

JPMorgan Chinese Investment Trust plc

Half Year Report & Financial Statements for the six months ended 31st March 2019



KEY FEATURES

Your Company

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 (including domestic A-shares listed in Shanghai and Shenzhen), Hong Kong and Taiwan or which derive a substantial part of their revenues or profits from these territories. This includes companies which are listed or issue ADRs on other exchanges including the U.S.
- 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.

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 2019, the Company's issued share capital comprised 77,914,965 Ordinary shares of 25p each, including 5,211,777 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 2023 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').

FCA regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

The Company currently conducts its affairs so that the shares it issues can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority ('FCA') 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.

Association of Investment Companies

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

Website

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

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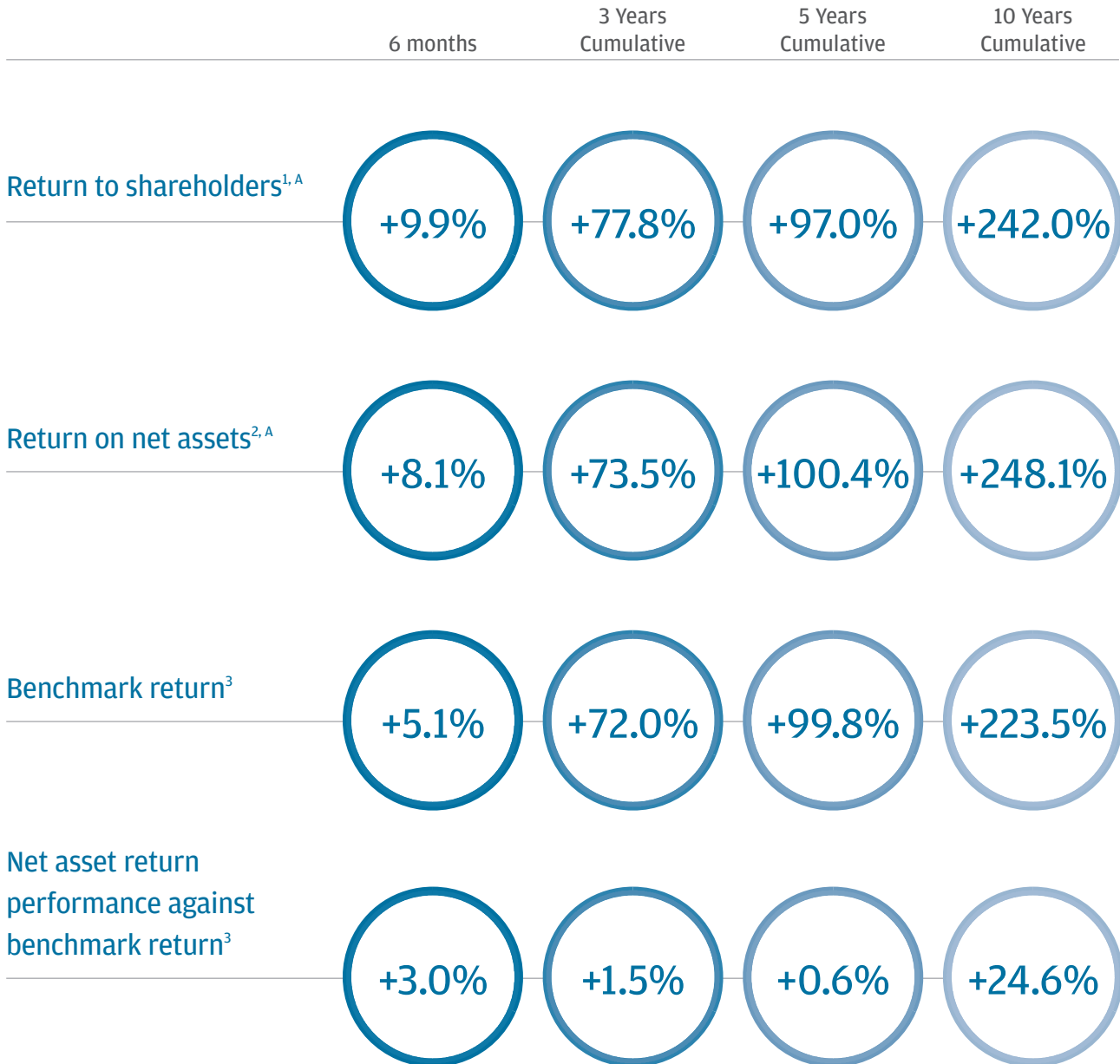
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Half Year Performance

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED)

TO 31st MARCH 2019



¹ Source: Morningstar.

