

Interim
financial report

31 July 2024

Baillie Gifford China Growth Trust plc

Managed by

Baillie Gifford™

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.

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.

Benchmark

The portfolio benchmark against which performance is measured is the MSCI China All Shares Index (in sterling terms).

Summary of unaudited results*

| | 31 July 2024 | 31 January 2024 (audited) | % change | |
|---|--------------|------------------------------|----------|-----|
| Total assets (before deduction of bank loans) | £133.3m | £125.3m | | |
| Bank loans | £5.9m | £5.9m | | |
| Shareholders' funds | £127.4m | £119.4m | | |
| Net asset value per ordinary share | 210.88p | 193.06p | | 9.2 |
| Share price | 186.50p | 181.00p | | 3.0 |
| Benchmark [†] # | | | | 9.5 |
| Discount | (11.6%) | (6.2%) | | |
| Active share [‡] | 69% | 72% | | |

| | Six months to 31 July 2024 | Six months to 31 July 2023 | | |
|-------------------------------------|-------------------------------|-------------------------------|--|--|
| Revenue earnings per ordinary share | 2.40p | 2.15p | | |

| | Six months to 31 July 2024 | Six months to 31 July 2023 | | |
|---------------------------------------|-------------------------------|-------------------------------|--|--|
| Total returns (%)^{#‡} | | | | |
| Net asset value per ordinary share | 10.2 | (18.7) | | |
| Share price | 4.1 | (20.5) | | |
| Benchmark [†] | 12.0 | (11.0) | | |

| | Six months to 31 July 2024 | | Year to 31 January 2024 | |
|------------------------------------|----------------------------|---------|-------------------------|---------|
| Period's high and low | High | Low | High | Low |
| Share price | 228.00p | 178.50p | 325.00p | 176.00p |
| Net asset value per ordinary share | 243.79p | 193.64p | 334.82p | 193.29p |
| (Discount)/premium [‡] | (6.3%) | (12.6%) | (2.6%) | (15.5%) |

Notes

* For a definition of terms see Glossary of terms and alternative performance measures pages 21 and 22.

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

Source: Baillie Gifford/LSEG and relevant underlying index providers. See disclaimer on page 24.

‡ Alternative performance measure see Glossary of terms and alternative performance measures on pages 21 and 22.

Past performance is not a guide to future performance.

Interim management report

After an unprecedented three consecutive years of drawdowns in Chinese equities, the six months to 31 July 2024 saw our index, MSCI China All Shares Index (total return in sterling terms), rise by 12.0%. The portfolio underperformed against a rising index, up 10.2% and the share price rise was 4.1% as the Company's share price discount to NAV expanded from 6.2% to 11.6%. The Company bought back 1,450,295 shares (2.3% of 31 January 2024 share capital) which are held in treasury. An increased focus on shareholder returns by large corporates, incrementally supportive policy from Beijing, and markedly low valuations at the beginning of the financial year all contributed to this positive return.

The Chinese economy, however, remains relatively lacklustre, with downbeat consumer spending and weak industrial demand. The biggest drag on growth remains the property sector, where the government continued its incrementalist approach to policy support. The People's Bank of China cut policy rates by 10 basis points and earmarked an RMB300bn relending facility to fund local government purchases of unsold new housing and secondary market units. Towards the end of the period, there were tentative signs of stabilisation: nationwide real-estate transactions were still negative, but downward momentum eased. Moreover, there were fewer developer defaults this year. Indeed, without a deterioration in the three factors that have driven growth this year – exports, manufacturing investment and infrastructure investment – it appears that Beijing sees little incentive to adopt a more radical course.

Taking a step back, it's important to remember that China is in the process of transitioning away from property-fuelled growth to a new model of growth. This model relies on what the government calls "new quality productive forces," closely entwined with

technological progress. Indeed, the Third Plenum of the Chinese Communist Party in July reinforced technology investment as the top priority for 2024 and the main driver of long-term growth, with industrial policy taking priority over macro policy.

The country's long-term aim is to become a science and technology superpower by 2035. Indeed, in terms of China's research and development (R&D) spending, at 2.6% of GDP, it has almost reached the level of OECD countries. This new model of growth is particularly relevant to the portfolio, where several holdings should benefit.

For example, one of China's aims is to consolidate and expand its leading position in electric vehicles (EVs) and autonomous driving. BYD, a holding in the Trust, is crucial to this effort. In May, it launched a hybrid model that boasts the best fuel efficiency in the world by a significant margin. Another of China's aims is to develop an innovative materials sector. Sinocera, another of the Trust's holdings, is leading the charge here with its investments in innovative materials used in optical communication parts and fuel cells. Beijing also hopes to promote digital transformation in the manufacturing and service industries, while deepening R&D in big data and artificial intelligence (AI). Two of our largest holdings, Meituan and ByteDance, are contributing to this effort. Meituan is rapidly digitalising China's service industry, while ByteDance is renowned for its AI and big data capabilities.

But China's increased global competitiveness comes with challenges, namely geopolitical tension and the threat of protectionism. These are likely to continue being a feature of the country's rise. In June, we saw the EU raise tariffs on Chinese EVs of between 17.4% and 37.6%, on top of a 10% duty already in place.

The principal risks and uncertainties facing the Company are set out on page 20. Related party transaction disclosures are set out in note 9 on page 19.

For a definition of terms see Glossary of terms and alternative performance measures on pages 21 and 22.

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In April, President Biden signed into law a bill that may force ByteDance either to shut down its US business or sell it to an approved buyer by January 2025.

