



Half Year Report 2014

JPMorgan Chinese
Investment Trust plc

Half Year Report & Accounts for the six months ended 31st March 2014

J.P.Morgan
Asset Management

Features

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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 Hong Kong, China 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 15% 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 Golden Dragon 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 2014, the Company's issued share capital comprised 77,914,965 Ordinary shares of 25p each, including 2,383,539 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

The Company employs JPMorgan Asset Management (UK) Limited ('JPMAM' or the 'Manager') to manage its assets.

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.

Half Year Performance

Total returns (includes dividends reinvested)

+3.9%

Return to Ordinary
shareholders¹

-0.2%

Return on net assets²

-2.5%

Benchmark total return³

¹Source: Morningstar.

²Source: J.P. Morgan.

³Source: MSCI. The Company's benchmark is the MSCI Golden Dragon Index, with net dividends reinvested, in sterling terms.

Financial Data

	31st March 2014	30th September 2013	% change
Total net assets (£'000)	127,590	128,918	-1.0
Number of Ordinary shares in issue	75,531,426	75,531,426	0.0
Net asset value per Ordinary share	168.9p	170.7p	-1.1
Ordinary share price	151.75p	147.50p	+2.9
Ordinary share price discount to net asset value	10.2%	13.6%	

A glossary of terms and definitions is provided on page 17.

Chairman's Statement



Performance

For the six months to 31st March 2014, despite a volatile first half of the Company's financial year, the Company's return on net assets (with net dividends reinvested) of -0.2% still outperformed the return of the Company's benchmark, the MSCI Golden Dragon Index, which experienced a 2.5% reduction (in sterling terms). The total return to shareholders was +3.9%. The Investment Managers' Report provides further comments on the Company's performance and portfolio and market developments.

Loan Facility and Gearing

On 23rd January 2014 the Company renewed its £20 million credit facility with Scotiabank for a further 364 days, and £11.4 million was drawn down on this facility as at 31st March 2014. The Board has given the Investment Managers the flexibility to manage the gearing tactically within a range set by the Board of 10% net cash to 15% geared. During the period the Company's gearing ranged from 6.1% to 9.7% geared, ending the half year at 6.1% geared.

Share Repurchases and Issues in the Period

At the time of writing, the Company's issued share capital consists of 75,531,426, Ordinary shares, excluding shares held in Treasury. During the six month reporting period the Company did not repurchase or issue any Ordinary shares.

The Alternative Investment Fund Managers Directive ('AIFMD')

Your Company must comply with the AIFMD by 22nd July 2014. JPMorgan has now been authorised as an AIFM and the Company is currently preparing to enter into a new management agreement with JPMorgan Funds Limited. The Board has also agreed to appoint Bank of New York Mellon ('BoNY') as its depositary under the new regime and a depositary agreement with BoNY is currently being finalised.

Board of Directors

As stated in the Company's 2013 Annual Report, your Board has taken into account the ongoing requirements of the UK Corporate Governance Code and as a result has a succession plan in place. The Board has agreed that one of the longer serving Directors will retire at the next Annual General Meeting in January 2015 and the Board is currently in the process of interviewing candidates with the intention to recruit a new Director this summer.

Outlook

As China embarks on a multiyear deleveraging process, the government has indicated that no large stimulus plans will come through in the short-term. However, we do see small steps in reform underway. Supply-side reforms such as state-owned enterprise reform, break-up of monopolies, tax reduction, interest rate liberalisation and fewer government controls are needed to support growth and get it onto a sustainable path, instead of heavy reliance on demand-side management such as infrastructure spending or property sector policy swings. We expect the macro environment to stabilise going into the second and third quarters of 2014, mildly rebounding from the first-quarter low. This is likely to be underpinned by selective easing recently initiated by the government, including increased infrastructure spending, a pick-up in social housing and tax cuts for small and medium enterprises.