² Source: Morningstar/JPMorgan using cum-income net asset value per share.

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 Dragon Index.

^A Alternative Performance Measure (APM).

A glossary of terms and APMs is provided on pages 24 to 26.

FINANCIAL HIGHLIGHTS

SUMMARY OF RESULTS

	31st March 2019	30th September 2018	% change
Net assets (£'000)	236,021	220,962	+6.8
Number of shares in issue (excluding shares held in Treasury)	72,703,188	72,703,188	
Net asset value per share	324.6p	303.9p	+6.8 ¹
Share price	285.0p	263.0p	+8.4 ²
Share price discount to net asset value ³	12.2%	13.5%	
Ongoing charges ^A	1.35%	1.34%	
Gearing ^A	9.5%	17.9%	

¹ This return excludes dividend reinvested. Including dividend reinvested, the return would be +8.1%.

² This return excludes dividend reinvested. Including dividend reinvested, the return would be +9.9%.

^A Alternative Performance Measure (APM).

A glossary of terms and alternative performance measures is provided on pages 24 to 26.

Chairman's Statement



John Misselbrook
Chairman

Performance

For the six months period ended 31st March 2019, the Company's total return on net assets of +8.1% (with net dividend reinvested) outperformed the benchmark, the MSCI China Index, which delivered +5.1% (in sterling terms). The total return to shareholders for this period was +9.9%.

The basis of this performance is explained in the Investment Managers' report which provides a detailed commentary on the portfolio positioning and the positive outlook for investing in 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 gearing ranged from 19% to 9.5%, ending the half year at 9.5% geared as our managers reacted to the strong market rally over the first three months of 2019.

On 18th April 2019 the Board renewed the loan facility with a reduced commitment of £40 million for a further 364 days and a lower margin of 75 bps. £34.5 million was drawn down on the Company's loan facility as at 31st March 2019.

Share Repurchases and Issues in the Period

At the time of writing, the Company's issued share capital consists of 72,703,188 Ordinary shares, excluding shares held in Treasury. During the six months reporting period the Company did not repurchase or issue any shares.

Board of Directors

You will recall that Ms Kathryn Matthews retired following the Annual General Meeting ('AGM') in January 2019 and Mr David Graham was appointed Senior Independent Director going forward. In addition, Mrs Alexandra Mackesy who had been appointed to the Board in 2018 was appointed by shareholders at the AGM. We continue to have a Board of four Directors with a wealth of experience of investing in China.

Outlook and Strategy

This half-year has demonstrated the volatility that is an inherent risk when investing in China, in large part driven by the trade frictions between China and the U.S., which continue. Our investment managers, supported by a well-resourced research team, continue to be able to find interesting companies to invest in that are consistent with the structural growth bias of the investment strategy. We remain confident that our investment strategy, combined with the depth of resources in our investment team, will enable us to deliver superior long-term capital growth.

John Misselbrook
Chairman

24th May 2019



Howard Wang
Investment Manager



Rebecca Jiang
Investment Manager



Shumin Huang
Head of Research

Performance commentary

During the six months ending 31st March 2019, the Company delivered a total return on net assets of +8.1% compared to a benchmark total return of +5.1%. This was very much a period of two halves. Onshore and offshore China equities declined in the fourth quarter of 2018, amid ongoing U.S. and China trade tensions and a global equity sell-off. Meanwhile, weak Chinese economic data also weighed on sentiment, with the December manufacturing PMI falling to the weakest level since early 2016.

This was a challenging environment for the portfolio, impacting both stock selection and sector allocation.

