Annual Report and
Financial Statements

31 January 2024

Baillie Gifford China Growth Trust plc

Managed by

Baillie Gifford™

Investor Disclosure Document

The UK Alternative Investment Fund Managers Regulations require 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 Financial Conduct Authority ('FCA'). They are not authorised or regulated by the FCA.

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 FCA in relation to non-mainstream investment products.

This document is important and requires your immediate attention.

If you reside in the United Kingdom 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 United Kingdom, 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.

Baillie Gifford™

Contents

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.

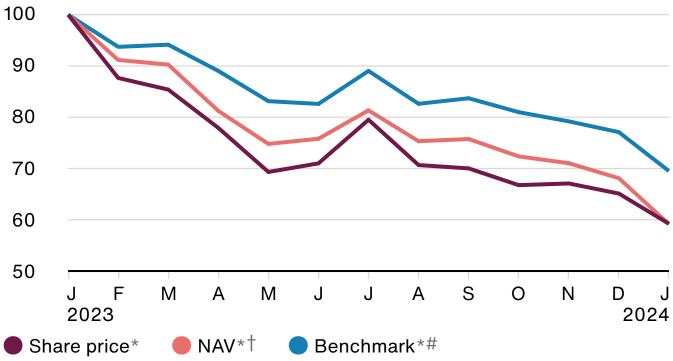
Financial highlights

Year to 31 January 2024

Share price*	NAV*†	Comparative index*#
(40.8%)	(40.9%)	(30.5%)

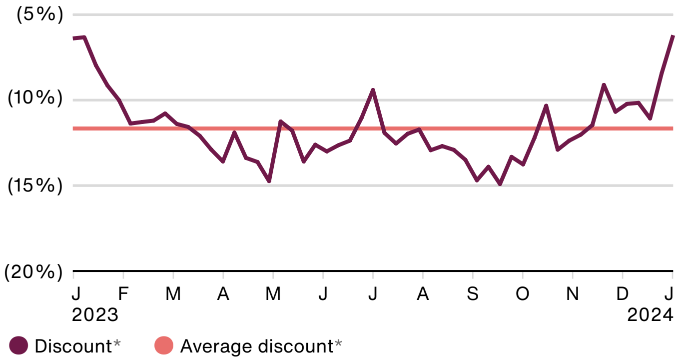
NAV, share price and benchmark total return*

(figures rebased to 100 at 31 January 2023)



Discount to net asset value*

(figures plotted on a weekly basis)



* Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 124. All figures are stated on a total return basis. Total return and discount are alternative performance measures – see Glossary of terms and alternative performance measures on pages 126 to 128.

† Net asset value per share ('NAV').

\# The benchmark is the MSCI China All Shares Index (in sterling terms).

Past performance is not a guide to future performance.

Baillie Gifford – philosophy and process

Our philosophy and competitive edges

Our goal is to use our global perspectives and local knowledge to identify the next generation of exciting growth companies and build a portfolio of 40–80 of the best ideas. We seek to identify mispricing relative to fundamentals and accept that it can take time for this to be reflected properly in company valuations.

We believe that long-term returns are derived from investing in disruptive and secular trends which play out over years not months or quarters. We are looking for businesses that enjoy sustainable competitive advantages and have the potential to grow their earnings significantly ahead of the market average over the long term. As growth investors, we are focused on the identifying the innovative companies with competitive advantages that position them to benefit from, and contribute to, China's economic, societal and cultural development over the long-term.

We believe fundamental research focused on the five-year prospects for companies makes for a differentiated approach to managing Chinese equities, in an asset class where impatience and short-termism abound. We think our approach delivers an active edge in three key areas:
Time horizons, perspectives and insights.

Time horizon

Companies grow over time. The true value of a business is rarely determined by what will happen in the next few quarters, but by what will happen in the many years ahead. It is over years that deep changes in industries and behaviours occur, and that competitive advantage and management excellence are recognised. Being able to think and act independently of the structures and short-term incentives of traditional finance is an important advantage.

A long-term focus also embeds the consideration of ESG factors at its heart. We believe this is vital in a country like China, given the role of the state, lower levels of disclosure, and the need for engagement with companies. It allows us to mitigate the risks of getting Chinese companies wrong, but importantly, it helps us discover where the best opportunities lie.

Fighting the instinct to involve ourselves in conventional market short termism requires important behavioural and cultural traits. Our partnership structure allow us to think differently and independently, and that provides our opportunity.

Perspective

We believe that balancing on-the-ground insights with a global perspective gives us an important edge. An open and collaborative culture allows us to understand Chinese companies not just in their own market, but in a global context too.

Having investment managers and analysts on-the-ground in Shanghai enables us to deepen our long-standing relationships with existing holdings, identify the next generation of exceptional companies at an earlier stage, better understand societal and cultural developments, and forge partnerships with academics and industry specialists in the region.

When added to the global perspectives derived across Baillie Gifford, we can gain far deeper insights into companies and sectors of interest. The benefit from our global perspectives is multi-fold: Baillie Gifford's long history of researching growth companies globally, well-established trust with global companies as long-term, patient investors, as well as our strong academic connections, not only deepens our understanding of the industry trends and the competitive environment that Chinese companies operate in, but also provides checks and balances when assessing Chinese companies in a global context, including an assessment of the geopolitical environment and ESG standards.

Relationships and insight

Given our investment time horizons, we prioritise meeting with academics, industry specialists and owners of businesses who think about their strategy, not financial analysts who think about the next quarter's earnings.

With three decades of experience investing in China, we have built relationships as a patient and supportive shareholder and developed strong access to some of the largest and most influential companies. Relationships take time to build but they have been critical in helping us understand China's ongoing development and the future direction of Chinese businesses.

These relationships, often built on trust and reputation over many years, provide access to a range of interesting companies, ensure management teams are aware of our approach and philosophy, and in doing so, help position us and our thinking in a different light to much of the market. This has provided an advantage in our understanding of companies early in their growth stages, and insight into the future challenges and opportunities for companies we hold.

Strategic report

The Strategic report, which includes pages 07 to 57 and incorporates the Chair's statement, has been prepared in accordance with the Companies Act 2006.

Chair's statement

Susan Platts-Martin

Chair

Appointed to the Board in 2014 and as Chair in 2017

Performance

The 12 months under review have formed an extraordinary third consecutive year of market falls that has tested the patience of many investors. A year ago, the stock market looked set to embrace China's reopening: covid was becoming a thing of the past, consumer spending was expected to bounce back, regulation of large technology companies was abating, measures were being rolled out to restore confidence in the property sector and there were hopes that geopolitical tensions were easing and there may be some level of co-operation. Some but not all of this has occurred but frustratingly we have not seen the results benefit the Company's performance in this financial year.

Generally, the negative returns over the period have been driven by macroeconomics and geopolitics rather than the performance of the underlying companies in the portfolio. The listed holdings within the Company's portfolio continue to perform well operationally, delivering 17.7% earnings growth in the financial year.

During the financial year to 31 January 2024, the Company's net asset value total return, calculated by deducting borrowings at fair value, was negative 40.9% and the share price total return was negative 40.8%. This compares with a total return of negative 30.5% for the MSCI China All Shares Index (in sterling terms).

Over the period from 16 September 2020 (the date of the adoption of the China strategy), the Company's net asset value and share price returned negative 49.3% and negative 50.5% respectively compared to a total return of negative 39.4% for the MSCI China All Shares Index (in sterling terms).

The underperformance in 2023 can largely be attributed to the Company's lack of exposure to the energy sector (the only sector which saw a positive

For a definition of terms, see Glossary of terms and alternative performance measures on pages 126 to 128. See disclaimer on page 124.
Past performance is not a guide to future performance.

return) and financials (the third best performing sector and which returned a negative 15%) and overweight position in consumer discretionary which returned a negative 37%. Foreign investors stayed away from China and domestic investors moved into defensive sectors and state-owned enterprises ('SOE'). The FTSE China SOE index outperformed the non-SOE index in calendar year 2023, continuing a trend which began in 2021. Given that the Company invests for growth and as such is not weighted towards SOE companies, it has resulted in weaker performance relative to the benchmark.

As part of the Board's oversight of the Managers' investment approach, I attended a Baillie Gifford trip to China to meet the investment team in Shanghai and portfolio companies. In addition, the Board met with the members of Shanghai team virtually at its annual strategy day. The Board remains satisfied that the Managers are investing in accordance with its long term growth approach.

There will be periods of underperformance during the investment cycle as the Managers do not invest in trends, and as I have previously noted, the Managers have a long-term investment approach, and we would ask shareholders to judge performance over periods of five years or more. Further information about the Company's portfolio performance is covered by our portfolio managers in their Managers' Report.

Discount/premium and share issuance

The Company's share price discount to net asset value at the last financial year end was 6.3%, and the shares continued to trade at a discount for the duration of the financial year. The discount was volatile during the financial period, 15.5% at its widest and 2.6% at its narrowest. The Company's share price ended the year at a discount to net asset value of 6.2%.

No shares have been issued by the Company during the period as the shares have traded at a discount to net asset value. The Company bought back 160,700 shares into treasury over the period. The buy backs benefit shareholders in the Company by modestly enhancing the NAV per share. The Board continues to keep its liquidity policy under close review and recognises the need to address any sustained and significant imbalance of buyers and sellers. Details of the full liquidity policy can be found on page 29. Between 31 January and 1 April 2024, no shares were issued and 389,189 shares were bought back into treasury.

Dividend

Since the adoption of the China strategy and the appointment of Baillie Gifford as Managers in September 2020, the Company's returns are now predominantly generated from capital growth as opposed to income. During the financial year, the revenue return per share increased by 13.1% from 2.14p to 2.42p.

The dividend policy of the Company, which became effective last year, is that any dividend paid will be by way of a final dividend and be not less than the minimum required for the Company to maintain its investment trust status.

The Board is proposing a final dividend of 2.0p, an increase of 17.6%, which, subject to shareholder approval, will be paid on 24 July 2024 to shareholders on the register at close of business on 21 June 2024, with the shares trading ex-dividend on 20 June 2024.

Ongoing costs

The ongoing changes figure for the year is 0.97%. Last year, the ongoing charges were 0.94%.

Gearing

In April 2022, the Company entered into a $40m revolving credit facility with RBSI. As at 31 January 2024, a relatively modest $7.5m has been drawn down under the facility, and gearing stood at 4.2%. The Board consider that a prudent level of gearing is advantageous given the long term returns forecast in China equities by the Managers and is seeking to renew the loan facility in April 2024

Unlisted investments

The Company holds one unlisted investment, ByteDance, which represented 8.4% of the total assets as at 31 January 2024. The valuation process is undertaken by Baillie Gifford and supplemented by an independent assessment by S&P Global, and is set out on page 52.

ESG

The consideration of ESG factors is an integral part of the Managers' long-term investment approach. The Board reviews the Managers' engagement with portfolio companies at each Board meeting. In addition, the Board has also reviewed the Managers' approach to assessing geopolitical risks in 2023. Further details can be found on pages 42 to 49.

The Board

As noted in my statement last year, I plan to step down from the Board on 30 April 2024 having completed my nine year tenure. I am pleased to confirm that Nicholas Pink, who joined the Board in September 2023 following a search undertaken with the support of an external recruitment consultant, will succeed me as Chair with effect from 1 May 2024. Nicholas has extensive senior management experience in financial services with previous roles at UBS Investment Bank including Global Head of Research and Head of Asia Research. Nicholas currently sits on the board of two other investment trusts.

I am also pleased to confirm that following a second search conducted by an external recruitment consultant this year, Sarah MacAulay will be joining the Board on 1 May 2024. Sarah is an experienced investment trust director and former portfolio manager with knowledge of the Asian region. I am delighted with both appointments and confident that the Company will be led by a competent board with wide ranging skills.

All Directors are subject to annual re-election at the AGM in June. Biographies of each of the Directors can be found on pages 59 and 60.

The Managers

Since the change of mandate in September 2020, Roderick Snell and Sophie Earnshaw have been co-portfolio managers of the Company. Following a decision by the Managers to separate their China and Global Emerging Markets teams, the Board is pleased to announce that Linda Lin, partner at Baillie Gifford, will be joining Sophie as co-portfolio manager with effect from 1 February 2024 to replace Roderick who is stepping away to focus on his Emerging Market and Asia responsibilities. The Board would like to thank Roderick for his contribution to the Company over the last three and a half years.

Annual General Meeting

The AGM will be held at 4pm on Wednesday, 19 June 2024 at The Cavendish Hotel, 81 Jermyn Street, London SW1Y 6JF. The meeting will include a presentation from the Managers and all shareholders are invited to attend.

To accurately reflect the views of shareholders of the Company, the Board intends to hold the AGM voting on a poll, rather than by a show of hands as has been customary. This will ensure an exact and definitive result. The Board encourages all shareholders to exercise their votes on the AGM resolutions by completing and submitting the form of proxy enclosed with the Annual Report to ensure that your votes are represented at the meeting (whether or not you intend to attend in person). If you hold shares through a share platform or other nominee, the Board encourages you to contact these organisations directly as soon as possible to arrange for you to submit votes in advance of the AGM. Alternatively, the Association of Investment Companies' ('AIC') website **theaic.co.uk/how-to-vote-your-shares** has information on how to vote your shares if you hold them via one of the major platforms. The following link will also take you through to the AIC website where there is information on how your platform can help you attend the AGM in person **theaic.co.uk/aic/ready-to-invest/shareholder-voting/attending-an-agm**.

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 calling 0800 917 2112 (Baillie Gifford may record your call).

Outlook

Investor sentiment and related share trading have significantly influenced share price performance over the last three years, and share prices have diverged from their fundamentals. It is the fundamentals that our Managers remain focused on, as it is a company's operational progress over the long term that will deliver outperformance.

The combination of an ambitious entrepreneurial culture and bold top-down policies with the sheer scale of China's markets continues to provide a unique opportunity given lower valuations. A long-term investment horizon underpins our Managers' efforts as they seek to find the companies in China with the best sustainable growth outlook, regardless of their size, sector or position in an index. As I concluded in my Chair's statement last year, China is a market where there is likely to be ongoing short term volatility however the prospects for significant long term growth remain.

Susan Platts-Martin
Chair
2 April 2024

Managers' report

The year under review was disappointing and painful for Chinese equities, with our index falling by 30.5%. Indeed, it marks an extraordinary third consecutive year of drawdowns in our asset class. In the main, returns over the period have been driven by macroeconomics and geopolitics rather than company fundamentals. The holdings within the Company's portfolio continue to perform well operationally. Our listed holdings delivered 17.7% earnings growth in the financial year versus index-level earnings growth of only 2.1%. Despite this, the portfolio derated from a price-earnings multiple of 19x to 12x.

China's economy continues to transition away from its old model of property led growth to a new model of innovation led growth. The economy has been weak but is not in crisis. The country's GDP grew by 5.2% in 2023 and met the official growth target for the year. The International Monetary Fund does expect growth to slow in 2024, but only to 4.6%. The property market's drag on nominal growth continues, with nationwide sales numbers at 40% of the 2021 peak, while there has only been a tentative stabilisation in sales of the top 100 largest developers. Despite the mortgage rate falling by around 150 basis points since 2021 and the pricing of property posting only single-digit declines over two years (though this industry-level data masks double-digit declines in some tier-one cities), the government is struggling to stimulate demand. Thankfully, other segments of the Chinese economy, namely household consumption and exports, were strong enough to offset this weakness. The post-covid rebound in consumer spending and the fall in the savings rate in the first quarter led to a welcome uptick in services growth. At the same time, strength in the US economy and China's continued global competitiveness saw robust export demand. Retail sales were up circa 15%, and real per capita household income was up circa 20% in 2023 versus 2019.

Unfortunately, the rally in consumer spending softened materially towards the end of the year, and the job market further deteriorated. In addition, the government's support for the economy was thought by many to be underwhelming. As such, market sentiment deteriorated as the year progressed.

Geopolitics was also a negative driver, with technological controls and economic barriers increasing even as relations between the US and China formally stabilised. December marked the worst net outflows of China/Hong Kong equities in 2023 and the third-largest monthly outflows in history. Foreign investors appear to be increasingly shunning China. Indeed, third-quarter data indicated that inbound foreign direct investment ('FDI') fell close to negative territory for the first time since 1998. FDI was only US$15bn for the first nine months of the year – a 92% drop from 2022. On the current trend, China may attract less FDI in 2023 than Poland.

This deterioration in sentiment was reflected in negative returns for our benchmark after a brief rally in the first quarter. The only sector in positive territory was energy, which posted circa 17% return over the year. The next best sector was utilities, which fell circa 9%, followed by financials at negative 15%. Domestic investors, faced with mixed economic data and disappointing levels of policy support, moved into defensive sectors and state-owned enterprises ('SOEs'). The FTSE China SOE index outperformed the non-SOE index by 12% in 2023[1], continuing a trend which began in 2021. In line with our investment philosophy, the portfolio's overwhelming exposure to growth sectors and non-SOE companies resulted in weaker relative performance than the benchmark.

1 The period of performance referred to for both the FTSE China SOE index and the FTSE China non-SOE index is the year 2023 versus the Company reporting period which is 31 January 2023 to 31 January 2024.

For a definition of terms see Glossary of terms and alternative performance measures on pages 126 and 128.

Past performance is not a guide to future performance.

Where does this leave us? In both absolute and relative terms, the valuation of Chinese equities is low. Our benchmark, MSCI China All Shares, is trading on circa 9x 2024 price earnings. This multiple is almost one standard deviation below its 5 and 10 year average, less than half that of US equities (MSCI USA is trading on 20x) and below that of both MSCI ACWI (16.6x) and Emerging Markets (MSCI EM 11.7x). As noted above, the Company's listed portfolio of holdings has derated to 12x over the year, despite delivering double-digit earnings growth.

Towards the end of the reporting period, we saw further signs of a significant government effort to address pockets of weakness in the economy and the rout in the stock market. In July, Beijing announced a 17-point plan to increase confidence in the private sector. This followed a concerted effort by Premier Li and a flurry of announcements at the highest levels designed to reassure the private sector of the government's continued support. Most importantly, the regulatory backdrop was largely stable for some of China's largest private sector companies, except for a quickly corrected misstep in gaming. In February 2024, in response to the stock market rout, we saw Beijing begin to intervene in the equity market via the purchase of stock index funds and SOE buybacks while the former head of the China Securities Regulatory Commission was replaced.

Concerning property, context is important. The government's long-term aim is to reduce the country's reliance on this sector as an engine of growth. Most Western economists would agree that this adjustment is necessary for the country's long-term economic health. With this in mind, the government's refusal to stimulate aggressively and provide a 'quick fix' becomes understandable. The initial focus of policymakers was on demand-side stabilisation measures. We saw mortgage rates fall to their lowest level on record and restrictions on purchasing removed. As noted above, these measures had limited success.

In the second half of 2023, we saw the government announce an increase in public-sector construction spending via the 'three major projects':

- The expansion of social housing;
- The renovation of urban villages; and
- The construction of civil infrastructure to increase resilience to natural disasters.

Then, finally, in January 2024, we saw the government begin to extend support to private-sector developers, the most distressed subsegment of the industry. Measures include:

- The People's Bank of China ('PBOC') announced RMB 350bn (circa US$50bn) in priority sector lending for real estate developers to execute the 'three major projects';
- The promise of additional credit support via banks; and
- Local governments in eight cities are beginning a pilot project to buy up vacant apartments from developers to reduce inventory and help stabilise cash flows.

Given China's pre-sale* housing model, improving the public's confidence in private sector developers' creditworthiness and ability to complete projects is crucial to stabilising the industry.

With developer finances still deteriorating and the economy slipping in and out of deflation, there is undoubtedly more work still to do. However, actions taken to date suggest a course correction is well underway at a time when pessimism about China is at an all-time high.

* Chinese consumers pay significant amounts upfront before construction of the property is finished.

More importantly for us as active managers, China still offers a unique opportunity for growth. For example, of all companies in MSCI ACWI forecast to grow revenues at 20% per annum for the next three years, 40% come from China. While headline GDP continues to slow, there are ample structural opportunities in a variety of industries that continue to excite us. For example, in terms of automation and advanced manufacturing, China is already the largest industrial robotics market in the world. Yet robot density is only one-third of that of countries like Korea.

Another example would be the rise of domestic brands. In a whole host of industries, foreign brands still dominate. But this is changing. A good example would be cosmetics, where domestic leaders such as Proya continue to take share from mass-market foreign brands. A further example would be 'little giants': companies with advanced expertise in strategically important industries such as solar, batteries or semiconductors.

Indeed, because of our ability to avoid vast swathes of the index, our portfolio holdings delivered double-digit earnings growth in 2023 despite China's economic woes. For example, ByteDance, our largest holding at 8.4% and only unlisted investment, reported over 35% revenue growth in the nine months to September, driven by continued monetisation of its vast userbase. Kweichow Moutai, a 5.9% holding and our second largest overweight, delivered circa 17% revenue and earnings growth over the same period, driven by the phenomenal strength of its domestic baijiu brand. Tencent, another large holding within the Company's portfolio, delivered 10% revenue growth in the most recent quarter and treble-digit earnings per share growth as capital allocation continued to improve. Or CATL, a 1.8% holding in the portfolio and the world's leading battery manufacturer, pre-announced that it would deliver 38-48% year-over-year revenue growth in 2023. CATL has grown its revenue and earnings by over 10x in the last four years and trades on less than 15x 2024 earnings. What comforts us during these challenging times is our holdings' continued strong operational performance and the knowledge that, over meaningful periods, share prices are likely to follow fundamentals.

