Yueh will step down from the Board as non-executive Director and Senior Independent Director on 31 December 2022. As her replacement as a non-executive Director, Edward Tse has been appointed to the Board with effect from 24 November 2022. Vanessa Donegan will take over the role of Senior Independent Director from Dr Yueh from 1 January 2023.

Principal and Emerging Risks

The Board, with the assistance of the Manager (FIL Investments Services (UK) Limited), has developed a risk matrix which, as part of the risk management and internal controls process, identifies the key existing and emerging risks and uncertainties faced by the Company.

The Board considers that the principal risks and uncertainties faced by the Company continues to fall into the following risk categories: geopolitical; regulatory and capital markets; economic (including pandemic risk); business continuity; investment performance (including gearing); unlisted securities; market and currency; discount (including investors' perception of China); environmental, social and governance (ESG) and climate; and people risks. Other risks facing the Company include tax and regulatory and operational (third party 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 2022 which can be found on the Company's pages of the Manager's website at www.fidelity.co.uk/china.

While the principal risks and uncertainties are the same as those at the last year end, the uncertainty continues to be heightened by the ongoing Russia and Ukraine conflict, continuing tensions between China and the US, Western sanctions on China on capital and trade flows, the impact of China's zero COVID policy on economic activity, and the economic outlook continues to remain challenging. The quantum of risks has changed, and continues to change. The Board remains vigilant in monitoring the risks.

A key emerging issue is climate change. It is one of the most critical emerging issues confronting asset managers and their investors. The Board notes that the Manager has integrated ESG considerations, including climate change, into the Company's investment process. The Board will continue to monitor how this may impact the Company as a risk, the main risk being the impact on investment valuations. Another emerging risk is regulatory risk and the ability of China's centralised government to enact regulation swiftly that may impact the stock markets negatively and its knock on impact on the Company's portfolio and net asset value.

Investors should be prepared for market fluctuations and remember that holding shares in the Company should be considered to be a long-term investment. Risks are somewhat mitigated by the investment trust structure of the Company which means that no forced sales need to take place to deal with any redemptions. Therefore, investments in the Company's portfolio can be held over a longer time horizon.

Interim Management Report and Directors' Responsibility Statement continued

The Manager has appropriate business continuity and operational plans in place to ensure the continued provision of services, including investment team key activities, including those of portfolio managers, analysts and trading/support functions. It reviews its operational resilience strategies on an ongoing basis and continues to take all reasonable steps in meeting its regulatory obligations and to assess operational risks, the ability to continue operating and the steps it needs to take to serve and support its clients, including the Board.

The Company's other third party service providers also have similar measures to ensure that business disruption is kept to a minimum.

Transactions with the Manager and Related Parties

The Manager has delegated the Company's investment management to FIL Investment Management (Hong Kong) Limited and the role of company secretary to FIL Investments International. Transactions with the Manager and related party transactions with the Directors are disclosed in Note 15 to the Financial Statements on page 36.

Going Concern Statement

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 and its expenditure and cash flow projections. The Directors, having considered the liquidity of the Company's portfolio of investments (being mainly securities which are readily realisable), the projected income and expenditure and the loan facility agreement, are satisfied that the Company is financially sound and has adequate resources to meet all of its liabilities and ongoing expenses and can continue in operational existence for a period of at least twelve months from the date of this Half-Yearly Report.

This conclusion also takes into account the Board's assessment of the ongoing risks from the pandemic and evolving variants, the war in Ukraine, significant market events and regulatory changes in China.

Accordingly, the Financial Statements of the Company have been prepared on a going concern basis.

By Order of the Board
FIL Investments International
30 November 2022

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 this Half-Yearly Report has been prepared in accordance with the International Accounting Standards 34: Interim Financial Reporting; and
- b) the Portfolio Manager's Half-Yearly Review on pages 4 to 10 and the Interim Management Report on pages 16 to 18, include 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 30 November 2022 and the above responsibility statement was signed on its behalf by Mike Balfour, Chairman.

