
JPMorgan Chinese Investment Trust plc

Half Year Report & Accounts for the six months ended 31st March 2017



Features

Objective

To provide long term capital growth by investment in 'Greater China' companies.

Investment Policies

- To invest in companies which are quoted on the stock exchanges of China, Hong Kong and Taiwan or which derive a substantial part of their revenues or profits from these territories.
- To use gearing up to a maximum level of 20% of shareholders' funds to increase potential returns to shareholders.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

Benchmark

MSCI China Index, with net dividends reinvested, in sterling terms. Prior to 26th January 2016, the benchmark was the MSCI Golden Dragon Index.

Risk

Investors should note that there can be significant economic and political risks inherent in investing in emerging economies. As such, the Greater China markets can exhibit more volatility than developed markets and this should be taken into consideration when evaluating the suitability of the Company as a potential investment.

Capital Structure

At 31st March 2017, the Company's issued share capital comprised 77,914,965 ordinary shares of 25p each, including 4,986,803 shares held in Treasury.

Continuation Vote

In accordance with the Company's Articles of Association, the Directors are required to propose a resolution that the Company continue as an investment trust at the Annual General Meeting in 2018 and every fifth year thereafter.

Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

AIC

The Company is a member of the Association of Investment Companies.

Website

The Company's website, which can be found at www.jpmchinese.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic half year and annual reports.

FCA regulation of non-mainstream pooled investments

The Company currently conducts its affairs so that the shares issued by JPMorgan Chinese Investment Trust plc can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

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Half Year Performance

TOTAL RETURNS TO 31ST MARCH 2017 (INCLUDES DIVIDENDS REINVESTED)

+10.1%

Return to shareholders¹

+7.7%

Return on net assets²

+9.0%

Benchmark total return³

¹ Source: Morningstar.

² Source: Morningstar/JPMorgan.

³ Source: MSCI. The Company's benchmark is the MSCI China Index, with net dividends reinvested, in sterling terms. Prior to 26th January 2016, the benchmark was the MSCI Golden Dragon Index.

Financial Data

	31st March 2017	30th September 2016	% change
Net assets (£'000)	189,282	179,795	+5.3
Number of shares in issue (excluding shares held in Treasury)	72,928,162	74,074,935	-1.5
Net asset value per share	259.5p	242.7p	+6.9
Share price	224.8p	205.8p	+9.2
Share price discount to net asset value	13.4%	15.2%	
Ongoing charges	1.39%	1.44%	
Gearing	8.9%	8.5%	

¹ % change, excluding dividends paid. Including dividends the returns would be 7.7% and 10.1%.

A glossary of terms and definitions is provided on page 15.

About the Company

CHAIRMAN'S STATEMENT



Performance

Over the six month period ended 31st March 2017, the Company's total return to shareholders (+10.1%) outperformed the benchmark, the MSCI China Index, which delivered +9.0% (in sterling terms). The total return on net assets (with net dividends reinvested) was +7.7%, underperforming the benchmark.

The relative underperformance to the benchmark index is explained in the Investment Managers' Report which provides a detailed commentary on the portfolio positioning and the positive outlook for investing in onshore China.

Loan Facility and Gearing

The Investment Managers have been given the flexibility by the Board to manage the gearing tactically within a range set by the Board of 10% net cash to 20% geared. During the period the Company's month-end gearing ranged from 8.2% to 9.1% geared, ending the half year at 8.9% geared.

On 20th January 2017 the Company renewed its £30 million credit facility with Scotiabank for a further 364 days with an increased margin of 77.5 bps and a commitment fee of 20 bps if the utilised commitment is more than or equals 50 per cent. of the commitment and 30 bps if the utilised commitment is less than 50 per cent. of the commitment. £22.3 million was drawn down on this facility as at 31st March 2017.

Share Repurchases and Issues in the Period

At the time of writing, the Company's issued share capital consists of 72,928,162 Ordinary shares, excluding shares held in Treasury. During the six month reporting period the Company repurchased 1,146,773 shares to hold in Treasury. The Company did not issue any shares during this period.