We are turning more cautious on Hong Kong and anticipate continued market volatility in the near-term given the investment community's concerns over China's economic slowdown, as well as expectations of rising interest rates in the US. Conversely, we have been increasing our weighting in Taiwan, particularly in exporters given their positive leverage to a pick-up in the US import growth. This includes stocks in the technology and medical precision sectors which are in the midst of a positive earnings revision cycle.

William Knight
Chairman

23rd May 2014

Investment Managers' Report



Howard Wang

Over the six month period ended 31st March 2014, the Company achieved a total return on net assets of -0.2% (in sterling terms), outperforming the Company's benchmark return of -2.5% by 2.3%.

Stock selection across all three Greater China markets contributed to the majority of the outperformance. In Taiwan, stock selection was strong within the technology sector (e.g. smart-phone supply chain related stocks), whereas in Hong Kong/China most of the returns came from favourable stock selection in IT and 'environmental' plays (e.g. Water treatment and natural gas) and selective consumer names (e.g. Macau gaming).

China Review

Chinese equities diverged in the fourth quarter of 2013, with offshore-listed equities continuing the rally while domestic A-shares (CSI 300) posted a decline. Overseas investors were positively surprised by the broad reform blueprint outlined in CCP's 3rd Plenum. Domestic investors, however, worried about the potential negative impact from higher interbank interest rates as banks deleverage. Reform beneficiaries, such as insurance and environmental plays led the rally in the fourth quarter, while potential targets of reform such as oil majors and telecommunication stocks lagged.

Chinese equities fell in the first quarter of 2014, with offshore-listed equities down 5.9% and domestic A-shares (CSI 300) down 7.9%. Most of the decline took place in January when the US Federal Reserve's announcement on the tapering of its quantitative easing programme renewed concerns about emerging market currencies and triggered de-risking from investors. The gradual decline in interbank rates from their fourth-quarter high did not alleviate market concerns over decelerating growth, cases of trust/bond defaults and lack of evidence for further reform progress. Economic-sensitive sectors such as financials, consumer discretionary and commodities/industrials lagged, while structural growth sectors such as internet and health care outperformed. Earnings revisions turned negative vs. the fourth quarter of 2013, led mainly by cyclicals, such as technology, transportation and auto, or reform targets, such as telecoms and energy. Upward revisions were in health care or beneficiaries of lower costs such as utilities.

China Outlook

The macro environment should begin to stabilise going into the second and third quarters. This is likely to be underpinned by selective easing recently initiated by the government, such as increased infrastructure spending, a pickup in social housing and tax cuts for small and medium enterprises. Overall, we expect growth to remain at the low end of the 7%-8% GDP range when the new leadership carries out structural reforms to improve quality of growth.

Hong Kong Review

Despite the announcement of the long anticipated tapering in the US, Hong Kong equities managed to eke out further gains during the fourth quarter of 2014, largely driven by strength in the Macau gaming sector. Property developers continued their strategy of launching new projects at attractive prices, sometimes at par with



Emerson Yip



William Tong



Shumin Huang

neighboring secondary units, in order to generate interest. However, despite this successful selling strategy, property stocks fell due to concerns over tapering and fears of further pricing pressures given more upcoming launches in 2014. Bank stocks went sideways as tapering concerns dampened the sector. Retail sales growth rebounded in November back to 8.5% after two months of mid single-digit growth.

Much like China, Hong Kong equities retreated in the first quarter of 2014 due to concerns over slowing economic growth in China, including worries surrounding trust products and corporate bonds, coupled with talks of earlier-than-expected interest rate increases in the US. Despite strong quarterly growth in gaming revenues, including 13% growth for March off a high base and 20% growth for the quarter, there was profit-taking in the Macau gaming sector. Hong Kong banks reported generally positive operating results. However, it appears that the Hong Kong Monetary Authority is exerting pressure for banks to bolster their capital in case of a credit downturn.

Hong Kong Outlook

Market volatility will remain in the near term given the concerns over China's economic slowdown as well as rising rate pressures in the US. The commitment to reforms in China, while negative for short-term growth momentum, should result in more sustainable growth path and market re-rating. Despite market speculation, property tightening policies in Hong Kong are unlikely to be reversed any time soon. Sectorial growth stories remain in Hong Kong, including the gaming sector and companies benefitting from economic recovery overseas.

