BAILLIE GIFFORD
CHINA GROWTH TRUST PLC

Annual Report and Financial Statements
31 January 2021

BAILLIE GIFFORD

Contents

Investor Disclosure Document

The Alternative Investment Fund Managers Directive requires certain information to be made available to investors prior to their investment in the Company. The Company's Investor Disclosure Document is available for viewing at bailliegiffordchinagrowthtrust.com.

Notes

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the UK Listing Authority. They are not authorised or regulated by the Financial Conduct Authority.

Baillie Gifford China Growth Trust plc currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's Ordinary Shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority (FCA) in relation to non-mainstream investment products.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you reside in the UK and you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately. If you reside outwith the UK, you should consult an appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your holding in Baillie Gifford China Growth Trust plc, please forward this document, together with accompanying documents, but not your 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 or is being effected for delivery to the purchaser or transferee.

The principal investment objective of the Company is to produce long-term capital growth by investing predominantly in shares of, or depositary receipts representing the shares of, Chinese companies.

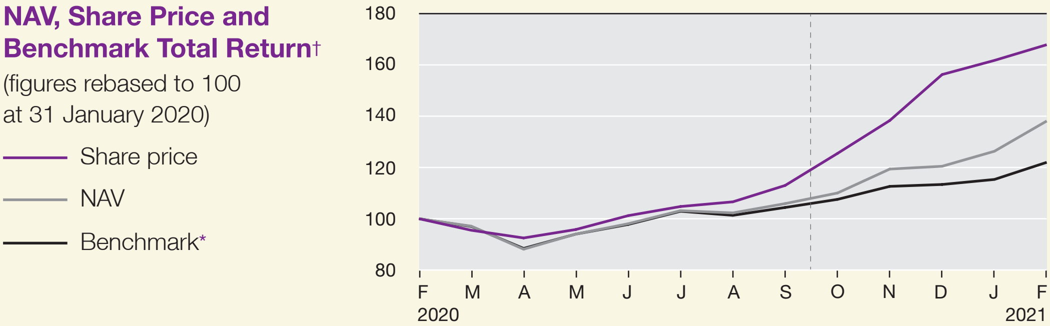
Financial Highlights – Year to 31 January 2021

Share Price† +67.9%	NAV† +38.1%	Benchmark* +22.0%
2020 +12.3%	2020 +5.2%	2020 +8.7%

Source: Refinitiv/Baillie Gifford. All figures are stated on a total return basis. Total return is an Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

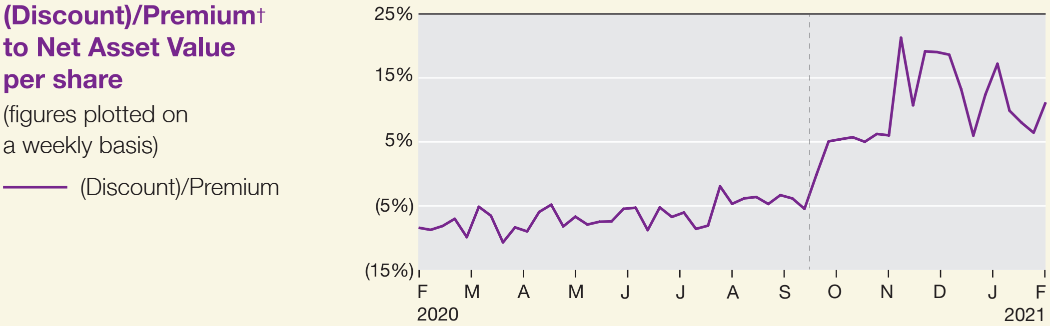
NAV, Share Price and Benchmark Total Return†

(figures rebased to 100 at 31 January 2020)



(Discount)/Premium† to Net Asset Value per share

(figures plotted on a weekly basis)



* The benchmark is the MSCI China All Shares Index (in sterling terms), prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index. Data is chain-linked from 16 September 2020 to form a single comparative index.

† Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 63.

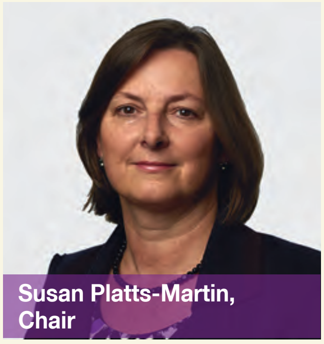
The vertical dotted line at 16 September 2020 represents the appointment of Baillie Gifford & Co Limited as Managers and Secretaries.

Past performance is not a guide to future performance.

Strategic Report

The Strategic Report, which includes pages 2 to 19 and incorporates the Chair's Statement, has been prepared in accordance with the Companies Act 2006.

Chair's Statement



Susan Platts-Martin, Chair

I am pleased to present the first Annual Report of Baillie Gifford China Growth Trust plc. This has been a notable year for your Company which began the year as Witan Pacific Investment Trust plc. Despite the backdrop of a global pandemic, the returns for shareholders have been exceptional with a share price total return of 67.9%.

Covid-19

At the start of the year most markets fell sharply as the Covid-19 virus spread causing a global pandemic. The Chinese market fell at the end of our last financial year and started to pick up ahead of other markets. There have been well over 100 million confirmed cases of the virus worldwide. Together with my Board colleagues I send best wishes to all of you who have been directly or indirectly impacted.

Management Arrangements

On 22 July 2020 the Board announced that, after an extensive review of the Company's management arrangements, it had entered into an investment management agreement to appoint Baillie Gifford as the Company's Investment Manager, Company Secretary and Administrator subject to shareholder approval. Further to this announcement, a shareholder circular was issued on 24 August 2020 setting out recommended proposals for the appointment of Baillie Gifford as the new Investment Manager, adoption of a new Investment Policy, a change of Company name and a tender offer for up to 40% of the issued share capital of the Company. The shareholder General Meeting was held on 16 September 2020 at which all the resolutions were passed. 17,401,665 shares, representing 26.38% of the Company's issued share capital at the record date, were validly tendered at a price of 387.8956 pence per share and held in Treasury.

Baillie Gifford took over the management of the portfolio on 16 September 2020 and the investment remit changed from a broad Asia Pacific mandate to one focussed on long-term growth from Chinese companies. The portfolio re-organisation was completed by 7 October, the date the name of the Company changed from Witan Pacific Investment Trust plc to Baillie Gifford China Growth Trust plc.

Under the new Investment Policy, up to 20% of the Company's total assets may be invested in unlisted securities. The Company made its first investment in a private company, ByteDance, during the period and a description is included in the Managers' Report. The new investment objective and policy are set out in full on page 14.

Performance

I am pleased to report that the Company's net asset value total return rose by 38.1% over the financial year and the share price rose by 67.9%. China was one of the best performing global markets over the period and experienced a strong recovery reflecting the successful control of Covid-19 and targeted policy support.

The table below splits the financial year into the period before the transition to Baillie Gifford and the change in investment objective and the period after.

Total Return (%)	1 February 2020 to 16 September 2020	16 September 2020 to 31 January 2021	1 February 2020 to 31 January 2021
NAV	10.8	24.7	38.1
Share price	16.3	44.3	67.9
Benchmark	8.8	12.2	22.0

The benchmark is the MSCI China All Shares Index (in sterling terms). Prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index. Data is chain-linked from 16 September 2020 to form a single comparative index.

Gearing

The Company is able to employ gearing, which typically would not exceed 20% of gross asset value at the time of drawdown. There was no gearing in place during the financial year. In April 2021, the Company entered into a US$40m revolving credit facility with RBSI.

Governance and Sustainability

The consideration of Governance and Sustainability factors is an integral part of the Managers' long-term investment approach. Further detail on the Managers' approach can be found on page 19.

Ongoing Costs

The ongoing charges figure for the year (including the performance fee paid to 31 August 2020) is 0.78% (and without the Baillie Gifford fee waiver this would have been 1.06%). Excluding performance fees, the ongoing charges were 0.74% (and would have been 1.02% without the Baillie Gifford fee waiver). Last year the ongoing charges were 1.07% including performance fees and 1.00% without. There is no performance fee under the new management arrangements.

For a definition of terms, see Glossary of Terms and Alternative Performance Measures on pages 64 and 65. See disclaimer on page 63.
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Dividend

Revenue return per share decreased by 37.3% from 7.15p to 4.48p. This was due to a number of factors. First, the change in investment mandate has resulted in a focus on capital growth rather than dividend income. In addition, reduced dividends were paid by portfolio companies in common with a general reduction in dividends paid whilst companies adapted to the stressed conditions resulting from the pandemic. Finally, there were costs relating to the change in Manager and mandate, though these were largely offset by reduced ongoing costs (primarily from the management fee waived by Baillie Gifford). As mentioned in the Shareholder Circular, under the new mandate, returns will be generated from capital growth as opposed to income. The previous level of dividend will not be sustainable but in recognition of the Company's sizeable revenue reserves and the reduced dividends generally available to shareholders, the Board has agreed to pay out a dividend of 7.15p per share for this year in line with the dividend paid for the last financial year.

Subject to shareholder approval, the final dividend of 4.60p per share, will be paid on 23 July 2021, with the shares trading ex-dividend on 24 June 2021.

Tender, Discount/Premium and Share Buybacks

The premium at the year end was 11.2% compared with a discount of 8.4% at the last year end. During the period from 1 February 2020 to 1 October 2020, 17,639,200 shares, including those tendered, were bought back at a cost of £68.6 million, which added approximately 3.6p per share of value. All the shares bought back were held in Treasury.

At times since September the shares have traded at a significant premium to the value of the underlying net assets of the Company. This normally reflects a number of factors including the levels of supply and demand for the shares and confidence in the Manager's ability to secure enhanced returns in the future. We recommend that shareholders and potential shareholders review the level of premium or discount when considering the purchase of shares.

Share Issuance

During the year 11,601,592 shares were re-sold from Treasury raising £56.1 million, all of which were issued as a result of the share premium which has consistently been in place since Baillie Gifford took over management of the portfolio. The number of shares the Board were authorised to issue at the last AGM proved to be insufficient given the demand. A shareholder meeting therefore took place on 26 November 2020 at which authority was given to approve the allotment or issue from Treasury of a further 20% or 9,799,797 shares being the maximum permissible amount. As it was not expected that this would be sufficient to meet demand until the next AGM and with the premium remaining high, a shareholder meeting to approve the issuance of further shares was held on 18 March 2021 at which authority was given to approve the allotment or issue from Treasury of a further 20% or 11,558,776 shares being the maximum permissible amount.

The Board

Our last Board member to retire was Diane Seymour-Williams who retired at the AGM in 2019. Since then and during the transition to a new investment remit and Investment Manager we have operated with a reduced Board of four. We were delighted to welcome Ms Magdalene Miller as a non-executive Director of the Company with effect from 26 November 2020 following a detailed search undertaken with the support of an external recruitment consultant. Magdalene previously ran the successful Standard Life China SICAV and is fluent in Cantonese and Mandarin.

Dermot McMeekin is to retire from the Board at the AGM in 2021. The Board extends thanks to Dermot for his contribution during his nine year tenure. We have benefitted from his wisdom and insightful remarks delivered with a calm, unassuming manner. Dermot has been an effective Chairman of the Nominations and Remuneration Committee and Senior Independent Director. He will be replaced as the Company's Senior Independent Director by Andrew Robson. I will take over the role of Chair of the Nominations and Remuneration Committee and a new appointment to the Board to add to our knowledge base and diversity of thought will be announced in due course.

All Directors are subject to annual re-election at the AGM in June. Directors' biographies can be found on page 20. Board members have a broad range of appropriate skills between them.

Annual General Meeting

In light of continuing Government Covid-19 restrictions, shareholders will not be able to attend the AGM as the meeting will be held with the minimum number to ensure it is quorate. I encourage shareholders to submit their votes by proxy before the applicable deadline ahead of the meeting and to submit any questions for the Board or Managers in advance by email to trustenquiries@bailliegifford.com or by calling 0800 917 2112 (Baillie Gifford may record your call). Developments with regard to Covid-19 restrictions will be closely monitored and any changes will be announced to the London Stock Exchange regulatory news service and made available at bailliegiffordchinagrowthtrust.com. This year, due to current circumstances, the portfolio managers will record a webcast which will be available to view on the Company's website following the AGM.

Changes to Articles

We have asked our lawyers to undertake a review of the Articles of Association. Some of the changes proposed are set out below. Further details of the full changes proposed can be found on page 23.

Hybrid General Meetings – One consequence of the Covid-19 pandemic has been the impact on the ability of shareholders to attend physical General Meetings. The Company is therefore proposing to make amendments to the Company's Articles to allow shareholders to attend by electronic means as well as in person. These changes will be too late for the 2021 AGM but will allow for more flexibility in future. It is the Board's intention to continue to have a physical element to our General Meetings wherever possible.

Retirement and Re-election of Directors – The Company's Articles currently provide that one third of Directors retire by rotation each year. However, the UK Code of Corporate Governance requires all Directors to stand for re-election annually. Consequently, the Board is proposing that the Articles are changed to reflect the requirement for annual re-election of Directors.

Quorum – We propose to reduce our quorum for General Meetings to two from three which is more reflective of modern practice.

Directors Remuneration – The cap for Directors' remuneration is set at £175,000 in the Articles and has been set at this rate for some time. Given the proposed additional responsibilities on Directors as set out in the government's recently published consultation paper on Audit and Governance and the need to attract Directors of suitable calibre and allow for overlap of tenure, it is proposed to take this opportunity to increase the maximum Directors' fees payable in any one year to £200,000.

Outlook

Covid-19 continues to dominate newsflow and markets with positive news on vaccine rollout tempered by the emergence of new variants and some concerns over vaccine effectiveness. It remains to be seen how the relationship between the US and China plays out under the new US administration following President Trump's strategy of retaliatory tariffs and sanctions. Nevertheless, we expect China to be one of the most important markets of the coming decade. Diversified portfolios should have exposure to the Chinese economy which is the second largest economy in the world and expected to overtake the US as the largest economy in ten or so years. The fundamental backdrop remains favourable for Chinese equities thanks to robust earnings growth and global portfolios being generally underweight China. We expect to see the weighting rise over time which, alongside increasing consumption from China's huge and growing middle class, should provide support for equity markets. Whilst investment in China may prove volatile over a short term horizon we are optimistic about the prospects for long-term investment.

Susan Platts-Martin
Chair
26 April 2021

Managers' Report

Our First Year

In September 2020, we became Investment Managers for what was the Witan Pacific Investment Trust, following the decision by the Board to appoint us. Our radical proposition was simple – to refocus the Company away from the broad Asia Pacific region, and instead focus it solely on the most important, and arguably most exciting market of the coming decades: China.

Consequently, the Company has been renamed the Baillie Gifford China Growth Trust plc, and the portfolio invested into the 40–80 Chinese companies that we believe are most likely to deliver outstanding growth over the next five to ten years. The portfolio is similar to our highly regarded Baillie Gifford China Fund but will have the added advantage of financial gearing and an ability to invest in smaller cap and private companies, the latter of which represent a significant investment opportunity in China.

Given the change in mandate, it is perhaps an opportune time to briefly restate our philosophy. We are long-term growth investors managing a high conviction portfolio of what we think are China's most exceptional growth companies. Our philosophy has three core principles:

— ***Long Term:*** Our investment horizon is 5–10 years, in a region where the average holding period is only a couple of months. This is a significant differentiator and a strong driver of returns. One of the key inefficiencies that we seek to exploit is the market's extreme short-termism and our 5–10 years investment philosophy allows us to do this. Our incentivisation is also staunchly long-term: the variable portion of our remuneration is based on 5 year rolling investment performance – again, something we believe to be almost unique in the region.

— ***Active:*** We look for the best 40–80 Chinese growth companies regardless of sector or industry and we hold them in size. We are willing to be very different to the benchmark as we believe differentiation is a necessary condition for delivering superior returns over time. Shareholders should be comfortable tolerating the inevitable ups and downs in short-term relative performance that will follow from this.

— ***Growth:*** China has some of the most exciting and transformational growth companies in the world and our philosophy is centred on finding them. Indeed, our experience of investing in China over the last three decades has been that it is the highest growth companies that have delivered the most attractive share price returns.

Thanks to our experience, size and unusually long investment horizon, we have a strong reputation in China and have developed a number of close relationships with the country's leading companies. This brings many benefits, including being sought out to be early investors in the best unlisted Chinese companies. Indeed, we have already made our first unlisted investment for the Company in ByteDance. With a number of companies increasingly putting off listing until much later in their development, a key benefit of the Company is its ability to take advantage of this growing opportunity set, supported by Baillie Gifford's significant experience in this area.

Portfolio Positioning and Recent Activity

Portfolio construction flows from the investment beliefs stated above. We believe that the current portfolio represents a selection of the best and most innovative public and private Chinese growth companies. What you will see in the portfolio is a bias towards consumer discretionary, healthcare and technology related businesses. China has the largest middle class in the world and one that's growing substantially every day. Importantly, the middle class exhibits an appetite to consume and adopt technology that's arguably greater than anywhere else in the world. This, combined with a corporate base that continues to ramp up investments in research and development, creates a wealth of opportunities for growth investors in both consumer and technology related businesses. However, it's important to note that bias towards sectors is an output rather than an input: our process is largely bottom up and our portfolio exposure is a function of where we're finding the best, long-term growth ideas. It's also important to note the variety of companies and growth drivers within these sector allocations. For example, healthcare is a large overweight position for the Company. Here, the government's desire to create a globally leading healthcare industry has created a wealth of opportunities in a broad range of businesses from infrastructure related companies like Tigermed, a leader in clinical trials, to Burning Rock, a leader in early stage cancer detection, to Ping An Good Doctor, an online GP provider with an edge in artificial intelligence. Regardless of sector, all of the companies owned within the Company display the competitive and cultural strengths which should enable them to continue growing consistently for many years and deliver excellent returns to shareholders.

Since the portfolio's reorganisation, we have made a number of new purchases and sales due to a substantial number of attractive opportunities. Of note, we made our first investment in a private company, ByteDance. ByteDance is a social media and short form video company. It was founded in 2012 by Yiming Zhang and has since grown to become the world's leading short form video app with more than half a billion users. Monetisation of these users has only just begun and ByteDance has a very large growth opportunity in advertising in addition to more nascent areas. The company benefits from a technological edge in AI and machine learning which has allowed it to continually innovate by bringing out new applications in different media forms and for different demographics. This ability to innovate is a key driver of future success. Indeed, we believe ByteDance has the potential to be a generation defining media company and one that will deliver exceptional returns to shareholders.

We've also bought new holdings in two companies that are broadly exposed to Generation Z, a cohort with increasing consumption power and radically different tastes to their older compatriots. Pop Mart is a toy company that utilises a collectible, 'blind box' model whereby consumers are unable to see in advance which toy they have purchased. This model and the toys themselves have proven very popular with younger consumers. Indeed, the company is rapidly building a brand in the collectable space that may constitute a durable edge. We believe that Chinese consumers will increasingly opt for home-grown IP rather than imported Western IP from the likes of Marvel or Disney.

Yatsen is another company that is broadly exposed to this theme. It is an online cosmetics company founded in 2016. Since then it has achieved phenomenal success with its internally developed brands and, by the end of 2019, the company had begun to compete head to head with the likes of Maybelline and L'Oréal Paris. Unlike most cosmetics companies, one of the company's largest cost centres is its IT and data analytics staff and it is this data analytics capability, combined with its expertise in online marketing, that constitute the company's competitive edge.

Other new holdings include Dada Nexus, a leading last mile delivery operator with a nascent Ocado type offering, and Lufax, a leading financial services business and one that is extending credit to under-served segments within China.