Given the backdrop of trade tensions, it is unsurprising that technology names such as Hikvision and Han's Laser were impacted negatively. Likewise, health care names CSPC Pharmaceutical and Sino Biopharm fell as they were impacted by worse-than-expected drug pricing cuts as part of the centralized procurement program.

In December the Chinese government held the Central Economic Work Conference, which emphasized more flexible monetary policy and proactive fiscal policy, including large-scale tax cuts and more special purpose government bond issuances. The People's Bank of China cut the bank reserve requirement and lowered the funding cost for commercial banks as part of efforts to support the economy without putting direct pressure on the currency. This helped to set the stage for a sharp rally for equities in the first quarter of 2019, amid signs of an easing in the U.S. and China trade tensions and a global equity recovery on the back of a more dovish Federal Reserve. Some weak economic data strengthened investor expectations of more decisive action from the Chinese government: most significantly, the government announced a reduction in VAT taxes. Chinese stocks also received a boost from the local regulator, which is taking an increasingly market-friendly approach, and from MSCI, which announced that the inclusion factor used for the newly-added A-shares in the EM index will be raised from 5% to 20% in stages over 2019.

This provided a substantial boost to performance over the January to March quarter, resulting in outperformance for the review period as a whole relative to the index. Our continued structural growth bias worked well: it was positive to be underweight communication services and energy, and to be overweight Consumer Discretionary names. Stock selection was particularly positive within Health Care, Information Technology, Industrials, and Financials.

Stock selection in Health Care, which had been a challenge in the fourth quarter of 2018, rebounded sufficiently strongly in early 2019 that Health Care stocks finished as top contributors for the half year. Holdings in Jiangsu Hengrui and Hangzhou Tigermed, which are more insulated from the drug pricing cuts, performed strongly. Technology names which stood out included Luxshare Precision and two recently initiated software names: Venustech (a beneficiary of the structural growth potential in China's cybersecurity market) and Thunisoft (a key player in the China government's upgrade of the judiciary IT system).

Within financials, a combination of what we did and didn't own drove relative returns. Our lack of exposure to the largest state owned banks such as China Construction Bank helped, as did holdings in China Merchants Bank (buoyed by greater exposure to the consumer) and Bank of Ningbo.

Conversely Baidu, Meituan Dianping and Focus Media were unable to recover sufficient ground and detracted for the period under review.

The Company's largest position, Tencent, also faced a challenging period. However, despite the regulatory headwinds on its gaming business in the last year, it has an unchanged consumer franchise and with expected improved visibility going forwards, we believe it is likely to be a winner in the structural internet story across China.

Positioning

The portfolio remains exposed to structural growth companies in the Consumer, Health Care and Information Technology sectors whilst it is still underweight in those companies in low growth, low quality sectors. In the consumer space, our preferred exposures include A-share listed liquor company Kweichow Moutai and ecommerce group Alibaba, which we believe will continue to be a leader in the Chinese internet space along with Tencent. Key Technology positions include Kingdee International Software and in Health Care, notable positions include Wuxi Biologics and Jiangsu Hengrui Medicine.

In terms of portfolio changes during the period under review, in Health Care we exited Sino Biopharm on the back of deteriorating economics for generic drugs amid larger-than-expected price cuts during the latest centralized procurement program and reinvested some of these proceeds into Clinical Research Organizations (CROs) such as Wuxi Biologics and Hangzhou Tigermed, which are benefiting from increased research and development outsourcing from the pharmaceutical industry.

Within Technology, we have increased software names, notably Kingdee, Venustech, and Thunisoft, due to the attractive structural opportunities, and reduced Baidu given rising margin pressure from investment in traffic acquisition and slower than expected recovery in online advertising spend. In the Financials sector we rotated our positioning in banks, adding Ping An Bank which we feel offers a strong play on consumers' unmet demand, and trimmed China Merchants Bank and Bank of Ningbo.

It is worth highlighting that certain Global Industry Classification Standard (GICS) sector definitions were changed in September 2018 by MSCI, leading to the reclassification of Tencent and Alibaba from Information Technology to Communication Services and Consumer Discretionary, respectively. This contributed to noticeable changes in the Company's sector exposure over the period despite no change in our underlying stock level exposures.