Taiwan Review

Thanks to the year-end window dressing, the Taiwan Index (TWSE) closed +5.35% quarter on quarter in local currency for the fourth quarter of 2013. Non-technology stocks continued to perform well for the quarter with rotational buying among the sub-sectors within non technology space, offsetting the volatility from technology earnings results. Technology performance was mixed, component plays were quite encouraging on restocking demand, while communication was dragged down by HTC as the handset firm announced two consecutive quarters of operating losses.

After shrugging off several market shocks in the beginning of 2014, including US Federal Reserve chair Janet Yellen's indication of a possible rate rise in six months and home-grown protests over a trade deal with China, the TWSE hit new yearly highs, to close with a 2.8% gain from the fourth quarter of 2013. Among the major losers were financials stocks, down 5.5% quarter on quarter, as students continued to occupy Taiwan's parliament, demanding the withdrawal of a services pact with mainland China. Taiwan's economic monitoring indicator hit a 32-month high of 25 for February. The government expects it to be between 23-31 in March if the global economy continues to improve.

Investment Managers' Report continued

Taiwan Outlook

The healthy global macro backdrop will drive earnings growth for the technology sector of another 10%-15% in 2014, following profit growth of 30%-40% in 2013. A key event to monitor is whether the Cross-Strait Service Trade Agreement can be passed by Taiwan's legislature in May or June this year. While the service pact will have less impact on the technology sector, it will meaningfully benefit Taiwanese financials.

Summary

Overall, our top-down assumptions remain unchanged and we remain broadly optimistic on our principal portfolio themes. China will sacrifice quantity of growth for quality of growth during a de-leveraging and reform process, while developed-market facing exporters in Taiwan should continue to see positive earnings revisions. While certain results were disappointing (and are reflective of Chinese corporates in need of reform), we have added to our positions in environmental protection and healthcare plays in China as well as exporters in Taiwan. We have continued to reduce our holdings in Hong Kong financials to finance these purchases.

Howard Wang

Emerson Yip

William Tong

Shumin Huang

Investment Managers

23rd May 2014

List of Investments

at 31st March 2014

Company	Country of Listing/ Classification	Valuation £'000	%
Taiwan Semiconductor Manufacturing	Taiwan	9,856	7.3
Tencent	China HK listed	8,769	6.5
AIA	Hong Kong	5,995	4.4
China Construction Bank	China HK listed	5,933	4.4
JP Morgan China New Generation Fund	China A-Shares	4,323	3.2
China Petroleum & Chemical	China HK listed	3,865	2.9
Galaxy Entertainment	Hong Kong	3,286	2.4
Ping An Insurance	China HK listed	3,259	2.4
Cheung Kong	Hong Kong	3,249	2.4
Hutchison Whampoa	Hong Kong	3,076	2.3
Industrial and Commercial Bank of China	China HK listed	3,001	2.2
MediaTek1	Taiwan	2,732	2.0
China Vanke	China B-Shares	2,572	1.9
Delta Electronics	Taiwan	2,489	1.8
Agricultural Bank of China	China HK listed	2,396	1.8
China Life Insurance	China HK listed	2,349	1.7
Sands China	Hong Kong	2,314	1.7
Advanced Semiconductor Engineering	Taiwan	2,203	1.6
CNOOC	China HK listed	2,083	1.5
Want Want China	China HK listed	2,007	1.5
Fubon Financial	Taiwan	1,923	1.4
AAC Technologies	China HK listed	1,914	1.4
China Cinda Asset Management	China HK listed	1,877	1.4
China Conch Venture	China HK listed	1,863	1.4
China Resources Gas	China HK listed	1,845	1.4
China Minsheng Banking	China HK listed	1,840	1.4
China Overseas Land & Investments	China HK listed	1,764	1.3
JP Morgan Taiwan Best Selection	Taiwan	1,578	1.2
China Oilfield Services	China HK listed	1,571	1.2
Largan Precision	Taiwan	1,532	1.1
MGM China	Hong Kong	1,502	1.1
Tingyi	China HK listed	1,500	1.1
Beijing Enterprises Water	China HK listed	1,440	1.1
China Everbright International	China HK listed	1,333	1.0
Quanta Computer	Taiwan	1,329	1.0
Asustek Computer	Taiwan	1,298	1.0
Great Wall Motor	China HK listed	1,295	1.0
President Chain Store	Taiwan	1,248	0.9
GCL-Poly Energy	China HK listed	1,224	0.9
China Life Insurance	Taiwan	1,154	0.9
China Steel Chemical	Taiwan	1,077	0.8
China Longyuan Power	China HK listed	1,049	0.8
United Microelectronics	Taiwan	1,049	0.8
China Unicom (Hong Kong)	China HK listed	1,041	0.8