Navigating these headwinds is crucial both to us as investors in Chinese companies, and to the Chinese companies themselves. For example, because of BYD's cooperation with the EU, its EVs are now subject to the lowest possible tariff. And because of BYD's technological edge in fuel efficiency, we do not believe the tariff will materially impact demand for its vehicles. In addition, the company is accelerating its investments in factories in low-cost countries within the EU. In the case of ByteDance, it is currently unclear whether the company will succeed in overturning the divestment bill in the US Supreme Court on constitutional grounds. However, we have long considered scenarios that exclude the US business from our investment thesis. The company's growth potential within China, and outside the US more widely, is large enough and potentially profitable enough to justify a holding at the current valuation.

This brings us back to our core philosophy and process of investing in the best growth companies in China. Our research agenda is currently focused on four key areas of potential opportunity.

- AI and semiconductors – China's attempt to secure self-sufficiency in semiconductors is nothing new. But the US government's sanctioning of YMTC, one of China's leading memory manufacturers in 2022, and the export controls that followed, have given Chinese companies across the supply chain an extra incentive to push for localisation. Enforced creativity has already led to breakthroughs previously thought impossible. We already own analog semiconductor companies SG Micro and Silergy, but we believe there may be other opportunities if we cast the net wider.

- Going overseas – Manufacturing competitiveness in China has been achieved in a wide range of sectors, from EVs to home appliances to grid infrastructure to transformers. We own companies such as BYD, CATL and Midea, but there may be others that we are missing.
- Consumption polarisation – With the property market continuing to depress consumer confidence, we are seeing a bifurcation in demand. The wealthiest consumers appear relatively immune to the slowdown, while the middle class seems to be trading down. A focus on both the very high end and the very low end appears appropriate. We own Kweichow Moutai as China's only domestic luxury goods company at one end, with companies such as Proya Cosmetics and PDD Holdings at the other.
- Resource scarcity – A successful energy transition is likely to require a wider set of companies and resources than we initially thought. We retain our positions in the more traditional green power companies, CATL in batteries and Sungrow in solar. And we also own Zijin Mining in this context which continues to report record copper production, critical in solutions to the climate challenges in coming decades. However, we also bought a holding in China Oilfield Services as an acknowledgement that oil will likely remain part of the energy mix even as we transition away from it.

A full research agenda and strong competition for capital from new ideas suggest that the opportunity to find growing companies in China remains strong, even if the macroeconomic and geopolitical backdrop may provide headwinds for the broader asset class. We are being asked to pay very low multiples for what appear to be solid growth opportunities. Some will be ephemeral because China is a competitive market but for the long-term winners, the rewards on offer to patient investors will be outsized and the risks worth taking.

Portfolio

We continue to believe that the Trust's portfolio represents a collection of the best listed and unlisted companies in China. Our positioning remains relatively consistent compared to last year. We retain exposure to the sectors and companies that offer the best long-term growth potential and upside. We have large overweight positions in consumer discretionary, communication services and industrials, and large underweights in lower growth sectors such as financials, energy and utilities. We believe the portfolio is geared towards the themes likely to drive China's next decade of growth including the energy transition, advanced manufacturing and digitalisation.

Portfolio turnover during the period was 29% as we decided to take advantage of recent share price volatility to add to some of our highest conviction holdings, build positions in new ideas, and move on from companies where the investment case was challenged. Turnover was high relative to our stated five-year investment horizon but this should be viewed in the context of single-digit turnover in preceding years*.

In terms of transactions, we bought new holdings in Luckin Coffee, Shanxi Xinghuacun Fen Wine, and China Oilfield Services. Luckin Coffee is the largest coffee company in China, having recently overtaken Starbucks. In 2020, the company was delisted and the founder expelled after fraudulent sales were revealed. However, the new management team and backers have saved the business and built an exceptional mass-market beverage brand. We met the company in China earlier in the year and believe it still has a significant growth opportunity ahead of it. As a result of its controversial past, it is still traded off-exchange in the US, but ample liquidity is available to invest. Continued operational growth and the prospect of a substantial rerating in the event of relisting make this a potentially very attractive investment.

Shanxi Xinghuacun Fen Wine (Fenjiu) is a *baijiu* (white spirit) maker with a long heritage. Its most important brand is Qinghua 20, an undisputed leader in the 'mild aroma' *baijiu* market and increasingly popular in the mid-priced segment outside of the company's home province. In addition, the company has launched a high-end 'mild aroma' brand, Qinghua 30, to further capitalise on its brand heritage. Success here could provide a further tailwind to growth. In addition, the company has been chosen as a model company for state-owned-enterprise reform. Improved returns

to shareholders are therefore also a feature of the investment case. Overall, we do not believe the company's valuation reflects the attractions of the business or the growth opportunity.

China Oilfield Services (COSL) is a leading provider of drilling, well and technological services to oil and gas majors globally. We believe the long-term demand-supply outlook for oil and gas is likely to remain favourable even as the world transitions to renewable energy sources. COSL is likely to benefit from continued investments in oil and gas exploration and drilling given its technical competence and growing global reputation. The recent suspension of four of its rigs in the Middle East is providing us with an attractive entry point at a time when many other oil and gas companies are trading at far higher valuations. However, we are also aware of the cyclical nature of this industry and the recent strength of oil prices.

At the portfolio level, we remain strongly exposed to companies enabling a reduction in fossil fuel usage globally via companies such as CATL (the world's largest battery manufacturer, BYD (a leading EV maker), Zhejiang Sanhua Intelligent Controls (a key supplier to the EV industry), and Sungrow (a leading solar inverter maker). The holding in COSL therefore adds diversification to the portfolio and, more broadly, is likely to be relatively uncorrelated with the rest of our holdings. This is another of its attractions.