In terms of funding, we have sold a number of companies in a variety of industries. These companies had been held in our China Fund for a number of years. Haier Electronics, Yili and Baidu were sold due to concerns surrounding the long-term growth outlook for their core businesses. Whilst all three companies continue to benefit from strong competitive positions and well-aligned management teams, we believe they no longer meet our growth hurdle. China International Travel Services, a leading duty-free operator, was sold due to valuation concerns after a very strong run in the shares driven by positive tax changes in one of its main jurisdictions, coupled with a growing expectation that domestic travel would benefit to the detriment of international travel. CNOOC and Hikvision were both sold after US sanctions effectively diminished both companies' overseas growth opportunities.

Performance

Since the portfolio's reorganisation in September 2020, the NAV has grown by 24.7% and the benchmark has delivered a return of 12.2%. Notable positive contributors over the period include a number of our healthcare holdings such as Zai Labs, an innovative biotech company with an impressive array of global partners, Wuxi Apptec, a leading contract research organisation, and Kingmed, a diagnostics company. Other positive contributors include CATL, China's leading electric vehicle battery maker, and Estun, a future leader in robotics and factory automation. Notable detractors over the period include Brilliance China, BMW's partner within the Chinese auto market, and Berry Genomics, a gene sequencing company. In addition, our relative performance was hurt by the strong performance of two companies that we do not own within the Company, NIO and PDD. Whilst acknowledging that the Company's performance post reorganisation has been strong, we believe it is unwise to infer anything meaningful from such a short period. Instead, we'd request that shareholders judge our efforts over similar time frames to those we apply to our underlying investments, namely five years or more.

Outlook

Having emerged early from the pandemic and proved able so far to keep further outbreaks under control, China has delivered robust economic and corporate performance to date. However, the long-term growth story for China is only just beginning. The combination of a vast and growing domestic market, significant investment in research and development, and private and public equity markets that are poorly understood and indelibly short term, give long-term growth investors like ourselves a real opportunity to add alpha. As such, we look to the future with optimism.

Roderick Snell
Sophie Earnshaw
Baillie Gifford & Co
26 April 2021

For a definition of terms, see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.
Past performance is not a guide to future performance.

Review of Investments

Tencent

Tencent is a leading social media and entertainment platform. It has a dominant position in online gaming and an ecosystem in WeChat that we believe is one of the strongest in China. Monetisation of WeChat's over 1bn monthly active users has only just begun and represents a transformational growth opportunity for the company. Further growth opportunities are provided by Tencent's strong positions in cloud infrastructure and consumer and SME lending, along with its portfolio of investee companies which span online music streaming, ecommerce, and short form video. Pony Ma, the founder and Chairman of the company, is indelibly focused on the long-term and has executed exceptionally well in one of China's fastest moving industries.

Alibaba

Alibaba is a leading online retailer. Its ecommerce business continues to grow strongly driven by increasing online penetration in segments such as grocery and FMCG, whilst the integration of live streaming and social media to the platform has materially strengthened its appeal to customers and merchants alike. In addition, Alibaba has a strong position in infrastructure as a service, or the cloud, where it has a similar business to Amazon Web Services and significant growth potential. Alibaba's partnership structure and its capable and experienced management team are well-aligned with shareholders and continue to offer a long-term and compelling vision for the company.

Meituan Dianping

Meituan Dianping is an online marketplace for the local service industry in China. It operates in more than 200 categories in 2,800 cities with strong market shares in on-demand restaurant delivery, in-store dining, hotel booking and film ticketing. These verticals are each in an early stage of development, leading to strong growth expectations for many years to come. Additionally, the company is cementing its position as a key partner for merchants in all of these segments by offering value-added services such as software and back-end solutions. Wang Xing, the founder and CEO, continues to invest heavily for growth. Indeed, his vision for the company is that it becomes the default means by which Chinese consumers access the local services industry.

Ping An

Ping An is one of China's leading financial services groups. It is China's second largest life insurer, a market with multi-decade growth potential driven by China's emerging middle class and rising disposable income. It also has a leading position in property and casualty insurance where it has consistently delivered strong returns. In addition, it has consistently invested in artificial intelligence and machine learning in order to increase the efficiency and long-term viability of its core business. Again, this is a company with a long-term, growth mind-set that we believe will deliver substantial returns to shareholders.

Kweichow Moutai

Kweichow Moutai is one of the most important and iconic Chinese brands. It manufactures premium baijiu (white alcohol) which has a heritage and respect embedded within Chinese culture. Its unique brewing conditions and process provide a core competitive advantage. When combined with supply scarcity and limited competition in the very high-end market, Moutai is able to price at a premium and maintain a loyal customer base. It is an extremely profitable business. We believe in the strength and heritage of the brand, the sustainability of revenue growth, and the longevity of its core competitive advantage.

ByteDance

ByteDance is a social media and short form video company and it represents the Company's first private investment since reorganisation. It was founded in 2012 by Yiming Zhang and the company has grown to rank amongst the world's largest companies of its kind. Its short form video app, Douyin, is market leader in China with over 600 million daily active users which it has only just begun to monetise. ByteDance benefits from a technological edge in machine learning which it uses to bring out new applications tailored to different media forms and different demographics. The company's ability to innovate in this space is exceptional and we believe one of the key drivers of its likely future success. We believe ByteDance has the potential to be a generation defining media company.

Ping An.

Bilibili.

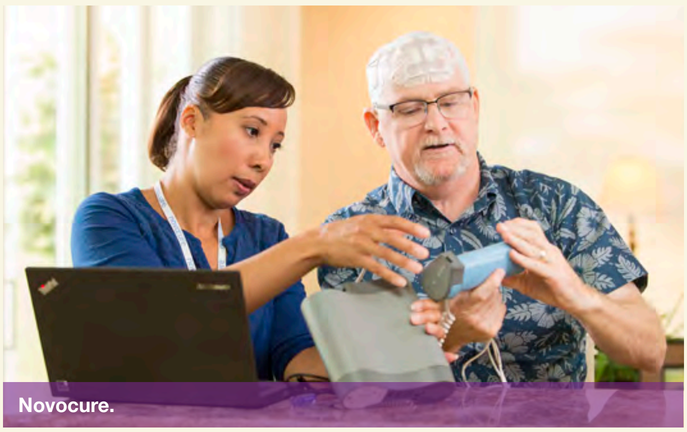
© Imaginechina Limited/Alamy Stock Photo.

Bilibili

Bilibili is an anime, comics and gaming platform. It makes money by distributing mobile games, and via advertising, ecommerce and the sale of virtual items. It is incredibly popular amongst Generation Z who value the platform's strong sense of community and exceptional content. Whilst it began as a relatively niche platform, it has spent the last couple of years broadening its appeal without losing what makes it unique. Monetisation of its user base has only just begun and represents a transformational growth opportunity for the company. Bilibili's management team have executed well over the past decade and we're confident that they will continue to do so. The company also benefits from strategically important shareholders including Tencent, where collaboration on anime related content is ongoing and Alibaba and Sony.

Zai Labs

Zai Labs is a Shanghai-based emerging biopharmaceutical company developing drugs in oncology, autoimmune and infectious diseases. It is focused on bringing best-in-class assets to China via partnerships with leading global pharmaceutical companies and in therapeutic classes prioritised by the CFDA. One of Zai Lab's partners, a US company called Novocure, has developed a patented, FDA approved, novel therapeutic which uses electrical fields to stop cancer cell division. Zai Labs has the exclusive license for this technology in China. The potential upside from this one division is transformational, but we believe this is only one of the company's avenues for future growth.



Novocure.

© 2019 Novocure.

China Merchants Bank

China Merchants Bank is a leading consumer bank in China with a lengthy track record and solid market share. It has outcompeted its state-owned rivals via a relentless focus on the consumer. As such, it has built up an enviable position in consumer lending and in wealth management, both segments with strong growth potential. In terms of lending quality, this has been strong through the cycle and, as such, we believe this is a bank that will continue to offer attractive returns to shareholders.

CATL.

© Bloomberg/Getty Images.

Contemporary Amperex Technology (CATL)

CATL is the dominant leader of power battery systems in China and a national champion with strong government support in electric vehicle batteries. It was spun out of the Japanese company TDK in 2011 to maximise this government support and its growth opportunity within the Chinese market. In electric vehicle batteries, it has c. 45% market share in China and a strong growth tailwind driven by increasing penetration of electric vehicles within the automotive fleet. Its technology is competitive globally due to the company's consistent and substantial investment in research and development. As a result, it has been able to build up a customer base not just within China, but globally. Indeed, we believe the growth opportunity for this company is likely to extend beyond China's borders.

List of Investments at 31 January 2021

Name	Business	Value £'000	% of total assets
Tencent	Social media and entertainment company	27,445	10.1
Alibaba	Online retailer, payments and cloud business	25,082	9.2
Meituan Dianping	Online food delivery company	11,963	4.4
Ping An Insurance	Life and health insurance	11,057	4.1
Kweichow Moutai	Luxury baijiu maker	9,022	3.3
ByteDanceⓤ	Social media and entertainment company	8,010	3.0
Bilibili	Social media company	7,358	2.7
Zai Lab	Biotechnology business	7,161	2.6
China Merchants Bank	Consumer lending and wealth management	6,921	2.6
Contemporary Amperex Technology	Electric vehicle battery maker	5,956	2.2
Guangzhou Kingmed Diagnostics	Diagnostics company	5,726	2.1
JD.com	Online retailer	5,721	2.1
Ping An Bank	SME and consumer lender	5,439	2.0
WuXi AppTec	Life sciences contract research organisation	5,198	1.9
Li Ning	Domestic sportswear manufacturer	5,043	1.9
Geely Automobile	Domestic automotive manufacturer	4,614	1.7
Midea†	White goods and robotics manufacturer	4,510	1.7
NetEase	Gaming and entertainment business	4,457	1.7
BeiGene	Immunotherapy biotechnology company	4,156	1.5
China Molybdenum	Metals and mining company	4,022	1.5
Foshan Haitian Flavouring and Food	Soy sauce and flavourings business	3,783	1.4
Weichai Power	Construction machinery and heavy duty trucks	3,766	1.4
Dada Nexus	Logistics and warehousing provider	3,608	1.3
Kingdee International Software	Software for SMEs and corporates	3,513	1.3
Hangzhou Tigermed Consulting	Clinical trial contract research organisation	3,483	1.3
Kingsoft	Software for SMEs and corporates	3,466	1.3
Sunny Optical Technology	Electronic components for smartphones and autos	3,396	1.3
Yatsen	Online cosmetics company	3,311	1.2
Topchoice Medical	Dental services provider	3,285	1.2
Asymchem Laboratories (Tianjin)	Life sciences contract research organisation	3,252	1.2
Shenzhou International	Garment manufacturer	3,183	1.2
KE Holdings	Online real estate	3,103	1.2
Pop Mart	Toy and collectibles maker	3,096	1.2
Estun Automation	Robotics and factory automation company	3,086	1.1
Fuyao Glass	Automotive glass manufacturer	3,071	1.1
Burning Rock Biotech	Liquid biopsy cancer testing company	3,026	1.1
Luzhou Laojiao	Premium baijiu maker	3,018	1.1
HUAYU Automotive Systems	Automotive parts manufacturer	2,979	1.1
Shenzhen Inovance Technology	Factory automation company	2,881	1.1
Jiangsu Hengrui Medicine	Pharmaceutical manufacturer	2,817	1.0
Zhejiang Sanhua Intelligent Controls	Heating and cooling component manufacturer	2,814	1.0
Lufax	SME and consumer lender	2,807	1.0
Glodon†	Software provider to the construction industry	2,829	1.0
ENN Energy	Gas distributor and provider	2,687	1.0
Proya Cosmetics	Cosmetics and personal care company	2,549	0.9
Yonyou Network Technology	Software for SMEs and corporates	2,373	0.9
Brilliance China Automotive	Automotive makers and BMW partner	2,246	0.8
iQIYI	Online movie and entertainment platform	2,072	0.8
Minth	Automotive parts manufacturer	1,840	0.7
BGI Genomics	Gene sequencing company	1,730	0.6
Hangzhou Robam Appliances	White goods manufacturer	1,663	0.6

Name	Business	Value £'000	% of total assets
Ping An Healthcare & Tech	Online GP service	1,657	0.6
Yifeng Pharmacy Chain	Drug retailer	1,639	0.6
Hua Medicine (Shanghai)	Diabetes drug manufacturer	1,416	0.5
Shanghai International Airport	Shanghai airport operator	1,077	0.4
Berry Genomics	Gene sequencing company	995	0.4
Hutchison China MediTech	Biotechnology company	920	0.3
AAC Technologies	Miniature electronic component maker	911	0.3
Total investments		**268,209**	**98.8**
Net liquid assets*		3,215	1.2
Total assets*		**271,424**	**100.0**

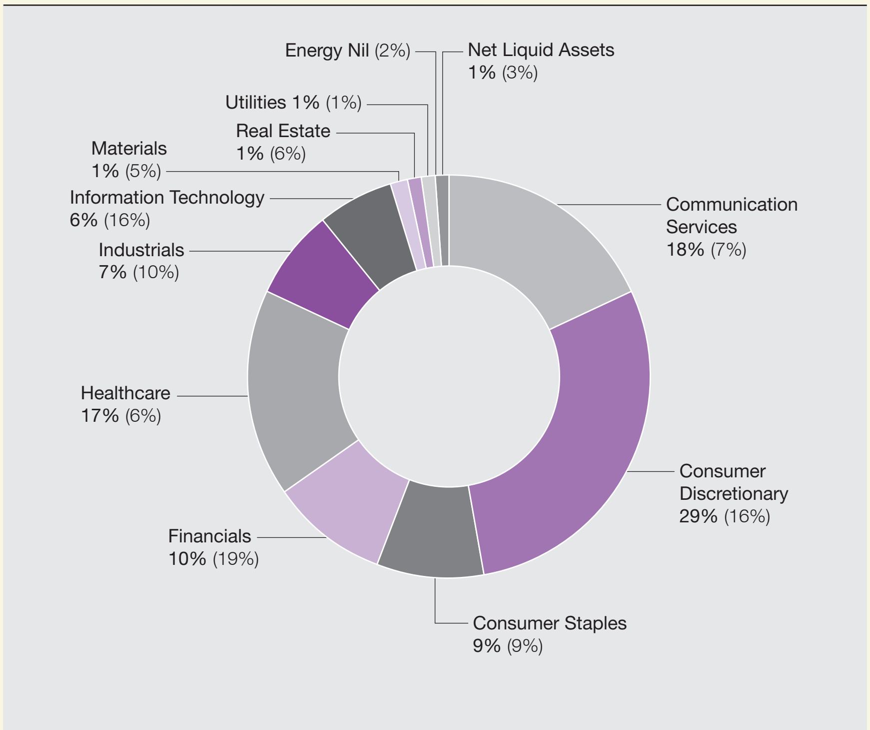
* For a definition of terms used, see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Ⓤ Denotes unlisted holding (private company).

† Includes investments in Participatory Notes.

Distribution of Total Assets†

Sectoral 2021 (2020)



One Year Summary

	31 January 2021	31 January 2020	% change
Shareholders' funds	£271.4m	£222.2m	
Net asset value per ordinary share	492.66p	363.49p	35.5
Share price	548.00p	333.00p	64.6
Benchmark‡			19.7
Revenue earnings per ordinary share	4.48p	7.15p	(37.3)
Dividends paid and payable in respect of the year#	7.15p	7.15p	–
Ongoing charges (excluding performance fees)*†#	0.74%	1.00%	
Ongoing charges (including performance fees)	0.78%	1.07%	
Premium/(discount)*	11.2%	(8.4%)	
Active share*	65%	69%	

Year to 31 January	2021	2020
Total returns (%)*		
Net asset value per ordinary share#	38.10	5.20
Share price#	67.88	12.30
Benchmark‡	22.00	8.70

Year to 31 January	2021	2021	2020	2020
Year's high and low	**High**	**Low**	**High**	**Low**
Net asset value per ordinary share	536.47p	303.94p	390.15p	351.09p
Share price	588.00p	266.00p	356.00p	303.00p
Premium/(discount)*#	33.1%	(13.3%)	(7.9%)	(15.5%)

	31 January 2021	31 January 2020
Net return per ordinary share		
Revenue	4.48p	7.15p
Capital	121.71p	10.33p
Total	**126.19p**	**17.48p**

* Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

† Without the management fee waiver (see page 21), the ongoing charges (excluding performance fees) for the year to 31 January 2021 would have been 1.02%. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Key Performance Indicator.

‡ The benchmark is the MSCI China All Shares Index (in sterling terms). Prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index. Data is chain-linked from 16 September 2020 to form a single comparative index.

Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 63.

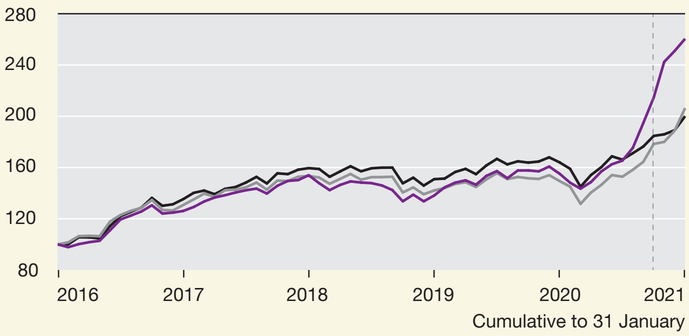
Past performance is not a guide to future performance.

Five Year Summary

The following charts indicate how an investment in the Company has performed relative to its benchmark and its underlying net asset value over the five year period to 31 January 2021.

Five Year Total Return* Performance

(figures rebased to 100 at 31 January 2016)



Source: Refinitiv/Baillie Gifford and relevant underlying index providers†.

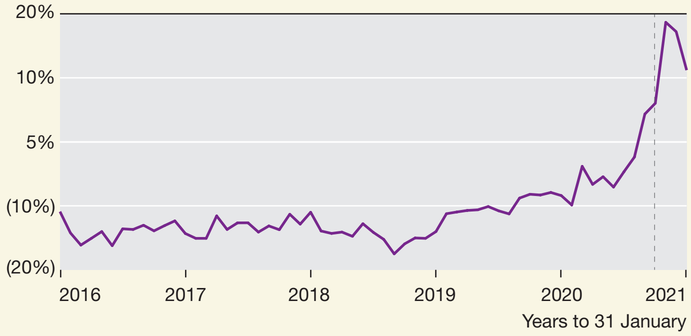
Share price

NAV

Benchmark#

(Discount)/Premium* to Net Asset Value

(figures plotted on a monthly basis)

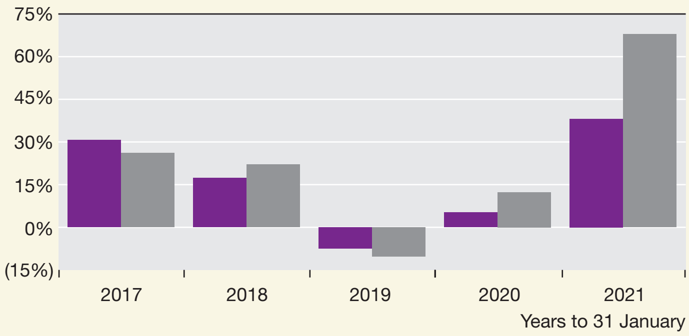


Source: Refinitiv/Baillie Gifford and relevant underlying index providers†.

(Discount)/Premium

The (discount)/premium is the difference between Baillie Gifford China Growth Trust's quoted share price and its underlying net asset value per share expressed as a percentage of net asset value per share.

