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If you have sold or otherwise transferred all of your ordinary shares (“**Shares**”) in Fidelity China Special Situations PLC (the “**Company**”), please send this document (but not the accompanying personalised Form of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The definitions used in this document are set out in Part 4 of this document.

FIDELITY CHINA SPECIAL SITUATIONS PLC

*(Incorporated in England and Wales with registered number 07133583)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

Recommended Proposals relating to the issue of New Shares pursuant to a Guernsey scheme of reconstruction and members’ voluntary winding up of abrdn China Investment Company Limited

and

Notice of General Meeting

The Proposals described in this document are conditional on Shareholder approval. Your attention is drawn to the letter from the Chairman of the Company set out in Part 1 of this document, which contains, among other things, the recommendation of the Board that Shareholders vote in favour of the Resolution to be proposed at the General Meeting referred to below. This document should be read in its entirety before deciding what action you should take.

Notice of a General Meeting of the Company to be held at the offices of Fidelity International, 4 Cannon Street, London EC4M 5AB on 11 March 2024 at 3.00 p.m. (the “**General Meeting**”) is set out at the end of this document.

All Shareholders are encouraged to vote in favour of the Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf. Shareholders are requested to return the Form of Proxy accompanying this document for use in connection with the General Meeting. To be valid, Forms of Proxy must be completed, signed and returned in accordance with the instructions printed thereon so as to be received by the Registrar, Link Group, at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL, as soon as possible and, in any event, by no later than 3.00 p.m. on 7 March 2024.

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed via Link Group’s website www.signalshares.com. Shareholders who have not previously registered for the Signal Share portal will require their Investor Code to vote in this manner. Shareholders can find their Investor Code on their share certificate or Form of Proxy. Shareholders can also request their Investor Code from the Registrar, Link Group, by calling them at 0371 664 0321. Lines are open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Proxies submitted via Signal Share for the General Meeting must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 3.00 p.m. on 7 March 2024.

Institutional investors may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar, Link Group. For further information regarding Proxymity, please go to <https://proxymity.io/>. Proxies submitted via Proxymity for the General Meeting must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 3.00 p.m. on 7 March 2024.

In each case please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this document.

Dickson Minto Advisers, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as sponsor and financial adviser to the Company only and for no one else in connection with the Proposals and the other arrangements referred to in this document. Dickson Minto Advisers will not regard any other person (whether or not a recipient of this document) as its client in relation to the Proposals and the other arrangements referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the Proposals, the contents of this document or any transaction or arrangement referred to in this document. This does not exclude any responsibilities that Dickson Minto Advisers may have under FSMA or the regulatory regime established thereunder.

This document should be read as a whole and your attention is drawn to the section titled “Action to be taken” on pages 8 and 9 of this document.

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EXPECTED TIMETABLE

2024

Publication of this document	16 February
Calculation Date for the Scheme	5.00 p.m. on 6 March
Latest time and date for receipt of Forms of Proxy and CREST voting instructions for the General Meeting	3.00 p.m. on 7 March
General Meeting	3.00 p.m. on 11 March
Announcement of results of the General Meeting	11 March
Effective Date of implementation of the Scheme	13 March
Announcement of the results of the Scheme and respective FAVs per share	13 March
Admission and dealing in New Shares commence	8.00 a.m. on 14 March
CREST Accounts credited in respect of New Shares in uncertificated form	as soon as is reasonably practicable on 14 March
Share certificates in respect of New Shares held in certificated form despatched	no later than 27 March

***Note:** All references to time in this document are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the General Meeting) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.*

PART 1

LETTER FROM THE CHAIRMAN

FIDELITY CHINA SPECIAL SITUATIONS PLC

*(Incorporated in England and Wales with registered number 07133583)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

Directors

Mike Balfour (*Chairman*)
Alastair Bruce
Vanessa Donegan
Georgina Field
Gordon Orr
Edward Tse

Registered Office

Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP

16 February 2024

Recommended proposals relating to the issue of New Shares pursuant to a Guernsey scheme of reconstruction and members' voluntary winding up of abrdn China Investment Company Limited and Notice of General Meeting

Dear Shareholder

Introduction and background

As announced on 28 November 2023, the Board has agreed terms with the board of abrdn China Investment Company Limited (“**ACIC**”) in respect of a proposed combination of the assets of the Company with the assets of ACIC. The combination, if approved by Shareholders and ACIC Shareholders, will be effected by way of a Guernsey scheme of reconstruction and members' voluntary winding up of ACIC (the “**Scheme**”) and the associated transfer of part of the cash, assets and undertaking of ACIC to the Company in exchange for the issue of new ordinary shares in the Company (the “**New Shares**”) to ACIC Shareholders who are deemed to have elected for the Rollover Option (the “**Issue**”) (together, the “**Proposals**”).

Following implementation of the Proposals, the enlarged FCSS will continue to be managed, in accordance with its existing investment objective and policy, by FIL Investment Management (Hong Kong) Limited with Dale Nicholls continuing as the named portfolio manager. The Board of the Company believes that, if the Proposals are implemented, Shareholders will benefit from, amongst other things, the economies of scale that are expected to result from the enlarged asset base, including improved market liquidity in the Company's Shares (including in relation to its existing share buyback policy) and cost efficiencies.

In order to effect the Proposals, Shareholders are required to approve the Issue. The Scheme is also subject to, among other things, the approval of ACIC Shareholders at the ACIC General Meetings.

The purpose of this document is to explain the Proposals and the actions required to be taken in order for them to be implemented and to convene the General Meeting, notice of which is set out at the end of this document. Further details of the Resolution to be proposed at the General Meeting are set out below. The expected timetable associated with the Proposals is set out on page 4 of this document.

The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Overview of the Scheme

As noted above, the Proposals will be effected by way of a Guernsey scheme of reconstruction of ACIC, resulting in a members' voluntary winding up of ACIC and the transfer of part of ACIC's cash, assets and undertaking to the Company in return for the issue of New Shares by the Company on a formula asset value ("**FAV**") for FAV basis.

The Scheme is conditional on, among other things, approval of the Resolution to approve the Issue by Shareholders at the General Meeting and the approval of the ACIC Resolutions by ACIC Shareholders at the ACIC General Meetings. Further details of the conditions attaching to the Scheme are set out below.

Under the Scheme, Eligible ACIC Shareholders will be deemed to have elected to receive New Shares in respect of their ACIC Shares (the "**Rollover Option**") unless they elect (or are deemed to have elected) to receive cash in respect of some or all of their ACIC Shares (the "**Cash Option**").