However, we are anything but complacent and continue to interrogate the investment decisions we made since Baillie Gifford won the Company's mandate in 2020. For example, we have added two independent research providers to our list of resources to bolster our ability to ascertain a company's alignment with the Chinese state and the risks and opportunities of the broader geopolitical environment. Both specialise in analysing Chinese and US policy. We have commissioned work from our Risk Team on our trading decisions and have interrogated the research process, quality and investment decisions that led to our largest individual stock mistakes. We also continue to challenge our historic preference for privately run companies instead of SOEs.

At the firm level, we'd also like to highlight Baillie Gifford's continued support for our Chinese equities business. While some of our competitors are closing their Chinese operations, Baillie Gifford continues to invest. Our Shanghai office, which opened in 2019, has added resources yearly, with two new graduates joining in the last two years alongside a dedicated ESG analyst. We now have seven investment staff working out of Shanghai. We recently established a dedicated China team that will be responsible for our Chinese equity funds. As such, Sophie is excited to welcome Linda Lin, a partner at Baillie Gifford and an investment specialist on China, as co-manager for the Baillie Gifford China Growth Trust. Linda will replace Roderick Snell who will re-focus his attention on Asia Pacific. Establishing the dedicated China Team, of which Sophie is a part, and adding Linda as a formal decision maker to our China equity strategies, is a significant increase of resources.

Portfolio positioning and recent activity

Balancing global perspectives with local insights and ensuring a long-term focus in our analytical framework is critical to finding China's best and most innovative public and private growth companies. We undertook two joint trips around China, one in May 2023 and one in January 2024. Linda Lin led our most recent trip, and she was joined by managers from our Long Term Global Growth team and our Emerging Markets team.

Our philosophy and investment horizons afford excellent access to company leaders. Linda was fortunate to meet with founders and 'C-level' management from PDD Holdings, one of the new purchases for the Company, along with existing holdings Meituan, LONGi and KE Holdings. We also met NIO, one of China's leading electric vehicle brands and a competitor to BYD; Kuaishou, a competitor to ByteDance; and Luckin Coffee, China's version of Starbucks. More broadly, while the atmosphere was somewhat gloomy, with negative local sentiment and weak consumer confidence, we found the trip uplifting at the most basic level of what companies are doing regarding growth. The entrepreneurial spirit that allows new companies to challenge entrenched incumbents and the huge spoils available to domestic victors have not changed. This type of growth is currently on offer at prices not seen in many years.

Our portfolio positioning remains relatively consistent compared to last year. We retain exposure to the sectors and companies that we believe offer the best long-term growth potential and upside. We have large overweight positions in consumer discretionary and industrials, and large underweights in lower growth sectors such as financials and utilities. We believe the portfolio is geared toward the themes likely to drive China's next decade of growth including:

- The energy transition, advanced manufacturing and robotics;
- 'Little giants';
- Leading domestic brands; and
- Long-duration growth companies in both traditional and online industries.

Portfolio turnover during the year was 7.9%, reflecting our confidence in our holdings despite the negative returns we experienced in 2023. New purchases during the period included PDD Holdings, Silergy, Anker Innovations and BYD. PDD has done a terrific job servicing the sizeable cost-conscious consumer market, taking share in areas increasingly vacated by Alibaba. Over the last few years, they have carved out a formidable niche targeting low-income users in lower-tier cities with a deeply-discounted 'treasure hunt' experience. Recently, the platform has gained traction with higher-income users in China and several overseas markets. The company has become increasingly cash-generative as it has moved away from massive marketing promotions without losing user traction. As one of the few Chinese ecommerce platforms that retains the potential for massive operational upside, we felt PDD was worthy of a place within the Company's portfolio. Silergy is an analogue semiconductor designer and benefits from tailwinds similar to SG Micro, including import substitution. We took advantage of the weakness in the shares on the back of a cyclical slowdown to buy this high-quality, high-growth business.

Anker Innovations is a Chinese consumer electronics company. Its record of making quality products at fair prices has earned it a valuable brand reputation among its Western customers. Indeed, the company leverages China's supply chain advantages in electronics to make high-quality products at reasonable prices. Our Shanghai office has worked over the past year to understand the company's strategy and the founder's motivations, giving us greater confidence in their ability to grow profitably and broaden their product offerings. Given its predominantly overseas revenue base, the stock is also a diversifier within the Company's portfolio.

We also bought an initial holding in BYD. BYD was founded in 1995 as a manufacturer of lithium-ion batteries for consumer applications like smartphones and notebooks. It grew rapidly to become one of the global battery leaders by the early 2000s when it also moved into electronics manufacturing services and autos. In retrospect, there was a much greater coherence to this strategy than the company were credited with at the time – in each new market that they entered, BYD has distinguished itself with a highly flexible, highly integrated manufacturing process characterised by significant levels of research and development ('R&D'), a focus on self-developed components and very rapid innovation cycles. They were early movers into the electric vehicle ('EV') market in 2006, where they leveraged their proprietary battery technology and manufacturing experience to become the leading EV manufacturer in China by 2018; in 2022, they overtook Tesla to become the world's largest EV maker by volume. The recent surge in market share partly reflects the advantages of having control over its supply chain when the rest of the industry has been struggling. Still, we also suspect it reflects a more enduring advantage as the company enters a virtuous circle of scale leveraging high R&D spend, which in absolute terms now dwarfs most of their competitors. If the company can remain one of the leading players in the fast-growing Chinese EV market, then we think the shares look attractive; if they can build on their more recent signs of progress in third-party battery sales or autos outside China, then the rewards may be even greater.

Sales of Burning Rock Biotech, Dada Nexus, Geely Automotive, and Hangzhou Tigermed funded these purchases. The US battle around Chinese American Depositary Receipts and the Holding Foreign Companies Accountable Act provided a technical challenge to our investment case for Burning Rock Biotech. We remain convinced that the market for next-generation sequencing in oncology is huge and that the data supporting Burning Rock's position was credible. However, we underestimated how much financing was necessary for a loss-making company, particularly via the equity market. This was a mistake. The company's inability to issue equity in the US, their only listing location, and their inability to obtain a secondary listing in Hong Kong due to their smaller size led to a vicious spiral in which investors sold down on concerns around delisting risk, the market capitalisation shrank, and the company's ability to fund its operations diminished.

We sold our holdings in Geely and Tigermed. Geely's vehicles have historically been popular with Chinese consumers who value its strong engine technology (partly bought in via the acquisition of Volvo) and mid-range prices. We believe the company's core advantage in engine technology has diminished with the shift to EVs. Given substantial investments outside the listed entity, the founder's alignment also appears to have shifted. We believe BYD's vertically integrated model and core expertise in battery technology make it much more likely to benefit from the shift to electric vehicles. Tigermed is a leading clinical research organisation. We have decided to sell the holding largely due to the increased risk of trade barriers overseas. We believe these barriers could substantially impact the company's ability to grow in the future.

Performance

The portfolio's performance was very disappointing in both absolute and relative terms. It underperformed against a falling benchmark. The benchmark for the period returned negative 30.5%, NAV negative 40.9% and the share price negative 40.8%. The portfolio's overwhelming exposure to non-SOE companies, particularly in the financials space, plus its underweight positions in energy and utilities (the two best-performing sectors within our universe), contributed to our relative underperformance. While this was undoubtedly painful, our portfolio exposure is in keeping with our growth philosophy, which has served us well over longer periods.

The main stock detractors to performance were varied. Li-Ning, a leading domestic sportswear brand, faced increased competition from multinational players such as Adidas and a weakening consumer backdrop. Discounting in the channel and an inventory correction in the second half spooked the market, resulting in a marked derating in the shares. This is a stock that we have significantly reduced at much higher price points. After the correction and the additional research we conducted, we are minded to continue holding the shares. We believe the brand remains relatively strong and that this is not reflected in the 10x price-earnings multiple we are now being asked to pay.

Glodon, a software provider to the construction industry, and SG Micro, an analogue chip designer, are examples of where cyclical issues have overwhelmed the structural case in the short term. SG Micro operates in the analogue semiconductor industry, which remains dominated by foreign players. China's desire to reduce its import bill and establish a globally competitive, homegrown semiconductor industry is a significant long-term tailwind for the company. In the short term, however, we saw the company suffer as the industry entered a cyclical downturn. We are confident that the company's competitive advantage remains strong and that its position as a domestic leader will see it benefit once the cycle turns. We added to this company in the first half of the reporting period after the first correction in the shares. Glodon is a dominant cost estimation software provider to the construction industry. Its software helps its clients reduce costs and increase the efficiency of their operations. Software penetration in this industry is low and rising, and we believe Glodon is likely to benefit from this tailwind in the long run. In the near term, however, cyclical weakness in property and construction resulted in revenue and profit growth, disappointing the market.

Meituan was also a detractor. The shares fell markedly despite the company delivering circa 25% revenue growth in the first nine months of the year and turning profitable. Indeed, in the third quarter of 2023, its earnings grew by almost 200%. We met Wang Xing, the founder of the company, in January of this year and continue to hold him in high regard. Meituan retains a dominant position in food delivery and is utilising its delivery network to expand into adjacent categories. In top-tier cities, Meituan delivers products in under half an hour. In addition, Meituan has a dominant position in restaurant bookings and travel. Competition from ByteDance in this part of the business has seen margins fall. However, growth has accelerated markedly due to ByteDance's entrance and the subsequent rise in online penetration. The fall in margins is yet to impact absolute profit growth materially. The company also has loss-making initiatives such as ride-hailing and community group buy. These are gradually turning profitable or being scaled back, leading to exceptional profit growth for the company. Despite this, Meituan is only trading on 15x price earnings. We are inclined to add to our holding.

Other detractors to performance included gearing which sits at around 3-4% and stocks such as Centre Testing International, Ping An Insurance and Estun. Whilst gearing has been a detractor to performance over the near term, we continue to believe that it should be value accretive over the long term given our expectations for attractive returns in the asset class relative to the cost of debt. We decided to add to our position in Centre Testing International in January 2024, after the shares fell. Centre Testing International is the leading private sector company in China's testing and inspection market. The company derated substantially as part of a general sell-off in growth stocks and in response to cyclical weakness in some of its end markets. We believe the company is a high-quality operator with a sizeable, long-term growth opportunity ahead of it, and, as such, we decided to take advantage of share price weakness to build a more sizeable position in the Company's portfolio. Ping An Insurance and Estun were reduced in the first half of the reporting period due to concerns about changes in the regulatory backdrop and increased competition, respectively.

Contributors to performance included all four state-owned enterprises held in the Company's portfolio: Weichai Power, Brilliance China Automotive, Kweichow Moutai and Zijin Mining. Of these, only Weichai and Brilliance China Automotive delivered a positive return. Zijin, a leading gold and copper miner, delivered 10% revenue growth in the first three quarters of 2023, yet the shares fell 11% during the period. On 12x earnings, we believe the company has significant upside ahead of it driven by the energy transition. As noted above, Kweichow Moutai delivered 17% revenue and earnings growth in the first nine months of 2023, yet its share price fell 19%. Moutai is arguably the strongest and most durable brand in China. It has 800 years of heritage and can price its baijiu at a significant premium. The financial returns of this business are also exceptional.

Brilliance China Automotive is something of a special situation. It is an automaker and BMW's partner in China. The company was relisted in Q4 2022 after a period of suspension. The share price was at a very depressed level at the point of relisting. In January and July 2023, Brilliance China Automotive declared two special dividend payouts to shareholders totalling 1.92 Hong Kong dollars per share, while the shares were trading around four Hong Kong dollars on average. While a 40% yearly return is encouraging, the future case for Brilliance China Automotive does rely on decisions around next year's special dividend payment and its new management team's operational execution.

ByteDance was our largest contributor over the year. Despite delivering circa 35% revenue growth in the first nine months of the year, our independent valuation team wrote the shares down by 11%, less than the benchmark decline. This was due to a fall in the peer group valuation and supported by valuations observed in the secondary market. We believe that ByteDance offers outstanding growth potential even if one excludes the US business. ByteDance continues to monetise its vast user base in China and to take a substantial share within ecommerce. We are confident that its exceptional operational performance will be rewarded by substantial share price returns over meaningful periods.

Silergy and Midea were also contributors to performance. Silergy is an analogue semiconductor designer and benefits from similar tailwinds to SG Micro (discussed above). Due to its exposure to different end markets, the cycle turned down earlier for Silergy relative to SG Micro. It experienced a marked correction in its share price as demand weakened. The cycle for Silergy has now turned, and, as such, its shares have begun to recover. We bought Silergy during its cyclical correction and are pleased to see it rebound after purchase. Midea is a leading white goods manufacturer and a high-quality compounder. It delivered 7% revenue growth and 10% earnings growth in the first nine months of the year, and the shares were flat during the period. It trades on circa 11x price-earnings and will likely continue growing at high single-digit and low double-digit rates for a long time.

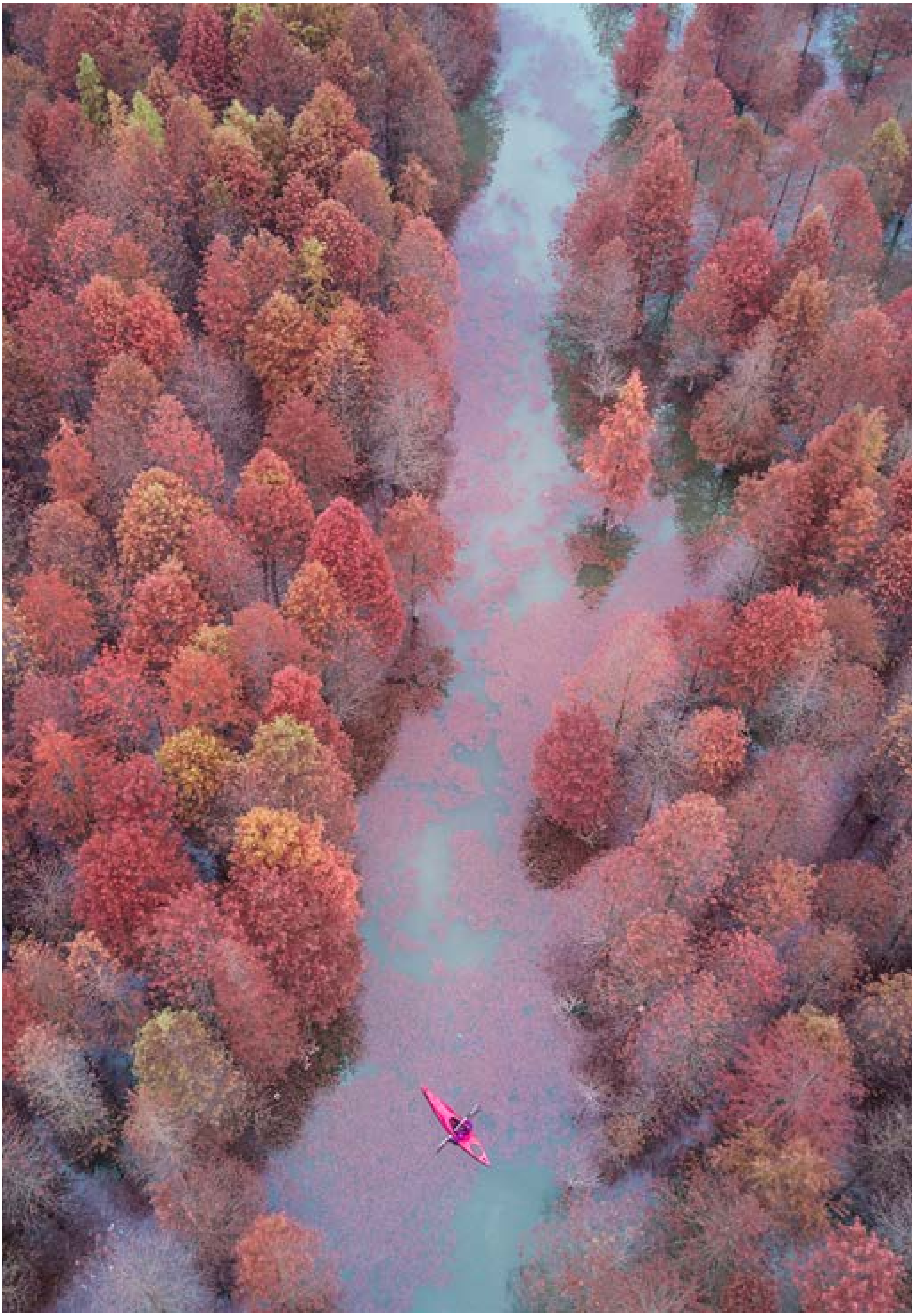
Outlook

As discussed above, China's economy continues to transition away from its old model of property led growth to a new model of innovation led growth. There is clearly a risk that the government fails to manage this transition successfully. However, we remain cautiously optimistic. In terms of the old growth model, policy is increasingly focused on stabilising the most distressed segments of the property industry. Any stabilisation here could be very meaningful for consumer confidence, which could in turn be very meaningful for domestic demand. In terms of the new growth model, China has made significant progress in areas such as renewable energy, electric vehicles and, increasingly, semiconductors. The days of recycling export earnings into infrastructure led growth are over and China is now exporting capital around South-east Asia and into other developing regions. This gives enormous growth opportunities to Chinese companies whose business strategies are aligned to China's national objectives.

These growth opportunities are reflected in the operational performance of the companies we own within the Company. As noted above, our listed holdings delivered 17.7% underlying earnings growth. Despite this, the portfolio's value fell by c.40%. This extraordinary divergence between earnings and value is a reflection of sentiment, rather than operational performance. Sentiment is driven both by the economic transition alluded to above and by geopolitics between the US and China. As China's success in transitioning to its new growth model becomes clearer, it is likely that sentiment will improve and that other pools of capital, in addition to the US, will become materially invested in the attractive returns on offer in China.

Despite a difficult couple of years of performance, Baillie Gifford continues to believe that China remains an exciting hunting ground for growth investors. As such, we continue to invest in our capabilities here and have added significant resource. With valuations low in both an absolute and relative sense, we believe that the opportunity in China has becoming even more compelling. As such, we remain optimistic about future returns.

Roderick Snell
Sophie Earnshaw
Baillie Gifford & Co
2 April 2024



Review of investments

A review of the Company's ten largest investments as at 31 January 2024.

© AFP/Getty Images

ByteDance

ByteDance is a social media and short form video company and it represents the Company's first private investment. 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 a market leader in China, and TikTok, its global equivalent, is dominating the format globally. 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.

Valuation at 31 January 2024	£10,551,000
% of total investments at 31 January 2024	8.4
Valuation at 31 January 2023	£11,953,000
% of total investments at 31 January 2023	5.7
Net purchases/(sales) in year to 31 January 2024	Nil

© Alamy Stock Photo

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 one billion monthly active users represents one growth driver 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.

Valuation at 31 January 2024	£9,330,000
% of total investments at 31 January 2024	7.4
Valuation at 31 January 2023	£12,694,000
% of total investments at 31 January 2023	6.0
Net purchases/(sales) in year to 31 January 2024	£695,000

© China News Service/Getty Images

Alibaba

Alibaba is a leading online retailer. Its ecommerce business is returning to growth after a period of intensified competition and share loss. Steadily increasing online penetration in segments such as grocery and Fast Moving Consumer Goods remains a long term driver for the business, whilst the company's efforts to integrate live streaming and social media into the platform aim to revitalise the platform following stiff competition for customers and merchants attention from competitors. In addition, Alibaba retains a strong position in infrastructure as a service, or the cloud, where it has a similar business to Amazon Web Services. The company has taken the decision to focus on profitable growth as opposed to growth at any cost. Alibaba's partnership structure and its capable and experienced management team are well-aligned with shareholders.

Valuation at 31 January 2024	£9,249,000
% of total investments at 31 January 2024	7.4
Valuation at 31 January 2023	£13,819,000
% of total investments at 31 January 2023	6.6
Net purchases/(sales) in year to 31 January 2024	£643,000

© VCG/Getty Images

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.

Valuation at 31 January 2024	£7,447,000
% of total investments at 31 January 2024	5.9
Valuation at 31 January 2023	£9,436,000
% of total investments at 31 January 2023	4.5
Net purchases/(sales) in year to 31 January 2024	(£20,000)

China Merchants Bank

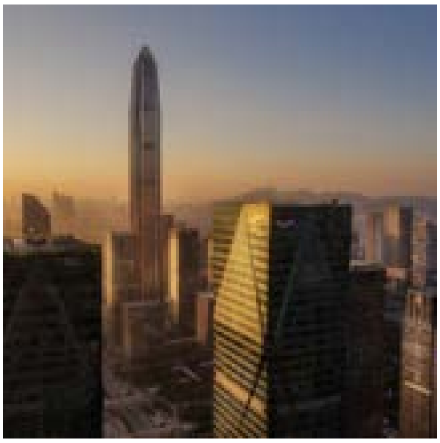
China Merchants Bank is a leading consumer bank in China with a lengthy track record and solid market share. It has outcompeted its state-owned rivals via a relentless focus on the consumer. As such, it has built up an enviable position in consumer lending and in wealth management, both segments with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

Valuation at 31 January 2024	£4,133,000
% of total investments at 31 January 2024	3.3
Valuation at 31 January 2023	£7,631,000
% of total investments at 31 January 2023	3.6
Net purchases/(sales) in year to 31 January 2024	(£26,000)

Zijin Mining

Zijin Mining is a Chinese gold and copper company with ambitious volume growth plans through organic expansion and M&A, particularly in its copper business. Copper is an economically sensitive commodity that should benefit from economic activity globally but should be further boosted meaningfully by green investment (be it renewable generation or electric vehicles). Indeed, copper is an essential enabler of the green revolution. We do not think the upside to the commodity price, nor Zijin's growth potential, is being adequately factored in by the market.