Annual Net Asset Value and Share Price Total Returns*



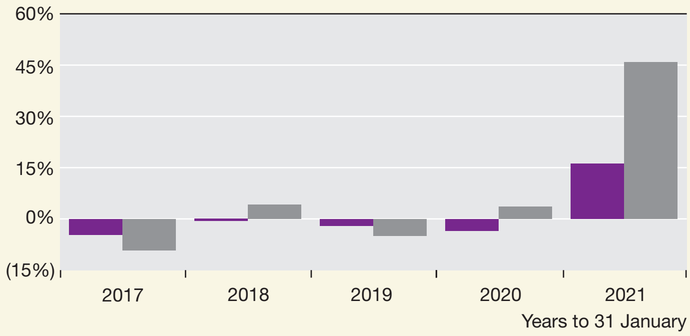
Source: Refinitiv/Baillie Gifford and relevant underlying index providers†.

NAV return

Share price return

Annual Net Asset Value and Share Price Total Returns*

(relative to the benchmark# total returns)



Source: Refinitiv/Baillie Gifford and relevant underlying index providers†.

NAV return

Share price return

* See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

† See disclaimer on page 63.

\# The benchmark is the MSCI China All Shares Index (in sterling terms), prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index. Data is chain-linked from 16 September 2020 to form a single comparative index.

The vertical dotted line at 16 September 2020 represents the appointment of Baillie Gifford & Co Limited as Managers and Secretaries.

Past performance is not a guide to future performance.

Ten Year Record

Capital

At 31 January	Total assets £'000	Borrowings £'000	Shareholders' funds £'000	Net asset value per share * p	Share price p	(Discount)/ Premium † %
2011	170,182	5,900	164,282	248.0	212.0	(14.5)
2012	163,052	7,000	156,052	235.6	193.6	(17.8)
2013	182,134	8,500	173,634	262.9	229.3	(12.8)
2014	168,246	8,500	159,746	241.9	213.5	(11.7)
2015	184,280	–	184,280	279.5	244.0	(12.7)
2016	170,388	–	170,388	259.3	231.0	(10.9)
2017	217,035	–	217,035	333.9	286.0	(14.3)
2018	244,455	–	244,455	386.6	344.0	(11.0)
2019	219,929	–	219,929	352.5	303.0	(14.1)
2020	222,208	–	222,208	363.5	333.0	(8.4)
2021	**271,424**	**–**	**271,424**	**492.7**	**548.0**	**11.2**

Source: Baillie Gifford/Refinitiv. See disclaimer on page 63.

* Net asset value per ordinary share has been calculated after deducting borrowings. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

† (Discount)/Premium is the difference between the Company's quoted share price and its underlying net asset value per share expressed as a percentage of net asset value per share. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Revenue

Gearing Ratios

Year to 31 January	Gross revenue £'000	Available for ordinary shareholders £'000	Revenue earnings per ordinary share p	Ordinary dividends paid and proposed per share p	Ongoing charges ratio # %	Gearing ‡ %	Potential gearing ¶ %
2011	3,927	2,421	3.65	2.80	1.2	3	4
2012	4,766	3,015	4.55	4.00	1.5	3	4
2013	5,108	3,162	4.78	4.30	1.3	4	5
2014	4,978	2,910	4.41	4.45	0.9	3	5
2015	4,464	2,628	3.98	4.55	1.1	–	–
2016	4,782	2,836	4.31	4.65	1.1	–	–
2017	5,004	2,880	4.41	4.75	1.0	–	–
2018	5,740	4,141	6.52	5.50	1.0	–	–
2019	6,577	4,954	7.88	7.00	1.0	–	–
2020	6,073	4,412	7.15	7.15	1.1	–	–
2021	**3,600**	**2,329**	**4.48**	**7.15**	**0.7**	**–**	**–**

Source: Baillie Gifford.

Total operating costs (excluding performance fees) divided by average net asset value. Without the management fee waiver (see page 21), the ongoing charges for the year to 31 January 2021 would have been 1.0%. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

‡ Total assets (including all debt used for investment purposes) less all cash and cash equivalents divided by shareholders' funds. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

¶ Total assets (including all debt used for investment purposes) divided by shareholders' funds. See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Cumulative Performance (taking 2011 as 100)

At 31 January	Net asset value per share	Net asset value total return *	Share price	Share price total return *	Benchmark ^	Benchmark ^ total return	Revenue earnings per ordinary share	Dividends paid and proposed per ordinary share
2011	100	100	100	100	100	100	100	100
2012	95	96	91	93	89	94	125	143
2013	106	110	108	113	99	104	131	154
2014	98	103	101	107	84	105	121	159
2015	113	121	115	125	118	123	109	163
2016	105	114	109	121	97	115	118	166
2017	135	149	135	152	127	156	121	170
2018	156	175	162	186	164	184	179	196
2019	142	162	143	167	133	174	216	250
2020	147	171	157	187	145	189	196	255
2021	**199**	**236**	**258**	**314**	**201**	**231**	**123**	**255**
Compound annual returns								
5 year	14%	16%	19%	21%	16%	15%	1%	9%
10 year	7%	9%	10%	12%	7%	9%	2%	10%

Source: Baillie Gifford/Refinitiv and relevant underlying providers. See disclaimer on page 63.

* See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

^ The benchmark is the MSCI China All Shares Index (in sterling terms), prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index. Data is chain-linked from 16 September 2020 to form a single comparative index.

Past performance is not a guide to future performance.

Business Review

Business Model

Business and Status

Baillie Gifford China Growth Trust plc ('the Company') is a public company limited by shares and is incorporated in England. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital, although, subject to shareholder approval sought annually, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand. The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund for the purposes of the Alternative Investment Fund Managers Directive (AIFMD).

Investment Objective

To produce long-term capital growth by investing predominantly in shares of, or depositary receipts representing the shares of, Chinese companies.

Investment Policy

The Company invests predominantly in shares of, or depositary receipts representing the shares of, Chinese companies. Chinese companies are companies that have their headquarters in China or that the Investment Manager deems to have a significant part of their operations in China. They may be listed, quoted, or traded on any market, or unlisted. The Company will be actively managed and may invest in companies of any size and in any sector. In furtherance of the Investment Policy the portfolio will normally consist principally of quoted equity securities although unlisted companies, fixed interest holdings or other non equity investments may be held.

The portfolio will comprise between 40 and 80 listed and unlisted securities. No individual investment will represent a greater weight in the portfolio than, (i) 20%, or (ii) its weight in the MSCI China All Shares Index (in sterling terms) plus 7.5%, whichever is lower as measured at the time of investment.

The maximum amount which may be invested in unlisted securities shall not exceed 20% of the gross asset value of the Company, measured at the time of investment.

The Company will at all times be invested in several sectors. While there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

The Company intends to employ gearing in the normal course of events. The Company may in aggregate borrow amounts equaling up to 25% of gross asset value, although the Board expects that borrowings will typically not exceed 20% of gross asset value, in both cases calculated at the time of drawdown.

With prior approval of the Board, the Company may use derivatives for the purposes of efficient portfolio management in order to reduce, transfer or eliminate investment risk in the Company's portfolio. Derivative instruments in which the Company may invest may include foreign exchange forwards, exchange-listed and over-the-counter options, futures, options on futures, swaps and similar instruments. The Company does not intend to enter into derivative or hedging transactions to mitigate against general currency or interest rate risk.

While it is intended that the Company will be fully invested in normal market conditions, the Company may hold cash on deposit or invest on a temporary basis in a range of cash equivalent instruments. There is no restriction on the amount of cash or cash equivalent instruments that the Company may hold.

The Company may invest no more than 10%, in aggregate, of gross asset value at the time of acquisition in other listed closed-ended investment funds, but this restriction will not apply to investments in such funds which themselves have stated investment policies to invest no more than 15% of their gross asset value in other closed-ended investment funds.

No material change will be made to the Company's Investment Policy without the prior approval by ordinary resolution of the shareholders.

Culture

As an externally managed investment company with no employees, Baillie Gifford China Growth Trust's culture is expressed through its Board and its third party service providers, in particular its Managers, in their interactions with shareholders and other stakeholders. The Board's assessment of its own interactions is described in its Section 172 Statement on pages 17 and 18, and the Baillie Gifford Statement on Stewardship, which describes the Managers' culture of constructive engagement, is set out on page 19.

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

Key Performance Indicators

The key performance indicators (KPIs) used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- the movement in the net asset value per ordinary share total return relative to the benchmark;
- the movement in the share price total return relative to the benchmark;
- the premium/discount of the share price to the net asset value per share; and
- ongoing charges.

An explanation of these measures can be found in the Glossary of Terms and Alternative Performance Measures on pages 64 and 65. A historical record of the KPIs is shown on pages 11 to 13.

The Board has an ongoing charges target of 1% (excluding performance fees). The ongoing charges (excluding performance fees) for the year ended 31 January 2021 was 0.74%, the figure if the management fee waiver was not in place would have been 1.02%.

The annual growth in the dividend which was previously a KPI is no longer considered to be a KPI following the change in Investment Policy to focus on capital growth.

The one, five and ten year records of the KPIs can be found on pages 11, 12 and 13. Further discussion is included in the Chair's Statement on pages 2 to 4.

In addition to the above, the Board considers peer group comparative performance.

Borrowings

The Company intends to employ gearing, as set out in the Investment Policy. There were no borrowings as at 31 January 2021 but since 15 April 2021 the Company has in place a one year revolving credit facility for $40 million with RBSI.

Principal and Emerging Risks

As explained on pages 26 and 27 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company. The Directors have undertaken a robust assessment of the principal and emerging risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity. A description of these risks and how they are being managed or mitigated is set out below:

Risk	Mitigation
Inappropriate business strategy and/or changes in the financial services market leads to lack of demand for the Company's shares and its shares trading at a persistent and anomalous discount to the NAV.	The Board reviews its strategy at an annual strategy meeting. It considers investor feedback, consults with its broker and reviews its marketing strategy. It regularly reviews its premium/discount control policy. The strategy is considered in the context of developments in the wider financial services industry.
Adverse market conditions, particularly in equities and currencies, lead to a fall in NAV.	The Company's exposure to equity market risk and foreign currency risk is an integral part of its investment strategy. Adverse markets may be caused by a range of factors including economic conditions, political change, natural disasters and health epidemics. Volatility in markets from such factors can be higher in less developed markets including China. Market risk is mitigated to a degree by appropriate portfolio diversification.
Poor investment performance, including through inappropriate asset allocation, leads to value loss for shareholders in comparison to the benchmark or the peer group.	The performance of the Manager is reviewed at each Board meeting and compared against the benchmark and peer group. Exposures are reviewed against benchmark exposures to identify the highest risk exposures. The Board reviews the investment strategies of the Manager at least annually.
A reduction in income received from the companies in which it invests, from adverse currency movements, or from portfolio re-allocation could lead to lower dividends being paid by the Company.	The Board reviews forecast income regularly, and also receives longer-term views on income from the portfolio managers. It should be noted that a reduction in income is an inevitable consequence of the change in Investment Policy.
Operational failure leads to reputational damage and potential shareholder loss. Operational issues could include: errors, control failures, cyber attack or business discontinuity at service providers.	The Audit Committee reviews the controls including business continuity procedures at the service providers. Separate records of investments are maintained by the Manager and custodian and are reconciled. The Manager also monitors the performance and controls of third party providers.
Tax and regulatory change or breach leads to the loss of investment trust status and, as a consequence, the loss of the exemption from taxation of capital gains. Change in tax, regulation or laws could make the activities of the Company more complicated, more costly or even not possible. Other regulatory breaches (including breaching the listing rules, market abuse regulations and AIFMD) could result in reputational damage and costs. Regulatory change can also increase the costs of operating the Company.	Compliance with investment trust status regulations is reviewed at each Board meeting. The Board reviews compliance with other regulatory, tax and legal requirements and is kept informed of forthcoming regulatory changes.
Single country risk The Company will invest predominantly in equities of companies which are incorporated or domiciled, or which conduct a significant portion of their business, in China. Investing in a single country is generally considered a higher risk investment strategy than investing more widely, as it exposes the investor to the fluctuations of a single geographical market, in this case the Chinese market.	The Company's exposure to a single country, China, is an integral part of its investment strategy. Risk is mitigated to a degree by appropriate portfolio diversification and careful analysis of investment opportunities.

Risk	Mitigation
Emerging market risk Investing in an emerging market such as China subjects the Company to a higher level of market risk than investment in a more developed market. This is due, among other things, to the existence of greater market volatility, lower trading volumes, the risk of political and economic instability (such as the ongoing geo-political tensions between China and the US) legal and regulatory risks, risks relating to accounting practices, disclosure and settlement, a greater risk of market shut down, standards of corporate governance and more governmental limitations on foreign investment than are typically found in developed markets.	The Managers are cognisant of the risks associated with investing in emerging markets such as China, and they shape their investment strategy and due diligence accordingly. The Board is kept informed of political and regulatory issues impacting China and the portfolio.
Unlisted securities The Company may invest in unlisted securities, which are not readily realisable and are more difficult to value given the absence of a quoted price. There may be less available information and there will be less regulation in respect of disclosures and corporate governance.	Baillie Gifford conducts appropriate due diligence in respect of all unlisted investments, and has an established valuation approach (as described on page 44), which is carefully reviewed by the Board.
Gearing The Company may utilise borrowings in order to increase its investment exposure. While such leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. If income and capital appreciation on investments acquired with borrowed funds are less than the costs of the leverage, the Company's net asset value will decrease. The use of leverage also increases the investment exposure, which means that if the market moves adversely, the resulting loss to capital would be greater than if leverage were not used.	Under the Investment Policy, the maximum gearing is 25% of gross assets, though the Company does not expect borrowing to be in excess of 20% of gross assets. All borrowing facilities are approved by the Board.

Emerging Risks – The Audit Committee also regularly considers any emerging risks that might threaten the Company's business model. These include the risks inherent in climate change (see page 28).

Covid-19 – Since January 2020 the spread of Covid-19 has been a fast emerging risk to the Company. There are a number of risks. Firstly, the disruption to demand and supply chains, and general uncertainty around the eventual severity, has caused significant volatility in markets with consequences for the value of the Company's investments. Secondly, the potential disruption to the Company's service providers could lead to impairment in the level of service provided to the Company. The Company addresses the market risk as it does other market risk through diversification of its investments and careful monitoring of the impact on investee companies.

The Company also monitors its service providers to ensure there is adequate business continuity.

Viability Statement

Having regard to provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a five year period. The Directors continue to believe this period to be appropriate as it reflects the Company's longer term investment strategy and to be a period during which, in the absence of any material adverse change to the regulatory environment in the UK and/or China and to the tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal and emerging risks facing the Company nor to the effectiveness of the controls employed to mitigate those risks. Furthermore, the Directors do not reasonably envisage any change in strategy or any events which would prevent the Company from operating over a period of five years.

In considering the viability of the Company, the Directors have conducted a robust assessment of each of the principal and emerging risks and uncertainties detailed on pages 15 and 16, in particular the impact of market risk where a significant fall in Chinese equity markets would adversely impact the value of the investment portfolio. The majority of the Company's investments are listed at present and readily realisable and can be sold to meet its liabilities as they fall due. Borrowings may not exceed 25% of gross asset value, and are not expected to exceed 20% of gross asset value. As part of its risk assessment, the Board considered the impact of Covid-19 on the Company. In addition, all of the key operations required by the Company are outsourced to third party service providers and it is reasonably considered that alternative providers could be engaged at relatively short notice where necessary.

Based on the Company's processes for monitoring revenue projections and operating costs, share price discount/premium, the Managers' compliance with the investment objective, asset allocation, the portfolio risk profile, leverage, counterparty exposure, liquidity risk, financial controls and the Managers' operational resilience, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

Section 172 Statement

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to:

(a) the likely consequences of any decision in the long-term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

In this context and having regard to the Company being an externally-managed investment company with no employees, the Board considers that the Company's key stakeholders are its existing and potential shareholders, its externally-appointed Managers and Secretaries (Baillie Gifford), other professional service providers (corporate broker, registrar, auditors and depositary), lenders, wider society and the environment when applicable.

Great importance is placed by the Board on communication with shareholders and the Annual General Meeting provides the key forum for the Board and Managers to present to shareholders on the performance of the Company and on the future plans and prospects for the Company. It also allows shareholders the opportunity to meet with the Board and Managers and to raise questions and concerns. The Chair and Senior Independent Director are available to meet with shareholders, independently of the Managers' representatives, as appropriate and the Managers meet regularly with shareholders and their respective representatives, reporting back on views to the Board. Shareholders may also communicate with the Board at any time by writing to them at the Company's registered office or to the Company's broker (see contact details on back cover). Such communication helps inform the Board when considering how best to promote the success of the Company for the benefit of all stakeholders in aggregate, but particularly shareholders, over the long-term.

The Board seeks to engage with its Managers and Secretaries and other service providers in a collaborative and collegiate manner, with open and respectful discussion and debate being encouraged, whilst also ensuring that appropriate and regular challenge is brought and evaluation is conducted. The aim of this approach is to enhance service levels and strengthen relationships with the Company's providers with a view to ensuring the interests of the Company are best served by keeping cost levels proportionate and competitive, by maintaining the highest standards of business conduct and by upholding the Company's values.

Whilst the Company's operations are limited, as third party service providers conduct all substantive operations, the Board is aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance (ESG) matters is an important part of its responsibility to all stakeholders and that consideration of ESG factors sits naturally within Baillie Gifford's investment philosophy and process and with the Company's aim of providing shareholders with capital growth.

The Board recognises the importance of maintaining the interests of the Company and its stakeholders, in aggregate, firmly front of mind in its key decision making and Baillie Gifford & Co Limited, the Company Secretaries, are at all times available to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard. In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which have required the Directors to have regard to applicable section 172 factors included the following:

Change of Manager and Investment Policy

During 2020, the Board conducted a review of its investment management arrangements and Investment Policy. The Board was cognisant of the Company's previous relative underperformance against its benchmark and of a challenging market backdrop for its multi-manager pan-Asia strategy including Japan. It therefore invited and received proposals from a wide range of prospective investment managers. After careful consideration and extensive interviews, the Board decided to appoint Baillie Gifford & Co Limited as its Investment Manager. Baillie Gifford's proposal was for the Company to become focused on China. The Board and Baillie Gifford believe that China is central to the future of the Asian Pacific region and will be one of the most important markets in the coming decades. The proposal therefore required a change in Investment Policy, which also included the ability to invest in unlisted companies, and to borrow.

In deciding to propose these changes, the Board's discussions were focused on ensuring the best outcome for its shareholders. The Board was also mindful of the impact on its service providers, given that the new strategy required changes to a number of its service providers. The Board had extensive discussions with its service providers, applied all necessary notice periods, and ensured a smooth transition to the new service providers. In its interviews with prospective managers, the Board also made detailed enquiries about ESG policies, and is satisfied that Baillie Gifford will apply integrated ESG policies appropriate to its mandate.

Other Key Decisions

Tender offer – A tender offer was made to shareholders for up to 40% of the shares in issue. This decision recognised the significant change in the Investment Policy, which might not be suitable for all shareholders, and also recognised a commitment previously made concerning a cash exit.

Share issuance – Following the changes described above, the Company's shares traded at a significant premium. The Board adopted a policy of share issuance in order to satisfy demand. Shares could only be issued at a premium to net asset value, to provide NAV enhancement for existing shareholders. Given the level of the premium and the demand, the authorities from the 2020 AGM proved insufficient and the Board sought shareholder approval to issue further shares. These decisions were taken in order to satisfy shareholder demand and protect shareholder interests.

Dividends – The Board informed shareholders that its proposal would result in returns being generated from capital growth as opposed to income, and that the previous level of dividend will not be sustainable. In order to mitigate the impact on shareholders, the Board stated its intention to continue to pay out dividends at 7.15p per share in respect of each of the two financial years to 31 January 2022.