Board of Directors

As the longest serving member of the Board, I shall retire at the next Annual General Meeting in 2018, which coincides with the Company's next continuation vote. The Board therefore, through its Nomination and Remuneration Committee, considered succession planning for the vacating board seat and it agreed to appoint David Graham to become an independent non-executive Director as from 1st May 2017. David Graham is a Chartered Accountant by training whose career has been in investment management. The Board looks forward to working with David and to the wealth of experience he shall bring to the Board.

Fund Manager

We are delighted to note that the Fund Management team has been enhanced by the hire of additional experienced personnel in both portfolio management and research to work alongside the existing team led by Howard Wang. The hires will be based in JPMorgan Asset Management's new office in Shanghai, in addition to Hong Kong and Taipei. Rebecca Jiang has joined the JPMorgan Asset Management Greater China team as an Executive Director in portfolio management to work alongside Howard Wang on our portfolio. Shumin Huang will continue to lead the Greater China Research Analysts who are now a significant and fully integrated part of the investment process.

CHAIRMAN'S STATEMENT *CONTINUED*

Outlook and Strategy

The results arising from the Board's encouragement to our Investment Managers to make greater use of gearing and pursue an active approach to finding well-researched growth stocks listed on the Shanghai and Shenzhen exchanges are well-explained in the Investment Managers' Report. These results are indeed encouraging and are set against a background of the Company's objective to differentiate itself from open-ended fund structures for China. With a strengthened team of analysts, an increasing variety of good investable stocks are being unearthed. Also, the Shanghai and Shenzhen Stock Connect programmes are now in place, thereby facilitating easier access to the Chinese onshore market and a greater number of listed companies. We anticipate that usage of these programmes will accelerate against the background of the growing importance of China in the global economy and the increasing opportunities for international investors to invest in good Chinese growth companies.

William Knight
Chairman

25th May 2017

INVESTMENT MANAGERS' REPORT



Howard Wang, Fund Manager

Performance commentary

Over the six months to 31st March 2017, the total return on net assets rose by 7.7%, compared to the benchmark (MSCI China Index) return of +9.0%. The underperformance was driven by various holdings in Hong Kong and Taiwanese companies which lagged the performance of both onshore and offshore Chinese listed stocks. Gearing, which averaged 8.7% during the period, made a positive contribution but counter weight the impact of the underweight to China.

The core structural growth stocks in the information technology (IT) and consumer discretionary sectors were among the top contributors. Largan Precision and AAC Technologies benefited from the positive outlook for dollar based demand for dual-camera lens and acoustics. Hangzhou Hikvision (the digital surveillance video manufacturer) rallied on profit growth and remains competitively positioned with technological barriers to entry and strong demand across a wide range of industries. Brilliance China Automotive continued to benefit from a strong competitive positioning in its model cycle, whilst Nexteer Automotive has the potential to gain market share in electric powered steering systems. The holding in Hangzhou Robam, a specialist in kitchen appliances, benefited from consumers' continued drive to upgrade their kitchens.

There were various detractors to performance at a stock level. The worst performer was the holding in Regina Miracle, the textile maker, reflecting complications in its Vietnam operations and poor first half results in 2017, resulting in the position being trimmed. China Resources Phoenix Healthcare came under pressure after a profits warning given one-off items from the CR Healthcare deal and a lack of progress in a new acquisition. The position in Wangsu Science and Technology (A-share) was sold following poor earnings, reflecting deteriorating competitive conditions in the content delivery network industry. The holding in Himax Technologies was reduced following concern over the commitment to Augmented Reality/Virtual Reality in 2017–2018. The position in Spring Airlines (A-share) was also reduced as earnings deteriorated in the face of falling international yields, which is likely to continue in the near term.