Income Statement

for the six months ended 30 September 2022

	Notes	Six months ended 30 September 2022 unaudited		
		Revenue £'000	Capital £'000	Total £'000
Revenue				
Investment income	4	27,786	–	27,786
Derivative income	4	9,925	–	9,925
Other income	4	145	–	145
Total income		37,856	–	37,856
Losses on investments at fair value through profit or loss		–	(52,166)	(52,166)
Losses on derivative instruments		–	(88,129)	(88,129)
Foreign exchange gains on other net assets		–	13,614	13,614
Foreign exchange losses on bank loans		–	(13,800)	(13,800)
Total income and losses		37,856	(140,481)	(102,625)
Expenses				
Investment management fees	5	(1,544)	(6,002)	(7,546)
Other expenses		(486)	–	(486)
Profit/(loss) before finance costs and taxation		35,826	(146,483)	(110,657)
Finance costs	6	(1,256)	(3,770)	(5,026)
Profit/(loss) before taxation		34,570	(150,253)	(115,683)
Taxation	7	(1,476)	433	(1,043)
Profit/(loss) after taxation for the period		33,094	(149,820)	(116,726)
Earnings/(loss) per ordinary share	8	6.45p	(29.22p)	(22.77p)

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 Comprehensive Income has been presented.

The total column of this statement represents the Income Statement of the Company. 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/(loss) 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 2022 audited			Six months ended 30 September 2021 unaudited		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
29,638	-	29,638	26,069	-	26,069
11,595	-	11,595	10,815	-	10,815
42	-	42	15	-	15
41,275	-	41,275	36,899	-	36,899
-	(603,831)	(603,831)	-	(323,838)	(323,838)
-	(160,189)	(160,189)	-	(59,921)	(59,921)
-	1,429	1,429	-	1,316	1,316
-	(3,569)	(3,569)	-	(1,771)	(1,771)
41,275	(766,160)	(724,885)	36,899	(384,214)	(347,315)
(3,984)	(15,659)	(19,643)	(2,179)	(8,600)	(10,779)
(1,393)	(25)	(1,418)	(732)	(12)	(744)
35,898	(781,844)	(745,946)	33,988	(392,826)	(358,838)
(1,663)	(4,989)	(6,652)	(1,067)	(3,202)	(4,269)
34,235	(786,833)	(752,598)	32,921	(396,028)	(363,107)
(1,186)	-	(1,186)	(1,579)	448	(1,131)
33,049	(786,833)	(753,784)	31,342	(395,580)	(364,238)
6.42p	(152.81p)	(146.39p)	6.08p	(76.74p)	(70.66p)

Statement of Changes in Equity

for the six months ended 30 September 2022

	Notes	Share capital £'000
Six months ended 30 September 2022 (unaudited)		
Total equity at 31 March 2022		5,710
Repurchase of ordinary shares	13	-
(Loss)/profit after taxation for the period		-
Dividend paid to shareholders	9	-
Total equity at 30 September 2022		5,710
Year ended 31 March 2022 (audited)		
Total equity at 31 March 2021		5,710
Repurchase of ordinary shares	13	-
(Loss)/profit after taxation for the year		-
Dividend paid to shareholders	9	-
Total equity at 31 March 2022		5,710
Six months ended 30 September 2021 (unaudited)		
Total equity at 31 March 2021		5,710
Repurchase of ordinary shares	13	-
(Loss)/profit after taxation for the period		-
Dividend paid to shareholders	9	-
Total equity at 30 September 2021		5,710

Share premium account £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
211,569	917	244,043	889,958	48,424	1,400,621
-	-	(23,532)	-	-	(23,532)
-	-	-	(149,820)	33,094	(116,726)
-	-	-	-	(28,240)	(28,240)
211,569	917	220,511	740,138	53,278	1,232,123
211,569	917	248,491	1,676,791	39,499	2,182,977
-	-	(4,448)	-	-	(4,448)
-	-	-	(786,833)	33,049	(753,784)
-	-	-	-	(24,124)	(24,124)
211,569	917	244,043	889,958	48,424	1,400,621
211,569	917	248,491	1,676,791	39,499	2,182,977
-	-	(1,388)	-	-	(1,388)
-	-	-	(395,580)	31,342	(364,238)
-	-	-	-	(24,124)	(24,124)
211,569	917	247,103	1,281,211	46,717	1,793,227