The maximum aggregate number of ACIC Shares that can be elected (or deemed to have been elected) for the Cash Option is 33 per cent. of the total number of ACIC Shares in issue (excluding treasury shares) as at the Calculation Date (the "**Maximum Cash Option Shares**"). Eligible ACIC Shareholders are entitled to elect for the Cash Option in respect of 33 per cent. of their individual holdings of ACIC Shares (the "**Basic Entitlement**") but may also elect for the Cash Option in respect of a greater proportion of their individual holding of ACIC Shares, such excess amount being an "**Excess Application**"). However, should total elections and deemed elections for the Cash Option exceed 33 per cent. of the ACIC shares in issue (excluding ACIC Shares held in treasury as at the Calculation Date), Excess Applications for the Cash Option received from Eligible ACIC Shareholders will be scaled back into New Shares in a manner that is, as near as practicable, *pari passu* and *pro rata* among all Eligible Shareholders who have made such Excess Applications such that the aggregate number of ACIC Shares elected and deemed elected for the Cash Option shall equal the Maximum Cash Option Shares.

The Cash Option will be offered at the Residual ACIC NAV per ACIC Share less a discount of 2 per cent. (the "**Cash Option Discount**"). The value of the Cash Option Discount will be credited to the Rollover Pool for the benefit of ACIC Shareholders who are deemed to have elected for the Rollover Option.

New Shares will be issued as the default option under the Scheme in the event that ACIC Shareholders do not make (or are not deemed to make) a valid election for the Cash Option under the Scheme or to the extent elections for the Cash Option (including Excess Applications) are scaled back as a result of the Cash Option being oversubscribed.

Further details of the Scheme and the Issue are set out in Part 2 of this document.

The Issue

The New Shares are being issued to the Liquidators, who will renounce such New Shares in favour of Eligible ACIC Shareholders (or otherwise hold such New Shares as nominees for Excluded ACIC Shareholders) who, in accordance with the terms of the Scheme, are deemed to elect for the Rollover Option, in consideration for the transfer of the Rollover Pool from ACIC to the Company. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy as at the Effective Date, together with cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment objective and policy.

Benefits of the Proposals

The Board believes that, if implemented, the Proposals will offer Shareholders the following benefits:

- **Scale and enhanced profile:** The Enlarged Company is expected to have a Net Asset Value of approximately £1.094 billion (based on valuations as at 14 February 2024 and assuming the Cash Option is fully subscribed). As the flagship UK closed-ended vehicle for investment in China and a constituent of the FTSE 250 Index, it is expected that the Enlarged Company would benefit from an enhanced profile and improved marketability.

- **Enhanced liquidity:** The scale of the Enlarged Company, as the largest and most liquid company in the AIC's China/Greater China sector, is expected to improve the secondary market liquidity for Shareholders (including in relation to the Company's Share buyback policy).
- **Shareholder register:** The implementation of the Proposals would allow a number of Shareholders to consolidate their holdings across the Company and ACIC whilst also creating a more diversified Shareholder base through a combination of the two share registers.
- **Lower ongoing charges:** The Enlarged Company would be expected to benefit from a lower ongoing expense ratio with the Company's fixed costs being spread over a larger asset base.
- **Contribution to costs:** As described below, the AIFM has agreed to make a cost contribution in respect of the Proposals and the Scheme which is expected to offset the direct transaction costs of the Company relating to the Proposals.
- **Lower tiered management fee:** The AIFM and the Investment Manager have agreed that, with effect from the admission to listing and trading of the New Shares, the base management fee payable by the Company under the Management Agreement will be reduced from 0.70 per cent. to 0.65 per cent. in respect of the Company's Net Assets in excess of £1.5 billion, which is expected to lower the ongoing costs of the Company as it grows over the longer term.

Conditions of the Proposals

Implementation of the Proposals is subject to a number of conditions, including:

- the passing of the ACIC Resolutions to approve the Scheme and the winding up of ACIC at the ACIC General Meetings, or any adjournment thereof, any conditions of such ACIC Resolutions being fulfilled and the Scheme becoming unconditional in all respects (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolution to approve the Issue at the General Meeting, or any adjournment thereof, and such Resolution becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on the Main Market, subject only to allotment; and
- the Directors and the ACIC Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied or, to the extent permitted, waived by both the Company and ACIC on or before 31 March 2024 (or such later date as may be agreed by the Company and ACIC), no part of the Proposals will become effective and no New Shares will be issued pursuant to the Scheme.

Costs and expenses of the Scheme and the Proposals

Subject as noted below, if the Scheme is implemented, the Company and ACIC have each agreed to bear their own costs associated with the Scheme and the Proposals. The fixed direct costs of the Proposals payable by the Company (that is, excluding listing fees) are expected to be approximately £617,000 inclusive of VAT (which is assumed to be irrecoverable) where applicable.

Any costs of realignment and/or realisation of the ACIC Portfolio incurred prior to the Effective Date and any sales or acquisition costs (including any commissions, taxes (including stamp duty), transaction charges and/or market charges) associated with the transfer of the Rollover Pool to the Company will be borne by ACIC. Any listing fees in respect of the listing of the New Shares will be borne by the Company.

In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

The AIFM and Investment Manager have agreed to make a material contribution towards the costs of the Proposals. The Fidelity Contribution will constitute a contribution of £500,000 plus an amount equal to eight months of management fees that would otherwise be payable by the Enlarged Company to the AIFM and the Investment Manager under the AIFM Agreement and Investment Management Agreement, respectively, in respect of the assets to be transferred by ACIC to the Company pursuant

to the Scheme. The Fidelity Contribution will first be applied to meet the Company's costs in respect of the Proposals up to a maximum of £1 million (the "**FCSS Fidelity Contribution**") with the balance, if any, being applied towards ACIC's costs in respect of the Scheme (the "**ACIC Fidelity Contribution**"). For the avoidance of doubt, the Fidelity Contribution will be reflected in the calculation of the FCSS FAV and the Residual ACIC NAV.

The AIFM and Investment Manager have also agreed that, subject to implementation of the Scheme and with effect from Admission, the annual base management fee payable by the Company in respect of the Company's net assets in excess of £1.5 billion will be reduced from 0.70 per cent. to 0.65 per cent. Although it is not anticipated that this threshold will be reached immediately as a result of the Proposals, the Board expects that this reduction in the management fee will lower the ongoing costs of the Company as it grows over the longer term.

Continuation Vote

Subject to the implementation of the Scheme, the Board has committed to holding a continuation vote in 2029 and every five years thereafter.

General Meeting

The Proposals are conditional, among other things, upon Shareholders' approval of the Resolution to be proposed at the General Meeting. The General Meeting will be held at 3.00 p.m. on 11 March 2024 at the offices of Fidelity International, 4 Cannon Street, London EC4M 5AB. You will find set out on pages 25 to 27 at the end of this document the Notice convening the General Meeting at which Shareholders will be asked to consider and, if thought fit, approve the issue of New Shares under the Scheme. The Resolution will be proposed as an ordinary resolution and in order to be passed will, accordingly, require more than 50 per cent. of votes cast in person or by proxy to be voted in favour of it.

The Resolution will, if passed, authorise the Directors to allot up to 130 million New Shares to ACIC Shareholders who are deemed to have elected for the Rollover Option pursuant to the Scheme, such number being considered sufficient to satisfy the maximum number of New Shares that could be required to be issued in connection with the Scheme.