Emerson Yip, Fund Manager

Positioning

The portfolio retains exposure to structural growth companies and is underweight in the low-growth, low-quality and old industrials companies. 86% of the portfolio is invested in mainland Chinese listed companies, 9% in Taiwanese companies and 5% in Hong Kong based listed companies. Gearing has remained stable at nearly 9%. The allocation to A-shares has increased from just under 11% at the end September 2016 to almost 14% at the end March 2017, a trend we expect to continue as Hong Kong/China Stock Connect provides access to the onshore market where there are greater opportunities to invest in growth companies.



Rebecca Jiang, Fund Manager

At the stock level, we continue to find quality, structural growth holdings in the consumer, healthcare, information technology and environmental services sectors, which are well-positioned to deliver better earnings growth than the market and peers over the long term. Given the value vs growth divergence last year, we have broadly increased our growth exposure while trimming back the cyclical stocks, most notably increasing exposure to the consumer and healthcare sectors. In the consumer sectors, several of the purchases included A-share ideas identified by our research analysts, including SAIC Motor, the largest auto original equipment manufacturer in China, and Ningbo Joyson, which buys auto parts assets for sale globally. Other purchases that capitalise on the trend of consumers to upgrade include custom furniture maker, Suofeiya Home Collection, white goods producer Qingdao Haier and premium liquor brand Kweichow Moutai. Other new positions outside of



Shumin Huang, Head of Research

INVESTMENT MANAGERS' REPORT *CONTINUED*

the A-Share market include the personal hygiene manufacturer Hengan International and the textile maker Eclat Textile. Although the portfolio remains underweight in financials, exposure to insurance was increased to benefit from the reflationary environment with the addition of Ping An Insurance and China Life Insurance.

In addition to the core positions, the portfolio has initiated a number of smaller tactical positions, typically more cyclical in nature, including Chalco, where the aluminium market is seeing in the gaming space the holding in Wynn Macau was switched into MGM,

Outlook

Without the pressure of rising US yields and thus the US dollar, China has more room for a gradual normalisation of domestic monetary policy as the economy recovers. In addition, the corporate earnings recovery has broadened to consumer-facing sectors, giving policymakers more room to tighten policy on overstimulated sectors such as real estate and autos. Consequently, we expect Chinese equities to begin a gradual shift in sector leadership, mirroring a recovery that began with upstream raw materials and extending downstream to the consumer. The valuations of both onshore and offshore listed Chinese companies are still at reasonable levels after the recent rally. Evidence of further deep structural reform would provide further stimulus to any re-rating. We believe growth sectors should outperform given reasonable valuations, lagging performance compared to value cyclicals and robust earnings growth.

The potential gradual normalisation of domestic monetary policy in China should provide for a supportive backdrop to Hong Kong equities, including persistently buoyant liquidity conditions helped by rising interest from buying from mainland Chinese investors. Continued mainland China flows would benefit the property, gaming, financial and retail segments. While the new Chief Executive of Hong Kong, Carrie Lam, remains focused on increasing land supply, external constraints will cap any significant acceleration of new supply. It is likely that the government will look for incremental measures to rein in market excess. However, any major adjustments will be dependent on market interest rates and supply additions in the long run.

Despite disappointing retail sales growth in February, we believe that retailers and retail landlords should benefit from the normalisation of retail sales both in Hong Kong and China. Exporters should also continue to see strong secular growth opportunities, especially as the risks of trade tension between the US and China subside. In Taiwan strong foreign inflows could continue to drive the market upwards, however, disappointing first-quarter results, due to a strong local currency, could result in potential consolidation in the near term. Ample liquidity and still-undemanding valuations should help minimise the risk on the downside, but we believe we are likely to see earnings growth delayed until the second half of the year.

Against the macro and policy backdrop across the Greater China region, we remain positive on the stock-specific opportunities available in these markets and continue to have the highest conviction in the structural growth companies and increasingly those listed on the A-share market.