Valuation at 31 January 2024	£3,969,000
% of total investments at 31 January 2024	3.2
Valuation at 31 January 2023	£4,580,000
% of total investments at 31 January 2023	2.2
Net purchases/(sales) in year to 31 January 2024	(£14,000)



Ping An Insurance

Ping An Insurance is one of China's leading financial services groups. It is China's second largest life insurer, a market with 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.

Valuation at 31 January 2024	£3,741,000
% of total investments at 31 January 2024	3.0
Valuation at 31 January 2023	£9,559,000
% of total investments at 31 January 2023	4.6
Net purchases/(sales) in year to 31 January 2024	(£3,062,000)

NetEase

NetEase is one of the most successful gaming companies in China, second only to Tencent, with a proven track record of developing popular, high-quality titles on both mobile and PC. It has successfully monetized its titles whilst protecting the gamer experience and its brand name and the company culture continues to attract and retain the best game developers in China. Its financials are attractive and it is a well-managed company.
The gaming industry in China continues to grow, particularly on mobile, and NetEase appears well placed to benefit from this for many years.

Valuation at 31 January 2024	£3,220,000
% of total investments at 31 January 2024	2.6
Valuation at 31 January 2023	£3,082,000
% of total investments at 31 January 2023	1.4
Net purchases/(sales) in year to 31 January 2024	(£18,000)

Zhejiang Sanhua Intelligent Controls

Zhejiang Sanhua is one of the world's largest manufacturers of controls and components for heating, ventilation and air conditioning ('HVAC') systems, electric vehicles and home appliances. Sanhua has a global customer base of top tier manufacturers, with half of their revenues generated from China and half from overseas. The company has over 50% market share in its key products. Sanhua's ability to produce quality at scale is a key competitive advantage. This is a founder-owned company whose global position has been underappreciated in a China context. We expect Sanhua to benefit from consumption growth in general, as well as growth in the electric vehicle market, and an industry shift in home appliances towards stricter environmental standards.

Valuation at 31 January 2024	£3,202,000
% of total investments at 31 January 2024	2.6
Valuation at 31 January 2023	£4,946,000
% of total investments at 31 January 2023	2.4
Net purchases/(sales) in year to 31 January 2024	(£557,000)

Midea

Midea is the world's largest home appliance business, listed in Shenzhen. It is a great quality business, investing for growth and appears very cheap. Home appliance businesses are dull yet make great returns (28-29% return on equity), require little capital, have brand equity and throw off a healthy level of cash, some of which is returned to Midea shareholders via a 4% dividend yield. This company stands out given its category leadership and desire to grow the business in a meaningful way. It is investing in technology, is at the forefront of innovation (22,000 patents and counting), is expanding its product range and geographic reach and also buying in additional brands at good prices. The move into robotics though the acquisition of Kuka, a world leader, could be particularly interesting, not least due to efficiency gains likely in its own business.

Valuation at 31 January 2024	£3,077,000
% of total investments at 31 January 2024	2.5
Valuation at 31 January 2023	£3,223,000
% of total investments at 31 January 2023	1.5
Net purchases/(sales) in year to 31 January 2024	(£20,000)

One year summary

The following information illustrates how Baillie Gifford China Growth Trust has performed over the year to 31 January 2024

	31 January 2024	31 January 2023	% change
Total assets (before deduction of bank loans)*	£125.3m	£210.0m	
Bank loans	£5.9m	£6.1m	
Shareholders' funds*	£119.4m	£203.9m	
Net asset value per ordinary share*	193.06p	328.87p	(41.3%)
Share price	181.00p	308.00p	(41.2%)
MSCI China All Shares Index (in sterling terms)#			(32.2%)
Revenue earnings per ordinary share	2.42p	2.14p	
Dividends paid and payable in respect of the year	2.00p	1.70p	
Ongoing charges†¶	0.97%	0.94%	
Discount†¶	(6.2%)	(6.3%)	
Active share¶	72%	72%	

Year to 31 January	2024	2023
Total return¶		
Net asset value per ordinary share	(40.9%)	(5.7%)
Share price	(40.8%)	(7.9%)
Benchmark#	(30.5%)	(2.2%)

* For a definition of terms see Glossary of terms and alternative performance measures on pages 126 and 128.

† Key Performance Indicator.

The benchmark is the MSCI China All Shares Index (in sterling terms).

¶ Alternative performance measure – see Glossary of terms and alternative performance measures on pages 126 to 128.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 124.

Past performance is not a guide to future performance.

Year to 31 January	2024	2024	2023	2023
Year's high and low	**High**	**Low**	**High**	**Low**
Net asset value per ordinary share	334.82p	193.29p	359.06p	238.91p
Share price	325.00p	176.00p	355.00p	208.50p
(Discount)/ premium†¶	(2.6%)	(15.5%)	2.9%	(15.5%)

Year to 31 January	2024	2023
Net return per ordinary share		
Revenue	2.42p	2.14p
Capital	(136.61p)	(22.37p)
Total	**(134.19p)**	**(20.23p)**

* For a definition of terms see Glossary of terms and alternative performance measures on pages 126 and 128.

† Key Performance Indicator.

The benchmark is the MSCI China All Shares Index (in sterling terms).

¶ Alternative performance measure – see Glossary of terms and alternative performance measures on pages 126 to 128.

Source: LSEG/Baillie Gifford and relevant underlying index providers. See disclaimer on page 124.

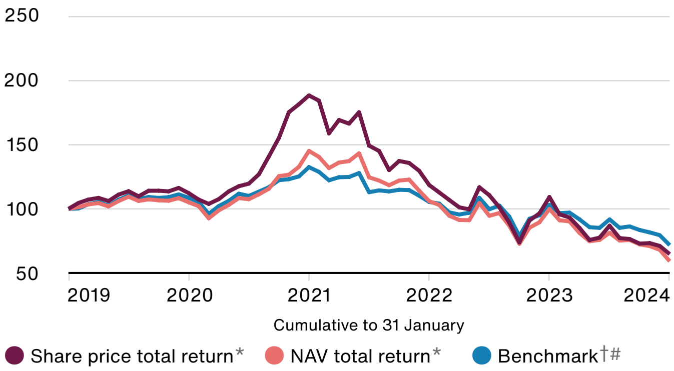
Past performance is not a guide to future performance.

Five year summary

The following charts indicate how an investment in Baillie Gifford China Growth Trust has performed relative to its benchmark† and its underlying NAV over the five year period to 31 January 2024.

Five year total return* performance

(figures rebased to 100 at 31 January 2019)



Source: LSEG/Baillie Gifford and relevant underlying index providers#.

(Discount)/premium* to NAV

(figures plotted on a monthly basis)

Source: LSEG/Baillie Gifford.

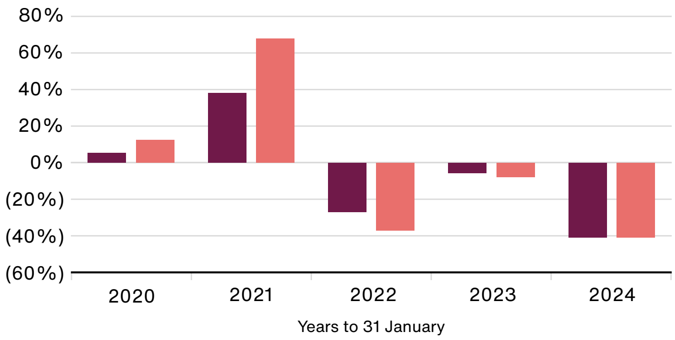
* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 126 and 128.

† 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.

\# See disclaimer on page 124.

Past performance is not a guide to future performance.

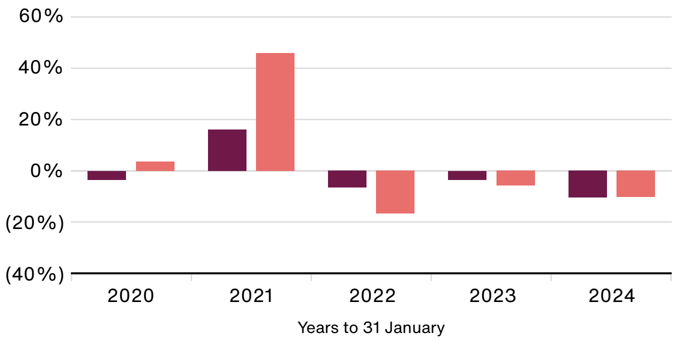
Annual NAV and share price total returns*



Source: LSEG/Baillie Gifford.

Annual NAV and share price total returns*

(relative to the benchmark# total returns)



Source: LSEG/Baillie Gifford and relevant underlying index providers#.

* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 126 and 128.

† 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.

\# See disclaimer on page 124.

Past performance is not a guide to future performance.

Ten year record

Capital

At 31 January	Total assets £'000	Borrowings £'000	Shareholders' funds * £'000	NAV * p	Share price p	(Discount)/ premium * %
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
2022	224,931	5,590	219,341	353.7	339.3	(4.1)
2023	210,032	6,092	203,940	328.9	308.0	(6.3)
2024	**125,301**	**5,890**	**119,411**	**193.1**	**181.0**	**(6.2)**

Revenue

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 † %
2014	4,978	2,910	4.4	4.5	0.9
2015	4,464	2,628	4.0	4.6	1.1
2016	4,782	2,836	4.3	4.7	1.1
2017	5,004	2,880	4.4	4.8	1.0
2018	5,740	4,141	6.5	5.5	1.0
2019	6,577	4,954	7.9	7.0	1.0
2020	6,073	4,412	7.2	7.2	1.1
2021	3,600	2,329	4.5	7.2	0.7
2022	1,599	592	1.0	7.2	0.7
2023	2,047	1,325	2.1	1.7	0.9
2024	**2,599**	**1,498**	**2.4**	**2.0**	**1.0**

Gearing ratios

Year to 31 January	Gearing * %	Gross gearing * %
2014	3	5
2015	–	–
2016	–	–
2017	–	–
2018	–	–
2019	–	–
2020	–	–
2021	–	–
2022	1	3
2023	3	3
2024	**4**	**5**

* For a definition of terms see Glossary of terms and alternative performance measures on pages 126 and 128.

† Total operating costs (excluding performance fees) divided by average net asset value. Baillie Gifford was appointed on 16 September 2020 and agreed to waive its management fee for six months from the date of appointment. Without the management fee waiver the ongoing charges for the year to 31 January 2021 would have been 1.0% and the year to 31 January 2022 would have been 0.8%.

Past performance is not a guide to future performance.

Cumulative performance (taking 2014 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 *†
2014	100	100	100	100	100	100
2015	116	118	114	117	114	117
2016	107	111	108	113	104	110
2017	138	145	134	142	137	149
2018	160	170	161	173	158	176
2019	146	158	142	155	145	166
2020	150	166	156	175	153	181
2021	204	229	257	293	183	220
2022	146	167	159	184	144	175
2023	136	158	144	170	138	171
2024	**80**	**93**	**85**	**101**	**93**	**119**

Compound annual returns (%)

5 year	(11%)	(10%)	(10%)	(8%)	(8%)	(6%)
10 year	(2%)	(1%)	(2%)	0%	(1%)	2%

Source: LSEG and underlying index providers. See disclaimer on page 124.

* For a definition of terms see Glossary of terms and alternative performance measures on pages 126 and 128.

† 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 ('AIF') for the purposes of the UK Alternative Investment Fund Managers Regulations.

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 equalling 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. In this case, the limit is 15%.

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 page 38, and the Baillie Gifford statement on stewardship, which describes the Managers' culture of constructive engagement, is set out on page 50.

Dividend policy

The Company's priority is to produce capital growth over the long term. The Company's dividend policy is that any dividend paid will be by way of a final dividend and be not less than the minimum required for the Company to maintain its investment trust status.

Liquidity policy

The Board recognises the need to address any sustained and significant imbalance of buyers and sellers which might otherwise lead to shares trading at an anomalous discount or premium to net asset value per share. While it has not adopted any formal discount or premium targets which would dictate the point at which the Company would seek to purchase shares or issue further shares, the Board is committed to utilising its share purchase and share issuance authorities where appropriate in such a way as to mitigate the effects of any such imbalance. In considering whether buy-back or issuance might be appropriate in any particular set of circumstances, the Board will take into account, inter alia: the prevailing market conditions; whether the discount is substantial relative to the Company's peers; the degree of net asset value accretion that will result from the buy-back or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; and the level of the Company's existing borrowings.

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 Board uses key performance indicators ('KPIs') to measure the progress and performance of the Company over time when discharging its duties as set out on page 68. These KPIs are established industry measures.

The one, five and ten year records of the KPIs can be found on pages 22 to 27. Further discussion is included in the Chair's statement on pages 07 to 09.

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

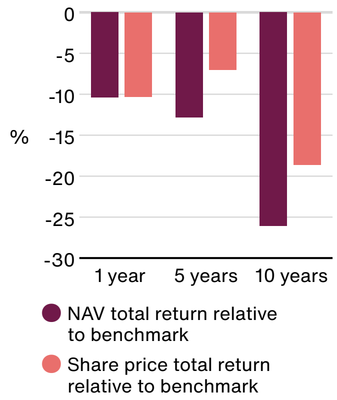
Across these measures, the Board looks for relative outperformance over the long term, while remaining mindful that the nature of the Investment Policy and the growth characteristics of the portfolio investments may entail periods of underperformance over the short and medium term. The Board is disappointed with the performance of the Company during the year but is satisfied with the Manager's explanation of the reasons for the underperformance. The Board is satisfied that the ongoing charges ratio is competitive.

Net asset value total return relative to the benchmark*

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

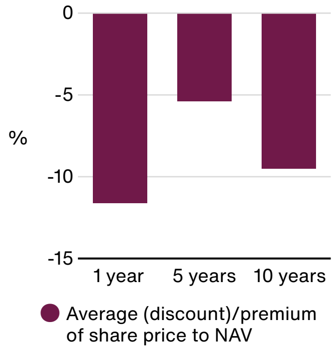
Share price total return relative to the benchmark*

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



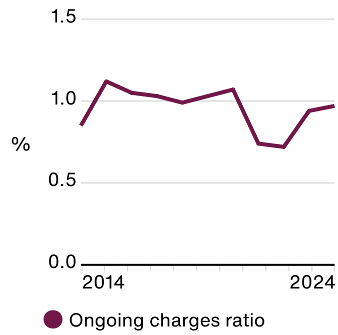
Share price (discount)/premium*

As stock markets 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 it is said to be trading at a discount. If the share price is higher than the NAV, this situation is called a premium.



Ongoing charges ratio*

The ongoing charges ratio is the total recurring expenses (excluding the Company's cost of dealing in investments and borrowing costs) incurred by the Company as a percentage of the daily average NAV. Without the management fee waiver (see page 26) the ongoing charges ratio for 2021 would have been 1.0% and in 2022 0.8%. The Board has an ongoing charges target of 1.0% or less.



* Alternative performance measure – see Glossary of terms and alternative performance measures on pages 126 to 128.

Past performance is not a guide to future performance.

Borrowings

The Company employs gearing, as set out in the Investment Policy. The Company has in place a two year revolving credit facility for US$40 million with Royal Bank of Scotland (International) Limited which expires on 13 April 2024. The Board are in discussions with lenders regarding renewal.

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 (including climate change) detailed on pages 32 to 38, 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 Directors have also considered the Company's leverage and liquidity in the context of the revolving credit facility which expires in April 2024 (which they are seeking to renew) with specific leverage and liquidity stress testing conducted during the year, including consideration of the risk of further market volatility resulting from increasing geopolitical tensions.

In addition, the Board and the Managers monitor the covenant levels included in the revolving credit facility regularly. Although the Directors do not envisage difficulty refinancing this facility, 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. 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.

Principal and emerging risks

As explained on pages 72 and 73 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. 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. There have been no significant changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below:

Financial risk

What is the risk?

The Company's assets consist mainly of listed securities (91.5% of the investment portfolio) and its principal and emerging financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 18 to the Financial Statements on pages 107 to 112.

How is it managed?

The Board has, in particular, considered the impact of increasing market volatility due to macroeconomic factors such as higher inflation and interest rates and geopolitical concerns. In order to oversee this risk, the Board considers at each meeting various metrics including industrial sector weightings, top and bottom stock contributors to performance along with sales and purchases of investments. Individual investments are discussed with the portfolio manager together with general views on the investment markets and sectors. A strategy session is held annually.

Current assessment of risk

This risk is increasing due to increased market volatility as a result of increasing macroeconomic and geopolitical concerns.

Investment strategy risk

What is the risk?

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.

Poor investment performance, including through inappropriate asset allocation, leads to value loss for shareholders in comparison to the benchmark or the peer group.

How is it managed?

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 liquidity policy. The strategy is considered in the context of developments in the wider financial services industry.

The performance of the Managers 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 regularly reviews and monitors the Company's objective and investment policy and strategy.

Current assessment of risk

This risk is increasing as the market's appetite for growth stocks, typically held by the Company, has decreased during the recent period of increasing macroeconomic and geopolitical concern.

Increasing Risk Decreasing Risk No Change

Risk	What is the risk?	How is it managed?	Current assessment of risk
Discount risk	The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company.	To manage this risk, the Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders.	The Company's discount widened during the year (see chart on page 2). The Company has been buying back shares during the year to 31 January 2024.
Regulatory risk	Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the FCA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. Changes to the regulatory environment could negatively impact the Company.	To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.	All control processes are working effectively. There have been no material regulatory changes that have impacted the Company during the year.

Increasing Risk Decreasing Risk No Change

Custody and Depositary risk

What is the risk?

Safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security.

How is it managed?

To mitigate this risk, the Audit Committee receives six-monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers who also agree uncertificated private portfolio holdings to confirmations from investee companies.
The Custodian's audited internal controls 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 investigated.
In addition, the existence of assets is subject to annual external audit.

Current assessment of risk

All control procedures are working effectively.

Operational risk

What is the risk?

Failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets.

How is it managed?

To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster.
The Audit Committee reviews Baillie Gifford's Report on Internal Controls and the reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit Committee and any concerns investigated.
In the year under review, the other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.

Current assessment of risk

All control procedures are working effectively.

Increasing Risk Decreasing Risk No Change

Leverage risk

What is the risk?

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.

How is it managed?

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 and gearing levels are discussed by the Board and the Managers at every meeting. Covenant levels are monitored regularly by the Board and the Managers.

Current assessment of risk

No significant change in risk level. The Company continues to deploy gearing and has a revolving credit facility in place which expires in April 2024. The board are seeking to renew the loan facility.

Climate and governance risk

What is the risk?

As investors place increased emphasis on climate change and other Environmental, Social and Governance ('ESG') issues, perceived problems with these matters in an investee company could lead to that company's shares being less attractive to investors, adversely affecting its share price. In addition, potential valuation issues could arise from any direct impact of the failure to address the ESG weakness on the operations or management of the investee company (for example in the event of an industrial accident or spillage). Repeated failure by the Investment Manager to identify climate/ ESG weaknesses in investee companies could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price.

How is it managed?

As described on page 74, the consideration of ESG (including climate change) is a core component of Baillie Gifford's investment process, with the Board overseeing and challenging Baillie Gifford on ESG matters. The Board meet with the Investment Manager and discuss the investment portfolio, including the application of Baillie Gifford's ESG framework. Baillie Gifford's Governance and Sustainability team undertake specific ESG reviews on investment portfolios.

Current assessment of risk

The Investment Manager continues to employ strong ESG stewardship and engagement policies.

Increasing Risk Decreasing Risk No Change

	What is the risk?	How is it managed?	Current assessment of risk
Cyber security risk	A cyber-attack on Baillie Gifford's network or that of a third party service provider could impact the confidentiality, integrity or availability of data and systems.	The Audit Committee reviews Reports on Internal Controls published by Baillie Gifford and other third party service providers. Baillie Gifford's Business Risk Department report to the Audit Committee on the effectiveness of information security controls in place at Baillie Gifford and its business continuity framework. Cyber security due diligence is performed by Baillie Gifford on third party service providers which includes a review of crisis management and business continuity frameworks.	This risk is seen as increasing due to recent indications that the continuation of geopolitical tensions could lead to cyber attacks. Emerging technologies, including AI, could potentially increase information security risks. In addition, service providers operate a hybrid approach of remote and office working, thereby increasing the potential of a cyber security threat.
Single country risk	The Company invests 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.	This risk is seen as increasing due to concerns over geopolitical risks.

Increasing Risk Decreasing Risk No Change

Emerging market risk

What is the 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, 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. Geopolitical tensions between the US and China, in particular relating to Taiwan, remain heightened with the potential for further sanctions to be imposed. Investing in China is often through contractual structures, such as Variable Interest Entities ('VIEs', see Glossary of terms and alternative performance measures on page 128) that are complex and could be open to challenge.

How is it managed?

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.
The Board monitors the risks associated with any complex investment structures, including the proportion of investments held in VIEs (estimated to be 28% as at 31 January 2024).