We also took this opportunity to add to some existing holdings where our conviction had increased. One notable example is Tencent, our largest holding in the portfolio at 12.6% of total assets, a leading social media and gaming company. We have materially added to our position during the period after a number of meetings with the management team and significant internal work on the share price upside. We believe the company has a varied collection of assets with strong monetisation potential ahead of them. These assets include a dominant social media and messaging platform, a leading gaming business with growth potential in China and overseas, a disruptive video platform that is regaining share in advertising, and a dominant payments business. With the regulatory backdrop improving in China and the government reiterating its support for innovative companies, the biggest challenge to the investment case has moderated. In addition, the management team are putting in place measures to increase shareholder returns via dividends and buybacks. We believe that low double-earnings growth, in addition to capital return, should result in attractive returns for shareholders.

* Annualised portfolio turnover in the 12 months to 31 July 2024 was c. 17%.

Other notable additions include CATL and Meituan. CATL is one of the world's largest manufacturers of EV and energy storage batteries. The shares had derated on the back of concerns around excess industry capacity and as part of a general sell-off in growth stocks in China. Our recent review of the company highlighted its impressive operational performance and robust competitive advantage, a function of continued scale and technological leadership. The valuation assumes little in the way of profitable growth and therefore we decided to add to our position. Meituan is one of China's leading food delivery and online services companies. It was a significant detractor from performance in 2023 after posting a 60% reduction in the share price. After a review of the company and a number of meetings with management, we decided to add to our position at the beginning of 2024. Meituan is discussed in further detail in the performance section below.

Our transactions in terms of sales were varied. We decided to further reduce our exposure to the healthcare sector given increased geopolitical risk and a continuing domestic anti-corruption campaign. This resulted in the sales of Asymchem and WuXi AppTec, both contract research organisations with large revenue exposure to US pharmaceutical clients. We also decided to move on from Topchoice Medical, China's largest private dental hospital operator, and Hua Medicine, a Type 2 diabetes drug company. Hua Medicine's key drug was approved in China last year, but its take-up so far has been below expectations and unlikely to improve. The sale of Topchoice was largely due to our increasing concerns about the controlling shareholder's capital allocation discipline.

Other sales included JD.com, LONGi Green Energy, and Beijing United Information Technology (BUI). JD.com is an ecommerce platform and retailer with particular strength in logistics, and in tier one and two cities (those with populations above 3 million). The ecommerce market has entered a relatively mature phase of growth, and competition between platform companies has increased. JD's historic focus on the wealthier areas of China is likely to result in lower rates of growth than its competitors, while increased competition from low-cost operators may put pressure on profitability. As a result, we have decided to sell the position and consolidate into ecommerce holdings better placed to deliver profitable growth over the long term. The reduction of Alibaba from 7.4% to 5.8% of total assets was also conducted with this rationale and the proceeds were reinvested into PDD, an ecommerce company with greater exposure to lower tier and faster growing subsegments of the market.

LONGi Green Energy is the world's leading producer of solar wafers and modules. We continue to believe that volume growth in the industry will be strong given the increasing adoption of solar power globally. However, the industry has proven more cyclical, and barriers to entry lower than we originally anticipated. This has led to severe over-supply, unfavourable competitive dynamics and poor share price performance. With an improvement in the industry backdrop unlikely in the medium term, we have sold the position.

BUI is a B2B ecommerce platform for industrial products. While it has delivered solid growth in revenues and earnings over the period we have held it, the company saw a significant valuation derating when regulators questioned the credibility of its reporting. Despite uncovering little of concern throughout numerous meetings with the company, plus our own internal research and various third-party forensic analyses we commissioned, regulatory scrutiny could severely impact BUI's ability to finance future growth. This significantly distorts the investment case. We have little insight into how the investigation will play out, or how long it may take. This shift in expected outcomes and the lack of visibility led us to sell the holding.

Performance

The portfolio underperformed marginally against a rising index. The benchmark for the period rose 12.0% (total return in sterling terms), NAV was up 10.2% and the share price was up 4.1%. As one would expect for a largely bottom-up portfolio, the drivers were largely stock-specific.

Top relative contributors included Brilliance China and Meituan, where improved shareholder returns were a theme. Brilliance China is a special situation. The company owns a 25% stake in the Brilliance-BMW automotive JV. But the near-term investment case has centred on improved capital discipline and return of cash to shareholders. During the quarter, the company announced a special dividend payout of HK\$4.3/share which exceeded the market's expectations and led to significant share price appreciation. This is in addition to the HK\$1.5 special dividend paid earlier this year. To put this in context, the share price has ranged between HK\$4-8 over the period. From here, fundamentals should increasingly drive returns, with the focus turning to the value of Brilliance's stake in the BMW JV, which we feel is still not captured in the current valuation.

The Trust made a timely addition to Meituan in January after meeting founder Wang Xing in Beijing. Our core contention was that Meituan would continue to grow and that fears over the competitive threat, especially from ByteDance/ Douyin, were excessive. Additionally, we believed that management's commitment to reduce losses from new business areas, optimise underperforming regions, and reduce subsidies were positive and should accelerate earnings growth. The company's operational performance since then has been strong, while the announcement of a U\$2bn buyback programme (in addition to the U\$1bn buyback announced in Nov 2023 and completed this year) has driven the shares to perform well.

Pop Mart and Zijin Mining were also top contributors to performance. Pop Mart is a character-based entertainment company most known for its 'blind box' concept toys, where customers can't tell until they buy it which character is inside the packaging. The company is rapidly building a broader product and IP lineup while successfully expanding overseas. Its domestic business is growing rapidly, driven by store openings and the continued popularity of some of its flagship toys and collectibles. Its international business has beaten expectations as the products appear to be gaining unexpected traction, particularly in southeast Asia. Operational performance has been strong with 2023 revenues and net profits growing 36% and 128% respectively, while management expects 2024 sales to continue growing at above 30% per annum.