The authority sought by the Resolution will, if passed, be in addition to any previously granted general authorities to allot Shares and will expire on 30 June 2024. For the avoidance of doubt, the authority being sought pursuant to the Resolution is only capable of being used in connection with the issue of New Shares in connection with the Scheme and cannot be used for any other purpose.

If the Resolution is passed, the Directors will have authority to allot and issue Shares in connection with the Scheme representing up to approximately 27.7 per cent. of the Company's total issued share capital (excluding Shares held in treasury) as at 14 February 2024, being the latest practicable date prior to the publication of this document.

Action to be taken

All Shareholders are encouraged to vote in favour of the Resolution to be proposed at the General Meeting and, if their Shares are not held directly, to arrange for their nominee to vote on their behalf.

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (i) by completing and signing the Form of Proxy for use in relation to the General Meeting, in accordance with the instructions printed thereon and returning it by post, by courier or by hand; or
- (ii) by logging on to www.signalshares.com and following the instructions; or
- (iii) in the case of certain institutional investors, by logging on to www.proxymity.io and following the instructions; or

- (iv) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the Notice of General Meeting set out at the end of this document.

In each case, the proxy appointments must be transmitted so as to be received by the Registrar as soon as possible and, in any event, so as to arrive by no later than 3.00 p.m. on 7 March 2024 (or, in the event that the General Meeting is adjourned, 48 hours (excluding non-working days) before the time of the adjourned General Meeting). To be valid, the proxy appointment must be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

The appointment of one or more proxies will not prevent you from attending and voting in person at the General Meeting should you wish to do so.

If the Resolution to be proposed at the General Meeting is not passed, the Proposals will not proceed and no New Shares will be issued pursuant to the Scheme.

Consent

Dickson Minto Advisers has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

Recommendation

The Board, which has been so advised by Dickson Minto Advisers, considers that the Proposals are in the best interests of the Company and of Shareholders as a whole. In advising the Board, Dickson Minto Advisers has taken into account the Board's commercial assessment of the Proposals.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, which, in aggregate, amount to 121,300 Shares, representing approximately 0.026 per cent. of the Company's issued share capital (excluding Shares held in treasury) as at 14 February 2024.

Yours faithfully

Mike Balfour
Chairman

PART 2

DETAILS OF THE SCHEME AND THE ISSUE

1. INTRODUCTION

The Issue is being undertaken pursuant to the proposed Guernsey scheme of reconstruction and members' voluntary winding up of ACIC (the "**Scheme**"), which the ACIC Board has resolved to recommend to ACIC Shareholders. Under the Scheme, ACIC will be placed into members' voluntary liquidation and Eligible ACIC Shareholders will receive New Shares issued by the Company in exchange for the transfer to the Company of the Rollover Pool. ACIC Shareholders may alternatively elect to receive cash under the terms of the Scheme.

The New Shares are only available to Eligible ACIC Shareholders (and, subject to the terms of the Scheme, the Liquidators as nominees for Excluded ACIC Shareholders) who are deemed to elect for the Rollover Option under the Scheme. The New Shares are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an Eligible ACIC Shareholder) or to the public.

2. DETAILS OF THE SCHEME

2.1. Scheme overview

Subject to the passing of the Resolution to be proposed at the General Meeting to approve the Issue in connection with the Scheme, and subject to the satisfaction of the other conditions of the Issue (details of which are set out in paragraph 4 below), the Scheme will take effect on the Effective Date.

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, ACIC and the Liquidators. The Transfer Agreement provides for the Rollover Pool to be transferred to the Company in consideration for the issue of New Shares of an equivalent value to the Liquidators, who will renounce such New Shares in favour of Eligible ACIC Shareholders (and, subject to the terms of the Scheme, otherwise hold such New Shares as nominees for Excluded ACIC Shareholders) who are deemed to elect for the Rollover Option under the Scheme. Further details of the Transfer Agreement are provided in paragraph 5 below. Any cash and cash equivalents that are transferred in accordance with the terms of the Transfer Agreement will be invested by the Company in accordance with the Company's investment objective and policy.

Subject to the terms of the Scheme, each Eligible ACIC Shareholder on the ACIC Register on the Record Date will be deemed to have elected to receive such number of New Shares as have a value (at the FCSS FAV per Share) equal to the Rollover FAV per ACIC Share attributable to the number of ACIC Shares deemed to have been so elected, being the "**Rollover Option**" save to the extent that such ACIC Shareholder elects to receive an amount of cash equal to the Cash Pool FAV per Share attributable to the number of ACIC Shares so elected, being the "**Cash Option**".

The maximum aggregate number of ACIC Shares that can be elected (or deemed to have been elected) for the Cash Option is 33 per cent. of the total number of ACIC Shares in issue (excluding ACIC Shares held in treasury) as at the Calculation Date (the "**Maximum Cash Option Shares**"). Eligible ACIC Shareholders are entitled to elect for the Cash Option in respect of 33 per cent. of their individual holdings of ACIC Shares (the "**Basic Entitlement**") but may also elect for the Cash Option in respect of a greater proportion of their individual holding of ACIC Shares, such excess amount being an "**Excess Application**"). However, should total elections and deemed elections for the Cash Option exceed 33 per cent. of the ACIC Shares in issue (excluding ACIC Shares held in treasury as at the Calculation Date), Excess Applications for the Cash Option received from Eligible ACIC Shareholders will be scaled back into New Shares in a manner that is, as near as practicable, *pari passu* and *pro rata* among all Eligible ACIC Shareholders who have made such Excess Applications such that the aggregate number of ACIC Shares elected and deemed elected for the Cash Option shall equal the Maximum Cash Option Shares.

Eligible ACIC Shareholders will be deemed to have elected for the Rollover Option as the default option under the Scheme to the extent that they do not make (or are not deemed to make) a valid election for the Cash Option (including Excess Applications) and to the extent elections for the Cash Option in excess of 33 per cent. of ACIC Shareholders' holdings are scaled back as a result of the Cash Option

being oversubscribed. The terms of the Scheme as they relate to Excluded ACIC Shareholders (including Overseas ACIC Shareholders) are described in paragraph 9 below.

The issue of New Shares under the Scheme will be effected on a FAV for FAV basis as at the Calculation Date. On the Calculation Date, or as soon as practicable thereafter, ACIC, in consultation with the Liquidators, shall procure the finalising of the division of ACIC's undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

- first, there shall be appropriated to the Liquidation Pool the ACIC Illiquid Investment and such of the cash, undertaking and other assets of ACIC estimated by the Liquidators (in consultation with the ACIC Directors) to be sufficient to meet the current and future, actual and contingent liabilities of ACIC, including (save to the extent that the same have already been deducted in calculating the total assets of ACIC) the costs of the Scheme to be borne by ACIC and the Liquidators' Retention. Further details of the Liquidation Pool are set out in paragraph 2.2 below.
- second, there shall be appropriated to the Cash Pool and the Rollover Pool, in accordance with the terms of the Scheme, all the undertaking, cash and other assets of ACIC remaining after the appropriation referred to in respect of the Liquidation Pool, on the following basis:
 - there shall first be appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool FAV; and
 - there shall be appropriated to the Rollover Pool in accordance with the Scheme, the balance of the undertaking, cash and other assets of ACIC.