Balance Sheet

as at 30 September 2022

Company number 7133583

	Notes	30.09.22 unaudited £'000	31.03.22 audited £'000	30.09.21 unaudited £'000
Non-current assets				
Investments at fair value through profit or loss	10	1,256,604	1,365,485	1,775,879
Current assets				
Derivative instruments	10	15,978	23,994	15,652
Amounts held at futures clearing houses and brokers		66,612	32,220	27,431
Other receivables	11	44,391	14,204	32,428
Cash at bank		11,551	73,673	53,778
		138,532	144,091	129,289
Current liabilities				
Derivative instruments	10	(34,150)	(17,524)	(26,713)
Bank loan		(89,843)	(76,043)	-
Other payables	12	(37,900)	(15,388)	(10,983)
Bank overdraft		(1,120)	-	-
		(163,013)	(108,955)	(37,696)
Net current (liabilities)/assets		(24,481)	35,136	91,593
Total assets less current liabilities		1,232,123	1,400,621	1,867,472
Non-current liabilities				
Bank loan		-	-	(74,245)
Net assets		1,232,123	1,400,621	1,793,227
Equity attributable to equity shareholders				
Share capital	13	5,710	5,710	5,710
Share premium account		211,569	211,569	211,569
Capital redemption reserve		917	917	917
Other reserve		220,511	244,043	247,103
Capital reserve		740,138	889,958	1,281,211
Revenue reserve		53,278	48,424	46,717
Total equity		1,232,123	1,400,621	1,793,227
Net asset value per ordinary share	14	244.47p	272.52p	348.18p

Cash Flow Statement

for the six months ended 30 September 2022

	Six months ended 30 September 2022 unaudited £'000	Year ended 31 March 2022 audited £'000	Six months ended 30 September 2021 unaudited £'000
Operating activities			
Cash inflow from investment income	24,344	26,752	22,289
Cash inflow from derivative income	9,648	11,481	9,511
Cash inflow from other income	145	42	15
Cash outflow from Directors' fees	(95)	(181)	(91)
Cash outflow from other payments	(8,143)	(21,626)	(11,729)
Cash outflow from the purchase of investments	(215,661)	(733,693)	(443,154)
Cash outflow from the purchase of derivatives	(3,966)	(4,095)	(710)
Cash outflow from the settlement of derivatives	(215,801)	(549,387)	(282,358)
Cash inflow from the sale of investments	231,473	936,723	509,023
Cash inflow from the settlement of derivatives	189,426	387,497	219,747
Cash outflow from amounts held at futures clearing houses and brokers	(34,392)	(12,348)	(7,559)
Net cash (outflow)/inflow from operating activities before servicing of finance	(23,022)	41,165	14,984
Financing activities			
Cash outflow from bank loan, collateral and overdraft interest paid	(1,190)	(2,009)	(979)
Cash outflow from CFD interest paid	(2,741)	(3,037)	(1,320)
Cash outflow from short CFD dividends paid	(254)	(1,707)	(1,716)
Cash outflow from the repurchase of ordinary shares	(21,409)	(4,448)	(787)
Cash outflow from dividends paid to shareholders	(28,240)	(24,124)	(24,124)
Cash outflow from financing activities	(53,834)	(35,325)	(28,926)
(Decrease)/increase in cash at bank	(76,856)	5,840	(13,942)
Cash at bank at the start of the period	73,673	66,404	66,404
Effect of foreign exchange movements	13,614	1,429	1,316
Cash at bank at the end of the period	10,431	73,673	53,778
Represented by:			
Cash at bank	11,551	73,673	53,778
Bank overdraft	(1,120)	-	-
	10,431	73,673	53,778

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 Report have not been audited or reviewed 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 2022 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 Accounting Policies

(i) Basis of Preparation

These Half-Yearly Financial Statements have been prepared in accordance with UK-adopted 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 2022. Those Financial Statements were prepared in accordance with UK-adopted International Accounting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006, 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 April 2021.

The AIC updated the SORP in July 2022. The Directors have sought to prepare these Half-Yearly Financial Statements in accordance with this SORP where the recommendations are consistent with IFRS.

(ii) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements. This conclusion also takes into account the Board's assessment of the ongoing risks as disclosed in the Going Concern Statement on page 18.