Outlook

We believe the Chinese government will continue to promote more coordinated pro-growth policies and deepen reform measures in order to deal with cyclical (domestic) headwinds and structural (external) challenges, although the magnitude of such supportive policies will be dependent on the actual outcome and timing of the China-U.S. trade negotiations. At the time of writing these negotiations continue to rumble on. While a positive conclusion is still widely expected, there remain areas of disagreement around structural issues, including forced technology transfer and intellectual property protection, which still need to be resolved.

On the domestic front, we expect the personal and corporate tax cuts, along with more market oriented reforms around resource allocation, to support domestic consumption and private sector productivity.

Given the strong rebound we have seen through the start of 2019, which takes the market closer to average long-term valuations, we remain broadly optimistic on the outlook of the China equities, though less so than three months ago. We will continue to use market volatility as an opportunity to add to quality, structural growth names with high expected returns and more quantifiable regulatory risks.

Howard Wang
Rebecca Jiang
Investment Team

24th May 2019

PERFORMANCE ATTRIBUTION

SIX MONTHS TO 31ST MARCH 2019

	%	%
Contributions to total returns		
Benchmark Return		5.1
Asset Allocation	2.5	
Stock Selection	0.2	
Currency Effect	0.8	
Gearing/Cash	0.3	
Investment Manager Contribution		3.8
Dividends/Residual	-0.1	
Portfolio Return		8.8
Management fees/Other Expenses	-0.7	
Return on net assets		8.1
Impact of change in discount		1.8
Return to shareholders		9.9

Source: FactSet, JPMAM and Morningstar.

All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index.

A glossary of terms and APMs is provided on pages 24 to 26.

AT 31ST MARCH 2019

Company	Valuation £'000	Company	Valuation £'000	Company	Valuation £'000
CHINA HK LISTED		CHINA A SHARES		CHINA A SHARES continued	
Tencent	25,372	Jiangsu Hengrui Medicine	5,000	Shanghai Putailai New Energy Technology	1,357
Ping An Insurance	18,847	Kweichow Moutai	4,387	Tianqi Lithium	1,320
China Merchants Bank	9,126	Ping An Bank	4,339	Yunnan Baiyao	1,242
Shenzhou International	5,943	Bank of Ningbo	4,099	Shenzhen Inovance Technology	1,091
Country Garden	5,933	Shanghai International Airport	3,593	BOE Technology	1,056
ENN Energy	4,901	Inner Mongolia Yili Industrial	3,568		86,549
Kingdee International Software	4,890	Luxshare Precision Industry	3,406	CHINA US LISTED	
Wuxi Biologics Cayman	4,777	Qingdao Haier ¹	3,399	Alibaba ²	27,463
China Overseas Land & Investment	4,566	Han's Laser Technology Industry ¹	3,369	Baidu ²	4,604
Geely Automobile	4,303	Aier Eye Hospital	3,338	Pinduoduo ²	4,187
CSPC Pharmaceutical	4,199	China Yangtze Power	3,294	iQIYI ²	3,103
Country Garden Services	3,990	Tonghua Dongbao Pharmaceutical	2,955	Noah ²	2,903
Wisdom Education International	3,749	Hangzhou Tigermed Consulting	2,942	Weibo ²	2,884
Sunny Optical Technology	3,267	Hangzhou Hikvision Digital Technology	2,729	Bilibili ²	2,223
ANTA Sports Products	3,194	China Merchants Shekou Industrial Zone	2,544	Hutchison China MediTech ²	845
Postal Savings Bank of China	3,016	China International Travel Service	2,500		48,212
WuXi AppTec	2,135	Beijing Thunisoft	2,456	TAIWAN	
Galaxy Entertainment	2,121	Venustech	2,342	Silergy	974
Meituan Dianping	1,901	BTG Hotels	2,318		974
Hengan International	1,810	Wuxi Lead Intelligent Equipment ¹	2,217	TOTAL INVESTMENTS	
Maoyan Entertainment	1,228	Spring Airlines	2,185		258,540
Innovent Biologics	1,178	Angel Yeast	1,851	¹ Includes a warrant.	
China Yuhua Education	1,176	Tasly Pharmaceutical	1,826	² American Depositary Receipts (ADRs).	
IMAX China	1,158	Zhejiang Weixing New Building Materials	1,816	A glossary of terms and alternative performance measures is provided on pages 24 to 26.	
Nexteer Automotive	25	Midea	1,770		
	122,805	Laobaixing Pharmacy Chain	1,724		
		iFlytek	1,604		
		Zhejiang Huace Film & TV	1,488		
		Focus Media Information Technology	1,424		