Director appointment – In view of the change in Investment Policy, and to replace Mrs Seymour-Williams who retired in 2019, the Board committed to undertake a recruitment process to appoint a non-executive Director to complement and add to the Board's existing China experience. That enhanced experience will contribute to future decisions in respect of the Company and its Investment Policy, to the benefit of its shareholders and other stakeholders. Magdalene Miller, who has many years of experience investing in China, was appointed to the Board on 26 November 2020.

Employees, Human Rights and Community Issues

The Board recognises the requirement to provide information about employees, human rights and community issues. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no disclosures to be made in respect of employees, human rights and community issues. Further information on the Company's approach to environmental, social and governance (ESG) matters are provided below.

Gender Representation

At 31 January 2021, the Board comprises five Directors, three male and two female. The Company has no employees. The Board's policy on diversity is set out on page 26.

Environmental, Social and Governance Policy

Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 28 and the Managers' approach to stewardship is set out on page 19.

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at bailliegifford.com.

Future Developments of the Company

The outlook for the Company for the next 12 months is set out in the Chair's Statement on pages 2 to 4 and the Managers' Report on pages 5 and 6.

The Strategic Report, which includes pages 2 to 19 was approved by the Board of Directors and signed on its behalf on 26 April 2021.

Susan Platts-Martin
Chair

Baillie Gifford Statement on Stewardship

Reclaiming Activism for Long-Term Investors

Baillie Gifford's over-arching ethos is that we are 'actual' investors. We have a responsibility to behave as supportive and constructively engaged long-term investors. We invest in companies at different stages in their evolution, across vastly different industries and geographies and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules, believing that these often run counter to thoughtful and beneficial corporate stewardship. Our approach favours a small number of simple principles which help shape our interactions with companies.

Our Stewardship Principles

Prioritisation of Long-term Value Creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others don't.

A Constructive and Purposeful Board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

Long-term Focused Remuneration With Stretching Targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

Fair Treatment of Stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable Business Practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if a business's long-run impact on society and the environment is taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

Directors and Management

The members of the Board come from a broad variety of backgrounds. The Board can draw on an extensive pool of knowledge and experience.

Directors

Susan Platts-Martin (Chair). Susan Platts-Martin was appointed to the Board in July 2014 and brings to the Board considerable knowledge of investment companies and investment management generally and was appointed Chair in 2017. Susan spent 26 years in a broad range of roles at Fidelity International, including several years as the Head of Investment Trusts. She is a qualified chartered accountant and currently sits on the board of BlackRock Smaller Companies Trust plc and the advisory board of the Barings Targeted Return Fund.

Dermot McMeekin (Senior Independent Director, Nomination and Remuneration Committee Chairman). Dermot McMeekin was appointed to the Board in May 2012. Dermot is a former Solicitor and Management Consultant who brings over 20 years of on-the-ground country experience across Asia Pacific, and has a deep understanding of the strategic issues affecting corporate growth across the region. He was a partner in what is now Trowers & Hamlins and, having received an MBA from Harvard Business School, subsequently became Managing Partner of Accenture's Asian Strategy Practice. He has been a director and chairman of PMC Treasury Group Ltd, a financial advisory firm, and of the 2gether NHS Foundation Trust.

Magdalene Miller Magdalene Miller was appointed to the Board in November 2020. Magdalene is a former Investment Director with Aberdeen Standard Investments' global emerging market team. Based in London and Edinburgh, she spent 32 years managing listed equity portfolios, investing in Japanese, Asian Pacific and UK markets. In the 10 years before her retirement in 2018, she ran the Standard Life China Sicav, one of the top performing funds in its sector. A native of Hong Kong, Magdalene is fluent in Cantonese and Mandarin and has travelled extensively in China and Asia over the course of her career. She currently serves as a trustee for an educational endowment fund and participates in volunteering work.

Chris Ralph Chris Ralph was appointed to the Board in July 2017. Chris has worked in financial markets for over thirty-five years and has considerable experience in fund manager selection and monitoring as a former fund manager at Fidelity. He was previously Chief Investment Officer at St. James's Place Wealth Management and continues to sit on the Investment Committee at St. James's Place. Chris currently chairs the Investment Committee of The Big Exchange.

Andrew Robson (Audit Committee Chairman). Andrew Robson was appointed to the Board in July 2014. Andrew is a qualified chartered accountant with over 15 years of corporate finance experience, including with Asian companies, gained at Robert Fleming & Co Limited and SG Hambros. He has considerable experience as a finance director and as chairman of audit committees, and has a business advisory practice. Andrew took over the role of Chairman of the Audit Committee in June 2015. Andrew is currently non-executive director of Blackrock Energy and Resources Income Trust plc. He was also a non-executive director of Shires Income PLC and JP Morgan Smaller Companies Investment Trust plc until 2020.

All of the Directors are members of the Audit Committee.

Managers and Secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. Baillie Gifford & Co Limited has delegated investment management services to Baillie Gifford & Co. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie Gifford, WS, which had been involved in investment management since 1908.

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages twelve investment trusts. Baillie Gifford also manages unit trusts and Open Ended Investment Companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford totalled around £332 billion as at 23 April 2021. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 46 partners and a staff of around 1,400.

The Managers of Baillie Gifford China Growth Trust are Roderick Snell and Sophie Earnshaw. Roderick joined Baillie Gifford in 2006 and is an Investment Manager in the Emerging Markets Equity Team. He has co-managed the Baillie Gifford Pacific Fund since 2010 and has been Deputy Manager of Pacific Horizon Investment Trust since 2013. Since March 2020, he has also been a co-manager of the Baillie Gifford China Fund. He spent time in the UK and European Equity teams prior to joining the Emerging Markets Equity Team in 2008. Roderick graduated BSc (Hons) in Medical Biology from the University of Edinburgh in 2006. Sophie joined Baillie Gifford in 2010 and is an Investment Manager in the Emerging Markets and China A-share Teams. She has also been co-manager of the China Fund and a member of the International Focus Portfolio Construction Group since 2014. Sophie is a CFA Charter holder. She graduated MA in English Literature from the University of Edinburgh in 2008 and MPhil in Eighteenth Century and Romantic Literature from the University of Cambridge in 2009.

Baillie Gifford & Co and Baillie Gifford & Co Limited are both authorised and regulated by the Financial Conduct Authority.

Directors' Report

The Directors present their Report together with the audited Financial Statements of the Company for the year to 31 January 2021.

Corporate Governance

The Corporate Governance Report is set out on pages 25 to 28 and forms part of this Report.

Managers and Company Secretaries

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, was appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretary on 16 September 2020. The agreements with the previous executive manager, Witan Investment Services, and the previous investment managers were terminated on 16 September 2020. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting has been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The name of the Company was changed to Baillie Gifford China Growth Trust plc from Witan Pacific Investment Trust plc.

The Investment Management Agreement between the AIFM and the Company sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than three months' notice or on shorter notice in certain circumstances. Compensation would only be payable if termination occurred prior to the expiry of the notice period. The annual management fee is (i) 0.75% of the first £50 million of Net Asset Value; plus (ii) 0.65% of Net Asset Value between £50 million and £250 million; plus (iii) 0.55% of Net Asset Value in excess of £250 million, calculated and payable quarterly. Baillie Gifford has agreed to waive its investment management fee for the first six months following its appointment as a contribution to the costs that the Company has borne in respect of the manager changes.

The Board considers the Company's investment management and secretarial arrangements on an ongoing basis and a formal review is conducted annually. The Board considered, amongst others, the following topics in its review: the quality of the personnel assigned to handle the Company's affairs; the investment process and the results achieved to date; investment performance; the administrative services provided by the Secretaries and the quality of information provided; the marketing efforts undertaken by the Managers; the relationship with the Managers; and comparative peer group charges and fees.

Following the most recent review, the Board concluded that the continuing appointment of Baillie Gifford & Co Limited as AIFM and the delegation of investment management services to Baillie Gifford & Co, on the terms agreed, is in the interests of shareholders as a whole.

Depositary

In accordance with the Alternative Investment Fund Managers Directive, Bank of New York Mellon (International) Limited has been appointed as Depositary to the Company. The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. Custody services are provided by Bank of New York Mellon (International) Limited (as a delegate of the Depositary) ('the Custodian').

Directors

Information about the Directors, including their relevant experience, can be found on page 20.

Magdalene Miller was appointed to the Board on 26 November 2020 and is required to seek election by shareholders at the Annual General Meeting. Details of her relevant skills and experience are provided on page 20. All other Directors will retire at the Annual General Meeting and offer themselves for re-election. Following a formal performance evaluation, the Chair confirms that the Board considers that their performance continues to be effective and each remains committed to the Company. Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders. The Board also considers that Mr McMeekin remains independent notwithstanding he will have served on the Board for more than nine years when he retires in June 2021, as explained on page 25.

Director Indemnification and Insurance

To the extent permitted by law and by the Company's Articles, the Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities which may attach to them in their capacity as Directors of the Company. These provisions, which are qualifying third party indemnity provisions as defined by section 234 of the Companies Act 2006, were in place throughout the year and as at the date of approval of the Financial Statements.

The Company maintains Directors' and Officers' Liability Insurance.

Conflicts of Interest

Each Director submits a list of potential conflicts of interest to the Board for consideration and approval at each meeting. The Board considers these carefully, taking into account the circumstances surrounding them prior to authorisation. Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with the interests of the Company.

Dividend

The Board recommends a final dividend of 4.60p per ordinary share (2020 – 4.60p). An interim dividend of 2.55p (2020 – 2.55p) has been paid during the year.

If approved by shareholders at the Annual General Meeting, the recommended final dividend per ordinary share will be paid on 23 July 2021 to shareholders on the register at the close of business on 25 June 2021. The ex-dividend date is 24 June 2021.

Share Capital

Capital Structure

The Company's capital structure at 31 January 2021 consists of 65,944,000 ordinary shares of 25p each (2020 – 65,944,000) of which 55,093,831 (2020 – 61,131,439) are allotted and fully paid and 10,850,169 (2020 – 4,812,561) are held in treasury. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Dividend

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas the proposed final dividend is subject to shareholder approval.

Capital Entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Information on the deadlines for proxy appointments can be found on pages 56 and 57.

Major Interests in the Company's Shares

The Company has received notifications in accordance with the Financial Conduct Authority's Disclosure and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attached to the Company's issued share capital.

Name	No of ordinary 25p shares held at 31 January 2021	% of issue *
Rathbone Nominees	3,035,054	5.5

There have been no other changes to the major interests in the Company's shares intimated up to 23 April 2021.

* Ordinary shares in issue excluding treasury shares.

Annual General Meeting

As a consequence of Covid-19 and the uncertainty regarding Government policy on group meetings, shareholders are being encouraged to submit their votes by proxy ahead of the meeting. It is intended that the meeting will involve the minimum number of people necessary for it to be quorate. The details of this year's AGM, including the proposed resolutions and information on the deadlines for proxy appointments can be found on pages 56 and 57. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to vote at the AGM.

Share Issuance Authority

Resolution 10 in the Notice of Annual General Meeting seeks to renew the Directors' general authority to issue shares up to an aggregate nominal amount of £4,941,986. This amount represents one third of the Company's total ordinary share capital currently in issue and meets institutional guidelines. No issue of ordinary shares will be made pursuant to the authorisation of Resolution 10 which would effectively alter the control of the Company without the prior approval of shareholders in General Meeting.

Resolutions 11 and 12, which is are proposed as special resolutions, seek two separate authorities for the Directors to issue shares or sell shares held in treasury on a non pre-emptive basis for cash up to an aggregate nominal amount of £1,482,596 (representing 10% of the issued ordinary share capital of the Company as at 23 April 2021). These authorities will continue until the conclusion of the Annual General Meeting to be held in 2022 or on the expiry of 15 months from the passing of the resolutions, if earlier. The two separate authorities are being sought of 10% each to reflect the continuing demand for the shares of the Company. The second authority would only be used once the first one had been exhausted. This will allow the Company to manage share issuance and save costs of an additional general meeting throughout the year to seek an additional 10% authority.

Such authorities will only be used to issue shares or sell shares from treasury at, or at a premium to, net asset value and only when the Directors believe that it would be in the best interests of the Company to do so.

During the year to 31 January, the Company issued at a premium to net asset value on 51 separate occasions a total amount of 11,601,592 shares at an average price of 494p per share, raising proceeds of £56,155,000. Between 1 February and 23 April 2021, the Company issued a further 4,210,000 shares at a premium to net asset value raising proceeds of £23,315,000. 6,640,169 shares were held in treasury as at 23 April 2021.

Market Purchases of Own Shares

At the last Annual General Meeting the Company was granted authority to purchase up to 9,139,997 ordinary shares (equivalent to 14.99% of its issued share capital), such authority to expire at the 2021 Annual General Meeting. The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to make market purchases up to 14.99% of the Company's ordinary shares in issue (excluding treasury shares) at the date of passing of the resolution, such authority to expire at the Annual General Meeting of the Company to be held in 2022. Such purchases will only be made at a discount to the prevailing net asset value.

During the year to 31 January 2021, 237,535 (2020 – 1,251,965) were bought back under the buy-back authority.

The Board undertook a tender offer in September 2020 and as a result the Company bought back a total of 17,401,665 ordinary shares at a total cost of £67,838,000. The nominal value of these shares was £4,350,416 and represented 28% of the issued share capital at 31 January 2020.

The Company may hold bought-back shares in treasury and then:

(i) sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or

(ii) cancel the shares (or any of them).

Shares will only be resold from treasury at a premium to the net asset value per ordinary share.

Treasury shares do not receive distributions and the Company will not be entitled to exercise the voting rights attaching to them.

In accordance with the Listing Rules of the FCA, the maximum price (excluding expenses) that may be paid on the exercise of the authority must not exceed the higher of:

(i) 5% above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and

(ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003).

The minimum price (exclusive of expenses) that may be paid will be the nominal value of an ordinary share. Purchases of ordinary shares will be made within guidelines established, from time to time, by the Board. Your attention is drawn to Resolution 13 in the Notice of Annual General Meeting. This authority, if conferred, will only be exercised if to do so would result in an increase in net asset value per ordinary share for the remaining shareholders and if it is considered in the best interests of shareholders generally.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders.

Adoption of new Articles of Association

Resolution 15, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the 'New Articles') in order to update the Company's current Articles of Association (the 'Existing Articles'). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include: provisions enabling the Company to hold virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings); amendments in response to the requirements of the Alternative Investment Fund Managers Directive (2011/61/EU); changes in response to the introduction of international tax regimes (notably FATCA and the Common Reporting Standard) requiring the exchange of information; a provision enabling the Company to change its name by Board resolution; provisions clarifying the rights attached to ordinary shares; expanding the provisions on uncertificated shares; simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements; a provision detailing how the Company may reduce its share capital; a provision detailing how the Company may purchase its own shares; a provision enabling the Directors to postpone a General Meeting after notice of the meeting has been sent but before the meeting is held; lowering the quorum requirements for general meetings from three persons to two persons; a provision requiring all Directors to retire at each Annual General Meeting and be eligible for reappointment except any Directors appointed after notice of the meeting has been sent but before the meeting is held; and a provision giving the Board the power to appoint an attorney of the Company by granting a power of attorney or by other means. A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on pages 58 to 59 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The full terms of the proposed amendments to the Company's Articles of Association would have been made available for inspection as required under LR 13.8.10R (2) but for the Government restrictions implemented in response to the coronavirus outbreak. As an alternative, a copy of the New Articles will be available for inspection on the Company's website, bailliegiffordchinagrowthtrust.com from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will be available for inspection at Grimaldi House, 28 St James's Square, London, SW1Y 4JH until the close of the AGM.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 17 to the Financial Statements.

Disclosure of Information to Auditors

The Directors confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the Company's Auditors are unaware and the Directors have taken all the steps that they might reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Independent Auditor

The Auditor, Ernst & Young LLP, is willing to continue in office, and in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning Ernst & Young LLP's reappointment and remuneration will be submitted to the Annual General Meeting.

Post Balance Sheet Events

The Directors confirm that there have been no significant post Balance Sheet events which require adjustment to, or disclosure in, the Financial Statements or notes up to 26 April 2021.

Stakeholder Engagement

Although the Company has no employees, trade suppliers or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders, in particular with shareholders, its externally appointed Managers, other professional service providers and lenders. The effect of this consideration upon the key decisions taken by the Company during the financial year is set out in further detail in the Strategic Report on pages 17 and 18.

Greenhouse Gas Emissions and Streamlined Energy & Carbon Reporting ('SECR')

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons as set out above, the Company considers itself to be a low energy user under the SECR regulations and has no energy and carbon information to disclose.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Recommendation

The Directors unanimously recommend you vote in favour of the resolutions to be proposed at the Annual General Meeting as it is their view that the resolutions are in the best interests of shareholders as a whole.

On behalf of the Board
Susan Platts-Martin
Chair
26 April 2021

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2018 UK Corporate Governance Code (the 'Code') which can be found at frc.org.uk and the relevant principles of the Association of Investment Companies Code of Corporate Governance (the 'AIC Code') were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at theaic.co.uk.

Compliance

The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code. The Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function.

Given that the Company is an externally-managed investment trust, the Board considers these provisions are not relevant to the Company (the need for an internal audit function specific to the Company has been addressed on page 30). Details of the Board's view on Directors who have served on the Board for more than nine years can be found within the Independence of Directors section of this Report.

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code (the AIC Code can be found at theaic.co.uk).

The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters formally reserved for its approval including strategy, Investment Policy, gearing, share buy-back and issuance policy, treasury matters, dividend and corporate governance policy. The Board seeks to contribute to the delivery of the Company's strategy by engaging with the Managers in a collaborative and collegiate manner with open and respectful discussion and debate being encouraged, whilst also ensuring that appropriate and regular challenge is brought and evaluation is conducted. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance of the Company. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

The Board comprises five Directors, all of whom are non-executive. The Chair is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The executive responsibility for investment management has been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and, in the context of a Board comprising only non-executive Directors, there is no chief executive officer. The Senior Independent Director is Dermot McMeekin. Andrew Robson will become the Senior Independent Director following Dermot McMeekin's retirement at the conclusion of the Annual General Meeting.

The Directors believe that the Board has a balance of skills and experience that enables it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on page 20.

There is an agreed procedure for Directors to seek independent professional advice, if necessary, at the Company's expense.

Appointments to the Board

As noted in the Chair's statement on page 3 the Board undertook a recruitment process to appoint a non-executive Director to the Board to complement and add to the Board's existing China experience. Cornforth Consulting was engaged to help identify a potential new Director. Cornforth Consulting has no other connection with the Company or any of the Directors. The Board identified the skills and experience that would be required, having due regard for the benefits of diversity on the Board, and candidates were interviewed from a shortlist provided by Cornforth Consulting. Magdalene Miller was identified as the preferred candidate and was appointed to the Board on 26 November 2020 and her relevant skills and experience are provided on page 20.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, Directors are subject to election by shareholders at the first AGM after their appointment. Thereafter, at each AGM, any Director who has not stood for re-election at either of the two preceding AGMs shall retire. In addition, one-third of the Directors eligible to retire by rotation shall retire from office at each AGM. The Board has agreed that all Directors will retire at each Annual General Meeting and, if appropriate, offer themselves for re-election. As noted in the Chair's Statement the Board is proposing that the Articles are changed to reflect the requirement for annual re-election of Directors.

Independence of Directors

All the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the importance of succession planning for company boards and review the Board composition annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of an investment trust company, where continuity and experience can be a benefit to the Board.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of Investment Policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The table below shows the attendance record for the Board and Committee meetings held during the year. The Annual General Meeting was attended by all Directors serving at that date; some Directors attended the meetings virtually.