4 Income

	Six months ended 30.09.22 unaudited £'000	Year ended 31.03.22 audited £'000	Six months ended 30.09.21 unaudited £'000
Investment income			
Overseas dividends	27,030	28,632	25,063
Overseas scrip dividends	756	1,006	1,006
	27,786	29,638	26,069
Derivative income			
Dividends received on long CFDs	9,849	11,483	10,764
Interest received on CFDs	76	112	51
	9,925	11,595	10,815
Other income			
Interest received on collateral and deposits	145	42	15
Total income	37,856	41,275	36,899

No special dividends have been recognised in capital during the period (year ended 31 March 2022: £nil and six months ended 30 September 2021: £nil).

Notes to the Financial Statements continued

5 Investment Management Fees

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 September 2022 (unaudited)			
Investment management fee – base	1,544	4,632	6,176
Investment management fee – variable	–	1,370	1,370
	1,544	6,002	7,546
Year ended 31 March 2022 (audited)			
Investment management fee – base	3,984	11,953	15,937
Investment management fee – variable	–	3,706	3,706
	3,984	15,659	19,643
Six months ended 30 September 2021 (unaudited)			
Investment management fee – base	2,179	6,537	8,716
Investment management fee – variable	–	2,063	2,063
	2,179	8,600	10,779

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 ("the Investment Manager").

The base investment management fee is charged at an annual rate of 0.90% on the first £1.5 billion of net assets, reducing to 0.70% of net assets over £1.5 billion. In addition, there is a +/-0.20% variable fee based on the Company's NAV per share performance relative to the Company's Benchmark Index measured daily over a three year rolling basis. In the event of outperformance against the Benchmark Index, the maximum fee that the Company would pay overall is 1.10% on net assets up to £1.5 billion and reducing to 0.90% on net assets over £1.5 billion. If the Company underperforms, then the overall fee can fall as low as 0.70% on net assets up to £1.5 billion and reducing to 0.50% on net assets over £1.5 billion. Fees are payable monthly in arrears and are calculated on a daily basis.

The base investment management fee has been allocated 75% to capital reserve in accordance with the Company's accounting policies.

6 Finance Costs

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 September 2022 (unaudited)			
Interest paid on bank loan, collateral and overdrafts	309	927	1,236
Interest paid on CFDs	884	2,652	3,536
Dividends paid on short CFDs	63	191	254
	1,256	3,770	5,026
Year ended 31 March 2022 (audited)			
Interest paid on bank loan, collateral and overdrafts	505	1,516	2,021
Interest paid on CFDs	731	2,193	2,924
Dividends paid on short CFDs	427	1,280	1,707
	1,663	4,989	6,652
Six months ended 30 September 2021 (unaudited)			
Interest paid on bank loan, collateral and overdrafts	246	739	985
Interest paid on CFDs	392	1,176	1,568
Dividends paid on short CFDs	429	1,287	1,716
	1,067	3,202	4,269

Finance costs have been allocated 75% to capital reserve in accordance with the Company's accounting policies.

Notes to the Financial Statements continued

7 Taxation

	Revenue £'000	Capital £'000	Total £'000
Six months ended 30 September 2022 (unaudited)			
UK corporation tax	433	(433)	-
Overseas taxation charge	1,043	-	1,043
Taxation charge for the period	1,476	(433)	1,043
Year ended 31 March 2022 (audited)			
UK corporation tax	-	-	-
Overseas taxation charge	1,186	-	1,186
Taxation charge for the year	1,186	-	1,186
Six months ended 30 September 2021 (unaudited)			
UK corporation tax	448	(448)	-
Overseas taxation charge	1,131	-	1,131
Taxation charge for the period	1,579	(448)	1,131

8 Earnings/(Loss) per Ordinary Share

	Six months ended 30.09.22 unaudited	Year ended 31.03.22 audited	Six months ended 30.09.21 unaudited
Revenue earnings per ordinary share	6.45p	6.42p	6.08p
Capital loss per ordinary share	(29.22p)	(152.81p)	(76.74p)
Total loss per ordinary share	(22.77p)	(146.39p)	(70.66p)

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 held outside of Treasury during the period, as shown below:

