



RNS Announcement: Preliminary Results

Baillie Gifford China Growth Trust plc

Legal Entity Identifier: 213800KOK5G3XYI7ZX18

The following is the results announcement for the year to 31 January 2021 which was approved by the Board on 26 April 2021.

Results for the year to 31 January 2021

Over the year the Company's net asset value per share increased by 38.1% compared to a 22.0% rise in the comparative index*. The share price increased by 67.9% as the shares moved from a discount of 8.4% to a premium of 11.2%.

- Baillie Gifford took over the management of the portfolio on 16 September 2020;
- The portfolio was re-organised into a portfolio of Chinese companies to align with the Company's revised investment policy;
- The Company made its first investment in a private company, ByteDance, a social media and short form video company; and
- Whilst investment in China may prove volatile over a short term horizon we are optimistic about the prospects for long-term investment.

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

† Alternative Performance Measure – see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

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

Baillie Gifford China Growth aims to achieve long term capital growth through investment principally in Chinese companies which are believed to have above average prospects for growth. At 31 January 2021 the Company had total assets of **£271.4m**.

The Company is managed by Baillie Gifford & Co, an Edinburgh based fund management group with around **£332 billion** under management and advice as at 23 April 2021.

Past performance is not a guide to future performance. The value of an investment and any income from it is not guaranteed and may go down as well as up and investors may not get back the amount invested. The Company may borrow money to make further investments. This is commonly referred to as gearing. The risk is that, when this money is repaid by the Company, the value of these investments may not be enough to cover the borrowing and interest costs, and the Company makes a loss. If the Company's investments fall in value, gearing will increase the amount of this loss. The more highly geared the Company, the greater this effect will be.

Investment in investment trusts should be regarded as medium to long term. You can find up to date performance information about China Growth at **bailliegiiffordchinagrowthtrust.com**

See disclaimer at the end of this announcement.

26 April 2021

Baillie Gifford China Growth Trust plc

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Chairman's Statement

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

Covid-19

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

Management Arrangements

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

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

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

Performance

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

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

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

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

Gearing

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

Governance and Sustainability

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

Ongoing Costs

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

Dividend

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

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

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Tender, Discount/Premium and Share Buybacks

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

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

Share Issuance

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

The Board

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

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

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

Annual General Meeting

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

Changes to Articles

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

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

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

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

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

Outlook

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

Susan Platts-Martin
Chair
26 April 2021

For a definition of terms, see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

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See disclaimer at the end of this announcement.*

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Managers' Report

Our First Year

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

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

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

- **Long Term:** Our investment horizon is 5–10 years, in a region where the average holding period is only a couple of months. This is a significant differentiator and a strong driver of returns. One of the key inefficiencies that we seek to exploit is the market's extreme short-termism and our 5–10 years investment philosophy allows us to do this. Our incentivisation is also staunchly long-term: the variable portion of our remuneration is based on 5 year rolling investment performance – again, something we believe to be almost unique in the region.
- **Active:** We look for the best 40–80 Chinese growth companies regardless of sector or industry and we hold them in size. We are willing to be very different to the benchmark as we believe differentiation is a necessary condition for delivering superior returns over time. Shareholders should be comfortable tolerating the inevitable ups and downs in short-term relative performance that will follow from this.
- **Growth:** China has some of the most exciting and transformational growth companies in the world and our philosophy is centred on finding them. Indeed, our experience of investing in China over the last 3 decades has been that it is the highest growth companies that have delivered the most attractive share price returns.

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

Portfolio Positioning and Recent Activity

Portfolio construction flows from the investment beliefs stated above. We believe that the current portfolio represents a selection of the best and most innovative public and private Chinese growth companies. What you will see in the portfolio is a bias towards consumer discretionary, healthcare and technology related businesses. China has the largest middle class in the world and one that's growing substantially every day. Importantly, the middle class exhibits an appetite to consume and adopt technology that's arguably greater than anywhere else in the world. This, combined with a corporate base that continues to ramp up investments in research and development, creates a wealth of opportunities for growth investors in both consumer and technology related businesses. However, it's important to note that bias towards sectors is an output rather than an input: our process is largely bottom up and our portfolio exposure is a function of where we're finding the best, long-term growth ideas. It's also important to note the variety of companies and growth drivers within these sector allocations. For example, healthcare is a large overweight

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position for the Company. Here, the government's desire to create a globally leading healthcare industry has created a wealth of opportunities in a broad range of businesses from infrastructure related companies like Tigermed, a leader in clinical trials, to Burning Rock, a leader in early stage cancer detection, to Ping An Good Doctor, an online GP provider with an edge in artificial intelligence. Regardless of sector, all of the companies owned within the Company display the competitive and cultural strengths which should enable them to continue growing consistently for many years and deliver excellent returns to shareholders.