Current assessment of risk

Rising concerns over geopolitical risk.

Unlisted securities

What is the risk?

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

How is it managed?

Baillie Gifford conducts appropriate due diligence in respect of all unlisted investments, and has an established valuation approach (as described on page 52), which is carefully reviewed by the Board.

Current assessment of risk

No change in assessment of risk.

Increasing Risk | Decreasing Risk | No Change

Emerging risk	As explained on pages 72 to 74, the Board has regular discussions on principal risks and uncertainties, including any risks which are not an immediate threat but could arise in the longer term. The Board considers that the key emerging risks arise from the interconnectedness of global economies and the related exposure of the investment portfolio to external and emerging threats such as escalating geopolitical tensions, cyber security risks including developing AI and quantum computing capabilities, and new coronavirus variants or similar public health threats. This is mitigated by the Board discussing at each Board meeting the impact of such threats on both markets globally and also more specifically on the Chinese market. This is mitigated by the Managers' close links to the investee companies and their ability to ask questions on contingency plans. The Managers believe the impact of such events may be to slow growth rather than to invalidate the investment rationale over the long term. The Company also monitors its service providers to ensure there is adequate business continuity.

Promoting the success of the Company (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 to be: its existing and potential new 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.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements.

The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out below.

Stakeholder	Why we engage	How we engage and what we do
Shareholder	Shareholders are, collectively, the Company's owners: providing them with a return for their investment in accordance with the Company's investment policy and objective is the reason for its existence.	The Board places great importance on communication with shareholders. The Annual General Meeting provides an opportunity for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. The Chair and Senior Independent Director ('SID') are available to meet with shareholders independently of the Managers as appropriate. The Managers meet regularly with shareholders and their respective representatives, reporting their views back to the Board. Directors also attend certain shareholder presentations, in order to gauge shareholder sentiment first hand. Shareholders may also communicate with members of 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 page 129). These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all shareholders over the long term.
Baillie Gifford – Managers and Secretaries	The Company's Board has delegated the management of the Company's portfolio, and the administration of the Company's operations including fulfilment of regulatory and taxation reporting requirements, to Baillie Gifford. Baillie Gifford is therefore responsible for the substantial activities of the Company and has the most immediate influence on its conduct towards the other stakeholders, subject to the oversight and strategic direction provided by the Board.	The Board seeks to engage with its Managers and Secretaries, and other service providers, in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Portfolio companies	As all of the Company's operations are conducted by third party professional providers, it is the companies held in its investment portfolio which have the primary real-world impact in terms of social and environmental change, both positively and negatively, as well as generating, through their commercial success, the investment growth sought by the Company's shareholders. The investee companies have an interest in understanding their shareholders' investment rationale in order to assure themselves that long-term business strategies will be supported.	The Board is cognisant 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. The Board's review of the Managers includes an assessment of their ESG approach and its application in making investment decisions. The Board regularly reviews Governance Engagement reports, which document the Managers' interactions with investee companies on ESG matters (see pages 42 to 48).
Brokers	The Company's brokers provide an interface between the Company's Board and its institutional shareholders.	The Company's brokers regularly attend Board meetings, and provide reports to those meetings, in order to keep the Board apprised of shareholder and wider market sentiment regarding the Company. They also arrange forums for shareholders to meet the Chair, or other Directors, outwith the normal general meeting cycle.

Stakeholder	Why we engage	How we engage and what we do
Registrars	The Company's registrars provide an interface with those shareholders who hold the Company's shares directly.	The Company Secretaries liaise with the registrars to ensure the frequency and accuracy of communications to shareholders is appropriate, and monitor shareholder correspondence to ensure that the level of service provided by the registrars is acceptable. The Managers' risk function reviews the registrars' internal controls report and reports on the outcome of this review to the Audit Committee.
Auditor	The Company's Auditor has a responsibility to provide an opinion on whether the Company's Financial Statements as a whole are free from material misstatement, as set out in more detail in the Auditor's report to the members on page 85.	The Company's Auditor meets with the Audit Committee, in the absence of the Managers where deemed necessary, and the Managers undertake to provide all information requested by the Auditor in connection with the Company's annual audit promptly and to ensure that it is complete and accurate in all respects.
Depositary and Custodian	The Depositary is responsible for the safekeeping of the Company's financial instruments, as set out in more detail on page 63.	The Depositary provides the Audit Committee with a report on its monitoring activities. The Board and Managers seek to engage with the Depositary and Custodian in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, while also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company's shareholders are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.
Lenders	Lenders such as holders of debt instruments (debentures, bonds and private placement loan notes) and banks providing fixed or revolving credit facilities or overdrafts provide the Company's gearing and have an interest in the Company's ongoing financial health and viability.	The Company's legal advisers review all legal agreements in connection with the Company's debt arrangements and advise the Board on the appropriateness of the terms and covenants therein. The Managers and Secretaries ensure that the frequency and accuracy of reporting on, for example, covenant certification, is appropriate and that correspondence from the lenders receives a prompt response.
AIC/industry peers	The Association of Investment Companies ('AIC') and the Company's investment trust industry peers have an interest in the Company's conduct and performance, as adverse market sentiment towards one investment trust can affect attitudes towards the wider industry.	The Company is a member of the AIC, and the Directors and/or the Managers and Secretaries (as appropriate) participate in technical reviews, requests for feedback on proposed legislation or regulatory developments, corporate governance discussions and/or training.
Investment platforms	Investment platforms provide an interface with shareholders who invest in the Company indirectly.	The Managers liaise with the various investment platforms on strategies for improving communications with the Company's shareholders who hold their shares via these platforms. An annual timetable of key dates is published on the Company's website, for the ease of reference of such shareholders.
Wider society and the environment	No entity, corporate or otherwise, can exist without having an influence on the society in which it operates or utilising the planet's resources. Through its third-party relationships, as noted above, the Company seeks to be a positive influence and, in circumstances where that is not possible, to mitigate its negative impacts insofar as is possible.	The Board and Managers' interactions with the various stakeholders as noted above form the principal forms of direct engagement with wider society and in respect of the environment (commercial, financial, and in terms of planetary health and resources).

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 include:

- as part of ongoing Board succession and refreshment, the appointment and induction of Nicholas Pink to the Board, with effect from 1 September 2023. The Board believes his considerable knowledge and experience will be a great benefit to the Company. Details of his relevant skills and experience are provided on page 60;
- the purchase of 160,700 of the Company's own shares into treasury at a discount to net asset value, for subsequent reissue, in order to ensure the Company's shareholders found liquidity for their shares when natural market demand was insufficient, and on terms that enhance net asset value for remaining shareholders; and
- the Board's decision to declare a final dividend of 2.00p.

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 matters are provided below.

Gender representation

At 31 January 2024, and at the date of this report, the Board comprised five Directors, three male and two female. The Company has no employees. The Board's policy on diversity is set out on pages 71 and 72.

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 74.

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 7 and 9 and the Managers' report on pages 10 to 16.

The Strategic report, which includes pages 7 to 57 was approved by the Board of Directors and signed on its behalf on 2 April 2024.

Susan Platts-Martin
Chair

Managers' report on environmental, social and governance engagement

China's economy has high state ownership and a large industrial base. Coupled with decades of high growth under an evolving legal and regulatory system, this results in an index in which many companies score poorly on ESG data metrics. This can be compounded by a lack of disclosure and the difficulties of language and reporting. Herein lies the opportunity.

We believe that ESG has a material impact on companies' growth opportunities, competitive advantages and, ultimately, long term share price performance. As such, key ESG matters are routinely considered as part of the investment case and are built into the research framework that we use for the Company. Indeed, the first question that we ask of all potential investments is, 'does this company contribute to or benefit from China's economic, societal or environmental development, and what is the global context?' This question encourages us to think broadly about various stakeholders, including the government, that materially impact companies' long-term success. This is supplemented by our due diligence checklist which includes a consideration of corporate governance, executive remuneration and board structure, sustainability of business practices, and environmental and social impact (extract in Box 1).

In the reporting period, we started to use the updated checklist with one additional question on Good Governance standards to reflect our explicit monitoring process regarding the change of Sustainable Finance Disclosure Regulation ('SFDR') rules. The carbon-specific question also expands to wider climate approaches and environmental protective measures to broadly capture the environmental efforts of the current and potential investee companies (extract in Box 1).

Where companies are found lacking, engagement is our preferred approach. Indeed, we believe that investors, companies and society stand to benefit if we can play a role in pushing businesses towards improved standards of governance, behaviour and performance. As such, we seek to engage with the companies in which we invest in order to help them towards industry best practice. We seek a commitment from these companies to constantly improve their standards and we hold them to account.

Data

Given the meteoric rise of ESG-influenced investing, you'd be forgiven for thinking there was already enough relevant data to guide decisions. But this is far from the truth, particularly in China. Despite decades of research into corporate responsibility, growing interest in sustainable finance, and an entire industry devoted to churning out ESG data, there are still significant gaps in our knowledge.

To start to overcome this, our investment approach draws on a broad range of sources of insight, from company visionaries to academic experts to data providers. They help us to meaningfully inform, support or challenge our contentions about the long-term prospects of companies, including their governance and sustainability. We are mindful of the adage 'not everything that can be counted counts, and not everything that counts can be counted'. Investors are increasingly faced with a barrage of ESG data and ratings which are often inconsistent, incomplete, and incomparable. We view data not as a checklist of boxes to be mechanically ticked off, but instead as the starting points for meaningful conversations with companies and stakeholders. Recognising the intangible nature of corporate character, our approach must be more nuanced and qualitative.

The following selected data points illustrate the importance of such nuance and the questions that we seek to explore through our broader analysis and company engagement. Data points are shown in relation to the index (MSCI China All Share) for the period from 1 February 2023 to 31 January 2024. It should be noted that there are some gaps in data and particularly for the private companies included in the Company's portfolio.

Box 1
Environmental and social due diligence checklist for Baillie Gifford China Growth Trust

Does this company contribute to or benefit from China's cultural, economic or societal development, and what is the global context?

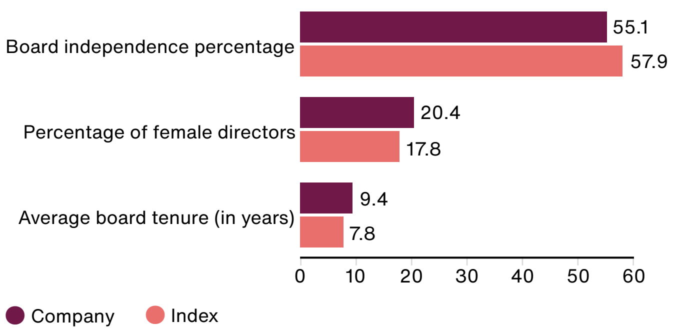
- What are the material ESG topics the company identifies for themselves?
- Does the company have a robust approach to climate change and wider environmental issues (incl. carbon disclosure, climate targets, net zero path)?
- Is the company compliant with the United Nations Global Compact? If not, why?
- How is the company rated by external research providers? Do we agree with these ratings? If not, why not?
- Are there any red flags and/or areas for company engagement?
- Does the company uphold Good Governance Standards (incl. UNGC Principles 3 and 10, accounting, tax)?

Board membership

What it is – We look to company boards to provide effective oversight. Typical data points on board composition are shown below in relation to the index (MSCI China All Share).

What does the data tell us – Board independence is particularly nuanced given the bias of this portfolio to founder firms (such as Kingsoft, LONGi, Alibaba) along with the presence of some state-owned enterprises (including Kweichou Moutai). There was no significant change during the reporting period. A lack of independence with no extenuating context is a cause for engagement and further investigation.

In 2023, the number of female directors on boards for our portfolio remained approximately the same as in 2022, while the index saw a slight increase. Meanwhile, we have been encouraging holdings with all-male boards to seek female candidates to increase gender diversity. For example, we have engaged with Meituan on this indicator since 2021 and recommended potential candidates to the company upon request. Meituan successfully appointed a female independent non-executive board director in mid-2023. We expect to see an even lower number of holdings with all-male boards in 2024, as companies like Proya and China Merchants Bank are actively seeking female board members for board re-election this year. Apart from gender diversity, background and the role of board members, long-term board tenure, and over boarding are also indicators that we actively engage in.



Ownership

What it is – The table below highlights the range and concentrations of different ownership structures held within the public companies in the portfolio. An explanation of the definitions is included below the table. Data for 13 companies is missing so the totals showing for the Company only add up to 80.2%.

What does the data tell us – Whereas the index is heavily invested in state-owned enterprises, nearly two-thirds of our portfolio is invested in companies that are founder or family owned. This can be important for many reasons, including allowing companies to take decisions against the grain of short term demands of many market participants. It often takes influential and visionary leadership, backed by aligned and patient shareholders, for a company to spearhead disruptive change while remaining focused on its long-term mission. However, the data doesn't tell us about the founder's other business activities, the depth of the management team, or attitudes towards shareholder rights and other stakeholders. Our focus is therefore on the fundamental research and ongoing engagement to determine what works in practice for each company. Compared with last year, one noticeable difference is a relative increase in the percentage of controlled companies. This is due to a higher availability of company data.

Owner Type	Index %	Company %
Controlled	24.3	9.1
Principal	10.8	5.5
Founder firm	46.6	58.1
Family firm	2.6	5.8
Widely held	1.3	1.7

Controlled

A Controlled company is one where the largest shareholder or shareholder group holds 30% or more of the voting rights.

Principal shareholder

A company with a Principal shareholder is one where the largest shareholder or shareholder group holds between 10% and 30% of the voting rights.

Founder firm

Founder serves as Chairman or CEO or retains significant influence at the company.

Family firm

Family holds 10% or more of the voting rights and maintains at least one board seat.

Widely held

A widely held company has no identified shareholder or shareholder group holding greater than 10% of the voting rights.

UN Global Compact Alignment

What it is – This indicator uses company alignment with the ten UN Global Compact ('UNGC') Principles as a proxy for social performance and exposure to corporate controversies, which can be found at **unglobalcompact.org/what-is-gc/mission/principles**. The chart shows the percentage of the portfolio assessed by a third party data provider as 'compliant'.

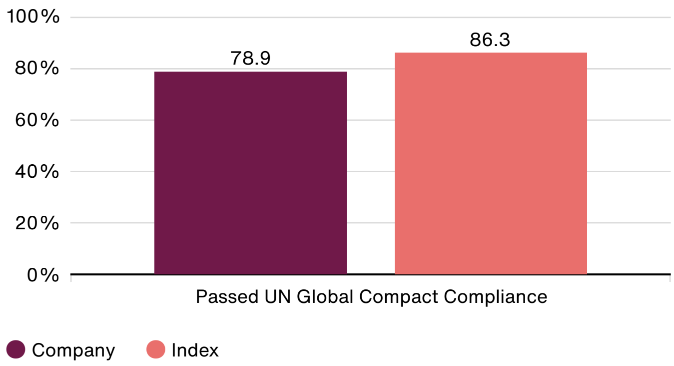
What does the data tell us – The data suggests that the majority of holdings are compliant and conduct themselves responsibly in regard to society and the planet. One is assessed as non-compliant by a third party and one is on the watchlist. There is no data for two of our holdings (10.5% of the portfolio).

Zijin Mining remains on the data providers' watchlist and it is also on another third party's non-compliance list. We have laid out a 3-year engagement plan. During the reporting period, we engaged with the company on its approach to human rights, community relations building, and environmental topics. Our ESG analysts have paid in-person visits to its operations in Xinjiang and to its Shanghang headquarters and spoke with the director who oversees ESG.

Li-Ning successfully left the watchlist and was reassessed as compliant following strengthened disclosure and enhanced conversation with the third party as we suggested. It was a reminder of the limitations of data providers and the importance of filling the information gap which both companies and investors should make efforts to do.

Tencent remains non-compliant on a third party list with Principle 2 of the UN Global Compact for allegations of complicity in human rights abuses. Our research and engagement lead us to conclude that the company is taking action to the greatest extent possible to comply with domestic legislation while also attempting to comply with international norms. We keep an annual ESG dialogue with Tencent and will continue to keep this on our watchlist for enhanced due diligence.

Our expectation for all companies we hold is that they will respect internationally accepted human rights and labour rights throughout their business operations and value chain. This includes the management of exposure to labour and human rights risks and encouraging positive relationships with local communities.

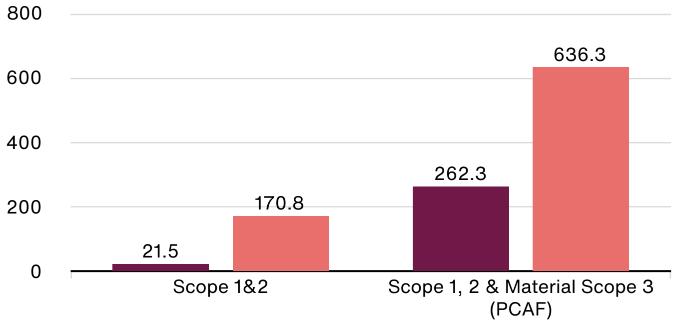


Carbon performance

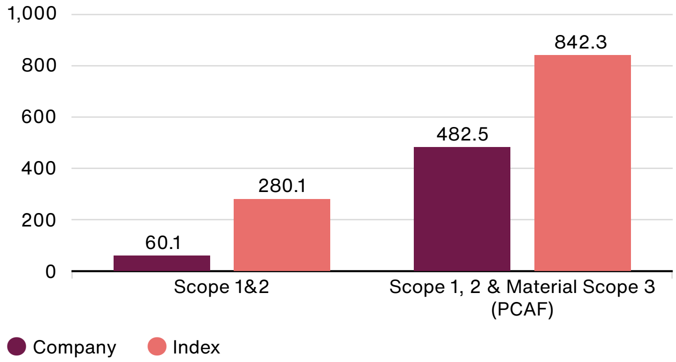
Addressing climate change is one of the most significant challenges of our time. From shifting weather patterns that threaten food production and disrupt supply chains, to rising sea levels that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Growing societal pressure and regulatory action are combining with the physical impacts of climate change to create new risks and opportunities for companies. As long-term investors, we must take cognisance of these to understand the implications for long-term value creation.

What it is – Carbon footprint analysis identifies the largest direct emitters and helps to prioritise research and engagement activities. The relative carbon footprint compares the total carbon emissions of the portfolio with the index per US$1 million invested. Weighted Average Carbon Intensity is the sum product of the portfolio constituent weights and intensities of Carbon Intensity (the total carbon emissions per US$1 million of revenue generated and shows the efficiency of the portfolio in terms of emissions per unit of financial output). These intensity measures allow comparison of emissions across companies of different sizes and in different industries. We recognise that carbon footprinting and emissions intensity analysis is imperfect. Beyond simple concerns about data accuracy and availability, this analysis can only tell us where a company is – not where it is going. This is why we see it as a starting point and not the end.

Carbon footprint (tCO2e/US$ million invested)



Weighted average carbon intensity (tCO2e/US$ million revenue)



Scope 1 emissions are those deriving directly from company activities (i.e. stack emissions and fuel use); Scope 2 emissions arise indirectly as a result of electricity use. Emissions within these scopes are reasonably under the control of the company and can be expected to be calculated by all companies. We are continuing to engage with companies and research providers on the availability, comparability and robustness of Scope 3 emissions – those that result from activities of assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain.

What does the data tell us – The data demonstrates lower carbon intensity and relative carbon than the index (MSCI China All Share). The Weighted Average Carbon Intensity tCO2e/US$ million revenue for Scope 1, 2 and those material Scope 3 emissions are also below the benchmark. In terms of top emission contributors of the portfolio, we have seen a big change in top emitters. This is mainly due to the expanding coverage of Scope 3 emissions in our reporting.

We added an additional category of 'material' Scope 3 emissions to our reporting in line with the recommendations of the Partnership for Carbon Accounting Financials ('PCAF'). Material Scope 3 emissions are the Scope 3 emissions from entities operating in certain sectors where such emissions are particularly significant. In the prior year's report this covered the oil and gas and mining sectors, however for this report it also includes the transportation, construction, buildings, materials and industrial activities sectors, per PCAF guidance. Material Scope 3 emissions are therefore very likely to be higher for current year compared to the prior year.

ESG: It's case-by-case

We believe that governance really matters with respect to long-term investment performance. Good governance is linked to good environmental and social performance. Our ongoing assessment of corporate governance issues may change our view on buying, selling or resizing our clients' holdings. It also determines how we choose to vote at company meetings and how we engage with management, the two principal levers we have for influencing change. Just as there is no universally 'right' way to invest in the stock market, or to manage a pension fund, there is no 'one-size-fits-all' step-by-step approach to corporate governance. We are open minded about what is the most appropriate way to govern and manage a company, and we are pragmatic about the significant differences in what is expected and the options available to companies across the world. The following three examples highlight our approach to engagement.

Box 2
Supporting the battery manufacturing champion – Contemporary Amperex Technology Co, Ltd ('CATL')

CATL is a champion in power battery systems, energy storage batteries, and battery materials. It is now the world's largest battery maker with about 38% of the global market share and it has a broad range of business relationships globally including major automotive OEMs.