PORTFOLIO ANALYSES

GEOGRAPHICAL ANALYSIS

	31st March 2019		30th September 2018	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
China HK listed	47.5	71.9	51.9	73.6
China A Shares	33.5	2.5	27.3	2.4
China US listed	18.6	25.4	19.7	23.8
Taiwan	0.4	–	1.1	–
China B Shares	–	0.2	–	0.2
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £258.5m (2018: £260.5m).

SECTOR ANALYSIS

	31st March 2019		30th September 2018	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Consumer Discretionary ²	24.8	22.5	17.0	8.6
Financials	16.4	22.1	16.1	22.6
Communication Services ²	14.9	26.0	–	5.1
Health Care	11.8	3.0	10.1	3.3
Information Technology ²	10.0	3.0	35.8	36.5
Industrials	8.3	5.3	5.7	5.4
Consumer Staples	5.1	2.6	4.1	2.7
Real Estate	5.0	5.9	4.9	5.1
Utilities	3.2	2.7	3.0	2.7
Materials	0.5	2.0	1.2	2.0
Energy	–	4.9	2.1	6.0
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £258.5m (2018: £260.5m).

² Following the annual review of the Global Industry Classification Standard (GICS) structure by MSCI in 2018, certain companies previously classified under Consumer Discretionary and Information Technology sectors are reclassified under the Communication Services sector. Furthermore, certain companies previously classified under the Information Technology sector are reclassified under the Consumer Discretionary sector.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31ST MARCH 2019

	(Unaudited) Six months ended 31st March 2019			(Unaudited) Six months ended 31st March 2018			(Audited) Year ended 30th September 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	19,410	19,410	–	23,333	23,333	–	(1,330)	(1,330)
Net foreign currency (losses)/gains	–	(76)	(76)	–	1,221	1,221	–	(2,091)	(2,091)
Income from investments	93	–	93	126	–	126	4,625	–	4,625
Interest receivable and similar income	324	–	324	113	–	113	299	–	299
Gross return/(loss)	417	19,334	19,751	239	24,554	24,793	4,924	(3,421)	1,503
Management fee	(306)	(918)	(1,224)	(348)	(1,043)	(1,391)	(713)	(2,139)	(2,852)
Other administrative expenses	(266)	–	(266)	(243)	–	(243)	(500)	–	(500)
Net (loss)/return on ordinary activities before finance costs and taxation	(155)	18,416	18,261	(352)	23,511	23,159	3,711	(5,560)	(1,849)
Finance costs	(164)	(492)	(656)	(70)	(209)	(279)	(254)	(761)	(1,015)
Net (loss)/return on ordinary activities before taxation	(319)	17,924	17,605	(422)	23,302	22,880	3,457	(6,321)	(2,864)
Taxation charges	(1)	–	(1)	(16)	–	(16)	(305)	–	(305)
Net (loss)/return on ordinary activities after taxation	(320)	17,924	17,604	(438)	23,302	22,864	3,152	(6,321)	(3,169)
(Loss)/return per share (note 3)	(0.44)p	24.65p	24.21p	(0.60)p	31.95p	31.35p	4.32p	(8.67)p	(4.35)p