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

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

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

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

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

Performance

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

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short period. Instead, we'd request that shareholders judge our efforts over similar time frames to those we apply to our underlying investments, namely five years or more.

Outlook

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

Roderick Snell
Sophie Earnshaw
Baillie Gifford & Co
26 April 2021

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Review of Investments

A review of the ten largest investments is given below.

Tencent

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

Alibaba

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

Meituan Dianping

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

Ping An

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

Kweichow Moutai

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

ByteDance

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

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Bilibili

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

Zai Labs

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

China Merchants Bank

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

Contemporary Ampere Technology (CATL)

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

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List of Investments at 31 January 2021

Name	Business	Value £'000	% of total assets
Tencent	Social media and entertainment company	27,445	10.1
Alibaba	Online retailer, payments and cloud business	25,082	9.2
Meituan Dianping	Online food delivery company	11,963	4.4
Ping An Insurance	Life and health insurance	11,057	4.1
Kweichow Moutai	Luxury baijiu maker	9,022	3.3
ByteDance ^u	Social media and entertainment company	8,010	3.0
Bilibili	Social media company	7,358	2.7
Zai Lab	Biotechnology business	7,161	2.6
China Merchants Bank	Consumer lending and wealth management	6,921	2.6
Contemporary Amperex Technology	Electric vehicle battery maker	5,956	2.2
Guangzhou Kingmed Diagnostics	Diagnostics company	5,726	2.1
JD.com	Online retailer	5,721	2.1
Ping an Bank	SME and consumer lender	5,439	2.0
WuXi AppTec	Life sciences contract research organization	5,198	1.9
Li Ning	Domestic sportswear manufacturer	5,043	1.9
Geely Automobile	Domestic automotive manufacturer	4,614	1.7
Midea [†]	White goods and robotics manufacturer	4,510	1.7
NetEase	Gaming and entertainment business	4,457	1.7
BeiGene	Immunotherapy biotechnology company	4,156	1.5
China Molybdenum	Metals and mining company	4,022	1.5
Foshan Haitian Flavouring and Food	Soy sauce and flavourings business	3,783	1.4
Weichai Power	Construction machinery and heavy duty trucks	3,766	1.4
Dada Nexus	Logistics and warehousing provider	3,608	1.3
Kingdee International Software	Software for SMEs and corporates	3,513	1.3
Hangzhou Tigermed Consulting	Clinical trial contract research organisation	3,483	1.3
Kingsoft	Software for SMEs and corporates	3,466	1.3
Sunny Optical Technology	Electronic components for smartphones and autos	3,396	1.3
Yatsen	Online cosmetics company	3,311	1.2
Topchoice Medical	Dental services provider	3,285	1.2
Asymchem Laboratories (Tianjin)	Life sciences contract research organisation	3,252	1.2
Shenzhou International	Garment manufacturer	3,183	1.2
KE Holdings	Online real estate	3,103	1.2
Pop Mart	Toy and collectibles maker	3,096	1.2
Estun Automation	Robotics and factory automation company	3,086	1.1
Fuyao Glass	Automotive glass manufacturer	3,071	1.1
Burning Rock Biotech	Liquid biopsy cancer testing company	3,026	1.1
Luzhou Laojiao	Premium baijiu maker	3,018	1.1
HUAYU Automotive Systems	Automotive parts manufacturer	2,979	1.1
Shenzhen Inovance Technology	Factor automation company	2,881	1.1
Jiangsu Hengrui Medicine	Pharmaceutical manufacturer	2,817	1.0
Zhejiang danhua Intelligent Controls	Heating and cooling component manufacturer	2,814	1.0
Lufax	SME and consumer lender	2,807	1.0
Glodon [†]	Software provider to the construction industry	2,829	1.0
ENN Energy	Gas distributor and provider	2,687	1.0
Proya Cosmetics	Cosmetics and personal care company	2,549	0.9
Yonyou Network Technology	Software for SMEs and corporates	2,373	0.9
Brilliance China Automotive	Automotive makers and BMW partner	2,246	0.8
iQIYI	Online movie and entertainment platform	2,072	0.8
Mint	Automotive parts manufacturer	1,840	0.7
BGI Genomics	Gene sequencing company	1,730	0.6
Hangzhou Robam Appliances	White goods manufacturer	1,663	0.6
Ping an Healthcare & Tech	Online GP service	1,657	0.6
Yifeng Pharmacy Chain	Drug retailer	1,639	0.6
Hua Medicine (Shanghai)	Diabetes drug manufacturer	1,416	0.5
Shanghai International Airport	Shanghai airport operator	1,077	0.4
Berry Genomics	Gene sequencing company	995	0.4
Hutchison China MediTech	Biotechnology company	920	0.3

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List of Investments at 31 January 2021 (Ctd)

Name	Business	Value £'000	% of total assets
AAC Technologies	Miniature electronic component maker	911	0.3
Total investments		268,209	98.8
Net liquid assets*		3,215	1.2
Total assets*		271,424	100.0

* See Glossary of Terms and Alternative Performance Measures at the end of this announcement.

u Denotes unlisted holding (private company).