Directors' Attendance at Meetings

	Board	Nominations and Remuneration Committee	Strategy	Audit Committee
Number of meetings	**6**	**2**	**1**	**3**
Susan Platts-Martin	6	2	1	3
Dermot McMeekin	6	2	1	3
Magdalene Miller*	1	–	1	–
Chris Ralph	6	2	1	3
Andrew Robson	6	2	1	3

* Magdalene Miller was appointed as a Director on 26 November 2020.

Policy on Board and Chair's Tenure

The Board's policy is that all Directors, including the Chair, shall normally have tenure limited to nine years from their first appointment to the Board. Exceptions may be made in exceptional circumstances, particularly in respect of the Chair for example to facilitate effective succession planning or if the Company were in the middle of a corporate action, when an extension may be appropriate. However, the Board believes that long serving Directors should not be prevented from forming part of an independent majority and that the length of a Director's tenure does not necessarily reduce his or her ability to act independently.

Performance Evaluation

An appraisal of the Chair, each Director and a performance evaluation and review of the Board as a whole and the Audit Committee was carried out during the year. Each Director and the Chair responded to an evaluation questionnaire. The Chair's appraisal was led by Dermot McMeekin, the Senior Independent Director. The appraisals and evaluations considered, amongst other criteria, the balance of skills of the Board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the Board and the Audit Committee. Following this process it was concluded that there was a diverse range of skills within the Board, and the performance of each Director, the Chair, the Board and the Audit Committee continues to be effective and that each Director and the Chair remain committed to the Company.

A review of the Chair's and the other Directors' commitments was carried out and the Board is satisfied that they are capable of devoting sufficient time to the Company. There were no significant changes to the Chair's other commitments during the year.

Diversity

Appointments to the Board are made on merit with due regard for the benefits of diversity including gender and ethnicity. The priority in appointing new Directors is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board therefore does not consider it appropriate to set diversity targets.

Induction and Training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. Regular briefings were provided during the year on industry and regulatory matters. Directors receive other relevant training as necessary.

Audit Committee

The report of the Audit Committee is set out on pages 29 and 30.

Internal Controls and Risk Management

The Directors acknowledge their responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness, including with regard to preparation of the Company's Annual Report and Financial Statements. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

For the period to 16 September 2020 the key procedures in place to provide effective internal controls were as follows:

The Board, through the Audit Committee, carried out and documented a risk and control assessment, which was reviewed during the year and monitored regularly:

- The responsibilities for investment management, accounting and custody of assets were segregated.
- The Board was responsible for setting the overall Investment Policy and monitoring the actions of the portfolio managers at regular Board Meetings. The Board reviewed information produced by the portfolio managers in detail on a monthly basis and was assisted by the Executive Manager, which oversaw and monitered the portfolio managers.
- Administration and Company Secretarial services were provided by BPSS and Link respectively. BPSS and Link reported to the Board at least on a quarterly basis as well as on an ad hoc basis, as necessary. In addition, the Audit Committee reviewed independent reports on the testing of the internal controls of BPSS.
- Safekeeping of the Company's assets was undertaken by an independent custodian, JP Morgan Chase Bank N.A. The custodian was responsible for ensuring the safe custody of the Company's assets and that all transactions in the underlying holdings were transacted in an accurate and timely manner.

With effect from 16 September 2020 the practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls have been delegated to the new Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the Alternative Investment Fund Managers Directive (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function will provide the Audit Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 and Technical Release AAF 01/06 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford & Co's Auditor and a copy is submitted to the Audit Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit Committee. These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems, which accord with the FRC 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

The Board confirms that these procedures continue to be in place up to the date of approval of this Report.

To comply with the Alternative Investment Fund Managers Directive, Bank of New York Mellon (International) Limited acts as the Company's Depositary and Baillie Gifford & Co Limited as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary is liable for the loss of financial instruments held in custody. The Company's Custodian is Bank of New York Mellon (International) Limited. The Custodian prepares reports on its key controls and safeguards which are independently reviewed by KPMG LLP. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns are investigated.

The Depositary provides the Audit Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see page 63), are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with any remedial measures being taken.

Going Concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

An explanation of the Company's principal and emerging risks and how they are managed is on pages 15 and 16 and contained in note 1 to the Financial Statements. The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 outbreak and specific liquidity stress testing but does not believe the Company's going concern status is affected. The Company's assets, which at present are mainly investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. In April 2021, the Company entered into a US$40m revolving credit facility with RBSI. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011.

The Company's primary third party suppliers, including its Managers and Secretaries, Custodian, Depositary, Registrar, Auditor and Corporate Broker, are not experiencing significant operational difficulties affecting their respective services to the Company.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal risks and other matters, including the impact of the Covid-19 outbreak set out in the Viability Statement on page 16, that the Company will continue in operational existence for a period of at least 12 months from the date of approval of these Financial Statements, being the period to 30 April 2022.

Relations with Shareholders

The Board places great importance on communication with shareholders. The Company's Managers meet regularly with shareholders and their representatives. The Chair also meets shareholders independently of the Managers, from time to time, and reports shareholders' views to the Board. Shareholders wishing to communicate with any members of the Board may do so by writing to them at the Company's registered office or through the Company's broker, J.P. Morgan Cazenove (see contact details on back cover). All correspondence addressed to the Chair is dealt with directly by the Chair.

The Company's Annual General Meeting provides a further forum for communication with all shareholders. The level of proxies lodged for each resolution is announced at the Meeting and is published at bailliegiffordchinagrowthtrust.com subsequent to the meeting. The notice period for the Annual General Meeting is at least 21 clear days. Shareholders and potential investors may obtain up-to-date information on the Company from the Managers' website at bailliegiffordchinagrowthtrust.com.

Corporate Governance and Stewardship

The Company has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests and their actions are reported at Board meetings. The Company believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors when selecting and retaining investments and has asked the Managers to take these issues into account. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long-term investment returns. The Managers' Stewardship Principles are set out on page 19 and the statement of compliance with the UK Stewardship Code can be found on the Managers' website at bailliegifford.com.

The Managers are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project and are also members of the International Corporate Governance Network.

Climate Change

The Board recognises that climate change poses a serious threat to our environment, our society and to economies and companies around the globe. Addressing the underlying causes is likely to result in companies that are high emitters of carbon facing greater societal and regulatory scrutiny and higher costs to account for the true environmental impact of their activities.

The Manager has engaged an external provider to map the carbon footprint of the portfolio, using the information to prioritise engagement and understand what higher emitting companies are doing to manage climate risk better.

On behalf of the Board
Susan Platts-Martin
Chair
26 April 2021

Audit Committee Report

The Audit Committee consists of all Directors. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Andrew Robson is the Chairman of the Committee. The Committee's authority and duties are clearly defined within its written Terms of Reference which are available on request from the Company and on the Company's page of the Managers' website: bailliegiffordchinagrowthtrust.com. The Terms of Reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process (see page 26).

At least once a year the Committee meets with the external Auditors without any representative of the Manager being present.

Main Activities of the Committee

The Committee met three times during the year to 31 January 2021. Ernst & Young LLP, the external Auditor, attended two meetings and Baillie Gifford has attended one meeting since its appointment.

The following significant issues have been considered in relation to the Annual Report and Accounts for the year ended 31 January 2021:

Significant Issue	How the Issue was Addressed
Valuation and existence of investments	The prices of all the listed investments at 31 January 2021 were agreed to external price sources. The Committee reviewed the Manager's valuation policy for investments in unlisted companies (as described on pages 44 and 45) and approved the valuation of the unlisted investment following a detailed review of the valuation of the investment and relevant challenge where appropriate. The listed portfolio holdings were agreed to confirmations from the Company's custodian. The unlisted holding in ByteDance was agreed to transaction documentation.
Recognition of income	Income received is accounted for in line with the Company's accounting policy. There were no significant matters during the year to report. The Audit Committee reviews the treatment of any special dividends received during the year, and also reviews total income against both prior year income and forecast income.
Performance fee	The calculation of the final performance fee payable to Aberdeen Asset Managers Limited Investment was reviewed by the Directors prior to payment in September 2020. The Audit Committee considered the calculation of the performance fee in conjunction with the Company's previous administrators (BPSS) and the Independent Auditor.
Risk review and emerging risks	The Committee regularly reviews the Company's Risk Matrix and keeps the key strategic risks facing the Company under particular scrutiny. As part of the change in Investment Manager, change in a number of service providers, and the adoption of a new Investment Policy, a substantive review of the risks facing the Company was undertaken. Additional risks were identified, in particular in relation to the focus on China. Please see the discussion of principal risks on pages 15 and 16. In addition, the Audit Committee considered its processes for identifying and monitoring emerging risks. It was agreed that at each Audit Committee meeting there should be a discussion on emerging risks, and any identified emerging risks should be recorded in the Risk Matrix.
Going concern	The Committee considered the factors, including the impact of Covid-19, that might affect the Company's viability over a period of five years and its ability to continue as a going concern for at least twelve months from the date of signing of the Financial Statements. It has also reviewed the reports from the Managers on the cash position and income projections of the Company, the liquidity of the investment portfolio and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the Viability Statement on page 16 and the statement on Going Concern on page 27 including the potential impact of Covid-19. Following this assessment, the Committee recommended to the Board the appropriateness of the Going Concern basis in preparing the Financial Statements and confirmed the accuracy of the Viability Statement and statement on Going Concern.

Other Matters Considered During the Year

During the year, the Audit Committee also considered the following:

— ***Independent Auditor*** Ernst & Young ('EY') were re-appointed as Independent Auditor for the year ended 31 January 2021. Details are provided on page 30 in the section External Auditor.

— ***Compliance with section 1158 of the Corporation Tax Act 2010*** The Directors regularly receive updates from the Managers on the Company's compliance with the requirements of investment trust status. There were no significant matters during the year to report.

— ***Recovery of withholding tax*** Many dividends received by the Company are subject to withholding tax, some of which may be recoverable. The Audit Committee reviews withholding taxes to ensure recovery is made wherever practical.

— ***Cyber security*** The threat of cyber attack is a concern for all organisations. The Audit Committee considered the principal risks, and reviewed information from relevant service providers on their cyber security arrangements.

— ***Service providers*** The Audit Committee reviewed the performance and internal controls of its major operational service providers and the transition to its new service providers. The Committee also reviewed the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

— ***Allocation of costs*** The Audit Committee reviewed the Company's policy on the allocation of certain costs (principally management fees) between capital and revenue and recommended to the Board that there should be no change in the following proportion: capital 75%; revenue 25%. This split reflected the Board's view of the expected long-term split of returns, in compliance with the SORP. The recommendation was accepted by the Board.

— ***Fair, balanced and understandable*** The Audit Committee reviewed the integrity of financial statements and ensured that, taken as a whole, they presented fair, balanced and understandable assessment of the Company's position and prospects.

Internal Audit

The Committee believes that the compliance and internal control systems and the internal audit function in place within the Managers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

The external Auditor has adopted a wholly substantive approach to testing and therefore the absence of an internal audit function has not had an impact on audit procedures.

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on pages 26 and 27. No significant weaknesses were identified in the year under review.

External Auditor

To fulfil its responsibility regarding the independence and objectivity of the external Auditor, the Committee reviewed:

— the audit plan for the current year;

— a report from the Auditor describing its arrangements to manage auditor independence and received confirmation of its independence; and

— the extent of non-audit services provided by the external Auditor. There were no non-audit fees for the year to 31 January 2021.

To assess the effectiveness of the external Auditor, the Committee reviewed and considered:

— the Auditor's fulfilment of the agreed audit plan;

— the Audit Quality Inspection Report from the FRC; and

— detailed discussion with audit personnel to challenge audit processes and deliverables.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

— the Auditor's engagement letter;

— the Auditor's proposed audit strategy;

— the audit fee; and

— a report from the Auditor on the conclusion of the audit.

Ernst & Young LLP has been engaged as the Company's Auditor since 2020. The audit partners responsible for the audit are rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. Caroline Mercer is the lead audit partner and has held the role since 2020.

Ernst & Young LLP has confirmed that it believes it is independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

Having carried out the review process described above, the Committee is satisfied that the Auditor has remained independent and effective.

There are no contractual obligations restricting the Committee's choice of external Auditors.

The Audit Committee has put in place a non-audit services policy, which ensures that any work outside the scope of the standard audit work requires prior approval by the Audit Committee or the Board. This enables the Committee to ensure that the external Auditor remain fully independent.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on page 34.

On behalf of the Board
Andrew Robson
Audit Committee Chairman
26 April 2021

Directors' Remuneration Report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chairman

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below was approved at the Annual General Meeting in June 2020 and no changes are proposed to the policy at the Annual General Meeting to be held in 2021.

The Board reviewed the level of fees during the year and it was agreed that, with effect from 1 February 2021, the Chair's fee would increase to £41,500 per annum from £41,000 and non-executive Directors' fees would increase to £25,000 per annum from £24,500. The additional fee paid to the Audit Chairman would increase to £5,000 per annum from £3,500, and the additional fee paid to the Senior Independent Director would remain at £2,500. With effect from the AGM on 16 June 2021 the additional fee paid to the Senior Independent Director will reduce to £1,000.

Directors' Remuneration Policy

The Company's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be determined with reference to the Company's peer group and the investment trust industry generally. Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other performance-related benefits as the Board does not believe that this is appropriate for non-executive Directors.

The Board has set four levels of fees: one for the Chair, one for the other non-executive Directors, an additional fee that is paid to the Director who chairs the Audit Committee and an additional fee paid to the Senior Independent Director. Fees are reviewed annually in accordance with the policy. The fee for any new Director appointed will be determined on the same basis. Any changes to Directors' fees are considered by the Nomination and Remuneration Committee as a whole.

Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and in the annual review of Directors' fees.

Under the Articles of Association, Directors are entitled to be paid all reasonable travel, hotel and incidental expenses incurred in or about the performance of their duties as Directors, including expenses incurred in attending Board or shareholder meetings. It had previously been agreed that Board members would not claim travel expenses for meetings held in England. Following the change in Manager, it has been agreed that Directors may henceforward claim reasonable travel expenses for such travel.

If any Director is called upon to perform extra or special services of any kind, under the Articles of Association, they shall be entitled to receive such extra remuneration as the Board may decide in addition to any remuneration they may be entitled to receive.

The Company does not enter into service contracts with its Directors. Instead, the Company has a policy of entering into a letter of appointment with each of its Directors, copies of which are available on request from the Company Secretary. Under the Directors' letters of appointment, there is a notice period of one month and no compensation is payable to a Director on leaving office. No compensation is payable in the event of a takeover bid.

The terms of their appointment provide that all Directors shall retire and be subject to election at the first Annual General Meeting after their appointment. Thereafter, at each AGM any Director who has not stood for appointment or re-election at either of the two preceding AGMs is required to retire and offer themselves for re-election. In addition, one-third of the Directors eligible to retire by rotation shall retire from office at each AGM. Beyond these requirements, it has been agreed that all Directors will seek annual re-election at the Company's AGMs.

Limits on Directors' Remuneration

The fees paid to the non-executive Directors are determined within the limit set out in the Company's Articles of Association which is currently £175,000 per annum in aggregate. Any change to this limit requires shareholder approval. Your attention is drawn to Resolution 14 in the Notice of Annual General Meeting on pages 55 to 59, where the Board seeks shareholder approval to increase the aggregate annual limit to £200,000, to enable the Board to continue to attract candidates of suitable calibre and allow for overlap of tenure, improving its capacity for succession planning.

The fees for the non-executive Directors are payable quarterly in arrears and the fees paid in respect of the year ended 31 January 2021 together with the expected fees payable in respect of the year ending 31 January 2022 are set out in the table below. The fees payable to the Directors in the subsequent financial years will be determined following an annual review of the Directors' fees.

	Expected fees for year ending 31 January 2022 £	Fees paid for the year to 31 January 2021 £
Chair's Fee*	41,500	41,000
Non-executive Director Fee	25,000	24,500
Additional fee for the Chairman of the Audit Committee	5,000	3,500
Additional fee for Senior Independent Director†	2,500	2,500
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association#	200,000	175,000

* The Chair was paid an additonal £10,000 for the year to 31 January 2021.

† With effect from the AGM on 16 June 2021 the additional fee paid to the Senior Independent Director will reduce to £1,000.

Subject to approval by shareholders at AGM.

Annual Report on Remuneration

An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 35 to 39.

Directors' Remuneration for the Year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2021 Fees £	2020 Fees £
Susan Platts-Martin*	**51,000**	41,000
Dermot McMeekin	**27,000**	27,000
Magdalene Miller†	**4,366**	–
Chris Ralph	**24,500**	24,500
Andrew Robson	**28,000**	28,000
Diane Seymour-Williams#	**–**	8,921
	134,866	**129,421**

* The Chair was paid an additional £10,000 for the year to 31 January 2021 to reflect exceptional work done in relation to the selection of new Managers, and in preparation for, and execution of, the changes in Managers, Investment Policy and other service providers, as permitted by the Articles.

† Ms Miller was appointed as a Director on 26 November 2020.

Mrs Seymour-Williams retired and resigned as a Director on 12 June 2019.

Directors' Interests (audited)

The Directors at the end of the year under review, and their interests in the Company, are shown in the following table. There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company. There have been no changes intimated in the Directors' interests up to 26 April 2021.

Name	Nature of interest	Ordinary 25p shares held at 31 January 2021	Ordinary 25p shares held at 31 January 2020
Susan Platts-Martin	Beneficial	14,694	14,694
Dermot McMeekin	Beneficial	15,000	15,000
Magdalene Miller	–	–	–
Chris Ralph	Beneficial	15,058	5,180
Andrew Robson	Beneficial	13,000	12,000

Statement of Voting at Annual General Meeting

At the last Annual General Meeting, of the proxy votes received in respect of the Directors' Remuneration Report, 99.8% were in favour, 0.1% were against and votes withheld were 0.1%. At the last Annual General Meeting at which the Directors' Remuneration Policy was considered (June 2020), 99.2% of the proxy votes received were in favour, 0.1% were against and 0.7% votes were withheld.

Relative Importance of Spend on Pay

The table below shows the actual expenditure during the year in relation to Directors' remuneration and distributions to shareholders.

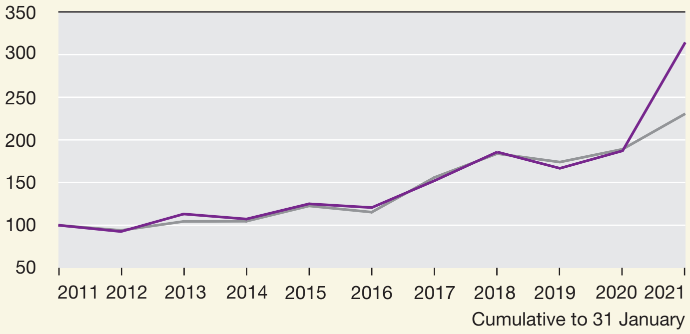
	2021 £'000	2020 £'000	Change %
Directors' remuneration	135	129	4
Dividends	3,643	4,376	(20)

Company Performance

The following graph compares the share price total return (assuming all dividends are reinvested) to ordinary shareholders compared with the total shareholder return on a notional investment made up of shares in the component parts of the benchmark. The benchmark is the MSCI China All Shares Index (in sterling terms), prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index. The benchmark was chosen for comparison purposes as it is the index against which the Company measures its performance.

Performance Graph

(figures rebased to 100 at 31 January 2011)



Source: Refinitiv and relevant underlying index providers. See disclaimer on page 63.

Baillie Gifford China Growth Trust's share price

The benchmark is the MSCI China All Shares Index (in sterling terms), prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index.