List of Investments continued

Company	Country of Listing/ Classification	Valuation £'000	%
China Merchants Holdings	China HK listed	1,039	0.8
E Sun Financial	Taiwan	1,013	0.7
Ruentex Development	Taiwan	1,012	0.7
Lifestyle International	Hong Kong	985	0.7
Merida Industry	Taiwan	953	0.7
Sino Biopharmaceutical	China HK listed	929	0.7
Hong Kong Land	Hong Kong	907	0.7
Haitong Securities	China HK listed	904	0.7
Chongqing Changan Automobile	China B-Shares	893	0.7
Orient Overseas International	Hong Kong	878	0.6
E-House China	China US listed	874	0.6
BOC Hong Kong	Hong Kong	855	0.6
Sunspring Metal	Taiwan	855	0.6
Sunac China	China HK listed	829	0.6
China Steel	Taiwan	812	0.6
Sino-American Silicon Products	Taiwan	808	0.6
Intai Technology	Taiwan	801	0.6
Chipbond Technology	Taiwan	798	0.6
China Eastern Airlines	China HK listed	796	0.6
YY	China US listed	783	0.6
Huaneng Renewables	China HK listed	778	0.6
Goertek ¹	China A-Shares	726	0.5
Phoenix Healthcare	China HK listed	715	0.5
Gree Electric Appliances (Warrants 2014) ¹	China A-Shares	675	0.5
Innolux Display	Taiwan	671	0.5
St Shine Optical	Taiwan	655	0.5
Daqin1	China A-Shares	640	0.5
Shanghai Airport ¹	China A-Shares	591	0.4
Shanghai Pharmaceuticals	China HK listed	501	0.4
Intime Retail	China HK listed	329	0.2
Huaku Development	Taiwan	175	0.1
Voltronic Power Technology	Taiwan	170	0.1
Total Investments		135,353	100.0

A glossary of terms and definitions is provided on page 17.

¹Includes investments in warrants and participatory notes.

There are no fixed interest holdings in the portfolio.

Portfolio Analyses

Geographical Analysis

	31st March 2014		30th September 2013	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
China HK listed	48.8	46.5	52.3	47.3
China A-Shares (Indirect) ^{1,2}	5.5	—	7.4	—
China B-Shares	2.7	0.4	2.2	0.3
China US listed	1.3	—	0.1	—
China Total	58.3	46.9	62.0	47.6
Taiwan ³	29.6	29.3	26.0	28.1
Hong Kong ⁴	18.2	23.8	23.7	24.3
Net current liabilities	(6.1)	—	(11.7)	—
Total	100.0	100.0	100.0	100.0

¹As at 31st March 2014 this includes JP Morgan China New Generation Fund.

²As at 30th September 2013 this included JP Morgan China Pioneer A-Share Fund and JP Morgan China New Generation Fund.

³As at 31st March 2014 this includes JPMorgan Taiwan Best Selection Fund.

⁴2013: AAC Technologies was reclassified from Hong Kong to China HK listed.

Based on total assets less current liabilities of £127.6m (2013: £129.2m).