In advance of the transfer of the Rollover Pool, the ACIC Directors intend that ACIC will have, to the extent practicable, realised or realigned the undertaking and business carried on by ACIC in accordance with the Scheme and the elections made or deemed to have been made thereunder so that, as far as practicable, ACIC will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to the Company under the Transfer Agreement. The Rollover Pool will therefore consist of investments aligned with the Company's investment policy as at the Effective Date, cash and cash equivalents.

ACIC currently holds one investment that the ACIC Board expects to be illiquid (the "**ACIC Illiquid Investment**") with an aggregate fair value (as reflected in the ACIC NAV as at 14 February 2024) of approximately £915,000. In the event that the ACIC Illiquid Investment is not sold prior to the Calculation Date, it will continue to be held for sale by ACIC after the Effective Date as part of the Liquidation Pool. There is no certainty that the Liquidators will be able to sell the ACIC Illiquid Investment or as to the value that might be realised from such investment.

2.2. Liquidation Pool

On or following the Effective Date, the Liquidation Pool shall be applied by ACIC (acting by the Liquidators) in discharging the liabilities of ACIC and the Liquidators shall seek to realise the ACIC Illiquid Investment. Any remaining balance of the Liquidation Pool shall be distributed in cash by the Liquidators pursuant to the Scheme to all ACIC Shareholders who were on the ACIC Register on the Record Date in proportion to their respective holdings of ACIC Shares on the Record Date provided that (a) such distributions in cash to Sanctions Restricted Persons shall be made at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations; and (b) if any such amount payable to any ACIC Shareholder is less than £5.00, it shall not be paid to the ACIC Shareholder but instead will be paid by the Liquidators to the Nominated Charity.

2.3. Formula Asset Value

The Residual ACIC NAV per Share will be calculated on the basis of the ACIC NAV as at the Calculation Date adjusted for:

- the value of the Liquidation Pool (including the Liquidators' Retention, the ACIC Illiquid Investment and any costs of the Proposals payable by ACIC but not accrued in ACIC's NAV as at the Calculation Date);

- any dividends declared by ACIC prior to the Calculation Date that have not been paid to ACIC Shareholders or accrued in ACIC's NAV as at the Calculation Date; and
- the benefit of the ACIC Fidelity Contribution, if any,

being the "**Residual ACIC NAV**", divided by the number of ACIC Shares in issue (excluding any ACIC Shares held in treasury) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down) (the "**Residual ACIC NAV per Share**").

The FCSS FAV per Share will be calculated on the basis of the Company's NAV as at the Calculation Date adjusted for:

- any costs of the Proposals payable by the Company but not accrued in the Company's NAV as at the Calculation Date;
- any dividends declared by the Company prior to the Calculation Date that have not been paid to Shareholders or accrued in the Company's NAV as at the Calculation Date; and
- the benefit of the FCSS Fidelity Contribution,

being the "**FCSS FAV**", divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down) (the "**FCSS FAV per Share**").

2.4. Cash Option

ACIC Shareholders who validly elect, or are deemed to elect, for the Cash Option will receive an amount in cash equal to the Cash Pool FAV per ACIC Share multiplied by the number of ACIC Shares in respect of which such ACIC Shareholder has validly elected, or is deemed to have elected, for the Cash Option. The benefit of the Cash Option Discount will accrue to the Rollover Pool for the benefit of ACIC Shareholders who are deemed to have elected for the Rollover Option.

As noted above, the Cash Option is limited to 33 per cent. of the ACIC Shares in issue (excluding ACIC Shares held in treasury) as at the Calculation Date. Should total elections and deemed elections for the Cash Option exceed 33 per cent. of the ACIC Shares in issue (excluding ACIC Shares held in treasury as at the Calculation Date), Excess Applications for the Cash Option received from Eligible ACIC Shareholders will be scaled back into New Shares in a manner that is, as near as practicable, *pari passu* and *pro rata* among all Eligible ACIC Shareholders who have made such Excess Applications such that the aggregate number of ACIC Shares elected and deemed elected for the Cash Option shall be equal to the Maximum Cash Option Shares.

2.5. Rollover Option

The number of New Shares to which each ACIC Shareholder who is deemed to have elected for the Rollover Option will be entitled (subject to the treatment of Excluded ACIC Shareholders set out below) will be calculated by dividing the Rollover FAV per ACIC Share by the FCSS FAV per Share and applying this ratio (which will be calculated to six decimal places, with 0.0000005 rounded down) to the number of ACIC Shares in respect of which that ACIC Shareholder is deemed to have elected for the Rollover Option. For the avoidance of doubt, the Cash Option Discount will be allocated to the Rollover Pool and will be taken into account in calculating the above exchange ratio.

Excluded ACIC Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares in respect of the remainder of their ACIC Shares. Such New Shares will be issued to the Liquidators as nominees for the relevant Excluded ACIC Shareholder and sold by the Liquidators in the market and the net proceeds paid subject to the terms of the Scheme to the relevant Excluded ACIC Shareholder, as discussed in paragraph 9 below.

3. DETAILS OF THE ISSUE

The New Shares are ordinary shares, denominated in Sterling, in the Company and will rank equally in all respects with the existing issued Shares (other than in respect of any dividends which have a record date prior to the Calculation Date). The New Shares will be issued on a non pre-emptive basis.

The number of New Shares to be issued under the Scheme is not known as at the date of this document as it will be calculated in accordance with the formula stated above as at the Calculation Date and will depend on the elections and deemed elections made under the Scheme. The number of New Shares to be issued will be announced through an RIS announcement on the Effective Date. The Issue is not being underwritten.

For illustrative purposes only, had the Calculation Date been 5.00 p.m. on 14 February 2024 and assuming 33 per cent. of the total ACIC Shares in issue (excluding ACIC Shares held in treasury) are elected, or deemed to be elected, for the Cash Option, the Rollover FAV per ACIC Share would have been 488.02 pence and the Cash Pool FAV per ACIC Share would have been 423.73 pence. The Rollover FAV per ACIC Share and the Cash Pool FAV per ACIC Share may be compared with the ACIC Share price and cum-income NAV per ACIC Share as at 14 February 2024 which were 393.00 pence and 438.72 pence, respectively.

For illustrative purposes only, and on the basis of the assumptions set out above, the FCSS FAV per Share would have been 206.39 pence, which may be compared with the Share price and cum-income NAV per Share as at 14 February 2024 which were 185.60 pence and 206.39 pence, respectively. On the basis of the above, the Rollover Option would have produced a conversion ratio 2.122289 and, in aggregate, 60,684,754 New Shares would have been issued under the Scheme, representing approximately 11.43 per cent. of the issued ordinary share capital of the Enlarged Company immediately following the completion of the Scheme.