Our engagement with CATL strengthened in 2023. As one of the two long-term investors being invited, we went on a site visit to CATL's zero carbon factory located in Yibin, Sichuan with a group of suppliers to learn more about the company's decarbonization strategy and progress towards its carbon neutrality goal of 2025 on core operations and of 2035 across value chains. CATL also recently formed a team under the Board Director Office to liaise with institutional investment managers. Through this connection, we are able to explain our investment philosophy and the way we integrate ESG into investment, ask questions, and share our expectations on CATL's ESG plan and disclosure in more detail. We value the important role CATL plays in leading the battery manufacturing industry in terms of decarbonisation and supply chain due diligence. Its potential impact on formulating the global rules on the battery passport sitting on the board of the Global Battery Alliance would be significant. We are proud to support the company alongside the sustainable journey and contribute to the energy transition.

Topics to further monitor and improve include its near-term renewable energy expansion in its power supply to meet the approaching timeline of carbon neutrality, higher transparency of the CREDIT* programme launched in 2022 aiming at supplier auditing, and the measures to secure board stability. We will continue to discuss these topics with the company.

* CREDIT stands for carbon footprint, recycling, energy, due diligence, innovation and transparency

Box 3
Continuing to engage on social and environmental performance – Zijin Mining

Zijin Mining is a large state-owned metals and mining company. The historic focus has been on gold, but the recent two areas Zijin emphasised as crucial for their growth and societal contribution are copper and lithium, key to energy transition and storage.

Following email exchanges and online meetings in 2022, we conducted field trips to two of Zijin's domestic operation sites and further strengthened our dialogue with the company in 2023. During the visit to Zijin Ashele copper mine in Xinjiang, we got the chance to speak with the employees and residents in surrounding communities to gain a first-hand impression of the company's employment and community relations building in practice. The company confirmed its employment base in Xinjiang and reassured the investors with their strong commitments to no forced labour and open recruitment. The staff are composed of Han, Kazaks, and Hui people. Safety measures in Ashele have been recommended by the China Occupational Safety and Health Association to other mining organisations in the country.

We met the management in Shanghang, Fujian province, where Zijin was established and is headquartered. We had a visit to the open pit of the Zijinshan gold and copper mine which now serves as a model and demonstration site well known for its green practices like the recovery and rehabilitation of land while developing. We had an in-depth conversation with the group director who oversees ESG and discussed topics on environmental protection and social practices. He emphasised that Zijin complies with the stricter regulations and standards of the PRC and countries of operation. On the group level, Zijin is reviewing subsidiary companies, engaging with a wider range of stakeholders, building internal capacity on human rights due diligence specifically, and auditing to international standards.

The onsite visits and face-to-face exchanges further build up our convictions that the company keeps improving and that the direction of travel is positive. We decided to close some of our engagement objectives as having been achieved but will continue to follow-up. The engagement focus will incline to Zijin's domestic decarbonisation pathway and human rights issues in overseas operations.

Box 4
Establishing an internal watchlist based on our own in-house research and engagement – Tencent

Tencent was deemed to be UNGC non-compliant by a data provider with UN Global Compact Principle 2 in Q4 2022. An increase in media reports accusing the company of engaging in censorship and surveillance of its users on behalf of the Chinese government drove the change. We engaged with the company shortly after the assessment and continued to follow up on the company's approaches to data access and privacy in our annual ESG meetings. Meanwhile, we expanded our own research by commissioning a study by leading human rights theorist Professor Jack Donnelly at the University of Denver, to assist us in assessing complex human rights cases such as Tencent. To enhance our analysis further, we invited another distinguished academic with deep expertise in the UN process, as well as a leading university research institute, to provide us with additional independent challenge and insight.

The company states that they respond to valid legal requests across all jurisdictions where they offer products and services. The veracity of third party requests is reviewed internally. The legal department reviews all court orders to ensure compliance with local laws and regulations. In addition to public disclosure, we inquired if the company had ever turned down government requests for the protection of user data. The answer was yes, but no percent or examples could be disclosed. We highly suggest more transparency on this front, but we also think it is fair to argue that Tencent has displayed the necessary policies and internal procedures to demonstrate compliance regarding data governance and privacy to meet UN Global Compact Standards.

Since China released two data protection laws, Tencent has updated its product interfaces, data policies and mechanisms, and evolved technologies. A new data security management task force has been established to execute and coordinate across the groups. Recognising the company is taking action to the greatest extent possible to comply with domestic legislation while also attempting to align with international norms, we proposed to place it on our internal UNGC watchlist and would continue to monitor any data-related measures and disclosure.

We also make sure that Tencent's positive contributions to SME development, innovative technologies improving the power usage effectiveness and ethnic designs in gaming are not overshadowed by the UNGC compliance challenge. Embracing the bright sides are equally important as managing the downside risks.

Baillie Gifford – proxy voting

How are we voting?

Thoughtful voting of our clients' holdings is an integral part of our commitment to stewardship. We believe that voting should be investment led, because how we vote is an important part of the long-term investment process, which is why our strong preference is to be given this responsibility by our clients. The ability to vote our clients' share also strengthens our position when engaging with investee companies.

We look for high quality management teams and governance structures supportive of long-term investment opportunities. The graph on the right shows our voting for the Baillie Gifford China Growth Trust in the reporting period. It is no surprise that as long-term owners, seeking to invest in a relatively small number of exceptional companies, we are generally supportive of management. Where we disagree or where our engagement has been unsuccessful, there are cases where we will vote against management. For example, during the reporting period, we opposed the nomination of an independent director who was involved in past controversies and criticized by the Shanghai Stock Exchange recently. We find it concerning that he would be joining the board as an Audit Committee Chair, the most important role at the core committees.

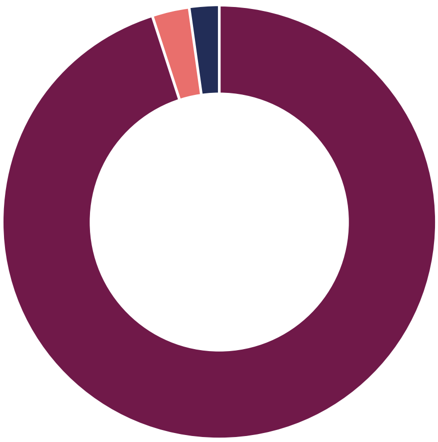
Our central voting team is also in the process of updating our General Principles and market-based guides for voting, which will serve as a living reference document to all things related to proxy voting. The jurisdiction sheets will capture market-specific context and reflect the latest regulations of each market.

The data

All data is pulled from MSCI, Sustainalytics, ISS and BoardEx, via the Factset platform along with some internal sources. It is fact checked by our ESG analysts and is considered correct at the time of writing. The data covers the calendar year 2023.

For more detail, please see **bailliegifford.com/en/uk/individual-investors/literature-library/miscellaneous/investment-stewardship-activities-report/**

Baillie Gifford China Growth Trust proxy voting record 2023



	%	Votes
Votes for	95	1,148
Votes against	3	36
Abstain	2	24
No Vote	0	0
Total	**100**	**1,208**

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data 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.

Baillie Gifford – statement on stewardship

Baillie Gifford's overarching ethos is that we are 'Actual' investors. That means we seek to invest for the long term. Our role as an engaged owner is core to our mission to be effective stewards for our clients. As an active manager, we invest in companies at different stages of their evolution across many industries and geographies, and focus on their unique circumstances and opportunities. Our approach favours a small number of simple principles rather than overly prescriptive policies. This helps shape our interactions with holdings and ensures our investment teams have the freedom and retain the responsibility to act in clients' best interests.

Long-term value creation

We believe that companies that are run for the long term are more likely to be better investments over our clients' time horizons. We encourage our holdings to be ambitious, focusing on long-term value creation and capital deployment for growth. We know events will not always run according to plan. In these instances we expect management to act deliberately and to provide appropriate transparency. We think helping management to resist short-term demands from shareholders often protects returns. We regard it as our responsibility to encourage holdings away from destructive financial engineering towards activities that create genuine value over the long run. Our value will often be in supporting management when others don't.

Alignment in vision and practice

Alignment is at the heart of our stewardship approach. We seek the fair and equitable treatment of all shareholders alongside the interests of management. While assessing alignment with management often comes down to intangible factors and an understanding built over time, we look for clear evidence of alignment in everything from capital allocation decisions in moments of stress to the details of executive remuneration plans and committed share ownership. We expect companies to deepen alignment with us, rather than weaken it, where the opportunity presents itself.

Governance fit for purpose

Corporate governance is a combination of structures and behaviours; a careful balance between systems, processes and people. Good governance is the essential foundation for long-term company success. We firmly believe that there is no single governance model that delivers the best long-term outcomes. We therefore strive to push back against one-dimensional global governance principles in favour of a deep understanding of each company we invest in. We look, very simply, for structures, people and processes which we think can maximise the likelihood of long-term success. We expect to trust the boards and management teams of the companies we select, but demand accountability if that trust is broken.

Sustainable business practices

A company's ability to grow and generate value for our clients relies on a network of interdependencies between the company and the economy, society and environment in which it operates. We expect holdings to consider how their actions impact and rely on these relationships. We believe long-term success depends on maintaining a social licence to operate and look for holdings to work within the spirit and not just the letter of the laws and regulations that govern them. Material factors should be addressed at the board level as appropriate.

Baillie Gifford – valuing private companies

We aim to hold our private company investments at ‘fair value’ i.e. the price that would be paid in an open-market transaction. Valuations are adjusted both during regular valuation cycles and on an ad hoc basis in response to ‘trigger events’. Our valuation process ensures that private companies are valued in both a fair and timely manner.

The valuation process is overseen by a valuations committee at Baillie Gifford which takes advice from an independent third party (S&P Global). The portfolio managers feed into the process, but the valuations committee owns the process and the portfolio managers only receive final valuation notifications once they have been applied.

We revalue the private holdings on a three-month rolling cycle, with one-third of the holdings reassessed each month. For investment trusts, the prices are also reviewed twice per year by the respective investment trust boards and are subject to the scrutiny of external auditors in the annual audit process.

Continued market volatility has meant that recent pricing has moved much more frequently than would have been the case with the quarterly valuations cycle. Beyond the regular cycle, the valuations team also monitors the portfolio for certain ‘trigger events’. These may include: changes in fundamentals; a takeover approach; an intention to carry out an initial public offering; or changes to the valuation of comparable public companies. The valuations team also monitors relevant market indices on a weekly basis and updates valuations in a manner consistent with our external valuer’s (S&P Global) most recent valuation report where appropriate. When market volatility is particularly pronounced the team do these checks daily. Any ad hoc change to the fair valuation of any holding is implemented swiftly and reflected in the next published net asset value. There is no delay.

More information specific to the valuation of ByteDance, the unlisted holding held by Baillie Gifford China Growth Trust can be found in note 9, on page 104.

The Independent Auditor’s report on page 89 explains the procedures carried out by the external Auditor on the private companies (unquoted investments) as part of their audit.

List of investments

at 31 January 2024

Name	Business	Value £'000	% of total assets
ByteDance⊕	Social media and entertainment company	10,551	8.4
Tencent	Social media and entertainment company	9,330	7.4
Alibaba Group	Online retailer, payments and cloud business	9,249	7.4
Kweichow Moutai	Luxury baijiu maker	7,447	5.9
China Merchants Bank	Consumer lending and wealth management	4,133	3.3
Zijin Mining Group	Renewable energy enabler	3,969	3.2
Ping An Insurance	Life and health insurance	3,741	3.0
NetEase	Gaming and entertainment business	3,220	2.6
Zhejiang Sanhua Intelligent Controls	Heating and cooling component manufacturer	3,202	2.6
Midea Group	White goods and robotics manufacturer	3,077	2.5
BeiGene	Immunotherapy biotechnology company	2,811	2.2
Meituan	Online food delivery company	2,759	2.2
Weichai Power	Construction machinery and heavy duty trucks	2,756	2.2
Fuyao Glass Industry Group	Automotive glass manufacturer	2,550	2.0
PROYA	Cosmetics and personal care company	2,527	2.0
PDD Holdings	Broadline retail	2,354	1.9
Shenzhou International	Garment manufacturer	2,290	1.8
CATL	Electric vehicle battery maker	2,263	1.8
ENN Energy	Gas distributor and provider	2,138	1.7
Silergy	Semiconductors and semiconductor equipment	2,118	1.7
Shandong Sinocera Functional Material	Advanced materials manufacturer	2,044	1.6
Centre Testing International	Electrical components and equipment	1,953	1.6
Guangzhou Kingmed Diagnostics	Diagnostics company	1,933	1.5
Shenzhen Inovance Technology	Factory automation company	1,850	1.5
Brilliance China Automotive	Automotive makers and BMW partner	1,784	1.4
Shenzhen Megmeet Electrical	Power electronics manufacturer	1,764	1.4
KE Holdings*	Online real estate	1,726	1.4

Name	Business	Value £'000	% of total assets
Anker Innovations	Technology hardware, storage and peripherals	1,721	1.4
Ping An Bank	SME and consumer lender	1,714	1.4
Li-Ning	Domestic sportswear manufacturer	1,594	1.3
HUAYU Automotive Systems	Automotive parts manufacturer	1,556	1.2
Estun Automation	Robotics and factory automation company	1,438	1.1
BYD	Automobiles	1,312	1.0
SG Micro Corp	Semiconductor designer	1,208	1.0
Yifeng Pharmacy Chain	Drug retailer	1,162	0.9
Yonyou Network Technology	Software for SMEs and corporates	1,141	0.9
Sinocare	Diagnostics and diabetes company	1,124	0.9
Asymchem Laboratories (Tianjin)	Life sciences contract research organisation	1,074	0.9
Kingdee International Software	Software for SMEs and corporates	1,058	0.8
Robam Appliances	White goods manufacturer	1,037	0.8
Sungrow Power Supply	Component supplier to renewables industry	944	0.8
WuXi AppTec	Life sciences contract research organisation	922	0.7
Sunny Optical Technology	Electronic components for smartphones and autos	909	0.7
LONGi	Solar energy provider	830	0.7
Kingsoft	Software for SMEs and corporates	815	0.7
Pop Mart	Toy and collectibles maker	811	0.6
Minth	Automotive parts manufacturer	800	0.6
JD.com	Online retailer	797	0.6
Glodon	Software provider to the construction industry	654	0.5
Jiangsu Azure	Air freight and logistics	629	0.5
Beijing United Information Tec	Industrial ecommerce platform	627	0.5
Topchoice Medical	Dental services provider	588	0.5
Medlive Technology	Medical dictionary and marketing organisation	574	0.5
Hua Medicine (Shanghai)	Diabetes drug manufacturer	546	0.4

Name	Business	Value £'000	% of total assets
New Horizon Health	Early cancer detection	449	0.4
Dongguan Yiheda Automation Co	Industrial machinery	443	0.4
Kinlong	Building products	396	0.3
Yunnan Energy New Material	Component supplier to renewables industry	339	0.3
Total investments		**124,751**	**99.5**
Net liquid assets †		**550**	**0.5**
Total assets		**125,301**	**100.0**
Borrowings		**(5,890)**	**(4.9)**
Shareholders' funds		**119,411**	**95.1**

ⓤ Denotes unlisted holding (private company).

* Includes investments in American Depositary Receipts ('ADRs').

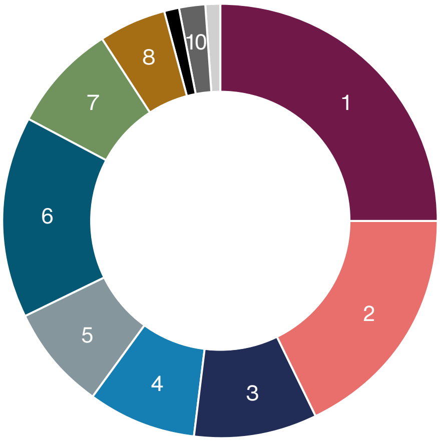
† For a definition of terms used, see Glossary of terms and alternative performance measures on pages 126 to 128.

	Listed equities %	Unlisted securities %	Net liquid assets %	Total assets %
31 January 2024	**91.1**	**8.4**	**0.5**	**100.0**
31 January 2023	94.0	5.7	0.3	100.0

Figures represent percentage of total assets.

Distribution of total assets*

Sector at 31 January 2024



		Sector	2024 %	2023 %
●	1	Consumer discretionary	25	26
●	2	Communication services	18	13
●	3	Consumer staples	9	7
●	4	Financials	8	10
●	5	Healthcare	8	11
●	6	Industrials	15	16
●	7	Information technology	8	9
●	8	Materials	5	5
●	9	Real estate	1	1
●	10	Utilities	2	2
●	11	Net liquid assets	1	Nil

* Total assets represents total net assets before deduction of borrowings.

Governance report

This governance report, which includes pages 59 to 83 outlines the Board's approach to the governance of your Company. We believe that good governance builds better outcomes and we are committed to high standards of corporate governance and transparency.

Directors and management

Directors

Susan Platts-Martin

Chair

Appointed 2014

Susan Platts-Martin brings to the Board considerable knowledge of investment companies and investment management generally. 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.

Tim Clissold

Director

Appointed 2021

Tim Clissold qualified as a Chartered Accountant and has worked in Australia, Hong Kong and extensively in China, where he was co-founder of one of the first private equity groups in the country. He later ran Goldman Sachs China's distressed investment business in Beijing. He co-founded another business to originate UN carbon offsets from GHG emission reduction projects in China. Tim is chief resolution officer at Peony Advisors Limited, a company which helps foreign investors recover value after being disenfranchised by Chinese companies and is a non-executive director of Henderson Far East Income Limited. He was a member of the Strategic Advisory Board of Braemar Energy Ventures, a New York venture capital fund focused on energy efficiency technologies. He is the author of Mr China and Chinese Rules and speaks, reads and writes Mandarin Chinese.

Magdalene Miller
Director
Appointed 2020

Magdalene Miller 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 is a non-executive director of Templeton Emerging Markets Investment Trust plc. She also currently serves as a trustee for an educational endowment fund and participates in volunteering work.

Nicholas Pink
Director
Appointed 2023

Nicholas Pink has extensive senior management experience in financial services with previous roles at UBS Investment Bank including Global Head of Research and Head of Asia Research. Nicholas is currently the Senior Independent Director of Ruffer Investment Company Limited and non-executive director of JP Morgan Emerging Europe, Middle East and Africa Securities plc. He was previously an independent director of Redburn (Europe) Limited.

Jonathan Silver
Audit Committee Chair
Appointed 2022

Jonathan Silver is a qualified accountant and member of the Institute of Chartered Accountants of Scotland. Jonathan has held various senior financial positions throughout his career, including 21 years as Chief Financial Officer on the main Board of Laird plc from 1994 until 2015. Jonathan was the chairman of the audit committee at Invesco Income and Growth Trust plc from 2007 until 2021. Jonathan is a non-executive director and chairman of the audit and risk committee of Henderson High Income Trust plc, a position he has held since 2019 and is also a non-executive director and chairman of the audit committee of Spirent Communications plc, a position he has held since 2015. Since 2017 Jonathan has been a non-executive director of East and North Hertfordshire NHS Trust.

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 Managers ('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 £230 billion as at 1 April 2024. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 57 partners and a staff of around 1,760.

During the year ended 31 January 2024, the Managers of Baillie Gifford China Growth Trust were Roderick Snell and Sophie Earnshaw. With effect from 1 February 2024 Linda Lin replaced Roderick Snell as portfolio manager.

Roderick joined Baillie Gifford in 2006 and became a partner of the firm in 2023 and is an investment manager in the Emerging Markets Equity Team. He has managed the Baillie Gifford Pacific Fund since 2010 and has been Manager of Pacific Horizon Investment Trust since 2021 (he was deputy from 2013). Since March 2020, he has also been a manager on the China strategy. 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.

Roderick Snell

Investment Manager

Sophie Earnshaw

Investment Manager

Linda Lin

Investment Manager

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.

Linda is an investment manager in the China Equities team and a decision maker on Baillie Gifford's All China and China A share strategies. She is also a member of the Long Term Global Growth team. Linda joined Baillie Gifford in September 2014 and worked in Edinburgh until relocating to Shanghai in 2019 as Head of the Investment Team. She became a partner of the firm in May 2022 and is now based in Edinburgh. Prior to joining Baillie Gifford, Linda spent four years as a global equity analyst with Aubrey Capital and two years in real estate investment in China. She graduated BComm in Accounting and Finance from the University of Auckland, New Zealand in 2007 and MSc in Finance and Investment from the University of Edinburgh in 2011. Linda is a native Mandarin speaker.

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 2024.

Corporate governance

The Corporate governance report is set out on pages 68 to 74 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 Managers ('AIFM') and Company Secretaries 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 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.

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 UK Alternative Investment Fund Managers Regulations, The 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 The 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 pages 59 and 60.

Nicholas Pink was appointed to the Board on 1 September 2023 and is required to seek election by shareholders at the Annual General Meeting. Details of his relevant skills and experience are provided on page 60. Sarah MacAulay will be joining the Board on 1 May 2024 and is also required to seek election by shareholders at the Annual General Meeting. Details on her relevant skills and experience are provided on page 70. All other Directors will retire at the Annual General Meeting and offer themselves for re-election with the exception of Susan Platts-Martin who will stand down from the Board on 30 April 2024. As noted in the Chair's statement on page 9 Nicholas Pink will become Chair on Susan Platts-Martin's retiral. Following a formal performance evaluation, the Chair confirms that the Board considers that each Director's performance continues to be effective and that each Director remains committed to the Company and capable of devoting sufficient time to their roles. The Board recommends their re-election to shareholders.

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.