† Includes investments in Participatory Notes.

Baillie Gifford Statement on Stewardship

Reclaiming Activism for Long-Term Investors

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

Our Stewardship Principles

Prioritisation of long-term value creation

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

A Constructive and Purposeful Board

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

Long-term Focused Remuneration With Stretching Targets

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

Fair Treatment of Stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in

Baillie Gifford China Growth Trust plc

one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable Business practices

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

Income statement

The following is the preliminary statement for the year to 31 January 2021 which was approved by the Board on 26 April 2021.

	For the year ended 31 January 2021			For the year ended 31 January 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments	-	64,697	64,697	-	7,997	7,997
Currency losses	-	(139)	(139)	-	(189)	(189)
Income	3,600	-	3,600	6,073	-	6,073
Investment management fee (note 3)	(227)	(681)	(908)	(370)	(1,110)	(1,480)
Performance fee	-	(78)	(78)	-	(164)	(164)
Other administrative expenses	(832)	(559)	(1,391)	(809)	(54)	(863)
Net return before finance costs and taxation	2,541	63,240	65,781	4,894	6,480	11,374
Finance costs	-	-	-	-	-	-
Net return on ordinary activities before taxation	2,541	63,240	65,781	4,894	6,480	11,374
Tax on ordinary activities	(212)	-	(212)	(482)	(107)	(589)
Net return on ordinary activities after taxation	2,329	63,240	65,569	4,412	6,373	10,785
Net return per ordinary share (note 5)	4.48p	121.71p	126.19p	7.15p	10.33p	17.48p

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.

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Balance sheet

	At 31 January 2021		At 31 January 2020	
	£'000	£'000	£'000	£'000
Fixed assets				
Investments held at fair value through profit or loss (note 7)		268,209		215,358
Current assets				
Debtors	1,347		756	
Cash and cash equivalents	5,962		7,386	
	11,309		8,142	
Creditors				
Amounts falling due within one year	(4,094)		(1,128)	
Performance fee	-		(66)	
Net current assets		3,215		6,948
Total assets less current liabilities		271,424		222,306
Provision for liabilities and charges		-		(98)
Net assets		271,424		222,208
Capital and reserves				
Share capital		16,486		16,486
Share premium account		13,182		5
Capital redemption reserve		41,085		41,085
Capital reserve		189,061		151,441
Revenue reserve		11,610		13,191
Shareholders' funds		271,424		222,208
Net asset value per ordinary share*		492.66p		363.49p
Ordinary shares in issue (note 5)		55,093,831		61,139,439

* See Glossary of Terms and Alternative Performance Measures at the end of this announcement.

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Statement of changes in equity

For the year ended 31 January 2021

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

For the year ended 31 January 2020

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

* The capital reserve balance at 31 January 2021 includes investment holding gains of £48,180,000 (2020 – gains of £32,954,000).

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Cash flow statement

	For the year ended 31 January 2021		For the year ended 31 January 2020	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net return on ordinary activities before taxation		65,781		11,374
Net gains on investments		(64,697)		(7,997)
Currency losses		139		189
Overseas withholding tax incurred		(212)		(589)
Changes in debtors and creditors		(171)		307
Net cash inflow from operating activities*		840		3,284
Cash flows from investing activities				
Acquisitions of investments	(271,745)		(62,152)	
Disposals of investments	287,272		70,639	
Net cash inflow from investing activities		15,527		8,487
Cash flows from financing activities				
Ordinary shares issued	54,864		-	
Ordinary shares bought back	(68,606)		(4,153)	
Equity dividends paid	(3,910)		(4,353)	
Net cash outflow from financing activities		(17,652)		(8,506)
(Decrease)/increase in cash and cash equivalents		(1,285)		3,265
Exchange movements		(139)		(189)
Cash and cash equivalents at start of year		7,386		4,310
Cash and cash equivalents at end of year		5,962		7,386
Comprising:				
Cash at bank		5,962		7,386

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

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Notes to the financial statements

1. The Financial Statements for the year to 31 January 2021 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 January 2021.