Sector Analysis

	31st March 2014		30th September 2013	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Financials (including property)	33.7	36.1	39.8	38.2
Information Technology	29.4	22.4	24.6	19.5
Consumer Discretionary	10.2	8.2	15.5	7.7
Industrials	10.1	6.6	5.7	6.4
Energy	5.9	6.6	6.8	7.2
Investment Funds ^{1,2}	4.6	—	4.8	—
Utilities	4.0	4.6	3.3	4.5
Consumer Staples	3.7	3.6	5.0	3.7
Health Care	2.2	0.9	0.2	0.6
Materials	1.5	4.8	2.6	5.0
Telecommunication Services	0.8	6.2	3.4	7.2
Net current liabilities	(6.1)	—	(11.7)	—
Total	100.0	100.0	100.0	100.0

¹As at 31st March 2014 this includes JP Morgan China New Generation Fund and JP Morgan Taiwan Best Selection Fund.

²As at 30th September 2013 this included JP Morgan China Pioneer A-Share Fund and JP Morgan China New Generation Fund.

Based on total assets less current liabilities of £127.6m (2013: £129.2m).

Income Statement

for the six months ended 31st March 2014

	(Unaudited) Six months ended 31st March 2014			(Unaudited) Six months ended 31st March 2013			(Audited) Year ended 30th September 2013		
	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	–	900	900	–	22,765	22,765	–	19,697	19,697
Net foreign currency gains/(losses)	–	346	346	–	(1,010)	(1,010)	–	65	65
Income from investments	215	–	215	143	–	143	3,620	–	3,620
Gross return	215	1,246	1,461	143	21,755	21,898	3,620	19,762	23,382
Management fee	(717)	–	(717)	(629)	–	(629)	(1,334)	–	(1,334)
Performance fee	–	(536)	(536)	–	(1,052)	(1,052)	–	(1,467)	(1,467)
Other administrative expenses	(204)	–	(204)	(267)	–	(267)	(516)	–	(516)
Net (loss)/return on ordinary activities before finance costs and taxation	(706)	710	4	(753)	20,703	19,950	1,770	18,295	20,065
Finance costs	(116)	–	(116)	(109)	–	(109)	(223)	–	(223)
Net (loss)/return on ordinary activities before taxation	(822)	710	(112)	(862)	20,703	19,841	1,547	18,295	19,842
Taxation	(7)	–	(7)	–	–	–	(306)	–	(306)
Net (loss)/return on ordinary activities after taxation	(829)	710	(119)	(862)	20,703	19,841	1,241	18,295	19,536
(Loss)/return per Ordinary share (note 4)	(1.10)p	0.94p	(0.16)p	(1.13)p	27.04p	25.91p	1.63p	23.99p	25.62p

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 Total column represents all the information that is required to be disclosed in a Statement of Total Recognised Gains and Losses ('STRGL'). For this reason a STRGL has not been presented.

Reconciliation of Movements in Shareholders' Funds

Six months ended 31st March 2014 (Unaudited)	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2013	19,481	13,321	3	581	37,392	56,313	1,827	128,918
Net return/(loss) on ordinary activities	—	—	—	—	—	710	(829)	(119)
Dividends appropriated in the period	—	—	—	—	—	—	(1,209)	(1,209)
At 31st March 2014	19,481	13,321	3	581	37,392	57,023	(211)	127,590

Six months ended 31st March 2013 (Unaudited)	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2012	19,595	13,129	3	581	37,392	39,709	1,811	112,220
Issue of Ordinary shares on exercise of Subscription shares	3	18	—	—	—	—	—	21
Repurchase of Ordinary shares into Treasury	—	—	—	—	—	(163)	—	(163)
Net return/(loss) on ordinary activities	—	—	—	—	—	20,703	(862)	19,841
Dividends appropriated in the period	—	—	—	—	—	—	(1,225)	(1,225)
At 31st March 2013	19,598	13,147	3	581	37,392	60,249	(276)	130,694