	£'000	£'000	£'000
Revenue profit after taxation for the period	33,094	33,049	31,342
Capital loss after taxation for the period	(149,820)	(786,833)	(395,580)
Total loss after the taxation for the period	(116,726)	(753,784)	(364,238)
	Number	Number	Number
Weighted average number of ordinary shares held outside of Treasury	512,714,728	514,922,357	515,457,308

9 Dividend Paid to Shareholders

	Six months ended 30.09.22 unaudited £'000	Year ended 31.03.22 audited £'000	Six months ended 30.09.21 unaudited £'000
Dividend of 5.50 pence per ordinary share paid for the year ended 31 March 2022	28,240	-	-
Dividend of 4.68 pence per ordinary share paid for the year ended 31 March 2021	-	24,124	24,124
	28,240	24,124	24,124

No dividend has been declared for the six months ended 30 September 2022 (six months ended 30 September 2021: £nil).

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 inputs other than quoted prices included in level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly
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 2022 (Accounting Policies Notes 2 (l) and 2 (m) on pages 71 and 72). The table below sets out the Company's fair value hierarchy:

30 September 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	981,880	45,681	229,043	1,256,604
Derivative instrument assets	8,453	7,525	–	15,978
	990,333	53,206	229,043	1,272,582
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	–	(32,930)	(1,220)	(34,150)
Financial liabilities at fair value				
Bank loan	–	(89,421)	–	(89,421)

31 March 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	1,103,568	67,267	194,650	1,365,485
Derivative instrument assets	2,843	21,151	–	23,994
	1,106,411	88,418	194,650	1,389,479
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(2,391)	(15,133)	–	(17,524)
Financial liabilities at fair value				
Bank loan	–	(75,897)	–	(75,897)

10 Fair Value Hierarchy continued

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
30 September 2021 (unaudited)				
Financial assets at fair value through profit or loss				
Investments	1,492,804	69,754	213,321	1,775,879
Derivative instrument assets	87	15,565	-	15,652
	1,492,891	85,319	213,321	1,791,531
Financial liabilities at fair value through profit or loss				
Derivative instrument liabilities	(1,706)	(25,007)	-	(26,713)
Financial liabilities at fair value				
Bank loan	-	(75,582)	-	(75,582)

The table below sets out the movements in level 3 investments during the period:

	30.09.22 unaudited £'000	31.03.22 audited £'000	30.09.21 unaudited £'000
Level 3 investments at the beginning of the period	194,650	166,464	166,464
Purchases at cost	-	35,153	35,153
Transfers into level 3 at cost ¹	-	-	2,268
Transfers out of level 3 at cost ²	(9,971)	(26,330)	-
Unrealised profits recognised in the Income Statement	44,364	19,363	9,436
Level 3 investments at the end of the period	229,043	194,650	213,321

1 Financial instruments are transferred into level 3 on the date they are suspended, delisted or when they have not traded for thirty days.

2 Financial instruments are transferred out of level 3 when they become listed.

The increase in level 3 investments at the end of the period to 30 September 2022, is mainly due to the rise in the value of Pony.ai by £20,587,000 along with the strength of the US dollar.

No income has been recognised from the unlisted investments during the period (year ended 31 March 2022 and six months ended 30 September 2021: £nil). No additional disclosures have been made in respect of the unlisted investments as the underlying financial information is not publicly available.

Notes to the Financial Statements continued

11 Other Receivables

	30.09.22 unaudited £'000	31.03.22 audited £'000	30.09.21 unaudited £'000
Amounts receivable on settlement of derivatives	639	12,924	21,835
Securities sold for future settlement	40,746	80	7,331
Accrued income	2,691	794	2,932
Taxation recoverable	225	202	203
Other receivables	90	204	127
	44,391	14,204	32,428

12 Other Payables

	30.09.22 unaudited £'000	31.03.22 audited £'000	30.09.21 unaudited £'000
Amounts payable on settlement of derivatives	31,855	10,994	4,770
Securities purchased for future settlement	1,213	2,206	2,697
Investment management fees payable	1,206	1,307	1,617
Accrued expenses	551	724	780
Amounts payable for repurchase of shares	2,123	–	601
Finance costs payable	952	157	518
	37,900	15,388	10,983