Zijin Mining is a gold and copper miner with a worldclass production growth track record. The shares have been relatively strong recently on the back of expectations about pricing for its key metals. In the medium term, our investment case for Zijin Mining centres on both pricing and volume growth as the drivers for the share price. Zijin Mining is likely to grow volumes at a double-digit rate, supplemented by bolt-on mergers and acquisitions, while the outlier potential for the shares comes from the potential for a markedly higher copper price. Copper is integral to the green transition and the supply-demand outlook is attractive, given limited investment for the last decade. We believe Zijin Mining is an enabler of the green transition and a key beneficiary.

Other contributors to performance included gearing (effective gearing of 3.8% as at 31 July 2024 versus 4.2% at 31 January 2024), which was a positive driver adding 0.7% to performance in the context of a rising market. In addition, relative performance was also helped by our decision to not own companies

such as Baidu, a search engine, Li Auto, an EV startup, and WuXi Biologics, a biologic drugs manufacturing company.

Top relative detractors over the period included Guangzhou Kingmed and Kweichow Moutai. Guangzhou Kingmed is a leading player in China's independent clinical laboratory (ICL) industry. Its revenue and profit numbers have been weak as it continues to digest Covid-related revenues, while the anti-corruption campaign in healthcare has impacted near-term demand. Kingmed's lab testing business relies on economies of scale for profitability due to its high fixed costs (capex, labour costs, and part of the reagent costs). In the face of weak revenue growth, profitability has also been impacted. The company's shares have reacted poorly, and the stock has derated. There is very little growth factored into the company's valuation while the long-term drivers for the business including increased volume and frequency of testing remain intact. As such, we continue to hold the shares.

Kweichow Moutai manufactures and sells high-end *baijiu* (white spirit) and is perhaps China's most famous consumer brand. The shares have been impacted by a short-term demand-supply mismatch which has driven down wholesale prices of its flagship product, Feitian, and resulted in weak share price performance over the period. The company is implementing several supply-side measures to stabilise pricing and to protect the brand, which we welcome. The company also saw a change of management. More than 1,700 investors attended Moutai's shareholder meeting in Guizhou in May to hear from the new chairperson, Mr Zhang Deqin. The phrase 'steady, healthy, sustainable long-term' appeared many times in his speech. It reminds us that this is a long-term growth story. Moutai enjoys the strongest branding power, highest margins, best return-on-capital and strongest free cash flow in China's *baijiu* industry. The current valuation does not reflect this and therefore we continue to believe that the company should deliver attractive returns to shareholders in the long run.

Other notable detractors include Sanhua Intelligent Controls, ByteDance and Yifeng Pharmacy. Sanhua is one of the world's largest manufacturers of refrigeration control components and thermal management parts. The company's share price was negatively impacted by media reports of potential US restrictions on the imports of Chinese-made cars. Sanhua held a conference call in February to address these concerns confirming there are no data security issues with their products, and that it has

around 14% of sales from US customers (including HVAC customers). Sanhua highlighted the period in 2018-19 when the US government raised tariffs to 25%, but it saw no margin deterioration and US customers bore part of the tariff cost. Despite concerns over slowing growth in the EV supply chain domestically in 2024, Sanhua is likely to go on outperforming the end market with its diverse customer base, global production footprint and content value gain potential. With US elections later this year, we expect geopolitical risks will remain a concern for a number of Chinese companies, albeit that the long-term structural opportunities continue.

ByteDance is one of our largest holdings and our only private investment. Its valuation increased during the period but at a lower rate than the index. This resulted in the holding contributing negatively to our relative performance. Fundamentally, ByteDance's operational performance continues to be best in class. The traction of the platform remains strong with monthly active users across Douyin and TikTok growing at a double-digit rate. Revenue and profits grew faster than users as monetisation was strong, and operating leverage contributed positively. With regard to ByteDance's US business, the company continues to challenge the US government's potential ban or forced sale in the US courts. Our view is that ByteDance remains attractive given its growth potential and exceptional financial characteristics even if one excludes the US business. As such, we are happy to continue holding the shares.

Yifeng Pharmacy is a leading private pharmacy chain in China. It has been impacted recently by concerns around pricing after a price comparison system, initially introduced by the Shenzhen Healthcare Security Bureau, led to a small number of products having to lower prices. Regulation and domestic policy are likely to dampen sentiment, but our investment thesis is built on the ongoing trend of traffic flowing from hospitals to retail pharmacies and the offline consolidation of pharmacy chains where leaders such as Yifeng are set to benefit. We took the opportunity of a weaker share price to add to the position.

Outlook

After the 12.0% rise over the period, our benchmark MSCI China All Shares is still trading at an extremely low multiple relative to the last 20 years and at nearly a 60% discount to the US. At the same time, its forecast earnings growth is expected to be one of the highest among major equity markets. There are, of course, risks to those forecast earnings given that the economy continues to transition from its old model of property-led growth to one driven by technological development and scientific progress. In addition, geopolitics, particularly in the context of the US election in November, is likely to create additional volatility. We believe that the market has largely factored in a continuation of the current protectionist trend in US-China relations. Whilst a Harris win might lead to more predictable US policy towards China, a Trump win could, counterintuitively, result in the potential for greater positive surprise given Trump's historic penchant for deal making and relative ideological flexibility.

Overall, we remain cautiously optimistic that China will successfully navigate this transition and that the companies it produces will become increasingly world-class as a result. Indeed, with the regulatory overhauls of the big technology platforms behind us, and with policy support becoming incrementally clearer, the very depressed valuations of Chinese companies – and the Trust's portfolio – leave plenty of room for material uplift. As such, we remain optimistic about the long-term outlook for the asset class and the Trust.