Year ended 30th September 2013 (Audited)	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th September 2012	19,595	13,129	3	581	37,392	39,709	1,811	112,220
Issue of Ordinary shares on exercise of Subscription shares	12	66	—	—	—	—	—	78
Repurchase of Ordinary shares into Treasury	—	—	—	—	—	(1,691)	—	(1,691)
Cancellation of Subscription shares	(126)	126	—	—	—	—	—	—
Net return on ordinary activities	—	—	—	—	—	18,295	1,241	19,536
Dividends appropriated in the year	—	—	—	—	—	—	(1,225)	(1,225)
At 30th September 2013	19,481	13,321	3	581	37,392	56,313	1,827	128,918

Balance Sheet

at 31st March 2014

	(Unaudited) 31st March 2014 £'000	(Unaudited) 31st March 2013 £'000	(Audited) 30th September 2013 £'000
Fixed assets			
Investments held at fair value through profit or loss:			
China	74,115	78,141	78,179
Taiwan	38,191	37,233	33,583
Hong Kong	23,047	34,798	32,518
Total investments	135,353	150,172	144,280
Current assets			
Debtors	2,192	372	1,086
Cash and short term deposits	3,770	83	2,603
	5,962	455	3,689
Creditors: amounts falling due within one year	(13,725)	(18,600)	(18,796)
Bank overdraft	–	(281)	–
Net current liabilities	(7,763)	(18,426)	(15,107)
Total assets less current liabilities	127,590	131,746	129,173
Performance fees	–	(1,052)	(255)
Net assets	127,590	130,694	128,918
Capital and reserves			
Called up share capital	19,481	19,598	19,481
Share premium	13,321	13,147	13,321
Exercised warrant reserve	3	3	3
Capital redemption reserve	581	581	581
Other reserve	37,392	37,392	37,392
Capital reserves	57,023	60,249	56,313
Revenue reserve	(211)	(276)	1,827
Total equity shareholders' funds	127,590	130,694	128,918
Net asset value per Ordinary share (note 5)	168.9p	170.8p	170.7p

Company registration number: 02853893

Cash Flow Statement

for the six months ended 31st March 2014

	(Unaudited) Six months ended 31st March 2014 £'000	(Unaudited) Six months ended 31st March 2013 £'000	(Audited) Year ended 30th September 2013 £'000
Net cash (outflow)/inflow from operating activities (note 6)	(1,896)	(818)	1,100
Net cash outflow from returns on investments and servicing of finance	(107)	(103)	(219)
Taxation recovered	–	–	67
Net cash inflow/(outflow) from capital expenditure and financial investment	9,299	(2,419)	347
Dividend paid	(1,209)	(1,225)	(1,225)
Net cash (outflow)/inflow from financing	(4,811)	3,653	1,848
Increase/(decrease) in cash for the period	1,276	(912)	1,918
Reconciliation of net cash flow to movement in net debt			
Net cash movement	1,276	(912)	1,918
Loans drawn down in the period	(4,811)	(5,249)	(4,916)
Exchange rate movements	356	(1,010)	65
Movement in net debt in the period	(3,179)	(7,171)	(2,933)
Net debt at the beginning of the period	(14,070)	(11,137)	(11,137)
Net debt at the end of the period	(17,249)	(18,308)	(14,070)
Represented by:			
Cash and short term deposits	3,770	83	2,603
Bank overdraft	–	(281)	–
Debt falling due within one year	(21,019)	(18,110)	(16,673)
Net debt at the end of the period	(17,249)	(18,308)	(14,070)

Notes to the Accounts

for the six months ended 31st March 2014

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 2013 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts 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 accounts have been prepared in accordance with 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' issued in January 2009.

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

The accounting policies applied to these half year accounts are consistent with those applied in the accounts for the year ended 30th September 2013.

3. Dividend

	(Unaudited) Six months ended 31st March 2014 £'000	(Unaudited) Six months ended 31st March 2013 £'000	(Audited) Year ended 30th September 2013 £'000
Final dividend paid in respect of the year ended 30th September 2013 of 1.6p (2012: 1.6p)	1,209	1,225	1,209

No interim dividend has been declared in respect of the six months ended 31st March 2014 (2013: nil).