Howard Wang
Emerson Yip
Rebecca Jiang
Shumin Huang
Investment Team

25th May 2017

Investment Review

LIST OF INVESTMENTS AT 31ST MARCH 2017

Company	Valuation £'000
China HK listed	
Tencent Holdings	18,596
Ping An Insurance Group Co. of China	14,240
China Merchants Bank	13,461
Bank of China	9,110
AAC Technologies Holdings	5,178
CNOOC	4,632
Nexteer Automotive Group	3,689
China Resources Gas Group	3,650
Brilliance China Automotive Holdings	3,358
CSPC Pharmaceutical Group	3,093
Sinopharm Group	3,081
China Everbright International	2,846
CGN Power	2,785
China State Construction International Holdings	2,600
China Resources Land	2,403
China Taiping Insurance Holdings	2,279
Hengan International Group	2,126
China Medical System Holdings	1,982
IMAX China Holding	1,977
Sino Biopharmaceutical	1,941
Aluminum Corp. of China	1,933
China Conch Venture Holdings	1,713
China Resources Phoenix Healthcare Holdings	1,708
BOC Aviation	1,402
Uni-President China Holdings	1,102
	110,885
China US listed	
Alibaba Group Holding	18,702
JD.com	7,000
Ctrip.com International	5,585
Baidu	4,012
Vipshop Holdings	2,173
Tuniu	1,176
	38,648

Company	Valuation £'000
China A Shares	
Jiangsu Hengrui Medicine	3,098
Hangzhou Robam Appliances	2,795
Hangzhou Hikvision Digital Technology	2,763
Han's Laser Technology Industry Group	2,384
SAIC Motor	1,857
Suofeiya Home Collection	1,655
Kweichow Moutai	1,649
Qingdao Haier	1,587
Luxshare Precision Industry	1,479
Shenzhen Sunway Communication	1,443
Ningbo Joyson Electronic	1,400
GoerTek	1,387
Beijing Originwater Technology	1,261
China Yangtze Power	1,245
Guoxuan High-Tech	1,071
Spring Airlines	1,061
Cangzhou Mingzhu Plastic	960
	29,095
Total China	178,628
Taiwan	
Largan Precision	3,897
Taiwan Semiconductor Manufacturing	2,812
China Life Insurance	2,457
Silicon Motion Technology	2,292
Taiwan Paiho	1,809
Advanced Semiconductor Engineering	1,378
Silergy	1,326
Eclat Textile	1,098
Tung Thih Electronic	924
Total Taiwan	17,993
Hong Kong	
Hong Kong Exchanges & Clearing	2,228
AIA Group	1,822
WH Group	1,804
MGM China Holdings	1,425
Truly International Holdings	1,140
Regina Miracle International Holdings	1,120
Total Hong Kong	9,539
Total Investments	206,160

A glossary of terms and definitions is provided on page 15.

PORTFOLIO ANALYSES

Geographical

	31st March 2017		30th September 2016	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
China HK listed	53.8	77.1	56.5	77.4
China US listed	18.8	22.7	18.0	22.3
China A-shares ²	14.1	–	10.9	–
China B-shares	–	0.2	0.8	0.3
China Total	86.7	100.0	86.2	100.0
Taiwan	8.7	–	8.6	–
Hong Kong	4.6	–	5.2	–
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £206.2m (2016: £195.2m).

² 2016: Includes investments in participating notes.

Sector

	31st March 2017		30th September 2016	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Information Technology	31.5	33.3	32.2	33.7
Financials (including property)	22.1	26.0	24.9	29.9
Consumer Discretionary	19.7	9.7	16.6	8.2
Industrials	7.7	5.5	8.0	5.4
Health Care	7.2	2.1	6.0	2.1
Utilities	3.7	2.7	3.1	2.9
Consumer Staples	3.3	2.1	1.8	2.3
Energy	2.7	6.2	3.5	6.1
Real Estate	1.2	4.0	–	–
Materials	0.9	1.3	1.6	1.2
Telecommunication Services	–	7.1	2.3	8.2
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £206.2m (2016: £195.2m).