Baillie Gifford & Co

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 group at Baillie Gifford, which takes advice from an independent third party (S&P Global). The valuations group is independent from the investment team with all voting members being from different operational areas of the firm, and the investment 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. During stable market conditions, and assuming all else is equal, each investment would be valued two times in a six-month period. For investment trusts, the prices are also reviewed twice per year by the respective boards and are subject to the scrutiny of external auditors in the annual audit process.

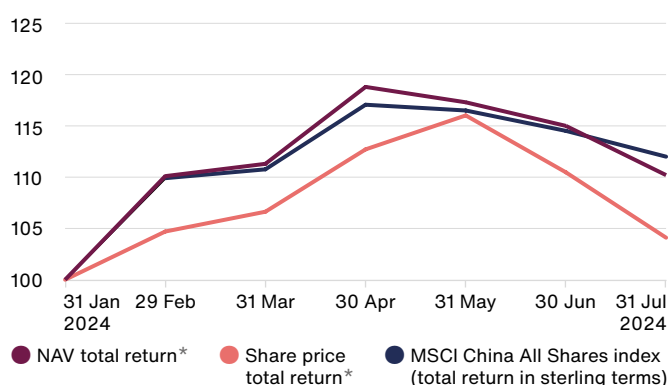
Beyond the regular cycle, the valuations group also monitors the portfolio for certain 'trigger events'. These may include changes in fundamentals, a takeover approach, an intention to carry out an Initial Public Offering ('IPO'), company news which is identified by the valuation team or by the portfolio managers, or meaningful changes to the valuation of comparable public companies. 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.

The valuations group also monitors relevant market benchmarks 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.

Six months performance and premium/(discount) to net asset value (unaudited)

Six months performance

(Figures plotted on a monthly basis and rebased to 100 at 31 January 2024)



Source: LSEG/Baillie Gifford and relevant underlying index providers.
See disclaimer on page 24.

Premium/(discount) to net asset value (%)

(plotted on a weekly basis)



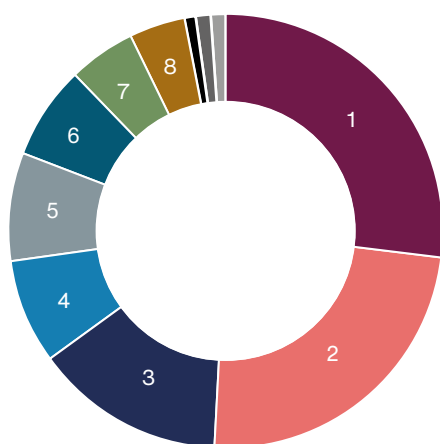
Source: LSEG/Baillie Gifford.

See disclaimer on page 24.

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

Distribution of total assets[†] (unaudited)

Sectoral analysis at 31 July 2024



| Sector | % at 31 July 2024 | % at 31 January 2024 |
|--------------------------|-------------------|----------------------|
| 1 Consumer discretionary | 27 | 25 |
| 2 Communication services | 24 | 18 |
| 3 Industrials | 14 | 15 |
| 4 Consumer staples | 8 | 9 |
| 5 Financials | 8 | 8 |
| 6 Information technology | 7 | 8 |
| 7 Healthcare | 5 | 8 |
| 8 Materials | 4 | 5 |
| 9 Utilities | 1 | 2 |
| 10 Real estate | 1 | 1 |
| 11 Net liquid assets | 1 | 1 |

* Alternative performance measure – For a definition of terms see Glossary of terms and alternative performance measures on pages 21 and 22.

† Total assets before deduction of loans.

Past performance is not a guide to future performance.

List of investments

at 31 July 2024 (unaudited)

| Name | Business | Value £'000 | % of total assets * |
|---------------------------------------|---|----------------|------------------------|
| Tencent | Social media and entertainment company | 16,763 | 12.6 |
| ByteDance® | Social media and entertainment company | 11,229 | 8.4 |
| Alibaba Group | Online retailer, payments and cloud business | 7,729 | 5.8 |
| Kweichow Moutai | Luxury baijiu maker | 6,435 | 4.8 |
| Meituan | Online food delivery company | 6,224 | 4.7 |
| China Merchants Bank | Consumer lending and wealth management | 4,452 | 3.3 |
| Ping An Insurance | Life and health insurance | 3,839 | 2.9 |
| PDD Holdings | Online retailer | 3,667 | 2.8 |
| CATL | Electric vehicle battery maker | 3,560 | 2.7 |
| Midea Group | White goods and robotics manufacturer | 3,216 | 2.4 |
| Zijin Mining Group | Renewable energy enabler | 3,190 | 2.4 |
| NetEase | Gaming and entertainment business | 3,059 | 2.3 |
| BeiGene | Immunotherapy biotechnology company | 2,957 | 2.2 |
| Silergy | Semiconductors & semiconductor equipment | 2,943 | 2.2 |
| Fuyao Glass Industry Group | Automotive glass manufacturer | 2,710 | 2.0 |
| PROYA | Cosmetics and personal care company | 2,603 | 2.0 |
| Weichai Power | Construction machinery and heavy duty trucks | 2,484 | 1.9 |
| Shenzhen Megmeet Electrical | Power electronics manufacturer | 2,433 | 1.8 |
| BYD | Hybrid and EV automobiles | 2,418 | 1.8 |
| Shandong Sinocera Functional Material | Advanced materials manufacturer | 2,198 | 1.6 |
| Shenzhou International | Garment manufacturer | 2,135 | 1.6 |
| ENN Energy | Gas distributor and provider | 1,986 | 1.5 |
| Zhejiang Sanhua Intelligent Controls | Heating and cooling component manufacturer | 1,894 | 1.4 |
| Centre Testing International | Testing and inspection company | 1,848 | 1.4 |
| Ping An Bank | SME and consumer lender | 1,793 | 1.3 |
| KE Holdings† | Online real estate | 1,760 | 1.3 |
| Anker Innovations | Consumer electronics | 1,716 | 1.3 |
| SG Micro Corp | Semiconductor designer | 1,509 | 1.1 |
| Shenzhen Inovance Technology | Factory automation company | 1,481 | 1.1 |
| Hangzhou Tigermed Consulting | Clinical trial contract research organisation | 1,471 | 1.1 |
| Estun Automation | Robotics and factory automation company | 1,437 | 1.1 |
| Li-Ning | Domestic sportswear manufacturer | 1,392 | 1.0 |
| Jiangsu Azure | Small form batteries | 1,342 | 1.0 |
| Luckin Coffee† | Coffee retailer | 1,214 | 0.9 |