The Company will notify Shareholders of the results of the Scheme and the Issue, including the calculations of the FCSS FAV per Share, the Cash Pool FAV per ACIC Share, the Rollover FAV per ACIC Share and the number of New Shares to be issued under the Scheme through an RIS as soon as reasonably practicable following the Calculation Date and prior to the Issue.

4. CONDITIONS OF THE ISSUE

The Issue is conditional upon:

- the passing of the ACIC Resolutions to approve the Scheme and the winding up of ACIC at the ACIC General Meetings, or any adjournment thereof, any conditions of such ACIC Resolutions being fulfilled and the Scheme becoming unconditional in all respects (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolution to approve the issue of the New Shares at the General Meeting, or any adjournment thereof, and such Resolution becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on the Main Market, subject only to allotment; and
- the Directors and the ACIC Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied or, to the extent permitted, waived by both the Company and ACIC on or before 31 March 2024 (or such later date as may be agreed by the Company and ACIC), no part of the Proposals will become effective and no New Shares will be issued pursuant to the Scheme.

5. TRANSFER AGREEMENT

If the resolution to be proposed at the Second ACIC General Meeting is passed, the Company, ACIC and the Liquidators will enter into the Transfer Agreement on or around the Effective Date, which is expected to be 13 March 2024, pursuant to which the cash, undertaking and assets of ACIC comprising the Rollover Pool will be transferred to the Company in consideration for the issue by the Company of the New Shares to the Liquidators, as nominees for ACIC Shareholders who are deemed to have elected for the Rollover Option, which the Liquidators have agreed to renounce in favour of Eligible ACIC Shareholders (or otherwise continue to hold as nominees for Excluded ACIC Shareholders in accordance with the terms of the Scheme). The terms of the Scheme as they relate to Excluded ACIC Shareholders (including Overseas ACIC Shareholders) are described in paragraph 9 below.

Completion of the transfer of the cash, undertaking and assets of ACIC comprised in the Rollover Pool shall take place on the date of satisfaction of the Scheme conditions or as soon as practicable thereafter.

6. DILUTION

Unless they are also holders of ACIC Shares at the relevant date, Existing Shareholders are not able to participate in the Issue and will experience a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 60,648,754 New Shares were to be issued under the Scheme (being the estimated number of New Shares that will be issued pursuant to the Issue, assuming that (i) 33 per cent. of the total ACIC Shares in issue (excluding ACIC Shares held in treasury) are elected, or deemed elected, for the Cash Option; and (ii) the ratio between the FCSS FAV per Share and the Rollover FAV per ACIC Share is 2.122289 as outlined in paragraph 3 above) then, based on the issued share capital of the Company as at 14 February 2024, and assuming that: (i) an Existing Shareholder is not an ACIC Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued share capital as at 14 February 2024 would then hold approximately 0.89 per cent. of the Enlarged Company's issued share capital immediately following the Issue. If no ACIC Shares are elected, or deemed elected, for the Cash Option but the assumptions above otherwise remain the same, 89,709,705 New Shares would be issued under the Scheme and an Existing Shareholder holding 1.0 per cent. of the Company's issued share capital as at 14 February 2024 would then hold approximately 0.84 per cent. of the Enlarged Company's issued share capital immediately following the Issue.

7. COSTS AND EXPENSES OF THE SCHEME AND THE PROPOSALS

Subject as noted below, if the Scheme is implemented, the Company and ACIC have each agreed to bear their own costs associated with the Scheme and the Proposals. The fixed direct costs of the Proposals payable by the Company (that is, excluding listing fees) are expected to be approximately £617,000 inclusive of VAT (which is assumed to be irrecoverable) where applicable.

The Liquidators' Retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of ACIC. To the extent some or all of the Liquidators' Retention remains when the Liquidators decide to close the liquidation, this will be returned to ACIC Shareholders on the ACIC Register as at the Record Date (save that any such payment in cash to Sanctions Restricted Persons shall be made at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations), provided that if any such amount payable to any ACIC Shareholder is less than £5.00, it shall not be paid to the ACIC Shareholder but instead will be paid by the Liquidators to the Nominated Charity. An amount equal to 0.06 per cent. of the value of the assets held in the ACIC QFII account as at the Calculation Date will be attributed to the Liquidation Pool to meet the costs and expenses of the ACIC QFII account closing process, including any unpaid taxes.

Any costs of realignment and/or realisation of the ACIC Portfolio incurred prior to the Effective Date and any sales or acquisition costs (including any commissions, taxes (including stamp duty), transaction charges and/or market charges) associated with the transfer of the Rollover Pool to the Company will be borne by ACIC. Any listing fees in respect of the listing of the New Shares will be borne by the Company.

In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

The AIFM has agreed to make a material contribution towards the costs of the Proposals. The Fidelity Contribution will constitute a contribution of £500,000 plus an amount equal to eight months of management fees that would otherwise be payable by the Enlarged Company to the AIFM and the Investment Manager under the AIFM Agreement and Investment Management Agreement, respectively, in respect of the assets to be transferred by ACIC to the Company pursuant to the Scheme. The Fidelity Contribution will first be applied to meet the Company's costs in respect of the Proposals up to a maximum of £1 million with the balance, if any, being applied towards ACIC's costs in respect of the Proposals. For the avoidance of doubt, the Fidelity Contribution will be reflected in the calculation of the FCSS FAV and the Rollover FAV.

8. ADMISSION AND DEALINGS

Applications will be made by the Company to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium segment of the Official List and to trading on the Main Market, respectively. It is not intended that any class of shares in the Company be admitted to listing or trading in any other jurisdiction. If the Proposals become effective, it is expected that the New Shares will be admitted to the Official List, and dealings on the Main Market will commence, at 8.00 a.m. on 14 March 2024.

The ISIN of the New Shares will be GB00B62Z3C74. The New Shares will be in registered form and may be held in either certificated or uncertificated form in CREST. Eligible ACIC Shareholders who are deemed to have elected for the Rollover Option and who hold their relevant ACIC Shares in certificated form at the Record Date will receive their New Shares in certificated form and at their own risk. Temporary documents of title will not be issued. It is expected that certificates in respect of New Shares to be issued to such Eligible ACIC Shareholders will be despatched by no later than 27 March 2024.

Eligible ACIC Shareholders who are deemed to have elected for the Rollover Option and who hold their relevant ACIC Shares in uncertificated form in CREST as at the Record Date will receive their New Shares in uncertificated form in CREST as soon as is reasonably practical on 14 March 2024, although the Company reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised by the Company in the event of an interruption, failure or breakdown of CREST or the facilities or system operated by the Company's Registrar in connection with CREST. The Company will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New Shares in uncertificated form.