13 Share Capital

	30 September 2022 unaudited		31 March 2022 audited		30 September 2021 unaudited	
	Number of shares	£'000	Number of shares	£'000	Number of shares	£'000
Issued, allotted and fully paid						
Ordinary shares of 1 pence each held outside of Treasury						
Beginning of the period	513,957,409	5,140	515,463,483	5,155	515,463,483	5,155
Ordinary shares repurchased into Treasury	(9,953,633)	(100)	(1,506,074)	(15)	(440,000)	(4)
End of the period	504,003,776	5,040	513,957,409	5,140	515,023,483	5,151
Ordinary shares of 1 pence each held in Treasury*						
Beginning of the period	57,097,071	570	55,590,997	555	55,590,997	555
Ordinary shares repurchased into Treasury	9,953,633	100	1,506,074	15	440,000	4
End of the period	67,050,704	670	57,097,071	570	56,030,997	559
Total share capital		5,710		5,710		5,710

* The ordinary 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 9,953,633 (year ended 31 March 2022: 1,506,074 and six months ended 30 September 2021: 440,000) ordinary shares and held them in Treasury. The cost of repurchasing these shares of £23,532,000 (year ended 31 March 2022: £4,448,000 and six months ended 30 September 2021: £1,388,000) was charged to the other reserve.

14 Net Asset Value per Ordinary Share

The calculation of the net asset value per ordinary share is based on the following:

	30.09.22 unaudited	31.03.22 audited	30.09.21 unaudited
Net assets	£1,232,123,000	£1,400,621,000	£1,793,227,000
Ordinary shares held outside of Treasury	504,003,776	513,957,409	515,023,483
Net asset value per ordinary share	244.47p	272.52p	348.18p

It is the Company's policy that shares held in Treasury will only be reissued at net asset value per ordinary share or at a premium to net asset value per ordinary share and, therefore, shares held in Treasury have no dilutive effect.

Notes to the Financial Statements continued

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. Both companies are Fidelity group companies.

Details of the current fee arrangements are given in Note 5 above. During the period, management fees of £7,546,000 (year ended 31 March 2022: £19,643,000 and six months ended 30 September 2021: £10,779,000) were payable to the Manager. Fidelity also provides the Company with marketing services. The total amount payable for these services was £58,000 (year ended 31 March 2022: £264,000 and six months ended 30 September 2021: £117,000). Amounts payable 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 six non-executive Directors (as shown on page 45) 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 £48,000, the Chairman of the Audit and Risk Committee receives an annual fee of £40,000, the Senior Independent Director receives an annual fee of £38,000 and each other Director receives an annual fee of £31,650. The following members of the Board hold ordinary shares in the Company at the date of this report: Mike Balfour 65,000 shares, Alastair Bruce 43,800 shares, Vanessa Donegan 10,000 shares, Georgina Field 2,250 shares, Edward Tse nil shares and Linda Yueh 2,318 shares.

Glossary to the Half-Yearly Report

ADR (American Depositary Receipt)

A negotiable certificate issued by a US bank representing a specified number of shares in a foreign stock that is traded on a US Exchange.

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.

Alternative Performance Measures

The Company uses the following Alternative Performance Measures which are all defined in this Glossary:

- Discount/Premium;
- Gearing;
- Net Asset Value (NAV) per Ordinary Share;
- Ongoing Charges;
- Revenue, Capital and Total Earnings per share; and
- Total Return Performance (Net Asset Value Total Return or Share Price Total Return).

Asset Exposure

The value of an underlying security or instrument 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).

Auditor

The Company's independent Auditor is Ernst & Young LLP.

Benchmark Index

MSCI China Index total return (in sterling terms) and is a composite of China "A", "B", "H", "Red Chip" and "P Chip" share classes and foreign listings (e.g. ADRs).

Broker

The Company's Broker is Peel Hunt LLP.

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 were previously only available to foreign individuals and institutional investors, however since February 2001, they have also been available to domestic individual investors who trade through legal foreign currency accounts.

Glossary to the Half-Yearly Report continued

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.