| Name | Business | Value £'000 | % of total assets * |
|------------------------------------|---|------------------------|--------------------------------|
| Pop Mart | Toy and collectibles maker | 1,191 | 0.9 |
| Sungrow Power Supply | Component supplier to renewables industry | 1,143 | 0.9 |
| Yifeng Pharmacy Chain | Drug retailer | 1,095 | 0.8 |
| Brilliance China Automotive | Automotive makers and BMW partner | 1,078 | 0.8 |
| Guangzhou Kingmed Diagnostics | Diagnostics company | 1,062 | 0.8 |
| Sinocare | Diagnostics and diabetes company | 1,061 | 0.8 |
| Robam Appliances | White goods manufacturer | 1,019 | 0.8 |
| Shanxi Xinghuacun Fen Wine Factory | Distiller and distributor of liquor products | 1,015 | 0.8 |
| Yonyou Network Technology | Software for SMEs and corporates | 963 | 0.7 |
| Kingsoft | Software for SMEs and corporates | 944 | 0.7 |
| Kingdee International Software | Software for SMEs and corporates | 874 | 0.7 |
| Sunny Optical Technology | Electronic components for smartphones and autos | 829 | 0.6 |
| Medlive Technology | Medical dictionary and marketing organisation | 693 | 0.5 |
| Minth | Automotive parts manufacturer | 687 | 0.5 |
| China Oilfield Services | Oilfield service provider | 640 | 0.5 |
| Dongguan Yiheda Automation Co | Automation components | 455 | 0.4 |
| New Horizon Health# | Early cancer detection | 280 | 0.2 |
| Kinlong | Building products | 270 | 0.2 |
| Total investments | | 132,386 | 99.3 |
| Net liquid assets | | 871 | 0.7 |
| Total assets | | 133,257 | 100.0 |
| Borrowings | | (5,880) | (4.4) |
| Shareholders' funds | | 127,377 | 95.6 |

* Total assets before deduction of loans.

Ⓞ Denotes unlisted investment (private company).

† Includes investment in American Depositary Receipt (ADR).

Suspended.

Income statement (unaudited)

| | Notes | For the six months ended 31 July 2024 | | | For the six months to 31 July 2023 | | | For the year ended 31 January 2024 (audited) | | |
|---|-------|---------------------------------------|------------------|----------------|------------------------------------|------------------|-----------------|--|------------------|------------------|
| | | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains/(losses) on investments | | - | 11,117 | 11,117 | - | (39,036) | (39,036) | - | (83,606) | (83,606) |
| Currency gains/(losses) | | - | 81 | 81 | - | 172 | 172 | - | 105 | 105 |
| Income | | 2,138 | - | 2,138 | 1,932 | - | 1,932 | 2,599 | - | 2,599 |
| Investment management fee | 3 | (115) | (346) | (461) | (140) | (421) | (561) | (255) | (765) | (1,020) |
| Other administrative expenses | | (298) | - | (298) | (244) | - | (244) | (523) | - | (523) |
| Net return before finance costs and taxation | | 1,725 | 10,852 | 12,577 | 1,548 | (39,285) | (37,737) | 1,821 | (84,266) | (82,445) |
| Finance cost of borrowings | | (88) | (265) | (353) | (65) | (193) | (258) | (136) | (408) | (544) |
| Net return before taxation | | 1,637 | 10,587 | 12,224 | 1,483 | (39,478) | (37,995) | 1,685 | (84,674) | (82,989) |
| Tax | | (168) | - | (168) | (148) | - | (148) | (187) | - | (187) |
| Net return after taxation | | 1,469 | 10,587 | 12,056 | 1,335 | (39,478) | (38,143) | 1,498 | (84,674) | (83,176) |
| Net return per ordinary share | 4 | 2.40p | 17.28p | 19.68p | 2.15p | (63.66p) | (61.51p) | 2.42p | (136.61p) | (134.19p) |
| Note: | | | | | | | | | | |
| Dividends paid and payable per share | 5 | nil | | | nil | | | 2.00p | | |

The total column of this statement represents the profit and loss account of the Company. The supplementary revenue and capital 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 the Company does not have any other comprehensive income and the net return after taxation is both the profit and comprehensive income for the period.

The accompanying notes on pages 17 to 19 are an integral part of the Financial Statements.