Fractional entitlements to New Shares will not be issued under the Scheme and entitlements will be rounded down to the nearest whole number of New Shares. No cash payments will be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

9. EXCLUDED ACIC SHAREHOLDERS

The terms of the Scheme, as they relate to Overseas ACIC Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas ACIC Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Excluded ACIC Shareholders to satisfy themselves (and the Directors) as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

Excluded ACIC Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares for the remainder of their ACIC Shares. Such New Shares will be issued to the Liquidators as nominees for the relevant Excluded ACIC Shareholder and sold by the Liquidators as nominees in the market for the relevant Excluded ACIC Shareholder (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded ACIC Shareholder and the value of the ACIC Shares held by the relevant Excluded ACIC Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid:

- to the relevant Overseas ACIC Shareholder entitled to them as soon as reasonably practicable and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Overseas ACIC Shareholder will be paid by the Liquidators to the Nominated Charity; or
- in respect of Sanctions Restricted Persons, at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations.

PART 3

RISK FACTORS

In considering the Proposals set out in this document, Shareholders should have regard to and carefully consider the risk factors described below in addition to the other information set out in this document. The following are those risk factors pertaining to the Proposals that the Board considers to be material as at the date of this document and that may materially and adversely affect the Company's business, financial condition, results or prospects. Additional risks and uncertainties pertaining to the Proposals that are not known to the Board at the date of this document or that the Board considers at the date of this document to be immaterial may also materially and adversely affect the Company's business, financial condition, results or prospects.

Risks associated with the Proposals

- Implementation of the Proposals is conditional, amongst other things, upon the Resolution being passed at the General Meeting and upon ACIC Shareholders approving the Scheme. In the event that the Resolution is not passed, ACIC Shareholders do not approve the Scheme or if any one condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme will be borne by the Company. In the event the Scheme is not implemented, the costs of the Scheme to be borne by the Company are expected to be £617,000. In these circumstances, the Company and ACIC would remain as separate investment trusts.
- If the Proposals are implemented they will, on the basis of the illustrative calculation and assumptions set out on page 14 of this document, result in the issue of approximately 60,684,754 New Shares to ACIC Shareholders, based on a ratio between the FCSS FAV per Share and the Rollover FAV per ACIC Share of 2.122289 (which, in turn, is based on the Company's NAV and ACIC's NAV (each as at 14 February 2024) and assuming 33 per cent. of the total ACIC Shares in issue (excluding ACIC Shares held in treasury) are elected, or deemed to have been elected, for the Cash Option and adjusted as set out in this document). Existing Shareholders, to the extent they are not also ACIC Shareholders participating in the Scheme, will therefore experience dilution in their ownership and voting interests in the Company following Admission. In aggregate, the New Shares will represent, based on the Company's issued share capital as at 14 February 2024 and the illustrative figures and assumptions set out above, approximately 0.89 per cent. of the issued ordinary share capital of the Enlarged Company immediately following the Issue. If no ACIC Shares are elected, or deemed elected, for the Cash Option but the assumptions above otherwise remain the same, 89,709,705 New Shares would be issued under the Scheme and an Existing Shareholder holding 1.0 per cent. of the Enlarged Company's issued share capital as at 14 February 2024 would then hold approximately 0.84 per cent. of the Enlarged Company's issued share capital immediately following the Issue. Therefore, as a consequence of the Scheme, the percentage of total voting rights that can be exercised and the influence that may be exerted by Existing Shareholders in respect of the Company following the implementation of the Scheme will be reduced.

The foregoing risk factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Proposals and the Company. Additional risks and uncertainties not presently known to the Board may also have an adverse effect on the Proposals and/or the Company's business, financial condition, results or prospects.

PART 4

DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

ACIC	abrdrn China Investment Company Limited, a non-cellular company limited by shares incorporated in Guernsey with registered number 50900 and having its registered office at BNP Paribas House, St Julian's Avenue, St Peter Port GY1 1WA
ACIC Directors	the directors of ACIC, from time to time
ACIC Fidelity Contribution	the balance of the Fidelity Contribution, if any, remaining after the payment of the FCSS Fidelity Contribution to be applied to meet ACIC's costs in respect of the Proposals
ACIC General Meetings	the First ACIC General Meeting and the Second ACIC General Meeting
ACIC Illiquid Investment	the illiquid investment expected to be held by ACIC as at the Calculation Date
ACIC Register	the register of members of ACIC
ACIC Resolutions	the resolutions to be proposed at the ACIC General Meetings
ACIC Shareholders	holders of ACIC Shares whose names are entered on the ACIC Register as at the Record Date
ACIC Shares	ordinary shares of one penny each in the capital of ACIC
Admission	the admission of the New Shares issued pursuant to the Issue to listing on the premium segment of the Official List and to trading on the Main Market becoming effective
AIFM or FISL	FIL Investment Services (UK) Limited, a private limited company incorporated in England and Wales with registered number 02016555 and having its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
AIFM Agreement	the management agreement with an effective date of 1 June 2021, as amended by a side letter dated 25 January 2022, between the Company and the AIFM
Basic Entitlement	subject to the Scheme becoming effective in accordance with its terms, the entitlement of each ACIC Shareholder to elect for, and have accepted in full an election for, the Cash Option in respect of up to 33 per cent. by number of such ACIC Shareholder's holding of ACIC Shares as at the Calculation Date
Board	the board of Directors of the Company from time to time, including any duly constituted committee thereof
Business Day	a day on which the London Stock Exchange and banks in the UK are normally open for business

Calculation Date	the time and date to be determined by the ACIC Board (but expected to be 5.00 p.m. on 6 March 2024) at which the value of ACIC’s assets and liabilities will be determined for the purposes of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Residual ACIC NAV per ACIC Share, the Rollover FAV, the Rollover FAV per ACIC Share, the FCSS FAV per Share, the Cash Pool FAV and the Cash Pool FAV per ACIC Share will be calculated for the purposes of the Scheme
Cash Option	the option under the Scheme for ACIC Shareholders to elect (or be deemed to have elected) to receive an amount of cash equal to the Cash Pool FAV per ACIC Share multiplied by the number of ACIC Shares so elected (or deemed to have been so elected)
Cash Option Discount	the discount applied to the Residual ACIC NAV per ACIC Share for the purposes of the Cash Option under the Scheme, comprising a 2.0 per cent. discount to the Residual ACIC NAV
Cash Pool	the fund comprising the pool of ACIC’s assets attributable to the Reclassified ACIC Shares with “B” rights, the value of which will be equal to the Cash Pool FAV
Cash Pool FAV	the Cash Pool FAV per ACIC Share multiplied by the total number of Reclassified ACIC Shares with “B” rights
Cash Pool FAV per ACIC Share	the Residual ACIC NAV per ACIC Share less the Cash Option Discount (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
Chairman	the chairman of the Board, from time to time
China	the People’s Republic of China
Companies Act	the UK Companies Act 2006, as amended from time to time
Company or FCSS	Fidelity China Special Situations PLC, a public limited company incorporated in England and Wales with registered number 07133583 and having its registered office at Beech Gate Millfield Lane, Lower Kingswood, Tadworth KT20 6RP
Company Secretary	FIL Investments International, a private unlimited company incorporated in England and Wales with registered number 01448245 and having its registered office at Beech Gate Millfield Lane, Lower Kingswood, Tadworth KT20 6RP
CREST	the “relevant system” as defined in the Uncertificated Securities Regulations in respect of which Euroclear is operator (as defined in the Uncertificated Securities Regulations), in accordance with which securities may be held in uncertificated form
CREST Account	a member’s account in CREST