2.	2021 £'000	2020 £'000
Income		
Income from investments		
UK dividends	80	150
Overseas dividends	3,520	5,867
Scrip dividends	-	26
Total dividend income	3,600	6,043
Other income		
Bank Interest	-	2
Other income	-	28
Total other income	-	30
Total income	3,600	6,073

Total Income comprises:

Dividends from financial assets designated at fair value through profit or loss	3,600	6,043
Interest from financial assets not at fair value through profit or loss	-	30
	3,600	6,073

3.	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Investment Management fee	227	681	908	370	1,110	1,480
Investment Performance fee	-	78	78	-	164	164
	227	759	986	370	1,274	1,644

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

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

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

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Notes to the financial statements (ctd)

5.	Net return per ordinary share	31 January 2021 £'000	31 January 2020 £'000
	Revenue return	2,329	4,412
	Capital return	63,240	6,373
	Total return	65,569	10,785

The returns per ordinary share set out below are based on the above returns and on 51,961,993 ordinary shares (2020 – 61,677,613), being the weighted average number of ordinary shares in issue during the year. There are no dilutive or potentially dilutive shares in issue.

	Revenue return	4.48p	7.15p
	Capital return	121.71p	10.33p
	Total return	126.19p	17.48p

6.	Ordinary Dividends	2021	2020	2021 £'000	2020 £'000
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Amounts recognised as distributions in the year:

Previous year's final dividend (paid 3 July 2020)	4.60p	4.50p	2,801	2,784
Interim dividend (paid 30 October 2020)	2.55p	2.55p	1,109	1,569
	7.15p	7.05p	3,910	4,353

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

	2021	2020	2021 £'000	2020 £'000
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Dividends paid and payable in respect of the year:

Interim dividend per ordinary share (paid 30 October 2020)	2.55p	2.55p	1,109	1,569
Proposed final dividend per ordinary share (payable 23 July 2021)	4.60p	4.60p	2,534	2,807
	7.15p	7.15p	3,643	4,376

7. Fixed Assets - Investments

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

Fair Value Hierarchy

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

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

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

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

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

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Notes to the financial statements (ctd)

UCITS (2019 – Aberdeen Global Indian Equity UCITS and Aberdeen Global China A Equity UCITS).

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

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

8. At 31 January 2021 the Company had authority to buy back 8,902,462 ordinary shares. During the year to 31 January 2021, no ordinary shares (2020 – nil) were bought back for cancellation and 237,535 (2020 – 1,251,965) ordinary shares were bought back into treasury. In addition, the Board undertook a tender offer in September 2020 and as a result the Company bought back a total of 17,401,665 ordinary shares. During the year, 11,601,592 shares were issued from treasury. Under the provisions of the Company's Articles of Association share buy-backs are funded from the capital reserve.

	1 February 2020 £'000	Cash Flows £'000	Exchange Movement £'000	31 January 2021 £'000
Cash and cash equivalents	7,386	(1,282)	(139)	5,965

9. .
10. The Annual Report and Financial Statements will be available on the Company's website [bailliegiffordchinagrowthtrust](http://bailliegiffordchinagrowthtrust.com)[†] on or around 6 May 2021.
11. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 January 2021 or 2020 but is derived from those accounts. Statutory accounts for 2020 have been delivered to the Registrar of Companies, and those for 2021 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.
12. **Subsequent Events Note**
Between 31 January 2021 and 23 April 2021, the Company issued a further 4,210,000 shares on a non pre-emptive basis at a premium to net asset value raising net proceeds of £23.3m. As at the 22 April 2021 the NAV per share was 457.79p, 7.1% lower than as at 31 January 2021.

[†] Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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Glossary of Terms and Alternative Performance Measures (APM)

Total Assets

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

Net Asset Value

Net Asset Value (NAV) is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of 55,093,831 (excluding treasury shares).

Net Liquid Assets

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

Discount/Premium (APM)

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

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

Total Return (APM)

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

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

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

Ongoing Charges (APM)

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

Baillie Gifford China Growth Trust plc

Glossary of Terms and Alternative Performance Measures (APM) (Ctd)

A reconciliation from the expenses detailed in the Income Statement above is provided below:

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

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

	2021	2020
Investment management fee	£908,000	£1,480,000
Investment management fee waiver	£623,000	-
Other administrative expenses	£832,000	£809,000
Non-recurring expenses	(£96,000)	(£24,000)
Total expenses (a)	£2,267,000	£2,265,000
Average daily cum-income net asset value (b)	£221,479,608	£227,544,190
Ongoing charges ((a) ÷ (b) expressed as a percentage)	1.02%	1.00%
Performance fees	£78,000	£64,000
Total expenses including performance fees	£2,345,000	£2,429,000
Ongoing charges including performance fees (c) as a percentage of (b)	1.06%	1.07%

Gearing (APM)

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

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

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

Leverage (APM)

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

Baillie Gifford China Growth Trust plc

Glossary of Terms and Alternative Performance Measures (APM) (Ctd)

Active Share (APM)

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

Net Liquid Assets

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

Unlisted (Private) Company

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

Participatory Notes (or P-Notes)

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

Automatic Exchange of Information

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

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

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent 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](https://www.gov.uk/government/publications/exchange-of-information-account-holders).

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Baillie Gifford China Growth Trust plc

MSCI Index data

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