4. (Loss)/return per Ordinary share

	(Unaudited) Six months ended 31st March 2014 £'000	(Unaudited) Six months ended 31st March 2013 ¹ £'000	(Audited) Year ended 30th September 2013 £'000
(Loss)/return per Ordinary share is based on the following:			
Revenue (loss)/return	(829)	(862)	1,241
Capital return	710	20,703	18,295
Total (loss)/return	(119)	19,841	19,536
Weighted average number of Ordinary shares in issue during the period	75,531,426	76,569,011	76,255,930
Revenue (loss)/return per Ordinary share	(1.10)p	(1.13)p	1.63p
Capital return per Ordinary share	0.94p	27.04p	23.99p
Total (loss)/return per Ordinary share	(0.16)p	25.91p	25.62p

¹On 29th May 2013, the Subscription share rights had lapsed.

5. Net asset value per Ordinary share

	(Unaudited) Six months ended 31st March 2014	(Unaudited) Six months ended 31st March 2013 ¹	(Audited) Year ended 30th September 2013
Ordinary shareholders funds (£'000)	127,590	130,694	128,918
Number of Ordinary shares in issue	75,531,426	76,534,334	75,531,426
Net asset value per Ordinary share (pence)	168.9	170.8	170.7

¹On 29th May 2013, the Subscription share rights had lapsed.

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

	(Unaudited) Six months ended 31st March 2014 £'000	(Unaudited) Six months ended 31st March 2013 £'000	(Audited) Year ended 30th September 2013 £'000
Net return on ordinary activities before finance costs and taxation	4	19,950	20,065
Less capital return before finance costs and taxation	(710)	(20,703)	(18,295)
Scrip dividends received as income	—	—	(206)
Decrease in accrued income	105	84	4
Decrease/(increase) in other debtors	4	(21)	(9)
Decrease in accrued expenses	(81)	(128)	(75)
Performance fee paid	(1,212)	—	—
Overseas taxation	(6)	—	(384)
Net cash (outflow)/inflow from operating activities	(1,896)	(818)	1,100

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 and economic; 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 2013.

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. 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 the Accounting Standards Board's Statement 'Half Yearly Financial Reports' 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 2014, 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

23rd May 2014

Glossary of Terms and Definitions

Return to Ordinary shareholders

Total return to the investor, on a mid-market price to mid-market 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.

Benchmark total return

Total return on the benchmark, on a mid-market value to mid-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.

Ordinary share price discount to net asset value ('NAV') per Ordinary 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 Ordinary share

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

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 (Indirect)

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 mainlanders and selected foreign institutional investors are allowed to trade A-Shares.

The Company does not invest directly in China A-Shares but instead gains access to the A-Share market by investing into China A-Share access products.

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.

Financial Conduct Authority

Beware of share fraud



In association with:
icsa.
Registrars
Group

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- 1** Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2** Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3** Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- 4** Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5** Use the firm's contact details listed on the Register if you want to call it back.
- 6** Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7** Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- 8** Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- 9** Think about getting independent financial and professional advice before you hand over any money.
- 10** **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000

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
Interim Management Statements announced	January/July
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)
Sir Andrew Burns KCMG
Irving Koo OBE
Kathryn Matthews
John Misselbrook

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.jpmmchinese.co.uk where the prices are updated every fifteen minutes during trading hours.

Website

www.jpmmchinese.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 SIPP. These products are all available on the online wealth manager service, J.P. Morgan WealthManager+ available at www.jpmmorganwealthmanagerplus.co.uk

Manager and Company Secretary

JPMorgan Asset Management (UK) 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.

Custodian

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London E14 5JP

Registrars

Equiniti Limited
Reference 1078
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Spencer Road
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Telephone number: 0871 384 2317

Calls to this number cost 8p per minute plus network charges. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday. The overseas helpline number is +44 (0)121 415 7047.

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 their 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, J.P. Morgan ISA and J.P. Morgan SIPP, please see the contact details on the back cover of this report.



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Investment Companies

A member of the AIC

J.P. Morgan Helpline
Freephone 0800 20 40 20 or +44 (0)20 7742 9995

Your telephone call may be recorded for your security

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