Balance sheet (unaudited)

| | Notes | At 31 July 2024 £'000 | At 31 January 2024 £'000 |
|---|-------|-----------------------------|--------------------------------|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 6 | 132,386 | 124,751 |
| Current assets | | | |
| Debtors | | 743 | 23 |
| Cash and cash equivalents | | 2,714 | 926 |
| | | 3,457 | 949 |
| Creditors | | | |
| Amounts falling due within one year | 7 | (8,466) | (6,289) |
| Net current liabilities | | (5,009) | (5,340) |
| Net assets | | 127,377 | 119,411 |
| Capital and reserves | | | |
| Share capital | | 17,087 | 17,087 |
| Share premium account | | 31,780 | 31,780 |
| Capital redemption reserve | | 41,085 | 41,085 |
| Capital reserve | | 30,492 | 22,775 |
| Revenue reserve | | 6,933 | 6,684 |
| Shareholders' funds | | 127,377 | 119,411 |
| Net asset value per ordinary share* | | 210.88p | 193.06p |
| Shares in issue | 8 | 60,401,987 | 61,852,282 |

* See Glossary of terms and alternative performance measures on pages 21 and 22.
The accompanying notes on pages 17 to 19 are an integral part of the Financial Statements.

Statement of changes in equity (unaudited)

Six months to 31 July 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 2024 | | 17,087 | 31,780 | 41,085 | 22,775 | 6,684 | 119,411 |
| Ordinary shares bought back into treasury | | - | - | - | (2,870) | - | (2,870) |
| Net return after taxation | | - | - | - | 10,587 | 1,469 | 12,056 |
| Dividends paid during the year | 5 | - | - | - | - | (1,220) | (1,220) |
| Shareholders' funds at 31 July 2024 | | 17,087 | 31,780 | 41,085 | 30,492 | 6,933 | 127,377 |

Six months to 31 July 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 2023 | | 17,087 | 31,780 | 41,085 | 107,748 | 6,240 | 203,940 |
| Net return after taxation | | - | - | - | (39,478) | 1,335 | (38,143) |
| Dividends paid | 5 | - | - | - | - | (1,054) | (1,054) |
| Shareholders' funds at 31 July 2023 | | 17,087 | 31,780 | 41,085 | 68,270 | 6,521 | 164,743 |

* The Capital reserve as at 31 July 2024 includes investment holding losses of £65,132,000 (31 July 2023 – losses of £64,882,000). The accompanying notes on pages 21 and 22 are an integral part of the Financial Statements.

Condensed statement of cash flows (unaudited)

| | Six months to 31 July 2024 £'000 | Six months to 31 July 2023 £'000 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Net return before taxation | 12,224 | (37,995) |
| Net (gains)/losses on investments | (11,117) | 39,036 |
| Currency gains | (81) | (172) |
| Finance costs of borrowings | 353 | 258 |
| Overseas withholding tax suffered | (170) | (159) |
| Overseas withholding tax reclaims received | 2 | 11 |
| Changes in debtors | (280) | (248) |
| Changes in creditors | 26 | (149) |
| Cash from operations* | 957 | 582 |
| Interest paid | (299) | (257) |
| Net cash inflow from operating activities | 658 | 325 |
| Cash flows from investing activities | | |
| Acquisitions of investments | (13,514) | (1,814) |
| Disposals of investments | 18,661 | 3,206 |
| Net cash inflow from investing activities | 5,147 | 1,392 |
| Cash flows from financing activities | | |
| Ordinary shares bought back | (2,869) | - |
| Bank loans repaid | (5,906) | - |
| Bank loans drawn down | 5,970 | - |
| Equity dividends paid (note 5) | (1,220) | (1,054) |
| Net cash outflow from financing activities | (4,025) | (1,054) |
| Increase in cash and cash equivalents | 1,780 | 663 |
| Exchange movements | 8 | (91) |
| Cash and cash equivalents at start of period | 926 | 1,000 |
| Cash and cash equivalents at end of period† | 2,714 | 1,572 |

* Cash from operations includes dividends received in the period of £1,833,000 (31 July 2023 – £1,614,000) and deposit interest received of £9,000 (31 July 2023 – £9,000).

† Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

The accompanying notes on pages 17 to 19 are an integral part of the Financial Statements.

Notes to the financial statements (unaudited)

01 Basis of accounting

The condensed Financial Statements for the six months to 31 July 2024 comprise the statements set out on pages 12 to 16 together with the related notes on pages 17 to 19. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in July 2022 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 July 2024 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 January 2024.

Going concern

The Directors have considered the nature of the Company's assets, its liabilities, projected income and expenditure together with its investment objective and policy, dividend policy and principal risks and uncertainties, as set out on page 20. The Board has, in particular, considered the impact of heightened market volatility due to macroeconomic and geopolitical concerns, and reviewed the results of 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. 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. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

02 Financial information

The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 January 2024 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

03 Investment manager

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, was appointed by the Company as its Alternative Investment Fund Manager and Company Secretaries on 16 September 2020. The investment management function has been delegated to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The management agreement is terminable on not less than three months notice or on shorter notice in certain circumstances. 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.

04 Net return per ordinary share

| | Six months to 31 July 2024 £'000 | Six months to 31 July 2023 £'000 | Year to 31 January 2024 £'000 |
|--|--|--|-------------------------------------|
| Revenue return after taxation | 1,469 | 1,335 | 1,498 |
| Capital return after taxation | 10,587 | (39,478) | (84,674) |
| Total net return | 12,056 | (38,143) | (83,176) |
| Weighted average number of ordinary shares in issue | 61,279,594 | 62,012,982 | 61,981,380 |

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

05 Dividends

| | Six months to 31 July 2024 £'000 | Six months to 31 July 2023 £'000 |
|---|--|--|
| Amounts recognised as distributions in the period: | | |
| Previous year's final dividend of 2.00p (2023 – 1.70p) paid on 20 July 2024 | 1,220 | 1,054 |

06 Fixed assets – investments

Fair value hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements 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).

| As at 31 July 2024 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------------------|------------------|------------------|----------------|
| Listed equities | 120,877 | – | – | 120,877 |
| Unlisted ordinary shares | – | – | 11,229 | 11,229 |
| Suspended ordinary shares | – | 280 | – | 280 |
| Total financial asset investments | 120,877 | 280 | 11,229 | 132,386 |

| As at 31 January 2024 (audited) | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------------------|------------------|------------------|----------------|
| Listed equities | 114,200 | – | – | 114,200 |
| Unlisted equities | – | – | 10,551 | 10,551 |
| Total financial asset investments | 114,200 | – | 10,551 | 124,751 |

Investments in securities are financial assets designated at fair value through profit or loss on initial recognition. In accordance with FRS 102 the tables above provide an analysis of these investments based on the fair value hierarchy described above which reflects the reliability and significance of the information used to measure their fair value. During the six months, a listed equity investment with a fair value at 31 January 2024 of £449,000 was transferred from Level 1 to Level 2 when its shares were suspended and a write down from the last traded price was applied, to reflect the reputational impact of the suspension on the underlying business.