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 2019

	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 2019 (Unaudited)								
At 30th September 2018	19,481	13,321	3	581	37,392	146,151	4,033	220,962
Net return/(loss) on ordinary activities	–	–	–	–	–	17,924	(320)	17,604
Dividend paid in the period (note 4)	–	–	–	–	–	–	(2,545)	(2,545)
At 31st March 2019	9,481	13,321	3	581	37,392	164,075	1,168	236,021
Six months ended 31st March 2018 (Unaudited)								
At 30th September 2017	19,481	13,321	3	581	37,392	153,136	2,048	225,962
Net return/(loss) on ordinary activities	–	–	–	–	–	23,302	(438)	22,864
Dividend paid in the period (note 4)	–	–	–	–	–	–	(1,167)	(1,167)
At 31st March 2018	19,481	13,321	3	581	37,392	176,438	443	247,659
Year ended 30th September 2018 (Audited)								
At 30th September 2017	19,481	13,321	3	581	37,392	153,136	2,048	225,962
Repurchase of shares into Treasury	–	–	–	–	–	(664)	–	(664)
Net (loss)/return on ordinary activities	–	–	–	–	–	(6,321)	3,152	(3,169)
Dividends paid in the year (note 4)	–	–	–	–	–	–	(1,167)	(1,167)
At 30th September 2018	19,481	13,321	3	581	37,392	146,151	4,033	220,962

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

STATEMENT OF FINANCIAL POSITION

AT 31ST MARCH 2019

	(Unaudited) 31st March 2019 £'000	(Unaudited) 31st March 2018 £'000	(Audited) 30th September 2018 £'000
Fixed assets			
Investments held at fair value through profit or loss	258,540	288,773	260,541
Current assets			
Debtors	2,729	73	785
Cash and cash equivalents	10,716	2,940	7,174
	13,445	3,013	7,959
Current liabilities			
Creditors: amounts falling due within one year ¹	(35,964)	(44,127)	(47,538)
Net current liabilities	(22,519)	(41,114)	(39,579)
Total assets less current liabilities	236,021	247,659	220,962
Net assets	236,021	247,659	220,962
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	164,075	176,438	146,151
Revenue reserve	1,168	443	4,033
Total shareholders' funds	236,021	247,659	220,962
Net asset value per share (note 5)	324.6p	339.6p	303.9p

¹ As at 31st March 2019, £34.5 million (31st March 2018: £41.1 million; 30th September 2018: £46.7 million) was drawn down from the loan facility.

Company registration number: 02853893

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31ST MARCH 2019

	(Unaudited) 31st March 2019 £'000	(Unaudited) 31st March 2018 £'000	(Audited) 30th September 2018 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,282)	(1,680)	(3,307)
Dividends received	421	536	4,363
Interest received	45	4	11
Overseas tax recovered	–	–	45
Interest paid	(685)	(226)	(909)
Net cash (outflow)/inflow from operating activities	(1,501)	(1,366)	203
Purchases of investments	(36,404)	(95,255)	(187,015)
Sales of investments	56,294	79,632	172,261
Settlement of foreign currency contracts	(25)	17	10
Net cash inflow/(outflow) from investing activities	19,865	(15,606)	(14,744)
Dividends paid	(2,545)	(1,167)	(1,167)
Repurchase of shares into Treasury	–	–	(664)
Drawdown of bank loan	–	21,723	24,209
Repayment of bank loan	(12,289)	(2,544)	(2,544)
Net cash (outflow)/inflow from financing activities	(14,834)	18,012	19,834
Increase in cash and cash equivalents	3,530	1,040	5,293
Cash and cash equivalents at start of period	7,174	1,890	1,890
Exchange movements	12	10	(9)
Cash and cash equivalents at end of period	10,716	2,940	7,174
Increase in cash and cash equivalents	3,530	1,040	5,293
Cash and cash equivalents consist of:			
Cash and short term deposits	2,121	1,229	464
Cash held in JPMorgan US Dollar Liquidity Fund	8,595	1,711	6,710
Total	10,716	2,940	7,174

FOR THE SIX MONTHS ENDED 31ST MARCH 2019

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 2018 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 included 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 February 2018.

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 March 2019.

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 2018, with the following exception:

Change in allocation of expenses

With effect from 1st October 2017, the management fee and finance costs incurred by the Company have been allocated 75% to capital and 25% to revenue. In previous periods, these charges were allocated 100% to revenue. In line with the guidance provided in the SORP, this change is not considered to be a matter of accounting policy and consequently no prior period restatements have been made.