Dividends

The Board recommends a final dividend of 2.00p per ordinary share (2023 – 1.70p). No interim dividend was declared (2023 – nil). Dividends will be by way of a final dividend and be not less than the minimum required for the Company to maintain its investment trust status.

If approved by shareholders at the Annual General Meeting, the recommended final dividend per ordinary share will be paid on 24 July 2024 to shareholders on the register at the close of business on 21 June 2024. The ex-dividend date is 20 June 2024.

Share capital

Capital structure

The Company's capital structure at 31 January 2024 consists of 68,348,151 ordinary shares of 25p each (2023 – 68,348,151) of which 61,852,282 (2023 – 62,012,982) are allotted and fully paid and 6,495,869 (2023 – 6,335,169) 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.

Dividends

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 117 to 119.

Major interests disclosed 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	Number of ordinary 25p shares held at 31 January 2024	% of issue *
City of London Investment Management	9,356,724	15.1
Rathbone Nominees	3,076,669	5.0

* Ordinary shares in issue excluding treasury shares.

In the period from 31 January 2024 to 1 April 2024, the Company was notified that City of London Investment Management held 10,461,380 shares (17.0% of the shares in issues as at 1 April 2024). There have been no other changes to the major interests in the Company's shares intimated up to 1 April 2024.

Analysis of shareholders at 31 January

	2024 Number of shares held	2024 %	2023 Number of shares held	2023 %
Institutions	14,871,063	24.0	9,577,929	15.5
Intermediaries/ Retail savings platforms	42,555,981	68.8	47,207,778	76.1
Individuals	4,254,717	6.9	5,046,445	8.1
Marketmakers	170,521	0.3	180,830	0.3
	61,852,282	**100.0**	**62,012,982**	**100.0**

Annual General Meeting

The details of this year's AGM, including the proposed resolutions and information on the deadlines for proxy appointments, can be found on pages 114 to 119. 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. The resolutions relating to the renewal of the Directors' authorities to issue and buy back shares are explained in more detail below.

Share issuance authority

Resolution 11 in the Notice of Annual General Meeting seeks to renew the Directors' general authority to issue shares up to an aggregate nominal amount of £5,121,924. 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 11 which would effectively alter the control of the Company without the prior approval of shareholders in General Meeting.

Resolution 12, which is being proposed as a special resolution, seeks to renew the Directors' authority to issue shares or sell shares held in treasury on a non pre-emptive basis for cash up to an aggregate nominal amount of £1,536,577 (representing 10% of the issued ordinary share capital of the Company as at 1 April 2024). This authority will continue until the conclusion of the Annual General Meeting to be held in 2025 or on the expiry of 15 months from the passing of the resolution, if earlier. The authority proposed to be granted by Resolution 12 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 2024, the Company did not issue any shares.

Market purchases of own shares

At the last Annual General Meeting the Company was granted authority to purchase up to 9,295,746 ordinary shares (equivalent to 14.99% of its issued share capital), such authority to expire at the 2024 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 2025. Such purchases will only be made at a discount to the prevailing net asset value.

During the year to 31 January 2024, 160,700 shares (2023 – no shares) were bought back under the buy-back authority.

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. an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

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.

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances, borrowings 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 18 to the Financial Statements.

Disclosure of information to Auditor

The Directors confirm that, so far as each of the Directors is aware, there is no relevant audit information of which the Company's Auditor is 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 Auditor is 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 re-appointment 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 2 April 2024.

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 39 to 41.

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 reason set out above, the Company considers itself to be a low energy user and has no energy and carbon information to disclose under the SECR regulations.

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
2 April 2024

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 'UK Code') which can be found at frc.org.uk and the relevant principles of the Association of Investment Companies ('AIC') Code of Corporate Governance (the 'AIC Code') published in 2019 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 UK 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 77). 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, liquidity 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.

Board of Directors

Comprises independent non-executive directors

Chair: Susan Platts-Martin*
Senior Independent Director: Magdalene Miller

Audit Committee

Chair: Jonathan Silver

Purpose: The primary purpose of the Company's Audit Committee is to provide oversight of the financial reporting process, the audit process, the Company's system of internal controls, compliance with laws and regulations.

The Company does not have a Management Engagement Committee, the function of a Management Engagement Committee is performed by the Board. That function is to ensure that the Managers remain suitable to manage the portfolio, that the management contract is competitive and reasonable for the shareholders, and that the Company maintains appropriate administrative and company secretarial support.

Nomination Committee

Chair: Susan Platts-Martin*

Purpose: The main purpose of the Nomination Committee is to oversee Board recruitment and succession planning as well as Board appraisals including identifying training needs.

Third party service providers appointed by the Board

Alternative Investment Fund Manager and Company Secretary:
Baillie Gifford & Co Limited
(wholly owned subsidiary of Baillie Gifford & Co)

Dealing activity and transaction reporting:
Baillie Gifford Overseas Limited and
Baillie Gifford Asia (Hong Kong) Limited

Ernst & Young LLP

Auditor

The Bank of New York Mellon (International) Limited

Depositary

Computershare Investor Services PLC

Registrar

JP Morgan Cazenove

Company broker

* Susan Platts-Martin will stand down from the Board on 30 April 2024 and Nicholas Pink will become Chair.

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 Magdalene Miller.

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 pages 59 to 60.

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 9 during the year the Board undertook two separate recruitment processes to appoint non-executive Directors to the Board. Cornforth Consulting was engaged on both occasions 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.

Nicholas Pink was identified as the preferred candidate in the first search and was appointed to the Board on 1 September 2023 and his relevant skills and experience are provided on page 60. As explained in the Chair's statement on page 9, Susan Platts-Martin will retire from the Board on 30 April 2024 and Nicholas Pink will become Chair. Sarah MacAulay was identified as the preferred candidate during the second search and will be joining the Board on 1 May 2024. Sarah is an experienced investment trust director and former portfolio manager with knowledge of the Asian region.

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, all Directors will retire at each AGM and, if appropriate, offer themselves for re-election.

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.

Directors' attendance at meetings

	Board	Nominations Committee	Strategy	Audit Committee
Number of meetings	**4**	**3**	**1**	**2**
Susan Platts-Martin	4	3	1	2
Tim Clissold	4	3	1	2
Magdalene Miller	4	3	1	2
Nicholas Pink*	2	1	1	1
Andrew Robson†	2	2	0	1
Jonathan Silver	4	3	1	2

* Appointed 1 September 2023.

† Retired 15 June 2023.

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 Magdalene Miller, 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 and based on objective criteria, including the promotion of diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths. The priority in succession planning and appointing new Directors is to identify candidates with the best range of skills and experience to complement those of the existing Directors, with a view to ensuring that the Board remains well placed to help the Company achieve its investment and governance objectives.

Board composition

In order to fulfil its obligations, the Board recognises the importance of having a range of skilled and experienced Directors, balancing the benefits of length of service and knowledge of the Company with the desirability of ensuring regular refreshment of the Board. The Board reviews its composition annually.

The following disclosures are provided in respect of the FCA Listing Rules targets that: i) 40% of a board should be women; ii) at least one senior role should be held by a woman; and iii) at least one board member should be from a non-white ethnic background, as defined by the Office of National Statistics criteria. As an externally managed investment company with no chief executive officer or chief financial officer, the roles which qualify as senior under FCA guidance are Chair and Senior Independent Director ('SID'). The Board also considers Audit Committee Chair to represent a senior role within this context.

The Board has resolved that the Company's year end date be the most appropriate date for disclosure purposes. There have been no changes since 31 January 2024.

Gender	Number	%	Senior roles *
Men	3	60%	1
Women	2	40%	2

Ethnic background	Number	%	Senior roles *
White British or Other White (including minority white groups)	4	80%	2
Asian/Asian British	1	20%	1

* As an externally managed investment company with no chief executive officer or chief financial officer, the roles which qualify as senior under FCA guidance are Chair and Senior Independent Director ('SID'). The Chair is a woman and the SID a woman. The Board also considers the role of Audit Committee Chair to represent a senior role within this context and this role is performed by a man.

The Board meets the FCA Listing Rules diversity targets that at least 40% of the individuals on the Board are women, at least one of the senior positions on the Board is held by a woman and that there is at least one Director of an ethnic minority background.

All recruitment for new Board members will be external, through the use of an external recruitment agency. The recruitment agency will be engaged to undertake the selection of a list of suitable candidates for consideration and approval by the Nominations Committee. The external recruitment agency will be asked to put forward candidates with the desired skillset and also with a diverse range of backgrounds, cultures and identities. The Nominations Committee will take the FCA Listing Rule diversity targets and any other best practice matters into account when determining the appropriateness of a candidate and final appointment.

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.

Remuneration

As all the Directors are non-executive, there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders with the Chair's fees considered by the Board in the absence of the Chair. The Company's policy on remuneration is set out in the Directors' remuneration report on pages 78 to 81.

Management Engagement Committee

The Directors have considered that a separate Management Engagement Committee is not required given the small size of the Board.

Audit Committee

The report of the Audit Committee is set out on pages 75 to 77.

Nomination Committee

The Nomination Committee consists of the whole Board due to the small size of the Board. Ms Platts-Martin is Chair of the Nomination Committee. The Committee meets at least annually and at such other times as may be required. The Committee has written terms of reference that include reviewing the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is also responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not the potential conflicts should be authorised. The Committee's terms of reference are available on request from the Company and on the Company's website: **bailliegiffordchinagrowthtrust.com**

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'.

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 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 UK Alternative Investment Fund Managers Regulations (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function 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 have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this report.

To comply with the UK Alternative Investment Fund Managers Regulations, The 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 The 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 35), 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, 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 32 to 38 and contained in note 1 to the Financial Statements. The Board has, in particular, considered the impact of increasing geopolitical tensions and conflicts, including increased macroeconomic concerns alongside specific leverage and liquidity stress testing but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. The Board are seeking to renew the current revolving credit facility which expires in April 2024. 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) (Tax) 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 as set out in the Viability Statement on page 31, that the Company will continue in operational existence until 30 April 2025, which is for a period of at least 12 months from the date of approval of these Financial Statements.

Relations with shareholders

The Board places great importance on communication with shareholders. The Company's Managers communicate 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 page 129). 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' report on ESG on pages 42 to 48 provides more detail. The statement of compliance with the UK Stewardship Code can be found on the Managers' website at **bailliegifford.com**. Baillie Gifford & Co, the Managers, has considered the Sustainable Finance Disclosure Regulation ('SFDR') and further details can be found on page 125.

The Managers are signatories to the United Nations Principles for Responsible Investment and are also members of the of the Asian Corporate Governance Association and 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 Managers have engaged an external provider to map the carbon footprint of the equity portfolio using the information to prioritise engagement and understand what higher emitting companies are doing to manage climate risk better. The carbon intensity of the Company is provided in the Managers' report on ESG on pages 45 and 46.

Baillie Gifford's Task Force on Climate-Related Financial Disclosures ('TCFD') Climate Report is available on the Managers' website at **bailliegifford.com**. A Company specific TCFD climate report is also available on the Company's page of the Company's website at **bailliegiffordchinagrowthtrust.com**. The Managers, Baillie Gifford & Co, are signatories to the Carbon Disclosure Project.

On behalf of the Board
Susan Platts-Martin
Chair
2 April 2024

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. Jonathan Silver is the Chair 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 71).

At least once a year the Committee meets with the external Auditor without any representatives of the Managers being present.

Main activities of the Committee

The Committee met twice during the year to 31 January 2024. Ernst & Young LLP, the external Auditor, and Baillie Gifford attended both meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes.

The following significant issues have been considered in relation to the Annual Report and Accounts for the year ended 31 January 2024:

Valuation and existence

The prices of all the listed investments at 31 January 2024 were agreed to external price sources. The Committee reviewed the Managers' valuation policy for investments in unlisted companies (as described on page 52) 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 external confirmations.

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.

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. Please see the discussion of principal risks on pages 32 to 38. 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 and viability statement

The Committee considered the factors, including increasing geopolitical tensions, 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, compliance with debt covenants and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the Viability statement on page 31 and the statement on going concern on page 73 including the impact of increasing geopolitical tensions. 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 2024. Details are provided on page 77 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.
- Cyber security: The threat of a 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. 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 and interest costs) 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.

FRC Review

The Financial Reporting Council (`FRC') reviewed the Company's Annual Report and Financial Statements for the year to 31 January 2023. There were no areas identified for improvement based on the review. The FRC notes that its review does not provide assurance that the Annual Report and Financial Statements are correct in all material respects and that its role is not to verify the information provided but to consider compliance with reporting requirements.

Internal audit

The Committee continues to believe 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.

Internal controls and risk management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on pages 72 and 73. 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 year to 31 January 2024;
- 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 2024.

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

- the Auditor's fulfilment of the agreed audit plan;
- feedback from the Secretaries on the performance of the audit team;
- 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, has held the role since 2020 and will continue as audit partner until the conclusion of the 2024 audit.

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 Auditor.

Accountability and audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 82 to 83.

On behalf of the Board
Jonathan Silver
Audit Committee Chair
2 April 2024

Directors' remuneration report

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

Statement by the Chair

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 last approved at the Annual General Meeting in June 2023 and no changes are proposed to the policy at the Annual General Meeting to be held on 19 June 2024.

The Board reviewed the level of fees during the year and considered peer group comparatives, and it was agreed that with effect from 1 February 2024, the Chair's fee should increase by £1,000 to £44,000 and the non-executive Director fee should increase by £1,000 to £27,000, there were no changes to the additional fee for the Chairman of the Audit Committee or the Senior Independent Director.

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 Board 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.

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 requires all Directors to retire and be subject to election at the first Annual General Meeting after their appointment. Thereafter 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 £200,000 per annum in aggregate. Any change to this limit requires shareholder approval.

The fees for the non-executive Directors are payable monthly in arrears and the fees paid in respect of the year ended 31 January 2024 together with the expected fees payable in respect of the year ending 31 January 2025 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 2025 £	**Fees paid for the year to 31 January 2024 £**
Chair's fee	44,000	43,000
Non-executive Director's fee	27,000	26,000
Additional fee for the Chairman of the Audit Committee	5,000	5,000
Additional fee for Senior Independent Director	1,000	1,000
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	200,000

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 85 to 92.

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	2024 Fees £	2024 Taxable benefits * £	2024 Total £	2023 Fees £	2023 Taxable benefits * £	2023 Total £
Susan Platts-Martin	43,000	4,953	**47,953**	41,500	1,688	**43,188**
Tim Clissold†	26,000	2,484	**28,484**	25,000	986	**25,986**
Magdalene Miller#	26,626	2,592	**29,218**	25,000	1,326	**26,326**
Nicholas Pink‡	10,833	1,843	**12,676**	–	–	**–**
Chris Ralph¶	–	–	**–**	9,487	1,266	**10,753**
Andrew Robson§	12,021	687	**12,708**	31,000	982	**31,982**
Jonathan Silver^	29,128	2,076	**31,204**	10,417	128	**10,545**
	147,608	**14,635**	**162,243**	**142,404**	**6,376**	**148,780**

Annual percentage change in remuneration

This represents the annual percentage change in the entire remuneration paid to the Directors.

Name	% from 2023 to 2024	% from 2022 to 2023	% from 2021 to 2022	% from 2020 to 2021
Susan Platts-Martin**	11	2	(17)	24
Tim Clissold†	10	206	–	–
Dermot McMeekin††	–	–	(61)	–
Magdalene Miller#	11	2	492	–
Nicholas Pink‡	–	–	–	–
Chris Ralph¶	–	(59)	7	–
Andrew Robson§	(60)	2	12	–
Jonathan Silver^	296	–	–	–

* Comprises expenses incurred by Directors in the course of travel to attend Board and Committee meetings.

† Mr Clissold was appointed as a Director on 1 October 2021.

Ms Miller was appointed as a Director on 26 November 2020 and was appointed Senior Independent Director on 15 June 2023

‡ Mr Pink was appointed as a Director on 1 September 2023.

¶ Mr Ralph retired as a Director on 16 June 2022.

§ Mr Robson retired as a Director on 15 June 2023.

^ Mr Silver was appointed as a Director on 1 September 2022 and appointed as Audit Chair on 15 June 2023.

** The Chair was paid an additional £10,000 for the year to 31 January 2021 to reflect the exceptional work done in relation to the selection of the new Managers.

†† Mr McMeekin retired as a Director on 16 June 2021.

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 1 April 2024.

Name	Nature of interest	Ordinary 25p shares held at 31 January 2024	Ordinary 25p shares held at 31 January 2023
Susan Platts-Martin	Beneficial	14,694	14,694
Tim Clissold	Beneficial	50,000	50,000
Magdalene Miller	Beneficial	2,300	2,300
Nicholas Pink*	Beneficial	25,992	–
Jonathan Silver	Beneficial	25,000	25,000

* Nicholas Pink was appointed to the Board on 1 September 2023.

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, 99.4% were in favour, 0.5% were against and votes withheld were 0.1%. At the last Annual General Meeting at which the Directors' Remuneration Policy was considered (June 2023), 99.4% of the proxy votes received were in favour, 0.5% were against and 0.1% votes were withheld.

Relative importance of spend on pay

The table below shows the actual expenditure (fees and taxable benefits) during the year in relation to Directors' remuneration and distributions to shareholders.

	2024 £'000	2023 £'000	Change %
Directors' remuneration	162	149	8.7
Share buy backs	299	–	–
Dividends	1,054	2,853	(63.0)

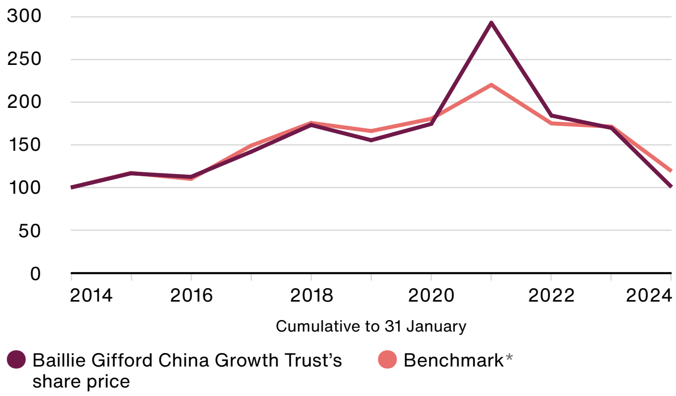
Company performance

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 2014)

Past performance is not a guide to future performance.



Source: LSEG and relevant underlying index providers. See disclaimer on page 124.

All figures are total returns (assuming net dividends are reinvested). See Glossary of terms and alternative performance measures on pages 126 to 128.

* MSCI China All Shares Index (in sterling terms). Prior to 16 September 2020 the benchmark was MSCI AC Asia ex Pacific Index.

Approval

The Directors' remuneration report on pages 78 to 81 was approved by the Board of Directors and signed on its behalf on 2 April 2024.

Susan Platts-Martin
Chair

Statement of Directors' responsibilities

in respect of the Annual Report and the 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 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
2 April 2024

Note

The following note relates to financial statements published on a website and is not included in the printed version of the Annual Report and Financial Statements:

- The Directors have delegated responsibility to the Investment Manager for the maintenance and integrity of the Company's page of the Investment Manager' website; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Financial report

The Financial Statements for the year to 31 January 2024 are set out on pages 94 to 112 and have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Independent auditor's report

to the members of Baillie Gifford China Growth Trust plc

Opinion

We have audited the financial statements of Baillie Gifford China Growth Trust plc ("the Company") for the year ended 31 January 2024 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, 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 2024 and of its loss 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.

We have audited the financial statements of Baillie Gifford China Growth Trust plc (the 'Company') for the year ended 31 January 2024 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and the related notes 01 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).

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

Independence

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.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

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:

- Confirmation of our understanding of the Company's going concern assessment process by engaging with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspecting the Directors' assessment of going concern, including the revenue forecast, for the period to 30 April 2025 which is at least 12 months from the date these financial statements were authorised for issue.
- Reviewing the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company.
- Consideration of 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 in order to cover working capital requirements should revenue decline significantly.
- Inspection of the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors and reviewed the Directors' reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants and in turn impacting the going concern.
- Review of the Company's going concern disclosures included in the annual report in order to assess that 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 a period assessed by the Directors, being the period to 30 April 2025, which is at least 12 months from the date these 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 ('KAM')	Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement. Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	Overall materiality of £1.19m 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, the potential impact of climate change 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 and relevant specialist.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that the impact of climate change may impact the Company's investments and their valuations. This is explained in the principal and emerging risks section, which form part of the "Other information", rather than the audited Financial Statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially consistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1(a) and conclusion there was no further impact of climate change to be taken into account other than the unlisted investment as the listed investments are fair valued based on market pricing as required by FRS102. Unlisted investments are fair valued using IPEV Guidelines which require fair value to be assessed for implications related to climate change. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 items in the Income Statement (as described on page 76 in the Audit Committee's Report and as per the accounting policy set out on pages 99 and 100). The total revenue for the year to 31 January 2024 was £2.60m (2023: £2.41m), consisting of dividend income from listed investments. The Company received 5 special dividends amounting to £0.97m (3 special dividends amounting to £0.13m classified as revenue, and 2 special dividends amounting to £0.84m 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 processes and controls surrounding revenue recognition and classification of special dividends by performing walkthrough procedures. For all dividends received, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an external source. For dividends received, we agreed the amounts to bank statements. To test completeness of recorded income, we tested that dividends had been recorded for all investments with reference to announcements obtained from an independent data vendor. For all listed investments held during the year, we reviewed the type of dividends paid with reference to an external data source to identify those which were 'special'. For the five special dividends received by the Company, we checked the appropriateness of classification as revenue or capital by reviewing the underlying circumstances of the special dividends received.	The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items 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 76 in the Audit Committee's Report and as per the accounting policy set out on pages 99 and 100). The valuation of the investment portfolio at 31 January 2024 was £124.75m (2023: £209.50m) consisting of listed equities with an aggregate value of £114.20m (2023: £197.55m) and an unlisted equity investment amounting to £10.55m (2023: £11.95m). 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. The unlisted investment is 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 Managers' 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 investment valuations, by performing walkthrough procedures. 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 team to review and challenge the valuation. This included: • Reviewing the valuation papers prepared by the Managers as at the year end; • Assessing whether the valuation has been performed in line with the accounting policy and the IPEV guidelines; • Assessing the appropriateness of the data inputs and challenging the assumptions used to support the valuations; • Assessing other facts and circumstances, such as market movement and comparative company information, that have an impact on the fair market value of the unlisted investment; and • Determining a fair value range for the valuation and assessing whether Management's valuation is within this range. We recalculated the unrealised gains/losses on investments as at the year-end using the book-cost reconciliation. We compared the Company's investment holdings as at 31 January 2024 to an independent confirmation received directly from the Company's Custodian.	The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.