All figures are total returns (assuming net dividends are reinvested). See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Past performance is not a guide to future performance.

Approval

The Directors' Remuneration Report on pages 31 to 33 was approved by the Board of Directors and signed on its behalf on 26 April 2021.

Dermot McMeekin
Chairman of the Nomination and Remuneration Committee

Statement of Directors' Responsibilities in Respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 the 'Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing these Financial Statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently;

— state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;

— make judgements and accounting estimates that are reasonable and prudent; and

— prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and are also responsible for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable laws and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with those laws and regulations.

The Directors are responsible for ensuring that the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's page of the Managers' website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein. The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website.

Responsibility Statement of the Directors in Respect of the Annual Financial Report

We confirm that, to the best of our knowledge:

— the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and net return of the Company;

— the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties it faces; and

— the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Susan Platts-Martin
Chair
26 April 2021

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

— The maintenance and integrity of the Baillie Gifford & Co website is the responsibility of Baillie Gifford & Co; the work carried out by the Auditor does not involve consideration of these matters and accordingly, the Auditor accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

— Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors’ Report to the members of Baillie Gifford China Growth Investment Trust PLC

Opinion

We have audited the financial statements of Baillie Gifford China Growth Trust plc (the ‘Company’) for the year ended 31 January 2021 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

— give a true and fair view of the Company’s affairs as at 31 January 2021 and of its profit for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

— We confirmed our understanding of the Company’s going concern assessment process and engaged with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.

— We inspected the Directors’ assessment of going concern, including the revenue forecast, for the period to 30 April 2022 which is at least 12 months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.

— We have reviewed the factors and assumptions, including the impact of the COVID-19 pandemic, as applied to the revenue forecast. We considered the appropriateness of the methods used to calculate the forecast and determined, through testing of the methodology and calculations, that the methods utilised were appropriate to be able to make an assessment for the Company.

— We considered the mitigating factors included in the revenue forecasts that are within the control of the Company. We reviewed the Company’s assessment of the liquidity of investments held and evaluated the Company’s ability to sell those investments to cover the working capital requirements should revenue decline significantly.

— We reviewed the Company’s going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for the period assessed by the Directors, being the period to 30 April 2022 which is at least 12 months from the date the financial statements were authorised for issue.

In relation to the Company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company’s ability to continue as a going concern.

Overview of Our Audit Approach

Key audit matters	Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement. Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	Overall materiality of £2.71 million which represents 1% of shareholders' funds.

An Overview of the Scope of Our Audit

Tailoring the Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement (as described on page 29 in the Audit Committee's Report and as per the accounting policy set out on page 45). The total revenue for the year to 31 January 2021 was £3.60m (2020 – £6.07m), consisting of dividend income from listed investments. The Company received special dividends amounting to £0.05m (2020 – £0.25m), of which £0.05m (2020 – £0.13m) were classified as revenue and £nil (2020 – £0.12m) were classified as capital. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may be required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We performed the following procedures:** We obtained an understanding of the Manager's processes and controls surrounding revenue recognition and classification of special dividends by performing walkthrough procedures. For a sample of dividends received, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend rate as agreed to an independent data vendor. For the same sample, we agreed the receipt to bank statements and, where applicable, we also agreed the exchange rates to an external source. To test completeness of recorded income, we tested, for a sample of investments, that all expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent data vendor. We identified the special dividends greater than our testing threshold and assessed the appropriateness of the Company's classification of these special dividends with reference to publicly available information.	The results of our procedures identified no material misstatements in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Income Statement.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 29 in the Audit Committee's Report and as per the accounting policy set out on pages 44 and 45).The valuation of the investment portfolio at 31 January 2021 was £268.21m (2020 – £215.36m) consisting primarily of listed equities with an aggregate value of £260.20m (2020 – £215.36m) and an unlisted equity investment with a value of £8.01m (2020 – £nil). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date. Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Investment Manager. The unlisted Investment Policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ("IPEV"). The valuation of the unlisted investment, and the resultant impact on the unrealised gains/(losses), is the area requiring the most significant judgement and estimation in the preparation of the financial statements.	**We performed the following procedures:** We obtained an understanding of the Manager's processes and controls surrounding investment valuation and legal title, including an understanding of the operation of the Investment Manager's Unlisted Valuation Securities Group and the Directors' process for review of the unlisted valuation, by performing a walkthrough in which we evaluated the design and implementation of controls. For all listed investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. We inspected the stale price reports produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value. We did not identify any listed investments with stale prices. For the unlisted investment held as at the year-end we utilised our specialist Valuations and Business Modelling team to review and challenge the valuations. This included: — Reviewing the valuation papers prepared by the Manager for the year; — Assessing whether the valuation has been performed in line with the IPEV guidelines; — Assessing the appropriateness of using a recent transaction price and challenging the assumptions used to support the valuation; and — Assessing other facts and circumstances, such as market movement and comparative company information, that have an impact on the fair market value of the investment We recalculated the unrealised gains/losses on unlisted investments as at the year-end using the book-cost reconciliation and reviewed the level 3 fair value hierarchy disclosure. We compared the Company's investment holdings at 31 January 2021 to an independent confirmation received directly from the Company's Custodian and Depositary, testing material reconciling items to supporting documentation.	The results of our procedures identified no material misstatements in relation to incorrect valuation or ownership of the investment portfolio.

In the prior year, our auditor's report included a key audit matter in relation to 'Risk that the Directors have not appropriately identified or disclosed a material uncertainty over going concern'. The key audit matter was relevant in the prior year as the Board had announced to shareholders on 11 February 2019 that if the Company did not deliver NAV total return outperformance of its benchmark over the period from 31 January 2019 to 31 January 2021, the Board would put forward proposals which would include a full cash exit at close to NAV for all shareholders. The proposal was accepted by the majority of the shareholders and did not result in a full cash exit, therefore this no longer a consideration in relation to the going concern assessment. The application of the going concern assumption continues to be relevant to our audit of the Company and we considered this as part of our overall work on going concern which is set out under 'Conclusions relating to going concern'.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £2.71 million (2020 – £2.22 million), which is 1% (2020 – 1%) of shareholder's funds. We believe that shareholder's funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance Materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2020 – 50%) of our planning materiality, namely £2.03 million (2020 – £1.11 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. A lower threshold was set for performance materiality in the prior year due it being our first audit of the Company.

Given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold for the revenue column of the Income Statement of £0.13 million (2020 – £0.24 million), being 5% of the revenue column profit before taxation.

Reporting Threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.14 million (2020 – £0.11 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information
The other information comprises the information included in the annual report set out on pages 1–34 and 55–65, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006
In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the Strategic report and Directors' reports have been prepared in accordance with applicable legal requirements.

Matters on Which we are Required to Report by Exception
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

— the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

— certain disclosures of Directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

Corporate Governance Statement
The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

— Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 27;

— Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 27;

— Directors' statement on fair, balanced and understandable set out on page 34;

- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 15;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 26; and;
- The section describing the work of the audit committee set out on pages 29 and 30.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for The Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to What Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102 , the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, Section 1158 of the Corporation Tax Act 2010, and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary, and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition, through incorrect classification of special dividends as revenue or capital in the Income Statement and incorrect valuation of the unlisted investment and the resultant impact on unrealised gains/(losses). Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other Matters we are Required to Address

- Following the recommendation from the audit committee, we were appointed by the Company on 12 June 2019 to audit the financial statements for the year ending 31 January 2020 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ending 31 January 2020 to 31 January 2021.

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Mercer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
26 April 2021

Income Statement

For the year ended 31 January

	Notes	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Net gains on investments	8	–	64,697	**64,697**	–	7,997	**7,997**
Currency losses	12	–	(139)	**(139)**	–	(189)	**(189)**
Income	2	3,600	–	**3,600**	6,073	–	**6,073**
Investment management fee	3	(227)	(681)	**(908)**	(370)	(1,110)	**(1,480)**
Performance fee		–	(78)	**(78)**	–	(164)	**(164)**
Other administrative expenses	4	(832)	(559)	**(1,391)**	(809)	(54)	**(863)**
Net return before finance costs and taxation		2,541	63,240	**65,781**	4,894	6,480	**11,374**
Finance costs		–	–	**–**	–	–	**–**
Net return on ordinary activities before taxation		2,541	63,240	**65,781**	4,894	6,480	**11,374**
Tax on ordinary activities	5	(212)	–	**(212)**	(482)	(107)	**(589)**
Net return on ordinary activities after taxation		**2,329**	**63,240**	**65,569**	**4,412**	**6,373**	**10,785**
Net return per ordinary share	6	**4.48p**	**121.71p**	**126.19p**	**7.15p**	**10.33p**	**17.48p**

Dividends declared in respect of the financial year ended 31 January 2021 amount to 7.15p (2020 – 7.15p). Further information on dividend distributions can be found in note 7 on page 48.

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital return columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this statement derive from continuing operations.

A Statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 44 to 54 are an integral part of the Financial Statements.

Balance Sheet

As at 31 January

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investments held at fair value through profit or loss	8		268,209		215,358
Current assets					
Debtors	9	1,347		756	
Cash and cash equivalents	16	5,962		7,386	
		7,309		8,142	
Creditors					
Amounts falling due within one year	10	(4,094)		(1,128)	
Performance fee		–		(66)	
Net current assets			3,215		6,948
Total assets less current liabilities			271,424		222,306
Provision for liabilities and charges	10		–		(98)
Net assets			**271,424**		**222,208**
Capital and reserves					
Share capital	11		16,486		16,486
Share premium account	12		13,182		5
Capital redemption reserve	12		41,085		41,085
Capital reserve	12		189,061		151,441
Revenue reserve	12		11,610		13,191
Shareholders' funds			**271,424**		**222,208**
Net asset value per ordinary share*	13		**492.66p**		**363.49p**

The Financial Statements of Baillie Gifford China Growth Trust plc (Company registration number 91798) were approved and authorised for issue by the Board and were signed on 26 April 2021.

Susan Platts-Martin
Chair

The accompanying notes on pages 44 to 54 are an integral part of the Financial Statements.

* See Glossary of Terms and Alternative Performance Measures on pages 64 and 65.

Statement of Changes in Equity

For the year ended 31 January 2021

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 February 2020		16,486	5	41,085	151,441	13,191	**222,208**
Dividends paid during the year	7	–	–	–	–	(3,910)	**(3,910)**
Ordinary shares bought back into treasury		–	–	–	(68,598)	–	**(68,598)**
Shares issued		–	13,177	–	42,978	–	**56,155**
Net return on ordinary activities after taxation	13	–	–	–	63,240	2,329	**65,569**
Shareholders' funds at 31 January 2021		**16,486**	**13,182**	**41,085**	**189,061**	**11,610**	**271,424**

For the year ended 31 January 2020

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 February 2019		16,486	5	41,085	149,221	13,132	**219,929**
Dividends paid during the year	7	–	–	–	–	(4,353)	**(4,353)**
Ordinary shares bought back into treasury		–	–	–	(4,153)	–	**(4,153)**
Net return on ordinary activities after taxation	13	–	–	–	6,373	4,412	**10,785**
Shareholders' funds at 31 January 2020		**16,486**	**5**	**41,085**	**151,441**	**13,191**	**222,208**

The accompanying notes on pages 44 to 54 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 31 January

	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities				
Net return on ordinary activities before taxation		65,781		11,374
Net gains on investments		(64,697)		(7,997)
Currency losses		139		189
Overseas withholding tax incurred		(212)		(589)
Changes in debtors and creditors		(171)		307
Net cash inflow from operating activities*		840		3,284
Cash flows from investing activities				
Acquisitions of investments	(271,745)		(62,152)	
Disposals of investments	287,272		70,639	
Net cash inflow from investing activities		15,527		8,487
Cash flows from financing activities				
Ordinary shares issued	54,864		–	
Ordinary shares bought back	(68,606)		(4,153)	
Equity dividends paid	(3,910)		(4,353)	
Net cash outflow from financing activities		(17,652)		(8,506)
(Decrease)/increase in cash and cash equivalents		(1,285)		3,265
Exchange movements		(139)		(189)
Cash and cash equivalents at start of year		7,386		4,310
Cash and cash equivalents at end of year		**5,962**		**7,386**
Comprising:				
Cash at bank		5,962		7,386

* Cash from operating activities includes dividends received of £4,038,000 (2020 – £6,189,000); interest received nil (2020 – £2,000).

The accompanying notes on pages 44 to 54 are an integral part of the Financial Statements.

Notes to the Financial Statements

1 Principal Accounting Policies

The Financial Statements for the year to 31 January 2021 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' on the basis of the accounting policies set out below which are consistent with those applied for the year ended 31 January 2020.

(a) Basis of Accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 outbreak but does not believe the Company's going concern status is affected. The Company's assets, which at present are mainly investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) Regulations 2011.

The Company's primary third party suppliers, including its Managers and Secretaries, Custodian, Depositary, Registrar, Auditor and Corporate Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal risks and other matters, including the impact of the Covid-19 outbreak set out in the Viability Statement on page 16, that the Company will continue in operational existence for a period of at least 12 months from the date of approval of these Financial Statements, being the period to 30 April 2022.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019. In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented.

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

The Directors consider the Company's functional currency to be sterling as the entity is listed on a sterling stock exchange in the UK, the Company's share capital and dividends paid are denominated in sterling, Company's shareholders are predominantly based in the UK and the Company and its Investment Manager, who are subject to the UK's regulatory environment, are also UK based.

(b) Significant Accounting Estimates and Judgements

The preparation of the Financial Statements requires the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities, at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the assumptions used in the determination of the fair value of the unlisted investment, which are detailed in note 8 on page 49.

Judgements

The Directors consider that the preparation of the Financial Statements involves the following key judgements:

(i) the determination of the functional currency of the Company as sterling (see rationale in 1(a) above); and

(ii) the fair valuation of the unlisted investment.

The key judgements in the fair valuation process are:

(i) the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Guidelines 2018 ('IPEV Guidelines') to each unlisted investment; and

(ii) the Directors' consideration of whether each fair value is appropriate following detailed review and challenge. The judgement applied in the selection of the methodology used for determining the fair value of each unlisted investment can have a significant impact upon the valuation.

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investment by the Managers for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investment at the Balance Sheet date. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

(i) the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth patterns;

(ii) the selection of a revenue metric (either historic or forecast);

(iii) the application of an appropriate discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;

(iv) the estimation of the probability assigned to an exit being through an initial public offering ('IPO') or a company sale;

(v) the selection of an appropriate industry benchmark index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and

(vi) the calculation of valuation adjustments derived from milestone analysis (i.e. incorporating operational success against the plan/forecasts of the business into the valuation).

(c) Investments

The Company's investments are classified as held at fair value through profit and loss in accordance with sections 11 and 12 of FRS 102. Purchases and sales of investments are recognised on a trade date basis. Expenses incidental to the purchase and sale of investments are recognised in the Income Statement as capital items.

Investments are designated as held at fair value through profit or loss on initial recognition and are measured at subsequent reporting dates at fair value. The fair value of listed security investments is bid price or last traded price and therefore included in Level 1 investments. Investments included in Level 2, both held at the prior year end, but not as at 31 January 2021, under the Fair Value Hierarchy disclosures in note 8 consist of unlisted reportable funds within the portfolio, these being Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS. These are priced daily using their net asset value, which is the fair value. Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with IPEV Guidelines. These methodologies can be categorised as follows (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate starting point for estimating fair value, however it should be evaluated using the techniques described above.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

(e) Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

(ii) Special dividends are treated as repayments of capital or income depending on the facts of each particular case.

(iii) Interest receivable/payable on bank deposits is recognised on an accruals basis.

(iv) Overseas dividends include the taxes deducted at source.

(v) If scrip is taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue account. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised as capital.

(vi) Interest from fixed interest securities is recognised on an effective yield basis.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except:

(i) where they relate directly to the acquisition or disposal of an investment, (transaction costs), in which case they are recognised as capital within losses/gains on investments; and these expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty.

(ii) they relate directly to the buy-back/issuance of shares, in which case they are added to the buy-back cost or deducted from the share issuance proceeds.

The management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio. The Board reviews the expense allocation policy on a yearly basis and considers whether it remains appropriate.

(g) Borrowings and Finance Costs

Bank loans and overdrafts are classified as loans and are measured at amortised cost. They are initially recorded at the proceeds received net of direct costs. Finance costs are accounted for on an accruals basis and on an effective interest basis and are allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio. The Board reviews the expense allocation policy on a yearly basis and considers whether it remains appropriate.

(h) Taxation

The taxation charge represents the sum of current tax and the movement in the provision for deferred taxation during the year. Current taxation represents non-recoverable overseas taxes which is charged to the revenue accounts where it relates to income received and to capital where it relates to items of a capital nature. Deferred taxation is provided on all timing differences which have originated but not reversed by the Balance Sheet date, calculated on a non-discounted basis at the tax rates expected to apply when the timing differences reverse, based on what has been enacted or substantively enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(i) Dividend Distributions

Interim dividends are recognised in the year in which they are paid and final dividends are recognised in the year in which the dividends are approved by the Company's shareholders in a General Meeting.

(j) Foreign Currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Monetary assets and liabilities and fixed asset investment in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement as capital or revenue as appropriate.

(k) Capital Reserve

Gains and losses on disposal of investments, changes in the fair value of investments held, exchange differences of a capital nature and the amount by which other assets and liabilities valued at fair value differ from their book cost are dealt with in the capital reserve. Purchases of the Company's own shares are also funded from this reserve. The nominal value of such shares is transferred from share capital to the capital redemption reserve if the shares are subsequently cancelled.

(l) Share Premium

The share premium reserve represents the proceeds of sales of shares held in treasury in excess of the weighted average purchase price paid by the Company to repurchase the shares.

(m) Capital Redemption Reserve

The nominal value of ordinary share capital purchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve on the relevant trade date.

(n) Revenue Reserve

The revenue profit or loss for the year is taken to or from this reserve. The revenue reserve may be distributed by way of a dividend.

2 Income

	2021 £'000	2020 £'000
Income from investments		
UK dividends	80	150
Overseas dividends	3,520	5,867
Scrip dividends	–	26
Total dividend income	**3,600**	**6,043**
Other income		
Bank Interest	–	2
Other income	–	28
Total other income	**–**	**30**
Total income	**3,600**	**6,073**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	3,600	6,043
Interest from financial assets not at fair value through profit or loss	–	30
	3,600	**6,073**

3 Investment Management Fee and Performance Fee

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Investment management fee	227	681	**908**	370	1,110	**1,480**
Investment performance fee	–	78	**78**	–	164	**164**
	227	**759**	**986**	**370**	**1,274**	**1,644**

Details of the Investment Management Agreement are disclosed on page 21. Baillie Gifford & Co Limited's annual management fee is (i) 0.75% of the first £50 million of Net Asset Value; plus (ii) 0.65% of Net Asset Value between £50 million and £250 million; plus (iii) 0.55% of Net Asset Value in excess of £250 million, calculated and payable quarterly. Baillie Gifford & Co Limited was appointed on 16 September 2020 and agreed to waive its management fee for six months from the date of its appointment. Prior to the termination of their appointment, the Executive Manager and investment managers received £908,000 in respect of management fees. A performance fee was payable to Aberdeen Asset Managers for performance prior to the termination of its contract. No performance fee is payable under the fee arrangements with Baillie Gifford.

4 Other Administrative Expenses

	2021 £'000	2020 £'000
General administrative expenses	514	547
Directors' fees (see Directors' Remuneration Report on page 32)	135	129
Depositary and custodian fees	149	99
Auditor's remuneration – statutory audit of Company's Annual Financial Statements	34	34
	832	**809**

The general administrative expenses of £514,000 include £96,000 professional expenses related to the change in Manager. The total professional expenses of the change was £383,000 of which 75% was accounted for as capital. The professional expenses incurred in respect of the tender offer was £272,000, all of which was accounted for as capital.