ChiNext

[ChiNext](#) is a NASDAQ-style board of the Shenzhen Stock Exchange for innovative and fast-growing companies especially high-tech companies. It started trading in October 2009. The MSCI added stocks trading on Shenzhen's [ChiNext](#) board to its indices for the first time in May 2019, allowing foreign investors to tap the tech-focused board by investing in the indices.

Collateral

Assets provided as security.

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 and interest is received.

Custodian

An entity that holds (as intermediary) the Company's assets, arranges the settlement of transactions and administers income, proxy voting and corporate actions. The Company's [Custodian](#) is JPMorgan Chase Bank.

Debt

Bank borrowings and long [contracts for difference](#).

Depository

An entity that oversees the custody, cash arrangements and other [AIFM](#) responsibilities of the Company. J.P. Morgan Europe Limited act as the Company's [Depository](#).

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](#).

Earnings

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

- **Revenue Earnings** – reflects the dividends and interest from investments and other income, net of expenses, finance costs and taxation;

- **Capital Earnings** – reflects the return on capital, excluding any revenue earnings; and
- **Total Earnings** – reflects the aggregate of revenue and capital earnings.

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.

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.

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](#)).

Gross Gearing

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

Hedging

A strategy aimed at minimising or eliminating the risk or loss through adverse movements normally involving taking a position in a [derivative](#) such as a [future](#) or an [option](#).

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.

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 Manager](#).

MSCI China Index

The [Benchmark Index](#) of the investment performance of the Company, in sterling terms.

NASDAQ

A global electronic marketplace for buying and selling securities, as well as the benchmark index for US technology stocks.

Net Assets

The value of the Company's assets minus its liabilities.

Net Assets Plus Borrowings

[Net Assets](#) plus bank loans.

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 ordinary 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.

Net Gearing

[Net Gearing](#) is the total of all long exposures, less short exposures and less exposures [hedging](#) the portfolio in excess of [Net Assets](#).

Net Market Exposure

[Net Market Exposure](#) is the total of all long exposures, less short exposures and less exposures [hedging](#) the portfolio.

Ongoing Charges (excluding Variable Management Fee element)

Total operating expenses (excluding finance costs and taxation) incurred by the Company 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 calls (buy) or puts (sell) 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, Hong Kong and the Macau Special Administrative Region 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.

Registrar

The Company's **Registrar** is Link Group and it manages the Company's shareholder register.

Reserves

- **Share premium account** represents the amount by which the proceeds from the issue of ordinary shares has exceeded the cost of those ordinary shares. It is not distributable by way of dividend and it cannot be used to fund share repurchases.
- **Capital redemption reserve** represents the nominal value of ordinary shares repurchased and cancelled. It cannot be used to fund share repurchases and is not distributable by way of dividend.
- **Other reserve** is a distributable premium reserve created on 21 April 2010 when High Court approval was given for the share premium account to be cancelled. As a result, £452,232,000 was transferred from the share premium account to the other reserve. It can be used to fund share repurchases.
- **Capital reserve** represents realised gains or losses on investments and derivatives sold, unrealised increases and decreases in the fair value of investments and derivatives held and other income and costs recognised in the capital column of the Income Statement. It can be used to fund share repurchases and it is distributable by way of dividend.
- **Revenue reserve** represents the net revenue surpluses recognised in the revenue column of the Income Statement that have not been distributed as dividends to shareholders. It is distributable by way of dividend.

Secretary

FIL Investments International.

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 Return Performance

The return on the share price or **net asset value per ordinary share** taking into account the rise and fall of share prices and the dividends paid to shareholders. Any dividends received by the shareholder are assumed to have been reinvested in additional shares (for share price total return) or the Company's assets (for **net asset value** total return).

Total Shareholder Return (TSR)

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

Glossary to the Half-Yearly Report continued

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 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.

Variable Management Fee (VMF)

The Company has a [Variable Management Fee \(VMF\)](#) structure. The base fee is on a tiered basis of 0.90% on the first £1.5 billion of [Net Assets](#), reducing to 0.70% on Net Assets over £1.5 billion 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 could pay if it outperforms is 1.10% on [Net Assets](#) up to £1.5 billion and reducing to 0.90% on [Net Assets](#) over £1.5 billion, but if the Company underperforms against the [Benchmark Index](#), then the overall fee could have been as low as 0.70% on [Net Assets](#) up to £1.5 billion, reducing to 0.50% on [Net Assets](#) over 1.5 billion.