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31ST MARCH 2017

	(Unaudited) Six months ended 31st March 2017			(Unaudited) Six months ended 31st March 2016			(Audited) Year ended 30th September 2016		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	14,641	14,641	–	10,826	10,826	–	47,348	47,348
Net foreign currency losses	–	(723)	(723)	–	(447)	(447)	–	(1,776)	(1,776)
Income from investments	68	–	68	42	–	42	3,548	–	3,548
Interest receivable and similar income	123	–	123	11	–	11	83	–	83
Gross return	191	13,918	14,109	53	10,379	10,432	3,631	45,572	49,203
Management fee	(973)	–	(973)	(817)	–	(817)	(1,660)	–	(1,660)
Other administrative expenses	(275)	–	(275)	(251)	–	(251)	(476)	–	(476)
Net (loss)/return on ordinary activities before finance costs and taxation	(1,057)	13,918	12,861	(1,015)	10,379	9,364	1,495	45,572	47,067
Finance costs	(142)	–	(142)	(141)	–	(141)	(252)	–	(252)
Net (loss)/return on ordinary activities before taxation	(1,199)	13,918	12,719	(1,156)	10,379	9,223	1,243	45,572	46,815
Taxation	365	–	365	(14)	(21)	(35)	92	(21)	71
Net (loss)/return on ordinary activities after taxation	(834)	13,918	13,084	(1,170)	10,358	9,188	1,335	45,551	46,886
(Loss)/return per share (note 4)	(1.13)p	18.92p	17.79p	(1.56)p	13.81p	12.25p	1.79p	60.87p	62.66p

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

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

The net (loss)/return on ordinary activities after taxation represents the (loss)/return for the period and also the total comprehensive income.

STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31ST MARCH 2017

	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 31st March 2017								
(Unaudited)								
At 30th September 2016	19,481	13,321	3	581	37,392	106,641	2,376	179,795
Repurchase of shares into Treasury	–	–	–	–	–	(2,419)	–	(2,419)
Net return/(loss) on ordinary activities	–	–	–	–	–	13,918	(834)	13,084
Dividend paid in the period	–	–	–	–	–	–	(1,178)	(1,178)
At 31st March 2017	19,481	13,321	3	581	37,392	118,140	364	189,282
Six months ended 31st March 2016								
(Unaudited)								
At 30th September 2015	19,481	13,321	3	581	37,392	62,763	2,391	135,932
Net return/(loss) on ordinary activities	–	–	–	–	–	10,358	(1,170)	9,188
Dividend paid in the period	–	–	–	–	–	–	(1,350)	(1,350)
At 31st March 2016	19,481	13,321	3	581	37,392	73,121	(129)	143,770
Year ended 30th September 2016								
(Audited)								
At 30th September 2015	19,481	13,321	3	581	37,392	62,763	2,391	135,932
Repurchase of shares into Treasury	–	–	–	–	–	(1,673)	–	(1,673)
Net return on ordinary activities	–	–	–	–	–	45,551	1,335	46,886
Dividend paid in the year	–	–	–	–	–	–	(1,350)	(1,350)
At 30th September 2016	19,481	13,321	3	581	37,392	106,641	2,376	179,795

¹ This reserve forms the distributable reserve of the Company and may be used to fund distribution of profits to investors via dividend payments.

STATEMENT OF FINANCIAL POSITION AT 31ST MARCH 2017

	(Unaudited) 31st March 2017 £'000	(Unaudited) 31st March 2016 £'000	(Audited) 30th September 2016 £'000
Fixed assets			
Investments held at fair value through profit or loss	206,160	160,828	195,157
Current assets			
Debtors	204	41	1,599
Cash and cash equivalents	1,549	1,997	515
	1,753	2,038	2,114
Current liabilities			
Creditors: amounts falling due within one year	(18,631)	(19,096)	(17,476)
Net current liabilities	(16,878)	(17,058)	(15,362)
Total assets less current liabilities	189,282	143,770	179,795
Net assets	189,282	143,770	179,795
Capital and reserves			
Called up share capital	19,481	19,481	19,481
Share premium	13,321	13,321	13,321
Exercised warrant reserve	3	3	3
Capital redemption reserve	581	581	581
Other reserve	37,392	37,392	37,392
Capital reserves	118,140	73,121	106,641
Revenue reserve	364	(129)	2,376
Total shareholders' funds	189,282	143,770	179,795
Net asset value per share (note 5)	259.5p	191.7p	242.7p