5 Tax on Ordinary Activities

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Analysis of charge in year						
Overseas withholding tax	212	–	**212**	482	107	**482**
Factors affecting tax charge for year						
The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19% (2020 – 19%)						
The differences are explained below:						
Net return before taxation	2,541	62,340	**65,781**	4,894	6,480	**11,374**
Net return on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020 – 19%)	482	12,016	**12,498**	930	1,231	**2,161**
Effects of:						
Capital returns not taxable	–	(12,266)	**(12,266)**	–	(1,484)	**(1,484)**
Income not taxable	(684)	–	**(684)**	(1,134)	–	**(1,134)**
Taxable losses in year not utilised	202	250	**452**	205	238	**443**
Disallowable expenses	–	–	**–**	–	10	**10**
Tax effect of expensed double tax relief	–	–	**–**	(1)	–	**(1)**
Realised gains on non-reporting offshore funds	–	–	**–**	–	5	**5**
Overseas withholding tax incurred	212	–	**212**	482	107	**589**
Tax charge for the year	**212**	**–**	**212**	**482**	**107**	**589**

As an investment trust, the Company's capital gains are not taxable.

Factors that may affect future tax charges

At 31 January 2021 the Company had a potential deferred tax asset of £5,273,000 (2020 – £3,454,000) on taxable losses which is available to be carried forward and offset against future taxable profits. A deferred tax asset has not been recognised on these losses as it is considered unlikely that the Company will make taxable revenue profits in the future and it is not liable to tax on its capital gains. The potential deferred tax asset has been calculated using a corporation tax rate of 19% (2020 – 19%). On 3 March 2021, the UK Government announced its intention to increase the rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. If this rate change had been substantively enacted as at 31 January 2021, the unrecognised deferred tax asset at that date would have been £6,939,000.

Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The Company has filed protective claims with HMRC and the UK High Court in order to seek recovery of potentially overpaid taxes from HMRC in relation to the UK's pre-2009 dividend tax rules. The claims cover historic periods in which the Company paid UK tax under Schedule D Case V. In such periods, the Company is seeking recovery of the tax paid together with interest. No tax or related interest recovery has been accrued or recognised as a contingent asset. Following the decision in the lead case, HMRC issued a Brief stating it will now consider and determine each claim individually. The value, timing and probability of the claim's success remain uncertain.

6 Net Return per Ordinary Share

	2021 Revenue	2021 Capital	2021 Total	2020 Revenue	2020 Capital	2020 Total
Net return per ordinary share	**4.48p**	**121.71p**	**126.19p**	**7.15p**	**10.33p**	**17.48p**

Revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation of £2,329,000 (2020 – £4,412,000), and on 51,961,993 (2020 – 61,677,613) ordinary shares, being the weighted average number of ordinary shares in issue during each year.

Capital return per ordinary share is based on the net capital gain for the financial year of £63,240,000 (2020 – £6,373,000), and on 51,961,993 (2020 – 61,677,613) ordinary shares, being the weighted average number of ordinary shares in issue during each year.

There are no dilutive or potentially dilutive shares in issue.

7 Ordinary Dividends

	2021	2020	2021 £'000	2020 £'000
Amounts recognised as distributions in the year:				
Previous year's final dividend (paid 3 July 2020)	4.60p	4.50p	2,801	2,784
Interim dividend (paid 30 October 2020)	2.55p	2.55p	1,109	1,569
	7.15p	**7.05p**	**3,910**	**4,353**

Also set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividends for the year is £2,329,000 (2020 – £4,412,000).

	2021	2020	2021 £'000	2020 £'000
Dividends paid and payable in respect of the year:				
Interim dividend per ordinary share (paid 30 October 2020)	2.55p	2.55p	1,109	1,569
Proposed final dividend per ordinary share (payable 23 July 2021)	4.60p	4.60p	2,534	2,807
	7.15p	**7.15p**	**3,643**	**4,376**

8 Investments

As at 31 January 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities	260,199	–	–	**260,199**
Unlisted ordinary shares	–	–	8,010	**8,010**
Total financial asset investments	**260,199**	**–**	**8,010**	**268,209**

As at 31 January 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities	206,834	8,524	–	**215,358**
Total financial asset investments	**206,834**	**8,524**	**–**	**215,358**

Investments in securities are financial assets designated at fair value through profit or loss on initial recognition. In accordance with FRS 102 the tables above provide an analysis of these investments based on the fair value hierarchy described below which reflects the reliability and significance of the information used to measure their fair value.

Fair Value Hierarchy

The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

The Company's unlisted ordinary share investment at 31 January 2021 was valued using the latest dealing price which is considered to be the most appropriate valuation basis as the investment was purchased on 10 December 2020. Investments classified as Level 2 as at 31 January 2020 are Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS (2019 – Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS).

8 Investments (continued)

	Listed equities £'000	Unlisted equities * £'000	Total £'000
Cost of investments at 1 February 2020	182,404	–	**182,404**
Investment holding gains at 1 February 2020	32,954	–	**32,954**
Value of investments at 1 February 2020	215,358	–	**215,358**
Movements in year:			
Purchases at cost	266,885	8,212	**275,097**
Sales proceeds received	(286,943)	–	**(286,943)**
Realised profits on sales	49,471	–	**49,471**
Gains/(losses) on investments	15,428	(202)	**15,226**
Value of investments at 31 January 2021	**260,199**	**8,010**	**268,209**
Cost of investments at 31 January 2021	211,817	8,212	**220,029**
Investment holding gains at 31 January 2021	48,382	(202)	**48,180**
Value of investments held at 31 January 2021	**260,199**	**8,010**	**268,209**

* The unlisted security investment represents a holding in ByteDance.

The purchases and sales proceeds figures above include transaction costs of £286,000 (2020 – £88,000) and £364,000 (2020 – £128,000) respectively.

	2021 £'000	2020 £'000
Net gains on investments designated at fair value through profit or loss on initial recognition		
Gains on sales	49,471	(717)
Changes in investment holding gains	15,226	8,714
	64,697	**7,997**

9 Debtors

	2021 £'000	2020 £'000
Due within one year:		
Accrued income and prepaid expenses	56	427
Sales awaiting settlement	–	329
Share issuance proceeds awaiting settlement	1,291	–
	1,347	**756**

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value.

10 Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
Purchases for subsequent settlement	3,923	571
Investment performance fee	–	66
Investment management fee	–	398
Other creditors and accruals	171	159
	4,094	**1,194**
Provision for liabilites and charges		
Investment performance fee provision	–	**98**

None of the above creditors are financial liabilities held at fair value through profit or loss.

11 Share Capital

	2021 Number	2021 £'000	2020 Number	2020 £'000
Allotted, called up and fully paid ordinary shares of 25p each	55,093,831	13,773	61,131,439	15,283
Treasury shares of 25p each	10,850,169	2,713	4,812,561	1,203
Total	**65,944,000**	**16,486**	**65,944,000**	**16,486**

The Company's shareholder authority permits it to hold shares bought back in treasury. Under such authority, treasury shares may be subsequently either sold for cash (at a premium to net asset value per ordinary share) or cancelled. At 31 January 2021 the Company had authority to buy back 8,902,462 ordinary shares. During the year to 31 January 2021, no ordinary shares (2020 – nil) were bought back for cancellation and 237,535 (2020 – 1,251,965) ordinary shares were bought back into treasury. In addition, the Board undertook a tender offer in September 2020 and as a result the Company bought back a total of 17,401,665 ordinary shares. During the year, 11,601,592 shares were issued from treasury. Under the provisions of the Company's Articles of Association share buy-backs are funded from the capital reserve.

12 Capital and Reserves

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 February 2020	16,486	5	41,085	118,487	32,954	13,191	**222,208**
Net gains on sales of investments	–	–	–	49,471	–	–	**49,471**
Changes in investment holding gains	–	–	–	–	15,226	–	**15,226**
Other exchange differences	–	–	–	(139)	–	–	**(139)**
Ordinary shares issued	–	13,177	–	42,978	–	–	**56,155**
Ordinary shares bought back	–	–	–	(68,598)	–	–	**(68,598)**
Investment management fee charged to capital	–	–	–	(681)	–	–	**(681)**
Investment performance fee charged to capital	–	–	–	(78)	–	–	**(78)**
Change of Manager and tender costs charged to capital	–	–	–	(559)	–	–	**(559)**
Dividends paid in year	–	–	–	–	–	(3,910)	**(3,910)**
Revenue return after taxation	–	–	–	–	–	2,329	**2,329**
At 31 January 2021	**16,486**	**13,182**	**41,085**	**140,881**	**48,180**	**11,610**	**271,424**

The capital reserve (unrealised) includes investment holding gains of £48,180,000 (2020 – gains of £32,954,000) as disclosed in note 8. Under the terms of the Company's Articles of Association, sums standing to the credit of the Capital Reserve are available for distribution only by way of redemption, purchase of any of the Company's own shares or by way of dividend. The Company may only distribute accumulated 'realised' profits.

13 Net Asset Value per Ordinary Share

The net asset value per ordinary share and the net assets attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2021	2020	2021 £'000	2020 £'000
Ordinary shares	**492.66p**	**363.49p**	**271,424**	**222,208**

Net asset value per ordinary share is based on the net assets as shown above and 55,093,831 (2020 – 61,139,439) ordinary shares, being the number of ordinary shares in issue at the year end, excluding shares held in treasury.

14 Analysis of Change in Net Debt

	1 February 2020 £'000	Cash flows £'000	Exchange movement £'000	31 January 2021 £'000
Cash and cash equivalents	**7,386**	**(1,285)**	**(139)**	**5,962**

15 Contingent Liabilities, Guarantees and Financial Commitments

There were no contingent liabilities, guarantees or financial commitments at either year end.

16 Transactions with Related Parties and the Managers and Secretaries

The Directors' fees for the year and interests in the Company's shares at the end of the year are detailed in the Directors' Remuneration Report on page 32. No Director has a contract of service with the Company. During the years reported, no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

There were no management fees due to Baillie Gifford & Co Limited as the management fee was waived for the first six months. Details of the Investment Management Agreement are set out on page 21.

During the year ended 31 January 2021 management fees paid to the previous Managers amounted to £908,000 (2020 – £1,480,000) and performance fees of £78,000 (2020 – £164,000) were paid to Aberdeen Asset Managers Limited.

17 Financial Instruments

The Company invests in equities for the long-term so as to achieve its investment objective of long-term capital growth with the aim of providing a total return in excess of the MSCI China All Share Index. The Company borrows money when the Managers have sufficient conviction that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests and could result in a reduction in the Company's net assets and/or a reduction in the profits available for dividend.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise short-term volatility.

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting year.

Market Risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency, interest rate risk and market price risk. The Board of Directors reviews and agrees policies for managing these risks and the Company's Investment Manager assesses the exposure to market risk when making individual investment decisions as well as monitoring the overall level of market risk across the investment portfolio on an ongoing basis. Details of the Company's investment portfolio are shown on pages 9 and 10.

Currency Risk

The Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The Investment Manager monitors the Company's exposure to foreign currencies and reports to the Board on a regular basis. The Investment Manager assesses the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

17 Financial Instruments (continued)

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, or, for unlisted investments, denominated, is shown below.

At 31 January 2021	Investments £'000	Cash and deposits £'000	Debtors and creditors £'000	Net exposure £'000
US dollar	44,109	–	(546)	**43,563**
Hong Kong dollar	149,927	–	(2,262)	**147,665**
Chinese renminbi	74,173	–	(1,115)	**73,058**
Total exposure to currency risk	**268,209**	–	**(3,923)**	**264,286**
Sterling	–	5,962	1,176	**7,138**
	268,209	**5,962**	**(2,747)**	**271,424**

At 31 January 2020	Investments £'000	Cash and deposits £'000	Debtors and creditors £'000	Net exposure £'000
US dollar	17,645	298	–	**17,943**
Japanese yen	68,129	35	(108)	**68,056**
Hong Kong dollar	47,466	2	(416)	**47,052**
Korean won	19,992	–	29	**20,021**
Other	60,825	68	253	**61,146**
Total exposure to currency risk	**214,057**	**403**	**(242)**	**214,218**
Sterling	1,301	6,983	(294)	**7,990**
	215,358	**7,386**	**(536)**	**222,208**

Currency Risk Sensitivity

At 31 January 2021, if sterling had strengthened by 10% in relation to all currencies, with all other variables held constant, total net assets and total return on ordinary activities would have decreased by the amounts shown below. A 10% weakening of sterling against all currencies, with all variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The analysis is performed on the same basis for 2020.

	2021 £'000	2020 £'000
US dollar	4,356	1,794
Hong Kong dollar	14,767	4,705
Chinese renminbi	7,306	–
Korean won	–	2,002
Japanese yen	–	6,806
Other	–	6,115
	26,429	**21,422**

17 Financial Instruments (continued)

Interest Rate Risk

Interest rate movements may affect the level of income receivable and payable on cash deposits and interest payable on variable rate borrowings. They may also impact upon the market value of the Company's investments as the effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering borrowing agreements.

The Board reviews on a regular basis the amount of investments in cash and the income receivable on cash deposits.

The Company has the ability to finance part of its activities through borrowings at approved levels. The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board.

The interest rate profile of the Company's interest bearing financial assets and liabilities at 31 January 2021 was nil.

Financial Assets

Cash deposits generally comprise overnight call or short-term money market deposits and earn interest at floating rates based on prevailing bank base rates.

Other Price Risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Company's exposure to changes in market prices relates to the fixed asset investments as disclosed in note 8.

The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the index, investments are selected based upon the merit of individual companies and therefore performance may well diverge from the comparative index.

Other Price Risk Sensitivity

A full list of the Company's investments is shown on pages 9 and 10.

95.9% (2020 – 96.9%) of the Company's net assets are invested in quoted equities. A 25% increase in quoted equity valuations at 31 January 2021 would have increased total net assets and net return on ordinary activities after taxation by £65,050,000 (2020 – £53,840,000). A decrease of 25% would have had an equal but opposite effect.

Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not significant as the majority of the Company's assets are in investments that are readily realisable. The Company's holding in an unlisted investment, which is not considered to be readily realisable, amounts to 3% of net assets at 31 January 2021.

The Company has the power to take out borrowings, which give it access to additional funding when required. The Company currently has no borrowings in place.

The maturity profile of the Company's financial liabilities due in less than one year at 31 January was:

	2021 £'000	2020 £'000
Purchases for subsequent settlement	3,923	571
Investment performance fee	–	66
Investment management fee	–	398
Other creditors and accruals	171	159
	4,094	**1,194**

17 Financial Instruments (continued)

Credit Risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. This risk is managed as follows:

— where the Investment Manager makes an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;

— the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Depositary has delegated the custody function to The Bank of New York Mellon Limited. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Investment Manager monitors the Company's risk by reviewing the custodian's internal control reports and reporting its findings to the Board;

— investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed;

— the creditworthiness of the counterparty to transactions involving derivatives, structured notes and other arrangements, wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, is subject to rigorous assessment by the Investment Manager; and

— cash is only held at banks that are regularly reviewed by the Investment Manager.

Credit Risk Exposure

The exposure to credit risk at 31 January was:

	2021 £'000	2020 £'000
Debtors	1,347	756
Cash and cash equivalents	5,962	7,386
	11,309	**8,142**

None of the Company's financial assets are past due or impaired.

Fair Value of Financial Assets and Financial Liabilities

The Company's investments are stated at fair value and the Directors are of the opinion that the reported values of the Company's other financial assets and liabilities approximate to fair value.

Capital Management

The objective of the Company is to maximise the total return to its equity shareholders through an appropriate capital structure. The Company does not currently have any borrowings. The Company does not have any externally imposed capital requirements. The capital of the Company is the ordinary share capital as detailed in note 11. It is managed in accordance with its Investment Policy in pursuit of its investment objective, both of which are detailed on page 14, and shares may be repurchased or issued as explained on page 22.

18 Subsequent Events Note

Between 31 January 2021 and 23 April 2021, the Company issued a further 4,210,000 shares on a non pre-emptive basis at a premium to net asset value raising net proceeds of £23.3m. As at the 22 April 2021 the NAV per share was 457.79p, 7.1% lower than as at 31 January 2021.

Notice of Annual General Meeting

Covid-19 coronavirus – Important note regarding arrangements for the Annual General Meeting (AGM)

The Board of Baillie Gifford China Growth Trust plc (the 'Company') recognises the public health risk associated with the Covid-19 outbreak arising from public gatherings and notes the Government's measures restricting such gatherings, travel and attendance at workplaces. At the same time, the Board is conscious of the legal requirement for the Company to hold its AGM before the end of July. Given the current uncertainty around when public health concerns will have abated, the Board has for the time being decided to follow the Company's customary corporate timetable and, accordingly, the Company's AGM is being convened to take place as scheduled at 2pm on 16 June 2021 at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, but without access for shareholders. The Board will, however, continue to monitor developments and any changes will be advised to shareholders by post and details will be updated on the Company's website. In the meantime, the Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 2pm on 14 June 2021. We would encourage shareholders to monitor the Company's page of the Managers' website at bailliegiffordchinagrowthtrust.com. Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to trustenquiries@bailliegifford.com or call 0800 917 2112. Baillie Gifford may record your call.

Notice is hereby given that an Annual General Meeting of Baillie Gifford China Growth Trust plc will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, on 16 June 2021 at 2pm for the following purposes.

Ordinary Business

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions.

1. To receive and adopt the Financial Statements of the Company for the year to 31 January 2021 with the Reports of the Directors and of the Independent Auditor thereon.
2. To receive and approve the Directors' Annual Report on Remuneration for the year to 31 January 2021.
3. To declare a final dividend of 4.60p per ordinary share.
4. To re-elect Susan Platts-Martin as a Director of the Company.
5. To re-elect Chris Ralph as a Director of the Company.
6. To re-elect Andrew Robson as a Director of the Company.
7. To elect Magdalene Miller as a Director of the Company.
8. To re-appoint Ernst & Young LLP as Independent Auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
9. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.

Special Business

To consider and, if thought fit, to pass Resolutions 10 and 14 as Ordinary Resolutions and Resolutions 11,12,13 and 15 as Special Resolutions.

10. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ('Securities') provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £4,941,986, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a General Meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.
11. That, subject to the passing of Resolution 10 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (within the meaning of section 560(1) of the Act), for cash pursuant to the authority given by Resolution 10 above, and to sell treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
    (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and
    (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £1,482,596, being approximately 10% of the nominal value of the issued share capital of the Company, as at 23 April 2021.

12. That, subject to the passing of Resolution 10 above, and in addition to the authority sought under Resolution 11, in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (within the meaning of section 560(1) of the Act), for cash pursuant to the authority given by Resolution 10 above, and to sell treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:

    (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

    (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £1,482,596, being approximately 10% of the nominal value of the issued share capital of the Company, as at 23 April 2021.

13. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares of 25 pence each in the capital of the Company ('ordinary shares') (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:

    (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 8,889,644, or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution;

    (b) the minimum price (excluding expenses) which may be paid for each ordinary share shall be the nominal value of that share;

    (c) the maximum price (excluding expenses) which may be paid for each ordinary share shall not be more than the higher of:

        (i) 5% above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and

        (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003); and

    (d) unless previously varied, revoked or renewed by the Company in a General Meeting, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in respect of the year ending 31 January 2022, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

14. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

    That, for the purposes of and in accordance with Article 96 of the Company's Articles of Association and with effect from 1 February 2021, fees paid to Directors for their services as Directors of the Company shall not exceed in aggregate £200,000 per annum.