3. (Loss)/return per share

	(Unaudited) Six months ended 31st March 2019 £'000	(Unaudited) Six months ended 31st March 2018 £'000	(Audited) Year ended 30th September 2018 £'000
(Loss)/Return per share is based on the following:			
Revenue (loss)/return	(320)	(438)	3,152
Capital return/(loss)	17,924	23,302	(6,321)
Total return/(loss)	17,604	22,864	(3,169)
Weighted average number of shares in issue during the period/year	72,703,188	72,928,162	72,887,822
Revenue (loss)/return per share	(0.44)p	(0.60)p	4.32p
Capital return/(loss) per share	24.65p	31.95p	(8.67)p
Total return/(loss) per share	24.21p	31.35p	(4.35)p

4. Dividends paid

	(Unaudited) Six months ended 31st March 2019 £'000	(Unaudited) Six months ended 31st March 2018 £'000	(Audited) Year ended 30th September 2018 £'000
2018 Final dividend of 3.5p (2017: 1.6p)	2,545	1,167	1,167

No interim dividend has been declared in respect of the six months ended 31st March 2019 (2018: nil).

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

5. Net asset value per share

	(Unaudited) Six months ended 31st March 2019	(Unaudited) Six months ended 31st March 2018	(Audited) Year ended 30th September 2018
Net assets (£'000)	236,021	247,659	220,962
Number of shares in issue	72,703,188	72,928,162	72,703,188
Net asset value per share	324.6p	339.6p	303.9p

6. Reconciliation of net return/(loss) on ordinary activities before finance costs and taxation to net cash outflow from operations before dividends and interest

	(Unaudited) Six months ended 31st March 2019 £'000	(Unaudited) Six months ended 31st March 2018 £'000	(Audited) Year ended 30th September 2018 £'000
Net return/(loss) on ordinary activities before finance costs and taxation	18,261	23,159	(1,849)
(Less capital return)/add capital loss on ordinary activities before finance costs and taxation	(18,416)	(23,511)	5,560
Decrease in accrued income and other debtors	307	412	97
Decrease in accrued expenses	(32)	(33)	(17)
Management fee charged to capital	(918)	(1,043)	(2,139)
Tax on unfranked investment income	(1)	(16)	(350)
Dividends received	(421)	(536)	(4,363)
Interest received	(45)	(4)	(11)
Realised losses on foreign currency transactions	(87)	(132)	(252)
Exchange gain on Liquidity Fund	70	24	17
Net cash outflow from operations before dividends and interest	(1,282)	(1,680)	(3,307)

7. Fair valuation of investments

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

	(Unaudited) Six months ended 31st March 2019		(Unaudited) Six months ended 31st March 2018		(Audited) Year ended 30th September 2018	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	258,540	–	288,773	–	258,469	–
Level 2	–	–	–	–	2,072	–
Total	258,540	–	288,773	–	260,541	–

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 fall into the following broad categories: investment underperformance; strategy/business management/political; loss of Investment Team or Investment Manager; share price discount; market; governance; legal and regulatory; corporate governance and shareholder relations; operational risk and cybercrime; and financial. Information on each of these areas is given in the Business Review within the Annual Report and Financial Statements for the year ended 30th September 2018.

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 2019, as required by the UK Listing Authority Disclosure and Transparency Rule ('DTR') 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 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
John Misselbrook
Chairman

24th May 2019

Shareholder Information

Return to Shareholders (APM)

Total return to shareholders, 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.

Total return calculation	Page	6 months ended	
		31st March 2019	
Opening share price (p)	4	263.0	(a)
Closing share price (p)	4	285.0	(b)
Total dividend adjustment factor ¹		1.014228	(c)
Adjusted closing share price (d = b x c)		289.1	(d)
Total return to shareholders (e = d / a - 1)		9.9%	(e)

¹ The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

Return on Net Assets (APM)

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, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	6 months ended	
		31st March 2019	
Opening cum-income NAV per share (p)	4	303.9	(a)
Closing cum-income NAV per share (p)	4	324.6	(b)
Total dividend adjustment factor ²		1.012398	(c)
Adjusted closing cum-income NAV per share (d = b x c)		328.6	(d)
Total return on net assets (e = d / a - 1)		8.1%	(e)

² The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

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, without transaction costs, in 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 follow or 'track' this index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

Gearing/(Net Cash) (APM)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds.