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.

Shareholder Information

Investing in 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 a way that is best for you. Details of how to invest and the latest Key Information Document can be found on the Company's pages of the Manager's website at **www.fidelity.co.uk/china**.

CONTACT INFORMATION

Shareholders and Fidelity's Platform Investors should contact the appropriate administrator using the contact details given below and in the next column. Links to the websites of major platforms can be found online at **www.fidelityinvestmenttrusts.com**.

Shareholders on the main share register

Contact Link Group, Registrar to Fidelity China Special Situations PLC, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Email: **enquiries@linkgroup.co.uk**

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).

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 mandates 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 0391** (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).

Fidelity Platform Investors

Contact Fidelity, using the freephone numbers given below, or by writing to: UK Customer Service, Fidelity, PO Box 391, Tadworth, Surrey KT20 9FU.

Website: **www.fidelity.co.uk**

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.

Shareholder Information continued

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: **01737 836347**

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.

ShareGift

You may donate your shares to charity free of charge through ShareGift. Further details are available at **www.sharegift.org.uk**.

Financial Calendar 2022/2023	
30 September 2022	Half-Yearly period end
November 2022	Announcement of Half-Yearly results
December 2022	Publication of Half-Yearly Report
31 March 2023	Financial year end
June 2023	Publication of Annual Report
July 2023	Annual General Meeting
July 2023	Payment of the Annual Dividend

Directory

Board of Directors

Mike Balfour (Chairman)
Alastair Bruce (Chairman of the Audit and Risk Committee)
Vanessa Donegan
Georgina Field
Edward Tse
Linda Yueh (Senior Independent Director)

Alternative Investment Fund Manager (AIFM/the Manager)

FIL Investment Services (UK) Limited
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
KT20 6RP

Investment Manager

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

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 Stockbroker

Peel Hunt LLP
Moor House
120 London Wall
London
EC2Y 5ET

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Lawyer

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Registrar

Link Group
10th Floor, Central Square
29 Wellington Street
Leeds
LS1 4DL

Data Protection

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 has certain regulatory obligations such as the requirement to send documents to its shareholders, for example, the Annual Report 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 and 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, Lower Kingswood, Tadworth, 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's website at <https://investment-trusts.fidelity.co.uk/privacy-policy/>

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 European Economic Area ("EEA"). Where this does occur, the 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.

Retention period

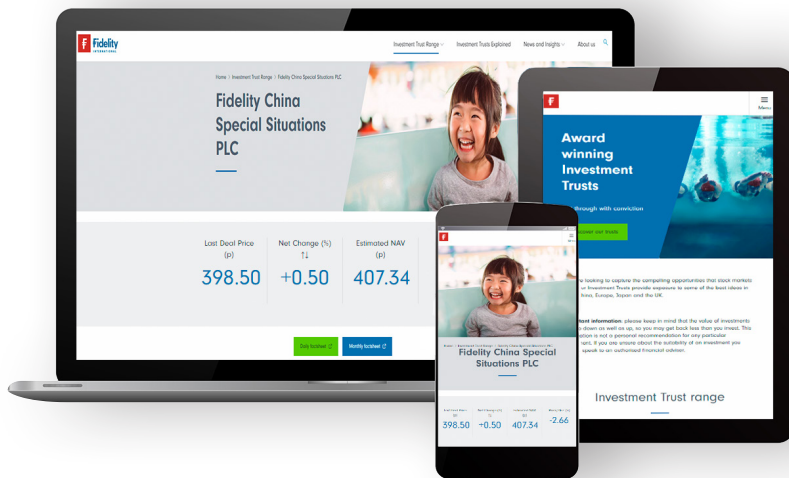
We will keep the personal data for as long as is necessary for these purposes and no longer than we are legally permitted to do so.

Requesting access, making changes to 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, Lower Kingswood, Tadworth, Surrey KT20 6RP.

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To find out more about Fidelity China Special Situations PLC, visit our new website www.fidelity.co.uk/china where you can read articles and watch videos on the Company.



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