15. To consider and, if thought fit, pass the following resolution as a Special Resolution:

    That the Articles of Association produced to the meeting and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board
Baillie Gifford & Co Limited
Managers and Secretaries
6 May 2021

Notes

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the AGM. A proxy need not be a member of the Company but must attend the AGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the circular and proxy form) to communicate with the Company for any purpose other than those expressly stated. Given the Covid-19 restrictions on attendance at the AGM we strongly encourage you to appoint the Chair as your proxy.
2. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Registrars of the Company at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or eproxyappointment.com no later than 2 days (excluding non-working days) before the time of the meeting or any adjourned meeting.
3. 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/or by logging on to the website euroclear.com/CREST. 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.
4. 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 & Ireland 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 3RA50) no later than 2 days (excluding non-working days) before the time of the meeting or any adjournment. 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.
5. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland 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 his/her 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. 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.
7. The return of a completed proxy form or other instrument of proxy will not prevent you attending the AGM and voting in person if you wish. Given the Covid-19 restrictions on attendance at the AGM we strongly advise that you use your proxy to vote in advance.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006 the Company specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company no later than 2 days (excluding non-working days) prior to the commencement of the AGM or any adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by shareholders of the Company.

11. The members of the Company may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN.
12. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website at bailliegiffordchinagrowthtrust.com.
13. Given the risks posed by the spread of Covid-19 and following the related guidance received from the Government, shareholders are not expected to attend the AGM and the Company currently intends to impose entry restrictions on certain persons wishing to attend the AGM in order to ensure the safety of those having to attend the AGM to ensure it will be quorate. All shareholders are strongly encouraged to exercise their votes in respect of the AGM in advance. This should ensure that votes are registered and count at the AGM. Furthermore, the Board always welcomes questions from the Company's shareholders at the AGM and this year shareholders are invited to submit their questions to the Board in advance. The answers to these questions will be posted on the Company's page of the Managers' website after the AGM. Shareholders should submit any questions they may have to trustenquiries@bailliegifford.com before 9 June 2021.
14. As at 23 April 2021 (being the last practicable day prior to the publication of this notice) the Company's issued share capital consisted of 59,303,831 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 23 April 2021 were 59,303,831 votes.
15. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the meeting as his/her proxy will need to ensure that both he/she and his/her proxy complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
16. No Director has a contract of service with the Company.
17. A copy of the proposed New Articles of Association of the Company will be available for inspection on the Company's website, bailliegiffordchinagrowthtrust.com from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM. In the event that the current coronavirus related restrictions are lifted before the AGM, a hard copy of these documents will also be available for inspection at Grimaldi House, 28 St James's Square, London, SW1Y 4JH until the close of the AGM.

Appendix

Summary of the principal amendments to the Company's Articles of Association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 14 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments to the Existing Articles. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, **bailliegiffordchinagrowthtrust.com**, from the date of the AGM Notice until the close of the AGM.

Hybrid/virtual-only shareholder meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The Alternative Investment Fund Managers Directive (2011/61/EU) ('AIFMD') and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the 'AIFM Regulations')

The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFMD and all applicable rules and regulations implementing that Directive. The proposed new provisions are as follows:

The Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

The New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, the AIFM Rules, or such other accounting standards, bases, policies and procedures as the Board may determine from time to time. This reflects best practice and has no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

International tax regimes requiring the exchange of information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations, including, without limitation, under or in relation to FATCA, the Common Reporting Standard and the European Union's Directive on Administrative Cooperation ('Tax Reporting Requirements').

The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its Tax Reporting Requirements. The Existing Articles will also be amended to provide that (i) where any member fails to supply the relevant information to the Company within the relevant time period, the member will be deemed to have forfeited their shares and (ii) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, the Common Reporting Standard or any similar laws as such liability would be to the detriment of shareholders as a whole.

Minor amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

i. a provision enabling the Company to change its name by Board resolution;

ii. provisions clarifying the rights attached to ordinary shares;

iii. expanding the provisions on uncertificated shares;

iv. simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements;

v. a provision detailing how the Company may reduce its share capital;

vi. a provision detailing how the Company may purchase its own shares;

vii, a provision enabling the Directors to postpone a General Meeting after notice of the meeting has been sent but before the meeting is held;

viii. lowering the quorum requirements for General Meetings from three persons to two persons;

ix. a provision requiring all Directors to retire at each Annual General Meeting and be eligible for reappointment except any directors appointed after notice of the meeting has been sent but before the meeting is held; and

x. a provision giving the Board the power to appoint an attorney of the Company by granting a power of attorney or by other means.

These changes generally reflect modern best practice and should assist in relieving certain administrative burdens on the Company.

Further Shareholder Information

Baillie Gifford China Growth Trust is an investment trust. Investment trusts offer investors the following:

— participation in a diversified portfolio of shares;

— constant supervision by experienced professional managers; and

— the Company is free from capital gains tax on capital profits realised within its portfolio, although investors are still liable for capital gains tax on profits when selling their investment.

How to Invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker, or by asking a professional adviser to do so. If you are interested in investing directly in Baillie Gifford China Growth Trust, you can do so online. There are a number of companies offering real time online dealing services. Find out more by visiting the investment trust pages at bailliegifford.com.

Sources of Further Information on the Company

The price of shares is quoted daily in the Financial Times and can also be found on the Company's page of the Managers' website at bailliegiffordchinagrowthtrust.com, Trustnet at trustnet.co.uk and on other financial websites. Company factsheets are also available on the Baillie Gifford website and are updated monthly. These are available from Baillie Gifford on request.

Baillie Gifford China Growth Trust Identifiers

ISIN	GB0003656021
Sedol	0365602
Ticker	BGCG
Legal Entity Identifier	213800KOK5G3XYI7ZX18

The ordinary shares of the Company are listed on the London Stock Exchange.

Key Dates

Ordinary shareholders normally receive an interim and a final dividend in respect of each financial year paid in October and July, respectively. The Annual Report and Financial Statements are normally issued in April and the AGM is normally held in June.

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 703 0025.

This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

— hear the latest share price;

— confirm your current share holding balance; and

— order Change of Address and Stock Transfer forms.

You can also check your holding on the Registrars' website at investorcentre.co.uk. They also offer a free, secure share management website service which allows you to:

— view your share portfolio and see the latest market price of your shares;

— calculate the total market price of each shareholding;

— view price histories and trading graphs;

— change address details; and

— use online dealing services.

To take advantage of this service, please log in at investorcentre.co.uk and enter your Shareholder Reference Number and Company Code (this information can be found on your share certificate).

Electronic Proxy Voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at eproxyappointment.com.

If you have any questions about this service please contact Computershare on 0370 889 4086.

CREST Proxy Voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

Analysis of Shareholders at 31 January

	2021 Number of shares held	2021 %
Institutions	3,795,349	6.9
Intermediaries/Retail Savings Platforms	44,990,133	81.6
Individuals	5,540,859	10.1
Marketmakers	767,490	1.4
	55,093,831	**100.0**

These Financial Statements have been approved by the Directors of Baillie Gifford China Growth Trust plc. Baillie Gifford only provides information about its products and does not provide investment advice. The staff of Baillie Gifford and Baillie Gifford China Growth Trust's Directors may hold shares in Baillie Gifford China Growth Trust and may buy or sell such shares from time to time.

Risks

Past performance is not a guide to future performance.

Baillie Gifford China Growth Trust is a listed UK company. The value of its shares and any income from those shares can fall as well as rise and investors may not get back the amount invested.

Baillie Gifford China Growth Trust will be exposed to market risks, principally in the form of equity securities price risk, including as a result of investments in unlisted securities that the Company continues to hold after the relevant unlisted companies are listed on a stock exchange.

Baillie Gifford China Growth Trust will invest predominantly in equities of companies which are incorporated or domiciled, or which conduct a significant portion of their business, in China. Investing in a single country is generally considered a higher risk investment strategy than investing more widely, as it exposes the investor to the fluctuations of a single geographical market and currency, in this case the Chinese market and Chinese Renmimbi.

Baillie Gifford China Growth Trust will have investments denominated in currencies other than sterling, particularly Chinese renminbi and US dollars. The Company will therefore be exposed to foreign exchange risk. Changes in the rates of exchange between sterling and the other currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in sterling terms.

Investing in an emerging market such as China subjects the Company to a higher level of market risk than investment in a more developed market. This is due, among other things, to the existence of greater market volatility, lower trading volumes, the risk of political and economic instability (such as the ongoing geo-political tensions between China and the US) legal and regulatory risks, risks relating to accounting practices, disclosure and settlement, a greater risk of market shut down, standards of corporate governance and more governmental limitations on foreign investment than are typically found in developed markets.

Changes in economic conditions (including, for example, changes in interest rates, rates of inflation, industry and trade conditions and competition), political, diplomatic, social and demographic events and trends, tax laws and other factors such as the Covid-19 pandemic could substantially and adversely affect the value of the Company's portfolio and the Company's investment performance, share price and prospects.

The process of the United Kingdom leaving the European Union may result in severe currency movements, volatility in the UK and global markets and regulatory changes that may adversely affect the Company and the AIFM. Valuation of investments in unlisted securities is inherently subjective and uncertain. A material proportion of the Company's investments from time to time may be in unlisted securities, which are more difficult to value than listed securities. This exacerbates the risk of variation between the Company's estimated valuations and the realisable values of investments. Accordingly, net asset value figures issued by the Company should be regarded as indicative only and investors should be aware that the realisable net asset value per share may be materially different from those figures.

Baillie Gifford China Growth Trust may suffer a delay in realising some of its returns because the Company may not be able to exit from its investments in unlisted securities.

The unlisted securities in which the Company invests may not provide sufficient information for ongoing monitoring by the AIFM, which may impair the Company's ability to adequately assess, or if necessary mitigate, the risks associated with an investment.

Baillie Gifford China Growth Trust may utilise borrowings in order to increase its investment exposure. While such leverage presents opportunities for increasing total returns, it can also have the opposite effect of increasing losses. If income and capital appreciation on investments acquired with borrowed funds are less than the costs of the leverage, the Company's net asset value will decrease. The use of leverage also increases the investment exposure, which means that if the market moves adversely, the resulting loss to capital would be greater than if leverage were not used.

Baillie Gifford China Growth Trust may engage in derivative transactions in limited circumstances for the purposes of hedging against interest rate risks, for currency hedging purposes to the extent applicable, or for the purposes of efficient portfolio management (in order to reduce, transfer or eliminate investment risk in the Company's Portfolio). Derivative transactions may be volatile and involve various risks different from, and in certain cases, greater than the risks presented by other instruments. The primary risks related to derivative transactions include counterparty, correlation, illiquidity, leverage, volatility and OTC trading risks. A small investment in derivatives could have a large potential impact on the Company's performance, effecting a form of investment leverage on the Company's Portfolio.

In certain types of derivative transactions, the entire amount of the investment could be lost. In other types of derivative transactions, the potential loss is theoretically unlimited.

The Board of Baillie Gifford China Growth Trust and the Investment Manager are actively working together to monitor the effect of Covid-19 on the Company and its investee companies. The Investment Manager has measures in place to safeguard the health of its employees whilst remaining fully operational and providing business continuity to its clients. In particular, the Board and Investment Manager are monitoring closely the following:

— the valuation and liquidity of Baillie Gifford China Growth Trust's portfolio companies;

— the operational arrangements in place at Baillie Gifford & Co; and

— the ability of Baillie Gifford China Growth Trust's third-party service providers to continue to provide contracted services.

The Investment Manager and third-party service providers remain fully operational and business continuity plans are working as expected.

The aim of Baillie Gifford China Growth Trust is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances. The favourable tax treatment of ISAs may change.

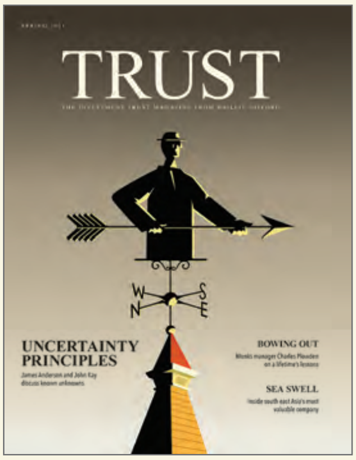
The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

The staff of Baillie Gifford & Co and Baillie Gifford China Growth Trust Directors may hold shares in Baillie Gifford China Growth Trust and may buy or sell such shares from time to time.

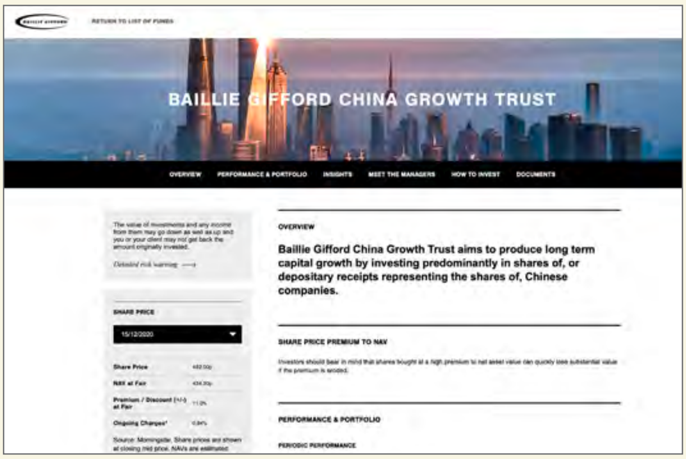
Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at bailliegiffordchinagrowth.com or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed in this document are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Communicating with Shareholders



Trust Magazine



A China Growth web page at bailliegiffordchinagrowthtrust.com

Trust Magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to our investment approach by including interviews with our fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Baillie Gifford China Growth Trust. *Trust* plays an important role in helping to explain our products so that readers can really understand them. For a copy of *Trust*, please contact the Baillie Gifford Client Relations Team (see contact details opposite).

An online version of *Trust* can be found at bailliegifford.com/trust

Baillie Gifford China Growth Trust on the Web

Up-to-date information about Baillie Gifford China Growth Trust is available on the Company's page of the Managers' website at bailliegiffordchinagrowthtrust.com. You will find full details of the Company, including recent portfolio information and performance information.

Electronic Communications from the Company

Shareholders now have the opportunity to be notified by email when the Company's Annual Reports, Interim Reports and other formal communications are available on the website, instead of receiving printed copies by post. This has environmental benefits in the reduction of paper, printing, energy and water usage, as well as reducing costs to the Company.

If you have not already elected to receive electronic communications from the Company and wish to do so, please contact the Registrar using the details shown on page 60. Please have your Shareholder Reference Number to hand.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcomed, so please contact the Baillie Gifford Client Relations Team and give them your suggestions. They will also be very happy to answer questions that you may have about Baillie Gifford China Growth Trust.

Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone, email or post:

Telephone: 0800 917 2112
Your call may be recorded for training or monitoring purposes.

Email: trustenquiries@bailliegifford.com
Website: bailliegifford.com

Baillie Gifford Client Relations Team
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Alternative Investment Fund Managers (AIFM) Directive

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors.

AIFM Remuneration

In accordance with the Directive, the AIFM remuneration policy is available at bailliegifford.com or on request (see contact details on the back cover). The numerical remuneration disclosures in respect of the AIFM's reporting period are available at bailliegifford.com.

Leverage

The Company's maximum and actual leverage (see Glossary of Terms and Alternative Performance Measures on pages 64 and 65) levels at 31 January 2021 are shown below:

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	0.97:1	1.00:1

Automatic Exchange of Information

In order to fulfil its obligations under UK Tax Legislation relating to the automatic exchange of information, the Company is required to collect and report certain information about certain shareholders.

The legislation will require investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, Baillie Gifford China Growth Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-account-holders.

Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data.

No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom. No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

MSCI Index Data

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages **(msci.com)**.

Glossary of Terms and Alternative Performance Measures (APM)

Total Assets

Total assets less current liabilities, before deduction of all borrowings.

Net Asset Value

Net Asset Value (NAV) is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue (excluding treasury shares).

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Discount/Premium (APM)

As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, it is said to be trading at a premium.

	2021	2020
Closing NAV per share	492.66p	363.49p
Closing share price	548.00p	333.00p
Premium/(Discount)	**11.2%**	**(8.4%)**

Total Return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

		2021 NAV	2021 Share price	2020 NAV	2020 Share price
Closing NAV per share/share price	(a)	492.66p	548.00p	363.49p	333.00p
Dividend adjustment factor*	(b)	1.018946	1.020054	1.019705	1.021753
Adjusted closing NAV per share/share price	(c = a x b)	501.99p	558.99p	370.65p	340.24p
Opening NAV per share/share price	(d)	363.49p	333.00p	352.24p	303.00p
Total return	(c ÷ d)-1	**38.1%**	**67.9%**	**5.2%**	**12.3%**

* The dividend adjustment factor is calculated on the assumption that the dividends of 7.15p (2020 – 7.05p) paid by the Company during the year were reinvested into shares of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

Ongoing Charges (APM)

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value. The ongoing charges have been calculated on the basis prescribed by the Association of Investment Companies.

A reconciliation from the expenses detailed in the Income Statement on page 40 is provided below.

		2021	2020
Investment management fee		£908,000	£1,480,000
Other administrative expenses		£832,000	£809,000
Non-recurring expenses		(£96,000)	(£24,000)
Total expenses	(a)	£1,644,000	£2,265,000
Average daily cum-income net asset value	(b)	£221,479,608	£227,544,190
Ongoing charges ((a) ÷ (b) expressed as a percentage)		**0.74%**	**1.00%**
Performance fees		£78,000	£164,000
Total expenses including performance fees		£1,722,000	£2,429,000
Ongoing charges including performance fees (c) as a percentage of (b)		**0.78%**	**1.07%**

Baillie Gifford & Co Limited was appointed on 16 September 2020 and agreed to waive its management fee for six months from the date of its appointment. The calculation for 2021 above is therefore not representative of future management fees. The reconciliation below shows the ongoing charges figure if the management fee waiver had not been in place.

		2021	2020
Investment management fee		£908,000	£1,480,000
Investment management fee waiver		£623,000	–
Other administrative expenses		£832,000	£809,000
Non-recurring expenses		(£96,000)	(£24,000)
Total expenses	(a)	£2,267,000	£2,265,000
Average daily cum-income net asset value	(b)	£221,479,608	£227,544,190
Ongoing charges ((a) ÷ (b) expressed as a percentage)		**1.02%**	**1.00%**
Performance fees		£78,000	£164,000
Total expenses including performance fees		£2,345,000	£2,429,000
Ongoing charges including performance fees (c) as a percentage of (b)		**1.06%**	**1.07%**

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Equity gearing is the Company's borrowings adjusted for cash and cash equivalents expressed as a percentage of shareholders' funds.

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Unlisted (Private) Company

An unlisted (private) company means a company whose shares are not available to the general public for trading and not listed on a stock exchange.

Participatory Notes (or P-Notes)

A P-Note is a certificate-based instrument that can be issued by a counterparty bank and provides a synthetic stock exposure to an underlying equity instrument. The synthetic exposure results in the P-Note having the same performance as the underlying stock but carries an additional currency exposure due to the P-Note being denominated in US$. P-Notes are unleveraged instruments.

Directors

Chair:
Susan Platts-Martin

Dermot McMeekin
Magdalene Miller
Chris Ralph
Andrew Robson

Alternative Investment Fund Managers, Secretaries and Registered Office

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Depositary

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Company Details

bailliegiffordchinagrowthtrust.com
Company Registration

No.	91798
ISIN	GB0003656021
Sedol	0365602
Ticker	BGCG

Legal Entity Identifier:
213800KOK5G3XYI7ZX18

Further Information

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