If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	31st March	30th September	
		2019	2018	
		£'000	£'000	
Investments held at fair value through profit or loss	16	258,540	260,541	(a)
Net assets	16	236,021	220,962	(b)
Gearing (c = a / b - 1)		9.5%	17.9%	(c)

Ongoing Charges (APM)

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

The figure as at 31st March 2019 is an estimated annualised figure based on the actual figures for the six months ended 31st March 2019.

		31st March 2019 £'000	30th September 2018 £'000	
Ongoing charges calculation	Page			
Management Fee ¹	14	2,222	2,852	
Other administrative expenses	14	532	500	
Total management fee and other administrative expenses		2,754	3,352	(a)
Average daily cum-income net assets		204,699	250,763	(b)
Ongoing charges (c = a / b)		1.35%	1.34%	(c)

¹ With effect from 1st April 2019, the management fee was amended from 1% per annum of the Company's total assets less current liabilities, after adding back any loans, to 0.9% per annum of the Company's net assets. Therefore, the management fees forecast for the six months ending 30th September 2019 are calculated under the new fee structure.

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

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 (page 4).

Performance attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Asset allocation

Measures the impact of allocating assets differently from those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

Stock selection

Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

Currency effect

Measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

Gearing/(Net Cash)

Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Dividends/Residual

Represents timing differences in respect of cash flows and dividends.

Management fee/Other expenses

The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

Share Buyback

Measures the enhancement to net asset value per share of buying back the Company's shares for cancellation at a price which is less than the Company's net asset value per share.

American Depositary Receipts (ADRs)

Certificates that are traded on US stock exchanges representing a specified number of shares in a non-US company. ADRs are denominated and pay dividends in US dollars and may be traded like regular shares of stock.

China A-Shares

Companies incorporated in mainland China and which are traded in the mainland A-Share markets. The prices of A-Shares are quoted in renminbi, and currently, only Mainland Chinese Investors and selected Foreign Institutional Investors are allowed to trade A-Shares.

The Company invests directly in China A-Shares and also gains access to the A-Share market by investing into China A-Share access products (participatory notes).

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 Mainland Chinese Investors and Foreign Institutional Investors.

Hong Kong H-Shares

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

Shanghai-Hong Kong Stock Connect

A cross-boundary investment channel that connects the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Under the program, investors in each market are able to trade shares on the other market using their local brokers and clearing houses.

Shenzhen-Hong Kong Stock Connect

A cross-boundary investment channel that connects the Shenzhen Stock Exchange and the Hong Kong Stock Exchange. Under the program, investors in each market are able to trade shares on the other market using their local brokers and clearing houses.

J.P. Morgan investment trusts are eligible investments within a stocks & shares individual savings account (ISA) and Junior ISA. For the 2019/20 tax year, from 6th April 2019 and ending 5th April 2020, the annual ISA allowance is £20,000 and the Junior ISA annual allowance is £4,368.

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

1. Via a third party provider

Third party providers include;

AJ Bell	Hargreaves Lansdown
Alliance Trust Savings	Interactive Investor
Barclays Smart Investor	Selftrade
Charles Stanley Direct	The Share Centre
FundsNetwork	

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.

2. 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

Information for J.P. Morgan Investment Account and Stocks & Shares ISA account holders

In April 2019 JPMorgan Asset Management sent a letter informing relevant holders of its J.P. Morgan investment account and stocks & shares savings products that it had decided to cease managing ISA and Investment Accounts. Information regarding the transfer arrangements have also been provided, detailing that, unless an alternative third party provider is selected, accounts will be transferred to Hargreaves Lansdown and The Share Centre on 27th July 2019 and 28th September 2019 respectively.

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.

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

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



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	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

John Misselbrook (Chairman)
David Graham
Alexandra Mackesy
Oscar Wong

Company Numbers

Company registration number: 02853893
London Stock Exchange Sedol number: 0343501
ISIN: GB0003435012
Bloomberg ticker: JMC LN
LEI: 549300S8M91P5FYONY25

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.

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

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

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.jpmchinese.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.