Company registration number: 223583

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31ST MARCH 2017

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30th September 2016 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the revised 'SORP') issued by the Association of Investment Companies in November 2014, and updated in January 2017.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 31st January 2017.

The Company has elected not to prepare a Statement of Cash Flows for the current period on the basis that substantially all of its investments are liquid and carried at market value.

All of the Company's operations are of a continuing nature.

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 30th September 2016.

3. Dividends paid

	(Unaudited) Six months ended 31st March 2017 £'000	(Unaudited) Six months ended 31st March 2016 £'000	(Audited) Year ended 30th September 2016 £'000
2016 Final dividend of 1.6p (2015: 1.8p)	1,178	1,350	1,350

No interim dividend has been declared in respect of the six months ended 31st March 2017 (2016: nil).

All dividends paid and declared in the period have been funded from the Revenue Reserve.

4. (Loss)/return per share

	(Unaudited) Six months ended 31st March 2017 £'000	(Unaudited) Six months ended 31st March 2016 £'000	(Audited) Year ended 30th September 2016 £'000
(Loss)/return per share is based on the following:			
Revenue (loss)/return	(834)	(1,170)	1,335
Capital return	13,918	10,358	45,551
Total return	13,084	9,188	46,886
Weighted average number of shares in issue during the period/year	73,581,082	75,005,470	74,824,831
Revenue (loss)/return per share	(1.13)p	(1.56)p	1.79p
Capital return per share	18.92p	13.81p	60.87p
Total return per share	17.79p	12.25p	62.66p

5. Net asset value per share

	(Unaudited) Six months ended 31st March 2017	(Unaudited) Six months ended 31st March 2016	(Audited) Year ended 30th September 2016
Net assets (£'000)	189,282	143,770	179,795
Number of shares in issue	72,928,162	75,005,470	74,074,935
Net asset value per share	259.5p	191.7p	242.7p

6. Fair valuation of investments

The fair value hierarchy disclosures required by FRS 102 are given below:

	(Unaudited) Six months ended 31st March 2017		(Unaudited) Six months ended 31st March 2016		(Audited) Year ended 30th September 2016	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	206,160	–	151,456	–	178,565	–
Level 2 ¹	–	–	9,372	–	16,592	–
Total	206,160	–	160,828	–	195,157	–

¹ Includes investments in participatory notes.

Interim Management Report

The Company is required to make the following disclosures in its half year report:

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company have not changed and fall into the following broad categories: investment underperformance; loss of investment team; discount; market; political, economic and governance; change of corporate control of the Manager; accounting, legal and regulatory; corporate governance and shareholder relations; operational; going concern and financial. Information on each of these areas is given in the Business Review within the Annual Report and Accounts for the year ended 30th September 2016.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st March 2017, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

William Knight
Chairman

25th May 2017

Shareholder Information

GLOSSARY OF TERMS AND DEFINITIONS

Return to Shareholders

Total return to the investor, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Return on Net Assets

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV per share when calculating the total return on net assets.

Benchmark Total Return

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested into the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not track this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Share Price Discount/Premium to Net Asset Value ('NAV') per Share

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium.