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 £1.19 million (2023: £2.04 million), which is 1% (2023: 1%) of shareholders' funds. We believe that shareholders' 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% (2023: 75%) of our planning materiality, namely £0.89m (2023: £1.53m). We have set performance materiality at this percentage due to past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we also applied a separate testing threshold for the revenue column of the Income Statement of £0.08m (2023: £0.10m), being 5% of net return on ordinary activities 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 £0.06m (2023: £0.11m), 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, 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 this gives rise to 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

We have reviewed 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 by the Listing Rules.

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 73;
- 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 31;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 76;
- Directors' statement on fair, balanced and understandable set out on page 83;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 32;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 72; and
- The section describing the work of the audit committee set out on pages 75 to 77.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on pages 82 and 83, 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.

Extent to which the audit was 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, The Companies (Miscellaneous Reporting) Regulations 2018, the Association of Investment Companies' Code and Statement of Recommended Practice and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary, and review of Board minutes and the Company's documented policies and procedures related to controls over the financial reporting process.
- 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 items in the Income Statement and incorrect valuation of the unlisted investment and the resultant impact on unrealised losses. Further discussion of our approach is set out in the 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 related to controls over the financial reporting process, 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 **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 five years, covering the years ending 31 January 2020 to 31 January 2024.
- 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
2 April 2024

Income statement

For the year ended 31 January

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Losses on investments	9	–	(83,606)	**(83,606)**	–	(12,378)	**(12,378)**
Currency gains/(losses)	13	–	105	**105**	–	(216)	**(216)**
Income	2	2,599	–	**2,599**	2,407	–	**2,407**
Investment management fee	3	(255)	(765)	**(1,020)**	(311)	(932)	**(1,243)**
Other administrative expenses	4	(523)	–	**(523)**	(550)	–	**(550)**
Net return before finance costs and taxation		**1,821**	**(84,266)**	**(82,445)**	**1,546**	**(13,526)**	**(11,980)**
Finance costs of borrowings	5	(136)	(408)	**(544)**	(116)	(347)	**(463)**
Net return before taxation		**1,685**	**(84,674)**	**(82,989)**	**1,430**	**(13,873)**	**(12,443)**
Tax	6	(187)	–	**(187)**	(105)	–	**(105)**
Net return after taxation		**1,498**	**(84,674)**	**(83,176)**	**1,325**	**(13,873)**	**(12,548)**
Net return per ordinary share	**7**	**2.42p**	**(136.61p)**	**(134.19p)**	**2.14p**	**(22.37p)**	**(20.23p)**

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 98 to 112 are an integral part of the Financial Statements.

Balance sheet

As at 31 January

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Investments held at fair value through profit or loss	9		124,751		209,499
Current assets					
Debtors	10	23		26	
Cash and cash equivalents	15	926		1,000	
		949		1,026	
Creditors					
Amounts falling due within one year	11	(6,289)		(6,585)	
Net current liabilities			(5,340)		(5,559)
Total assets less current liabilities			**119,411**		**203,940**
Capital and reserves					
Share capital	12		17,087		17,087
Share premium account	13		31,780		31,780
Capital redemption reserve	13		41,085		41,085
Capital reserve	13		22,775		107,748
Revenue reserve	13		6,684		6,240
Shareholders' funds			**119,411**		**203,940**
Net asset value per ordinary share*	**14**		**193.06p**		**328.87p**

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 2 April 2024.

Susan Platts-Martin
Chair

The accompanying notes on pages 98 and 112 are an integral part of the Financial Statements.

* See Glossary of terms and alternative performance measures on pages 126 and 128.

Statement of changes in equity

For the year ended 31 January 2024

	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 2023		17,087	31,780	41,085	107,748	6,240	**203,940**
Dividends paid during the year	8	–	–	–	–	(1,054)	**(1,054)**
Net return after taxation	7	–	–	–	(84,674)	1,498	**(83,176)**
Ordinary shares bought back into treasury		–	–	–	(299)	–	**(299)**
Shareholders' funds at 31 January 2024		**17,087**	**31,780**	**41,085**	**22,775**	**6,684**	**119,411**

For the year ended 31 January 2023

	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 2022		17,087	31,780	41,085	121,621	7,768	**219,341**
Dividends paid during the year	8	–	–	–	–	(2,853)	**(2,853)**
Net return after taxation	7	–	–	–	(13,873)	1,325	**(12,548)**
Shareholders' funds at 31 January 2023		**17,087**	**31,780**	**41,085**	**107,748**	**6,240**	**203,940**

The accompanying notes on pages 98 to 112 are an integral part of the Financial Statements.

Cash flow statement

For the year ended 31 January

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Net return before taxation		(82,989)		(12,443)	
Adjustments to reconcile company profit before tax to net cash flow from operating activities					
Net losses on investments		83,606		12,378	
Currency (gains)/losses		(105)		216	
Finance costs of borrowings		544		463	
Other capital movements					
Changes in debtors		3		74	
Change in creditors		(97)		(25)	
Taxation					
Overseas withholding tax suffered		(198)		(181)	
Overseas withholding tax reclaims received		11		76	
Cash from operations*			775		558
Interest paid			(541)		(451)
Net cash inflow from operating activities			**234**		**107**
Cash flows from investing activities					
Acquisitions of investments		(14,521)		(27,760)	
Disposals of investments		15,663		25,723	
Net cash inflow/(outflow) from investing activities			**1,142**		**(2,037)**
Cash flows from financing activities					
Equity dividends		(1,054)		(2,853)	
Shares bought back		(299)		–	
Net cash outflow from financing activities			**(1,353)**		**(2,853)**
Increase/(decrease) in cash and cash equivalents			**23**		**(4,783)**
Exchange movements			(97)		287
Cash and cash equivalents at start of year	16		1,000		5,496
Cash and cash equivalents at end of year	**16**		**926**		**1,000**

* Cash from operations includes dividends received of £2,576,000 (2023 – £2,402,000) and interest received of £23,000 (2023 – £5,000).

The accompanying notes on pages 98 to 112 are an integral part of the Financial Statements.

Notes to the Financial Statements

01 Principal accounting policies

The Financial Statements for the year to 31 January 2024 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 2023.

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 increasing market volatility due to macroeconomic and geopolitical concerns, 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) (Tax) 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 and emerging risks and other matters, as set out in the Viability Statement on page 31, that the Company will continue in operational existence until 30 April 2025, which is for a period of at least 12 months from the date of approval of these Financial Statements.

In preparing these Financial Statements the Directors have considered the impact of climate change risk as a principal risk as set out on page 35, and have concluded that it does not have a material impact on the Company's investments. They have considered the impact of climate change on the value of both the listed and unlisted investments included in the Financial Statements. The listed investments should already include the impact in their prices as quoted on the relevant exchange and consistent with that view, we do not believe the impact on the unlisted investments would be material.

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 November 2014 and updated in July 2022 with consequential amendments. 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 9 on pages 103 and 104.

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 2022 ('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 classified 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. 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. Long term borrowings, overdrafts 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 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 and the weighted average purchase price paid to purchase the shares is credited to this reserve if the shares are subsequently sold from treasury. 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; and
- the excess of the proceeds of issuance of new shares over the nominal value.

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.

o. Single segment reporting

The Company is engaged in a single segment of business, being investment business, consequently no business segmental analysis is provided.

02 Income

	2024 £'000	2023 £'000
Income from investments		
Overseas dividends	2,576	2,402
Other income		
Interest	23	5
Total income	**2,599**	**2,407**

03 Investment management fee

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Investment management fee	255	765	**1,020**	311	932	**1,243**

Details of the Investment Management Agreement are disclosed on pages 62 and 63. 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.

04 Other administrative expenses

	2024 £'000	2023 £'000
General administrative expenses	183	162
Directors' fees (see Directors' remuneration report on page 80)	148	142
Custody fees	29	71
Registrar fees	28	25
Depositary fees	15	31
Marketing*	71	75
Auditor's remuneration – statutory audit of Company's Annual Financial Statements	49	44
	523	**550**

* The Company is part of a marketing programme which includes all the Investment Trusts managed by the Managers. The marketing strategy has an ongoing objective to stimulate demand for the Company's shares. The cost of this marketing strategy is borne in partnership by the Company and the Managers. The Managers matches the Company's marketing contribution and provides the resource to manage and run the programme.

05 Finance costs of borrowing

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Interest on bank loans	136	408	**544**	116	347	**463**

06 Tax on ordinary activities

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 £'000	2023 £'000	2023 £'000
Analysis of charge in year						
Corporation tax repayment from HMRC	(11)	–	**(11)**	–	–	–
Overseas withholding taxation	198	–	**198**	105	–	**105**
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 24% (2023 – 19%)*. The differences are explained below:						
Net return before taxation	1,685	(84,674)	**(82,989)**	(1,430)	(13,873)	**(12,443)**
Net return on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2023 – 19%)	405	(20,322)	**(19,917)**	272	(2,636)	**(2,364)**
Effects of:						
Capital returns not taxable	–	20,040	**20,040**	–	2,393	**2,393**
Income not taxable	(619)	–	**(619)**	(457)	–	**(457)**
Overseas withholding tax incurred	198	–	**198**	105	–	**105**
Taxable losses in year not utilised	214	282	**496**	185	243	**428**
Tax repayment received	(11)	–	**(11)**	–	–	–
Revenue tax charge for the year	**187**	**–**	**187**	**105**	**–**	**105**

* A tax rate of 24% reflects the increase in the UK corporation tax rate from 19% to 25% from 1 April 2023.

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

Factors that may affect future tax charges

At 31 January 2024 the Company had a potential deferred tax asset of £6,518,000 (2023 – £6,000,000) 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 25% (2023 – 25%).

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 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 accounting periods ending 2005–2007 and accounting periods ending 2008 and 2009 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.

The decision of the First Tier Tribunal (FTT) in the Post Prudential case was issued in December 2021 and was largely in favour of the claimants. However, many of the decisions of the FTT were appealed by HMRC. Subsequently in January 2024 the Upper Tribunal (UT) issued a further judgement overturning some but not all the FTT's decisions. It is expected that both HMRC and the claimants will further appeal the UT's decisions and therefore the value, timing and probability of the claim's success for the accounting periods ending 2005 – 2007 remain uncertain.

Contingent asset

HMRC have indicated they will repay overpaid taxes for the accounting periods ending 2008 and 2009 of £1.1 million plus interest. As the repayment is probable, but not virtually certain, the Company is disclosing £1.1 million as a contingent asset.

07 Net return per ordinary share

	2024 Revenue	2024 Capital	2024 Total	2023 Revenue	2023 Capital	2023 Total
Net return per ordinary share	2.42p	(136.61p)	**(134.19p)**	2.14p	(22.37p)	**(20.23p)**

Revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation of £1,498,000 (2023 – £1,325,000), and on 61,981,380 (2023 – 62,012,982) 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 loss for the financial year of £84,674,000 (2023 – loss of £13,873,000) and on 61,981,380 (2023 – 62,012,982) 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.

08 Ordinary dividends

	2024	2023	2024 £'000	2023 £'000
Amounts recognised as distributions in the period:				
Previous year's final dividend (paid 26 July 2023)	1.70p	4.60p	1,054	2,853

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 £1,498,000 (2023 – £1,325,000).

	2024	2023	2024 £'000	2023 £'000
Dividends paid and proposed in the period:				
Proposed final dividend per ordinary share (payable 24 July 2024)	2.00p	1.70p	1,229	1,054

09 Investments

As at 31 January 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities	114,200	–	–	**114,200**
Unlisted equities	–	–	10,551	**10,551**
Total financial asset investments	**114,200**	**–**	**10,551**	**124,751**

As at 31 January 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Securities				
Listed equities	197,546	–	–	**197,546**
Unlisted equities	–	–	11,953	**11,953**
Total financial asset investments	**197,546**	**–**	**11,953**	**209,499**

Investments in securities are financial assets held 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.

09 Investments (continued)

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 valuation techniques used by the Company are explained in the accounting policies on page 99. The Company's unlisted ordinary share investment at 31 January 2024 was valued using the market approach using comparable traded multiples. A sensitivity analysis of the unlisted security is on page 110.

Significant Holdings Disclosure Requirements – AIC SORP

Details are disclosed below in accordance with the requirements of paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in July 2022) in relation to unlisted investments included in the ten largest holdings disclosed on page 54. As required, this disclosure includes turnover, pre-tax profits and net assets attributable to investors, as reported within the most recently audited financial statements of the investee companies where possible.

As at 31 January 2024 Name	Business	Latest Financial Statements	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover (£'000)	Pre-tax profit/ (loss) (£'000)	Net assets attributable to shareholders (£'000)
ByteDance	Social Media	n/a	8,212	10,551	Nil	Information not publicly available*		

As at 31 January 2023 Name	Business	Latest Financial Statements	Book cost £'000	Market value £'000	Income recognised from holding in the period £'000	Turnover (£'000)	Pre-tax profit/ (loss) (£'000)	Net assets attributable to shareholders (£'000)
ByteDance	Social Media	n/a	8,212	11,953	Nil	Information not publicly available*		

* Confidentiality agreements prevent the disclosure of this information.

	Listed equities £'000	Unlisted equities * £'000	Total £'000
Cost of investments held at 1 February 2023	227,778	8,212	235,990
Unrealised holding gains/(losses) at 1 February 2023	(30,232)	3,741	(26,491)
Value of investments held at 1 February 2023	197,546	11,953	209,499
Analysis of transactions during the year:			
Purchases at cost	14,521	–	14,521
Sales proceeds received	(15,663)	–	(15,663)
Realised losses on sales	(13,745)	–	(13,745)
Losses on investments	(68,459)	(1,402)	(69,861)
Value of investments held at 31 January 2024	**114,200**	**10,551**	**124,751**
Cost of investments held at 31 January 2024	212,891	8,212	221,103
Investment holding (losses)/gains at 31 January 2024	(98,691)	2,339	(96,352)
Value of investments at 31 January 2024	**114,200**	**10,551**	**124,751**

* The unlisted security investment represents a holding in ByteDance.

09 Investments (continued)

The company received £15,663,000 (2023 – £25,723,000) from investments sold in the year. The book cost of these investments when they were purchased was £29,408,000 (2023 – £42,773,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments. The purchases and sales proceeds figures above include transaction costs of £13,000 (2023 – £21,000) and £22,000 (2023 – £37,000) respectively.

	2024 £'000	2023 £'000
Net losses on investments		
Losses on sales	(13,745)	(17,050)
Changes in investment holding (losses)/gains	(69,861)	4,672
	(83,606)	**(12,378)**

10 Debtors

	2024 £'000	2023 £'000
Due within one year:		
Accrued income and prepaid expenses	23	26
	23	**26**

None of the above debtors are investments classified as held at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value.

11 Creditors – amounts falling due within one year

	2024 £'000	2023 £'000
The Royal Bank of Scotland (International) Limited loan	5,890	6,092
Investment management fee	207	344
Other creditors and accruals	192	149
	6,289	**6,585**

None of the above creditors are financial liabilities held at fair value through profit or loss. At 31 January 2024 borrowings of £5.9m (US$7.5 million) (2023 – £6.1 million (US$7.5 million)) were drawn down under a two year US$40 million revolving credit facility with The Royal Bank of Scotland (International) Limited which expires on 13 April 2024 at a margin of 1.3% over the US Dollar Relevant Reference Rate with a maturity date of 13 April 2024. The main covenants relating to the current facility are:

i. The consolidated gross borrowings shall not exceed 30% of the Company's adjusted portfolio value;

ii. The Company's adjusted portfolio value is not less than £75,000,000; and

iii. Eligible investments held shall not be less than 40.

12 Share capital

	2024 Number	2024 £'000	2023 Number	2023 £000
Allotted, called up and fully paid ordinary shares of 25p each	61,852,282	15,463	62,012,982	15,503
Treasury shares of 25p each	6,495,869	1,624	6,335,169	1,584
Total	**68,348,151**	**17,087**	**68,348,151**	**17,087**

In the year to 31 January 2024 no shares were issued from treasury (2023 – no shares were issued from treasury). 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 2024 the Company had authority to buy back 9,135,046 ordinary shares. During the year to 31 January 2024, no ordinary shares (2023 – nil) were bought back for cancellation and 160,700 ordinary shares (2023 – nil) were bought back into treasury. Under the provisions of the Company's Articles of Association share buy-backs are funded from the capital reserve.

13 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 2023	17,087	31,780	41,085	134,186	(26,438)	6,240	203,940
Net losses on sales of investments	–	–	–	(13,745)	–	–	(13,745)
Changes in investment holding gains	–	–	–	–	(69,861)	–	(69,861)
Exchange differences	–	–	–	(97)	–	–	(97)
Exchange differences on bank loans	–	–	–	217	(15)	–	202
Ordinary shares bought back	–		–	(299)	–	–	(299)
Investment management fee charged to capital	–	–	–	(765)	–	–	(765)
Finance costs of borrowings charged to capital	–	–	–	(408)	–	–	(408)
Dividends paid in year	–	–	–	–	–	(1,054)	(1,054)
Revenue return after taxation	–	–	–	–	–	1,498	1,498
At 31 January 2024	**17,087**	**31,780**	**41,085**	**119,089**	**(96,314)**	**6,684**	**119,411**

	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 2022	17,087	31,780	41,085	152,947	(31,326)	7,768	219,341
Net losses on sales of investments	–	–	–	(17,050)	–	–	(17,050)
Changes in investment holding gains	–	–	–	–	4,672	–	4,672
Exchange differences	–	–	–	287	–	–	287
Exchange differences on bank loans	–	–	–	(719)	216	–	(503)
Investment management fee charged to capital	–	–	–	(932)	–	–	(932)
Finance costs of borrowings charged to capital	–	–	–	(347)	–	–	(347)
Dividends paid in year	–	–	–	–	–	(2,853)	(2,853)
Revenue return after taxation	–	–	–	–	–	1,325	1,325
At 31 January 2023	**17,087**	**31,780**	**41,085**	**134,186**	**(26,438)**	**6,240**	**203,940**

The capital reserve as at 31 January 2024 is £22,775,000 and is shown in the above table as capital reserve realised £119,089,000 and capital reserve unrealised (£96,314,000). The capital reserve unrealised includes investment holding losses of £96,532,000 (2023 – losses of £26,491,000) as disclosed in note 9.

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 revenue reserve and the capital reserve realised in the table above, are distributable.

14 Shareholders' funds per ordinary share

	2024	2023	2024 £'000	2023 £'000
Shareholders' funds	**193.06p**	**328.87p**	**119,411**	**203,940**

Net asset value per ordinary share is based on the net assets as shown above and 61,852,282 (2023 – 62,012,982) ordinary shares, being the number of ordinary shares in issue at the year end, excluding shares held in treasury. At 31 January 2024 all borrowings were in the form of short term floating rate borrowings and their fair value is considered equal to their book value, hence there is no difference in the net asset value per share between including debt at book, or fair value, in the calculation.

15 Analysis of change in net debt

	1 February 2023 £'000	Cash flows £'000	Exchange movement £'000	31 January 2024 £'000
Cash and cash equivalents	1,000	23	(97)	926
Loans due within one year	(6,092)	–	202	(5,890)
	(5,092)	**23**	**105**	**(4,964)**

	1 February 2022 £'000	Cash flows £'000	Exchange movement £'000	31 January 2023 £'000
Cash and cash equivalents	5,496	(4,783)	287	1,000
Loans due within one year	(5,590)	–	(502)	(6,092)
	(94)	**(4,783)**	**(215)**	**(5,092)**

16 Contingent liabilities, guarantees and financial commitments

There were no contingent liabilities, guarantees or financial commitments at the year end (2023 – none).

17 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 pages 80 and 81. 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.

The Management fee due to Baillie Gifford & Co Limited is set out in note 3 on page 101 and the amount accrued is set out in note 11 on page 105. Details of the Investment Management Agreement are set out on pages 62 to 63.

18 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 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 54 and 56.

18 Financial instruments (continued)

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.