Dickson Minto Advisers	a trading name of Dickson Minto W.S., a Scottish partnership having its business address at 16 Charlotte Square, Edinburgh EH2 4DF and a place of business at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS
Directors	the directors of the Company, from time to time
Effective Date	the date on which the Scheme becomes effective, which is expected to be 13 March 2024
Eligible ACIC Shareholders	ACIC Shareholders excluding Excluded ACIC Shareholders, save where the Company determines otherwise (at its absolute discretion) but including Eligible US Shareholders
Eligible US Shareholders	US ACIC Shareholders that have validly executed a US Investor Representation Letter
Enlarged Company	the Company following completion of the Proposals
EU	the European Union
Euroclear	Euroclear UK & International Limited, a private limited company incorporated in England and Wales with registered number 02878738 and having its registered office at 33 Cannon Street, London EC4M 5SB, the operator of CREST
Excess Application	that portion of an election by an Eligible ACIC Shareholder for the Cash Option that exceeds that Eligible ACIC Shareholder's Basic Entitlement
Excluded ACIC Shareholders	an ACIC Shareholder who is: (i) an Overseas ACIC Shareholder; and/or (ii) a Sanctions Restricted Person
Existing Shareholders	holders of Shares prior to the Effective Date
FAV	formula asset value
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom whose place of business is at 12 Endeavour Square, London E20 1JN, including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
FCSS FAV	the Net Asset Value of the Company as at the Calculation Date (i) less any costs of the Proposals payable by the Company but not accrued in the Company's NAV as at the Calculation Date; (ii) adjusted to exclude any dividends declared by the Company prior to the Calculation Date that have not been paid to Shareholders or accrued in the Company's NAV as at the Calculation Date; and (iii) adjusted to include the benefit of the FCSS Fidelity Contribution
FCSS FAV per Share	the FCSS FAV divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date, expressed in pence and calculated to six decimal places (with 0.0000005 rounded down)

FCSS Fidelity Contribution	the portion of the Fidelity Contribution up to a maximum of £1 million that will be applied to meet the Company's costs in respect of the Scheme and the Proposals
Fidelity Contribution	the contribution by the AIFM to the costs of the Proposals and the Scheme, comprising a contribution of £500,000 plus an amount equal to eight months of management fees that would otherwise be payable by the Enlarged Company to the AIFM and the Investment Manager under the AIFM Agreement and the Investment Management Agreement, respectively, in respect of the assets to be transferred by ACIC to the Company pursuant to the Scheme
Fidelity International	FIL Limited, a company limited by shares incorporated in Bermuda and having its registered office at Pembroke Hall, 42 Crow Lane, Pembroke, HM 19, Bermuda and its subsidiary group of companies
First ACIC General Meeting	the general meeting of ACIC in relation to the reclassification of the ACIC Shares in connection with the Scheme convened for 9.00 a.m. on 11 March 2024 or any adjournment of that meeting
Form of Proxy	the form of proxy for use in connection with the General Meeting
FSMA	the UK Financial Services and Markets Act 2000, as amended from time to time
General Meeting or GM	the general meeting of the Company convened for 3.00 p.m. on 11 March 2024 at the offices of Fidelity International, 4 Cannon Street, London EC4M 5AB or any adjournment of that meeting
Investment Management Agreement	the investment management agreement with an effective date of 1 June 2021, as amended by a side letter dated 25 January 2022, between the Company, the AIFM and the Investment Manager
Investment Manager or FIL Hong Kong	FIL Investment Management (Hong Kong) Limited, a company incorporated with limited liability under the laws of Hong Kong with registered number 0097708 and having its registered office at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
ISIN	international securities identification number
Issue	the issue of New Shares to ACIC Shareholders who are deemed to have elected for the Rollover Option pursuant to the Scheme
LEI	legal entity identifier
Link Group or Registrar or Receiving Agent	Link Group, the trading name of Link Market Services Limited, a private limited company incorporated in England and Wales with registered number 02605568 and having its registered office at Central Square, 29 Wellington Street, Leeds LS1 4DL

Liquidation Pool	the pool of cash and other assets of ACIC to be retained by the Liquidators to meet all known and unknown liabilities of ACIC and other contingencies, as further described in paragraph 2.2 of Part 2 of this document
Liquidators	the liquidators of ACIC being, initially, the persons appointed jointly and severally upon the relevant resolution to be proposed at the Second ACIC General Meeting becoming effective
Liquidators' Retention	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of ACIC, which is currently estimated by ACIC to be £100,000
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc, a public limited company incorporated in England and Wales with registered number 02075721 and having its registered office at 10 Paternoster Square, London EC4M 7LS
Main Market	the main market for listed securities operated by the London Stock Exchange
Maximum Cash Option Shares	the maximum number of ACIC Shares that can be elected (or deemed to have been elected) for the Cash Option, being 33 per cent. of the total number of ACIC Shares in issue (excluding treasury shares) as at the Calculation Date
NAV or Net Asset Value	the net assets attributable to the Shares or the ACIC Shares (as applicable) in issue, calculated in accordance with the relevant company's usual accounting policies
NAV per Share or Net Asset Value per Share	the NAV of the Company divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
New Shares	the Shares to be issued to ACIC Shareholders who have are deemed to have elected for the Rollover Option pursuant to the Scheme
Nominated Charity	Médecins Sans Frontières
Notice of General Meeting or Notice	the notice of General Meeting, as set out at the end of this document
Official List	the official list maintained by the FCA
Overseas ACIC Shareholder	an ACIC Shareholder (excluding any Eligible US Shareholder) who has a registered address outside of, or who is a resident in, or citizen, resident or national of, any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man
Portfolio Manager	Dale Nicholls, the appointed portfolio manager of the Company
Proposals	the proposals for the Company's participation in the Scheme and the Issue, as set out in further detail in this document and the Prospectus