(Loss)/Return per Share

The (loss)/return per share represents the (loss)/return on ordinary activities after taxation divided by the weighted average number of shares in issue during the period.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. Previously gearing represented the excess amount above shareholders' funds of total assets expressed as a percentage of shareholders' funds. Total assets included total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

Ongoing Charges

The ongoing charges represents the Company's management fee and all other operating expenses excluding interest and performance fee payable, expressed as a percentage of the average daily net assets during the period and is calculated in accordance with guidance issued by the Association of Investment Companies. The figure as at 31st March 2017 is an estimated annualised figure.

Hong Kong H-Shares

Companies incorporated in mainland China and listed in Hong Kong and other foreign stock exchanges.

Hong Kong Red Chips

Companies incorporated outside mainland China and listed in Hong Kong, but with controlling shareholders (at least 30% ownership) from mainland Chinese entities.

Hong Kong P Chips

Companies listed in Hong Kong which are incorporated in the Cayman Islands, Bermuda and the British Virgin Islands, with operations in mainland China. These companies are run by private sector Chinese businessmen.

China A-Shares

Companies incorporated in Shenzhen and Shanghai and which are traded in the mainland A-Share markets. The prices of A-Shares are quoted in renminbi, and are traded via Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect platforms.

China B-Shares

Companies incorporated in mainland China and traded on the mainland B-Share markets. The prices of B-Shares are quoted in US dollars and are available to both mainlanders and foreign investors.

WHERE TO BUY J.P. MORGAN INVESTMENT TRUSTS

You can invest in a J.P. Morgan investment trust through the following;

1. Directly from J.P. Morgan

Investment Account

The Company's shares are available in the J.P. Morgan Investment Account, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Investment Account should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at am.jpmorgan.co.uk/investor

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within a J.P. Morgan ISA. For the 2016/17 tax year, from 6th April 2016 and ending 5th April 2017, the total ISA allowance is £15,240. The shares are also available in a J.P. Morgan Junior ISA. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk/investor

2. Via a third party provider

Third party providers include;

AJ Bell	Interactive Investor
Alliance Trust Savings	James Brearley
Barclays Stockbrokers	James Hay
Bestinvest	Selftrade
Charles Stanley Direct	TD Direct
FundsNetwork	The Share Centre
Hargreaves Lansdown	

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

3. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at www.fca.org.uk/consumers/report-scam-unauthorised-firm. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

Remember: if it sounds too good to be true, it probably is!



Information about the Company

FINANCIAL CALENDAR

Financial year end	30th September
Final results announced	December
Half year end	31st March
Half year results announced	May
Dividend on Ordinary shares paid (if any)	January/February
Annual General Meeting	January

History

JPMorgan Chinese Investment Trust plc was launched in October 1993, as The Fleming Chinese Investment Trust plc, by a public offer of shares which raised £60 million before expenses. The Company changed its name to JPMorgan Fleming Chinese Investment Trust in December 2001 and adopted its present name on 14th December 2005.

Directors

William Knight (Chairman)
David Graham
Kathryn Matthews
John Misselbrook
Oscar Wong

Company Numbers

Company registration number: 02853893
London Stock Exchange Sedol number: 0343501
ISIN: GB0003435012
Bloomberg ticker: JMC LN

Market Information

The Company's net asset value ("NAV") per share is published daily via the London Stock Exchange. The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the J.P. Morgan internet site at www.jpmchinese.co.uk where the prices are updated every fifteen minutes during trading hours.

Website

www.jpmchinese.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan Junior ISA. These products are all available on the online service at jpmorgan.co.uk/online

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone number: 020 7742 4000

For company secretarial and administrative matters, please contact Lucy Dina at the above address.

Depository

BNY Mellon Trust and Depository (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

The Depository has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Registrars

Equiniti Limited
Reference 1078
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2317

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1078.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk.

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA
Telephone number: 020 3100 0000

Savings Product Administrators

For queries on the J.P. Morgan Investment Account and J.P. Morgan ISA, see contact details on the back cover of this report.

aic

The Association of
Investment Companies

A member of the AIC

www.jpchinse.co.uk

J.P. Morgan Helpline

Freephone 0800 20 40 20 or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday, 9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.