07 Bank loans

The Company has a two year US\$25 million revolving credit facility with The Royal Bank of Scotland (International) Limited which expires on 11 April 2026. At 31 July 2024 creditors falling due within one year include borrowings of £5.9 million (HKD59 million) (31 January 2024 – £5.9 million (US\$7.6 million)) drawn down under the facility.

08 Share capital

The Company has authority to allot shares under section 551 of the Companies Act 2006 or sell shares held in treasury. Such authorities will only be used to issue shares or sell shares from treasury at, or at a premium to, net asset value and only when the Directors believe that it would be in the best interests of the Company to do so. In the six months to 31 July 2024 no ordinary shares were issued from treasury (in the year to 31 January 2024 no shares were issued from treasury).

The Company also has authority to buy back shares. In the six months to 31 July 2024, 1,450,295 ordinary shares were bought back and held in treasury (in the year to 31 January 2024, 160,700 ordinary shares were bought and held in treasury). At 31 July 2024, the Company had authority remaining to buy back a further 8,547,513 ordinary shares.

09 Related party transactions

There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there have been no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

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

10 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.

Principal risks and uncertainties

The principal risks facing the Company are investment strategy risk, single country risk, emerging market risk, unlisted securities, discount risk, leverage risk, custody and depository risk, operational risk, financial risk, regulatory risk, cyber security risk, climate and governance risk, and emerging risks. An explanation of these risks and how they are managed is set out on pages 32 to 38 of the Company's Annual Report and Financial Statements for the year to 31 January 2024 which is available on the Company's website: [bailliegiffordchinagrowthtrust.com](https://www.bailliegiffordchinagrowthtrust.com). The principal risks and uncertainties have not changed since the date of the Annual Report.

The Board is mindful of the risk that geopolitical developments could adversely impact companies held within the Company's investment portfolio, including the potential impact of sanctions, and such matters are evaluated both in conjunction with the manager and, where appropriate, with input from external advisers.

Responsibility statement

We confirm that to the best of our knowledge:

- a. the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';
- b. the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months, their impact on the Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c. the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
Nicholas Pink
Chair
30 September 2024

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

An alternative performance measure 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.

Total assets

This is the Company's definition of adjusted total assets, being the total 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.

Net asset value (borrowings at book value) (APM)

The APMs noted below are commonly used measures within the investment trust industry and serve to improve comparability between investment trusts.

| | 31 July 2024 | 31 January 2024 |
|--|---------------------|---------------------|
| Shareholders' funds (borrowings at book value) | £127,377,000 | £119,411,000 |
| Shares in issue | 60,401,987 | 61,852,282 |
| Net asset value per ordinary share (borrowings at book value) | 210.88p | 193.06p |

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 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.

| | 31 July 2024 | 31 January 2024 |
|-----------------------|-----------------|--------------------|
| Closing NAV per share | 210.88p | 193.06p |
| Closing share price | 186.50p | 181.00p |
| Discount | (11.6%) | (6.2%) |

Total return (APM)

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

| | | 31 July 2024 NAV | 31 July 2024 Share price | 31 January 2024 NAV | 31 January 2024 Share price |
|---|--------------------|------------------------|--------------------------------|---------------------------|-----------------------------------|
| Closing NAV per share/share price | (a) | 210.88p | 186.50p | 193.06p | 181.00p |
| Dividend adjustment factor* | (b) | 1.008783 | 1.009852 | 1.006801 | 1.007763 |
| Adjusted closing NAV per share/share price | (c = a x b) | 212.73p | 188.34p | 194.37p | 182.41p |
| Opening NAV per share/share price | (d) | 193.06p | 181.00p | 328.87p | 308.00p |
| Total return | (c ÷ d) -1 | 10.2% | 4.1% | (40.9%) | (40.8%) |

* The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum income NAV 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 are calculated on the basis prescribed by the Association of Investment Companies.

Gearing (APM)

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

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

Gearing is the Company's borrowings adjusted for cash and cash equivalents including any outstanding investment and share buy-back/issuance transactions awaiting settlement) expressed as a percentage of shareholders' funds.

Leverage (APM)

For the purposes of the UK Alternative Investment Fund Managers 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.

Further shareholder information

How to invest

Baillie Gifford China Growth Trust'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.

Client relations team contact details

You can contact the Baillie Gifford Client Relations Team by telephone (your call may be recorded for training or monitoring purposes), email or post. See contact details in the 'Further Information' box on page 25.

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.

Automatic exchange of information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Baillie Gifford China Growth Trust 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.

Risk warnings

Past performance is not a guide to future performance.

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

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

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

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

Third party data provider disclaimer

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Company information

Directors

Chair: Nicholas Pink
Tim Clissold
Sarah MacAulay*
Magdalene Miller
Jonathan Silver

* Appointed 1 May 2024

Company details

bailliegiffordchinagrowthtrust.com

Company Registration No. 91798

ISIN: GB0003656021

Sedol: 0365602

Ticker: BGCG

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