Prospectus	the Prospectus to be published by the Company in respect of the Issue on or around the date of this document
QIB	a “qualified institutional buyer” as defined in Rule 144A of the US Securities Act
Qualified Purchaser or QP	a “qualified purchaser” as defined in Section 2(a)(51)(A) of the US Investment Company Act of 1940, as amended
Reclassified ACIC Shares	the ACIC Shares reclassified under the Scheme as ACIC Shares with “A” rights or “B” rights
Record Date	the record date for entitlements of ACIC Shareholders to New Shares pursuant to the Scheme, being 6 p.m. on 6 March 2024 (or such other date as determined at the sole discretion of the ACIC Board)
Register	the register of members of the Company
Regulatory Information Service or RIS	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Residual ACIC NAV	the gross assets of ACIC as at the Calculation Date: (i) less the value of the cash and other assets and liabilities appropriated to the Liquidation Pool; and (ii) adjusted for any dividends declared but unpaid by ACIC prior to the Effective Date
Residual ACIC NAV per ACIC Share	the Residual ACIC NAV divided by the number of ACIC Shares in issue (excluding any ACIC Shares held in treasury) as at the Calculation Date (expressed in pence) calculated to six decimal places (with 0.0000005 rounded down)
Resolution	the ordinary resolution to authorise the issue of New Shares pursuant to the Scheme, to be proposed for approval by Shareholders at the General Meeting
Rollover FAV	an amount equal to the difference between the Residual ACIC NAV and the Cash Pool FAV adjusted to include the benefit of the ACIC Fidelity Contribution (if any)
Rollover FAV per ACIC Share	the Rollover FAV divided by the total number of Reclassified ACIC Shares with “A” rights (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
Rollover Option	the terms of the Scheme under which ACIC Shareholders are deemed to elect to receive such number of New Shares as have a value (at the FCSS FAV per Share) equal to the Rollover FAV per ACIC Share attributable to the number of ACIC Shares deemed to have been so elected
Rollover Pool	the pool of cash, undertaking and other assets established under the Scheme to be transferred from ACIC to the Company pursuant to the Transfer Agreement
Sanctions Authority	each of: <ul style="list-style-type: none"> (i) the United States government; (ii) the United Nations;

- (iii) the United Kingdom;
- (iv) the European Union (or any of its member states);
- (v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or

the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury

Sanctions Restricted Person

each person or entity:

- (i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or
- (ii) that is, or is directly or indirectly owned or controlled by a person or entity that is, described or designated in (a) the current "Specially Designated Nationals and Blocked Persons" list (which as of the date of this document can be found at: <https://ofac.treasury.gov/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>); and/or (b) the current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date of this document can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or the current "Consolidated list of financial sanctions targets in the UK" (which as of the date of this document can be found at: <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html>); or
- (iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current "Sectoral Sanctions Identifications" list (which as of the date of this document can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes

Scheme

the proposed scheme of reconstruction and members' voluntary winding up of ACIC, pursuant to which the Issue shall be undertaken

Scheme Conditions

the conditions upon which the implementation of the Scheme is conditional

Second ACIC General Meeting	the second general meeting of ACIC in relation to the Scheme converted for 9.00 a.m. on 13 March 2024 or any adjournment of that meeting
Shareholder	a holder of Shares, including a holder of New Shares if the context so requires
Shares	ordinary shares with a nominal value of one penny each in the capital of the Company, including the New Shares following their issue if the context so requires
Sterling, £ or GBP	pounds sterling, the lawful currency of the UK
Transfer Agreement	the agreement for the transfer of assets from ACIC to the Company pursuant to the Scheme to be dated on or around the Effective Date between the Company, ACIC and the Liquidators
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Code	the UK Corporate Governance Code published by the Financial Reporting Council in July 2018
uncertificated or in uncertificated form	a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST
Uncertificated Securities Regulations	any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the Uncertificated Securities Regulations 2001, as amended from time to time
US ACIC Shareholder	an ACIC Shareholder that is in the United States or is a US Person
US Investor Representation Letter	a representation letter that must be completed by US ACIC Shareholders in order to participate in the Scheme
US Person	a “U.S. person” as such term is defined in Regulation S under the US Securities Act
US Securities Act	the US Securities Act of 1933, as amended
VAT	value added tax

FIDELITY CHINA SPECIAL SITUATIONS PLC

*(Incorporated in England and Wales with registered number 07133583)
(An investment company within the meaning of section 833 of the Companies Act 2006)*

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Fidelity China Special Situations PLC (the “**Company**”) will be held at the offices of Fidelity International, 4 Cannon Street, London EC4M 5AB at 3.00 p.m. on 11 March 2024 (the “**General Meeting**”), for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company.

ORDINARY RESOLUTION

THAT, conditional upon the Guernsey scheme of reconstruction and members’ voluntary winding up of abrdn China Investment Company Limited (as described in the circular to the shareholders of the Company dated 16 February 2024 (the “**Circular**”)) becoming unconditional in all respects (other than as regards any condition relating to the passing of this resolution), and in addition to any existing authority, the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot ordinary shares of one penny each in the capital of the Company up to an aggregate nominal value of £1,300,000 (being approximately 27.7 per cent. of the issued share capital of the Company (excluding treasury shares) as at 14 February 2024) in connection with the Issue (as defined in the Circular), provided that this authority shall (unless previously revoked) expire on 30 June 2024.

By Order of the Board

FIL Investments International
Company Secretary

Registered Office

Beech Gate
Millfield Lane
Lower Kingswood
Tadworth KT20 6RP

16 February 2024

Notes:

1. A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent a member. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. The first-named holder in the Company's register of members is considered the most senior for this purpose.
2. A form of proxy for use by shareholders is enclosed with this document. Completion and return of the form of proxy will not prevent any shareholder from attending the General Meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, at the address stated thereon so as to be received by the Registrar at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and, in any event, by no later than 3.00 p.m. on 7 March 2024 (or, in the event that the General Meeting is adjourned, 48 hours (excluding non-working days) before the time of the adjourned General Meeting).
3. To appoint a proxy via the share portal at www.signalshares.com, you will need to log in to your share portal account or register if you have not previously done so. To register you will need your Investor Code which can be found on your form of proxy. Your proxy must be lodged by no later than 3.00 p.m. on 7 March 2024 (or, in the event that the General Meeting is adjourned, 48 hours (excluding non-working days) before the time of the adjourned General Meeting) in order to be considered valid.
4. If you are an institutional investor, you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by no later than 3.00 p.m. on 7 March 2024 (or, in the event that the General Meeting is adjourned, 48 hours (excluding non-working days) before the time of the adjourned General Meeting) in order to be considered valid. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
5. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend, speak and vote at the General Meeting (and for the purposes of determining the votes that may be cast on a poll) a member must first have their name entered in the Company's register of members by not later than close of business 2 days (excluding non-working days) prior to the commencement of the General Meeting (or, in the event that the General Meeting is adjourned, 2 days (excluding non-working days) before the time of the adjourned General Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to vote at the General Meeting referred to above.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID RA10) no later than 48 hours (or in the event the General Meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned General Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure

that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.
11. As at close of business on 14 February 2024 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 469,743,628 ordinary shares of one penny each and there were a further 85,629,548 ordinary shares held in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 14 February 2024 is 469,743,628.
12. A member may instruct their proxy to abstain from voting on any resolution to be considered at the General Meeting by marking the 'vote withheld' option when appointing their proxy. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' or 'against' the resolution.
13. Voting at the General Meeting will be conducted on a poll. As soon as practicable following the General Meeting, the results of the voting at the General Meeting, the number of votes cast for and against and the number of votes withheld in respect of the resolution will be announced via a Regulatory Information Service.
14. Any person holding 3 per cent. or more of the total voting rights in the Company who appoints a person other than the Chairman of the General Meeting as their proxy will need to ensure that both they and such third party comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
15. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
16. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the General Meeting put by a member attending the General Meeting unless: (i) answering the question would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
17. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice (or in any related documents including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
18. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.fidelity.co.uk/china.