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 2024	Investments £'000	Cash and deposits £'000	Bank loans £'000	Debtors and creditors £'000	Net exposure £'000
US dollar	13,353	737	(5,890)	(21)	8,179
Hong Kong dollar	62,593	–	–	–	62,593
Chinese renminbi	46,687	155	–	–	46,842
Taiwanese dollar	2,118	–	–	–	2,118
Total exposure to currency risk	**124,751**	**892**	**(5,890)**	**(21)**	**119,732**
Sterling	–	34	–	(355)	(321)
	124,751	**926**	**(5,890)**	**(376)**	**119,411**

At 31 January 2023	Investments £'000	Cash and deposits £'000	Bank loans £'000	Debtors and creditors £'000	Net exposure £'000
US dollar	13,676	254	(6,092)	(18)	**7,820**
Hong Kong dollar	109,313	–	–	–	**109,313**
Chinese renminbi	86,510	726	–	–	**87,236**
Total exposure to currency risk	209,499	980	(6,092)	(18)	**204,369**
Sterling	–	20	–	(449)	**(429)**
	209,499	**1,000**	**(6,092)**	**(467)**	**203,940**

Currency Risk Sensitivity

At 31 January 2024, 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 2023.

	2024 £'000	2023 £'000
US dollar	818	782
Hong Kong dollar	6,259	10,931
Chinese renminbi	4,684	8,724
Taiwanese dollar	212	–
	11,973	**20,437**

18 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.

During the year to 31 January 2024, the majority of the Company's assets were non-interest bearing, and there was exposure to interest bearing liabilities through the loan agreement.

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.

Financial liabilities

The interest risk profile of the Company's financial liabilities and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 31 January are shown below:

Interest rate risk profile

The interest rate risk profile of the Company's financial liabilities at 31 January was:

	2024 £'000	2023 £'000
Floating rate – US$ denominated	5,890	6,092
	5,890	**6,092**

Maturity profile

The maturity profile of the Company's financial liabilities at 31 January was:

	2024 £'000	2023 £'000
In less than three months		
Repayment of loans	5,890	6,092
Interest on loan	21	18
	5,911	**6,110**

Interest rate risk sensitivity

An increase of 1% in interest rates, with all other variables being held constant, would have decreased the Company's net assets for the year to 31 January 2024 by £53,000 (year to 31 January 2023 – £55,000). A decrease of 1% would have had an equal but opposite effect.

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 9.

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.

18 Financial instruments (continued)

Other price risk sensitivity

A full list of the Company's investments is shown on pages 54 to 56.

95.6% (2023 – 96.9%) of the Company's net assets are invested in Level 1 quoted equities. A 10% increase in quoted equity valuations at 31 January 2024 would have increased total net assets and net return on ordinary activities after taxation by £11,420,000 (2023 – £19,755,000). A decrease of 10% would have had an equal but opposite effect.

8.8% (2023 – 5.9%) of the Company's net assets are invested in an unlisted security. The fair valuation of the unlisted investment is influenced by the estimates, assumptions and judgements made in the fair valuation process (see 1(b) on pages 98 and 99). A sensitivity analysis is provided below which recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs. The inputs have been flexed by +/-10% with the exception of the recent transaction price valuation approach as it does not involve significant subjectivity. The table also provides the range of values for the key unobservable inputs.

As at 31 January 2024		**Significant unobservable inputs***				
Valuation technique	**Fair value of investments £'000**	**Key unobservable inputs**	**Other unobservable inputs**	**Range**	**Sensitivity %**	**Sensitivity to changes in significant unobservable inputs**
Market approach using comparable traded multiples	10,551	Enterprise value / Last twelve months (EV/ LTM) revenue multiple	a,b,c,d	1.23x – 7.22x	10%	If EV/LTM multiples changed by +/- 10%, the fair value would change by £918,101 and (£918,497)
		Discount for lack of liquidity	e	10%	10%	If the illiquidity discount is changed by +/- 10%, the fair value would change by £117,040 and (£117,436)

As at 31 January 2023		**Significant unobservable inputs***				
Valuation technique	**Fair value of investments £'000**	**Key unobservable inputs**	**Other unobservable inputs**	**Range**	**Sensitivity %**	**Sensitivity to changes in significant unobservable inputs**
Market approach using comparable traded multiples	11,953	EV/LTM revenue multiple	a,b,c,d	2.2x – 7.3x	10%	If EV/LTM multiples changed by +/-10%, the fair value would change by £1,136,313 and (£1,136,313)
		Discount for lack of liquidity	a,b,c,d,e	-10%	10%	If the illiquidity discount is changed by +/-10%, the fair value would change by £132,816 and (£132,816)

* **Significant unobservable inputs**

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each private company valuation. An explanation of each of the key variable inputs is provided below. The assumptions made in the production of the inputs are described in note 1(c) on page 99.

a. Application of valuation basis

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies. For those investments where a trading multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment, and where a suitable correlation can be identified with the comparable companies then a regression analysis will be performed. Discounted cash flows will also be considered where appropriate forecasts are available.

18 Financial instruments (continued)

Significant unobservable inputs (continued)

b. Probability estimation of liquidation events

The probability of a liquidation event such as a company sale, or alternatively an initial public offering ('IPO'), is a key variable input in the transaction-based and multiples-based valuation techniques. The probability of an IPO versus a company sale is typically estimated from the outset to be 50:50 if there has been no indication by the company of pursuing either of these routes. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario, or in a situation where a company is underperforming expectations significantly and therefore deemed very unlikely to pursue an IPO.

c. Selection of comparable companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between 4 and 10 comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples or share price movements derived will vary depending on the companies selected and the industries they operate in.

d. Estimated sustainable earnings

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

e. Application of illiquidity discount

The application of an illiquidity discount will be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration is not appropriate is typically 10%, reflecting that the majority of the investments held are substantial companies with some secondary market activity.

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. 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 8.8% of net assets at 31 January 2024.

The Company has the power to take out borrowings, which give it access to additional funding when required. The maturity profile of the Company's financial liabilities is on page 109.

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 (International) 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.

18 Financial instruments (continued)

Credit risk exposure

The exposure to credit risk at 31 January was:

	2024 £'000	2023 £'000
Debtors	23	26
Cash and cash equivalents	926	1,000
	949	**1,026**

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

Fair value of financial assets and financial liabilities

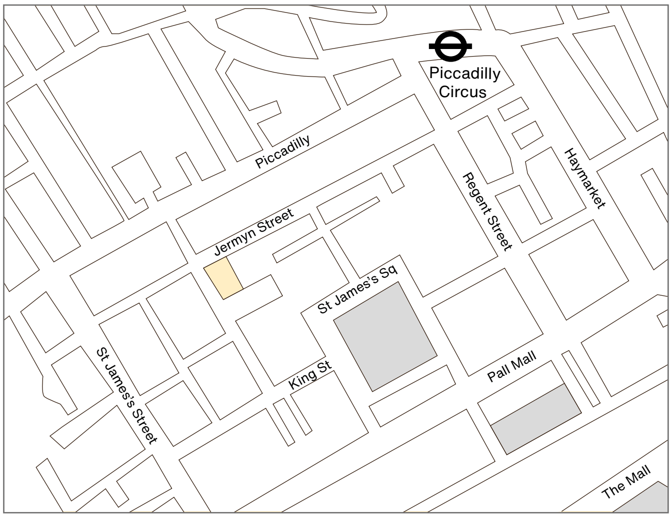
The Company's investments are stated at fair value and the Directors are of the opinion that the reported values of the Company's other financial assets and liabilities approximate to fair value.

Capital management

The objective of the Company is to maximise the total return to its equity shareholders through an appropriate capital structure. Its borrowings are set out in note 11 on page 105. The Company does not have any externally imposed capital requirements other than the covenants on its loan which are detailed in note 11. The capital of the Company is the ordinary share capital as detailed in note 12. It is managed in accordance with its Investment Policy in pursuit of its investment objective, both of which are detailed on pages 28 and 29, and shares may be repurchased or issued as explained on page 105.

Shareholder information

Notice of Annual General Meeting



The Cavendish Hotel
81 Jermyn Street
St James's
London
SW1Y 6JF

The Annual General Meeting of Baillie Gifford China Growth Trust plc will be held at The Cavendish Hotel, 81 Jermyn Street, St James's, London, SW1Y 6JF on Wednesday 19 June 2024, at 4pm. You will find directions to the venue by scanning the QR code above.

To accurately reflect the views of shareholders of the Company, the Board intends to hold the AGM voting on a poll, rather than by a show of hands as has been customary.

The Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 4pm on Monday 17 June 2024.

Should shareholders have questions for the Board or the Managers or any queries as to how to vote or how to attend the meeting 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.

For details of how to vote your shares if held via a platform please refer to **theaic.co.uk/how-to-vote-your-shares**.

Notice is hereby given that an Annual General Meeting of Baillie Gifford China Growth Trust plc will be held at The Cavendish Hotel, 81 Jermyn Street, St James's, London SW1Y 6JF on Wednesday 19 June 2024, at 4pm for the following purposes.

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

01. To receive and adopt the Financial Statements of the Company for the year to 31 January 2024 with the Reports of the Directors and of the Independent Auditor thereon.

02. To receive and approve the Directors' Annual Report on Remuneration for the year to 31 January 2024.

03. To declare a final dividend of 2.00p per ordinary share.

04. To re-elect Magdalene Miller as a Director of the Company.

05. To re-elect Tim Clissold as a Director of the Company.

06. To re-elect Jonathan Silver as a Director of the Company.

07. To elect Nicholas Pink as a Director of the Company.

08. To elect Sarah MacAulay as a Director of the Company.

09. 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.

10. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.

11. 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 £5,121,924, 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.

To consider and, if thought fit, to pass Resolutions 12 and 13 as Special Resolutions.

12. That, subject to the passing of Resolution 11 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 11 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 £1,536,577, being approximately 10% of the nominal value of the issued share capital of the Company, as at 1 April 2024.

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 9,213,317, 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. an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out; 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 2025, 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.

By order of the Board
Baillie Gifford & Co Limited
Managers and Secretaries
2 April 2024

Notes

01. 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 proxy form) to communicate with the Company for any purpose other than those expressly stated.

02. 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.

03. 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.

04. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar (ID 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.

05. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that 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.

06. 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.

07. 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.

08. 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.

09. 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. Under section 338 of the Companies Act 2006, members meeting the qualification criteria set out in note 14 below may, subject to certain conditions, require the Company to circulate to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that:

    a. the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

    b. the resolution must not be defamatory of any person, frivolous or vexatious; and

    c. the request:

        i. may be in hard copy form or in electronic form;

        ii. must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported;

        iii. must be authenticated by the person or persons making it; and (iv) must be received by the Company not later than 8 May 2024.

12. Under section 338A of the Companies Act 2006, members meeting the qualification criteria set out at note 14 below may require the Company to include in the business to be dealt with at the Annual General Meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The request must have been received by the Company not later than Wednesday 8 May 2024. The conditions are that the matter of business must not be defamatory of any person, frivolous or vexatious. The request must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported. The request must be accompanied by a statement setting out the grounds for the request. Members seeking to do this should write to the Company providing their full name and address.

13. Under section 527 of the Companies Act 2006, members meeting the qualification criteria set out in note 14 below 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. Such requests must be made in writing and must state your full name and address.

14. In order to be able to exercise the members' rights in notes 11 to 13, the relevant request must be made by:

    a. members representing at least 5% of the total voting rights of all the members who have a right to vote on the resolution to which the requests relate; or

    b. at least 100 members who have a right to vote on the resolution to which the requests relate and hold shares in the Company on which there has been paid up an average sum, per member, of at least £100.

    Such requests should be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN. Electronic requests permitted under section 338 (see note 11) should be sent to **trustenquiries@bailliegifford.com**.

15. 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**.

16. All shareholders are strongly encouraged to exercise your votes in respect of the AGM in advance, and to appoint the Chair of the Meeting as your proxy, to ensure that your votes are counted. Furthermore, the Board always welcomes questions from the Company's shareholders at the AGM and 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 12 June 2024.

17. As at 1 April 2024 (being the last practicable day prior to the publication of this notice) the Company's issued share capital consisted of 61,463,093 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 1 April 2024 were 61,463,093 votes. Voting on the resolutions will be conducted by way of a poll. This will ensure an exact and definitive result.

18. 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.

19. No Director has a contract of service with 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.com** 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 a final dividend in respect of each financial year, paid in July. 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 707 1410. 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;
- confirm your payment history; and
- order change of address, dividend bank mandate 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;
- register to receive communications from the Company, including the Annual Report and Financial Statements, in electronic format;
- update bank mandates and 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 the last dividend voucher or 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 707 1410.

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.

UK Alternative Investment Fund Managers ('AIFM') Regulations

In accordance with the AIFM Regulations, 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. In accordance with the Regulations, the AIFM remuneration policy is available at **bailliegifford.com** or on request (see contact details on page 129). 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 126 to 128) levels at 31 January 2024 are shown below:

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.05:1	1.05:1

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 requires 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 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.

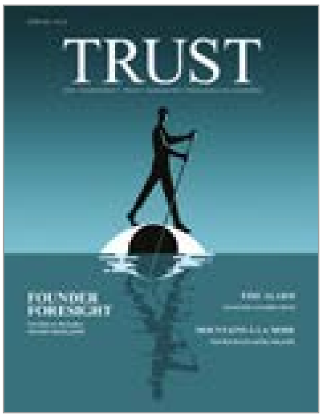
Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

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**.

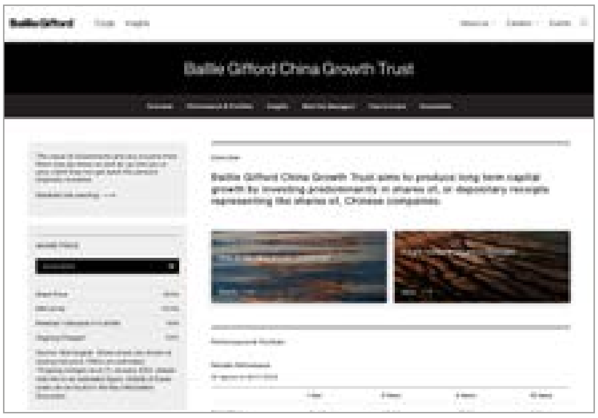
Data protection

The Company is committed to ensuring the confidentiality and security of any personal data provided to it. Further details on how personal data is held and processed on behalf of the Company can be found in the privacy policy available on the Company's website **bailliegiffordchinagrowthtrust.com**.

Communicating with shareholders



Trust magazine



Baillie Gifford China Growth Trust 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 on page 129).

You can subscribe to Trust magazine or view a digital copy at bailliegifford.com/trust

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.

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 figures.

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**

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

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice, please ask an authorised intermediary.

Insights

China: Fear or FOMO?

by Ben Buckler

Ben Buckler on how investors should steer between the twin poles of risk in China.

China Growth Trust: Citywire webinar

by Sophie Earnshaw

Co-manager Sophie Earnshaw discusses the opportunities and challenges affecting the portfolio.

Finding China's A-share jewels

by Qian Zhang

The country's domestic markets are rich in companies with the know-how to become global leaders.

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

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**).

Sustainable Finance Disclosure Regulation ('SFDR')

The EU Sustainable Finance Disclosure Regulation ('SFDR') does not have a direct impact in the UK due to Brexit, however, it applies to third-country products marketed in the EU. As Baillie Gifford China Growth Trust is marketed in the EU by the AIFM, Baillie Gifford & Co Limited, via the National Private Placement Regime ('NPPR') the following disclosures have been provided to comply with the high-level requirements of SFDR.

The AIFM has adopted Baillie Gifford & Co's stewardship principles and guidelines as its policy on integration of sustainability risks in investment decisions.

Baillie Gifford & Co believes that a company cannot be financially sustainable in the long run if its approach to business is fundamentally out of line with changing societal expectations. It defines 'sustainability' as a deliberately broad concept which encapsulates a company's purpose, values, business model, culture, and operating practices.

Baillie Gifford & Co's approach to investment is based on identifying and holding high quality growth businesses that enjoy sustainable competitive advantages in their marketplace. To do this it looks beyond current financial performance, undertaking proprietary research to build up an in-depth knowledge of an individual company and a view on its long-term prospects. This includes the consideration of sustainability factors (environmental, social and/or governance matters) which it believes will positively or negatively influence the financial returns of an investment. The likely impact on the return of the portfolio from a potential or actual material decline in the value of investment due to the occurrence of an environmental, social or governance event or condition will vary and will depend on several factors including but not limited to the type, extent, complexity and duration of an event or condition, prevailing market conditions and existence of any mitigating factors.

Whilst consideration is given to sustainability matters, there are no restrictions on the investment universe of the Company, unless otherwise stated within in its Investment Objective & Policy. Baillie Gifford & Co can invest in any companies it believes could create beneficial long-term returns for investors. However, this might result in investments being made in companies that ultimately cause a negative outcome for the environment or society.

More detail on the Investment Managers' approach to sustainability can be found in the ESG Principles and Guidelines document, available publicly on the Baillie Gifford website **bailliegifford.com** and by scanning the QR code below.

The underlying investments do not take into account the EU criteria for environmentally sustainable economic activities established under the EU Taxonomy Regulation.

Glossary of terms and alternative performance measures ('APM')

An alternative performance measure ('APM') is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs noted below are commonly used measures within the investment trust industry and serve to improve comparability between investment trusts.

Total assets

This is the Company's definition of adjusted total assets, being the total value of all assets less current liabilities, before deduction of all borrowings.

Net asset value

Net asset value is the value of total assets less liabilities (including borrowings). The net asset value per share ('NAV') 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 it is said to be trading at a discount. The size of the discount is calculated by subtracting the NAV per share from the share price and is usually expressed as a percentage of the NAV.If the share price is higher than the NAV, it is said to be trading at a premium.

		2024	2023
Closing NAV	(a)	193.06p	328.87p
Closing share price	(b)	181.00p	308.00p
Discount	**((b) – (a)) ÷ (a)**	**(6.2%)**	**(6.3%)**

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.

		2024 NAV	2024 Share price	2023 NAV	2023 Share price
Closing NAV per share/share price	(a)	193.06p	181.00p	328.87p	308.00p
Dividend adjustment factor*	(b)	1.006801	1.007763	1.014030	1.014557
Adjusted closing NAV per share/share price	**(c) = (a) x (b)**	**194.37p**	**182.41p**	**333.48p**	**312.48p**
Opening NAV per share/share price	(d)	328.87p	308.00p	353.70p	339.25p
Total return	**(c) ÷ (d) -1**	**(40.9%)**	**(40.8%)**	**(5.7%)**	**(7.9%)**

* The dividend adjustment factor is calculated on the assumption that the dividend of 1.70p (2023 – 4.60p) paid by the Company during the year was reinvested into shares of the Company at the cum income NAV/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 94 is provided below.

		2024	2023
Investment management fee		£1,020,000	£1,243,000
Other administrative expenses		£523,000	£550,000
Total expenses	(a)	**£1,543,000**	**£1,793,000**
Average daily cum-income net asset value	(b)	£158,468,461	£190,419,970
Ongoing charges	**((a) ÷ (b) expressed as a percentage)**	**0.97%**	**0.94%**

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 shareholders' funds is called 'gearing'. If the Company's assets grow, shareholders' funds 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.

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

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

		2024		2023	
		Gearing * £'000	Gross Gearing † £'000	Gearing * £'000	Gross Gearing † £'000
Borrowings	(a)	5,890	5,890	6,092	6,092
Cash and cash equivalents	(b)	926	–	1,000	–
Shareholders' funds	(c)	119,411	119,411	203,940	203,940
		4.2%	**4.9%**	**2.5%**	**3.0%**

* Gearing: ((a)–(b)) divided by (c), expressed as a percentage.

† Gross gearing: (a) divided by (c), expressed as a percentage.

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers (‘AIFM’) Regulations, 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.

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.

Variable Interest Entity (‘VIE’)

VIE structures are used by some Chinese companies to facilitate access to foreign investors in sectors of the Chinese domestic economy which prohibit foreign ownership. The purpose of the VIE structure is to give the economic benefits and operational control of ownership without direct equity ownership itself. The structures are bound together by contracts and foreign investors are not directly invested in the underlying company.

Treasury shares

The Company has the authority to make market purchases of its ordinary shares for retention as treasury shares for future reissue, resale, transfer or for cancellation. Treasury shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

Company information

Directors

Chair: Susan Platts-Martin
Tim Clissold
Magdalene Miller
Nicholas Pink
Jonathan Silver

Registrar

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

T: +44 (0)370 707 1410

Depositary

Bank of New York Mellon (International) Limited

160 Queen Victoria Street
London EC4V 4LA

Alternative Investment Fund Managers, Secretaries and Registered office

Baillie Gifford & Co Limited

Grimaldi House
28 St James's Square
London SW1Y 4JH

T: +44 (0)131 275 2000

bailliegifford.com

Company Broker

JP Morgan Cazenove

25 Bank Street
Canary Wharf
London E14 5JP

Independent Auditor

Ernst & Young LLP

Chartered Accountants
and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Further information

Client Relations Team

Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

T: +44 (0)800 917 2112

trustenquiries@bailliegifford.com

Company details

bailliegiffordchinagrowthtrust.com

Company Registration No. 91798

ISIN: GB0003656021

Sedol: 0365602

Ticker: BGCG

Legal Entity Identifier:
213800KOK5G3XYI7ZX18

bailliegiffordchinagrowthtrust.com

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000