JPMorgan China Growth & Income plc

Annual Report & Financial Statements
for the year ended 30th September 2024

J.P.Morgan
ASSET MANAGEMENT

Key Features

Your Company at a Glance

Investment Objective

To provide long-term capital growth by investment in 'Greater China' companies.

Investment Policies

- To invest in companies in 'Greater China' (China, Hong Kong and Taiwan) or which derive a substantial part of their revenues or profits from these territories. This includes companies which are listed or issue American Depositary Receipts ('ADRs') on other exchanges including the US.
- To use gearing up to a maximum level of 20% of shareholders' funds to increase potential returns to shareholders.
- To invest no more than 15% of gross assets in other UK listed investment companies (including investment trusts).

Dividend Policy

The dividend policy aims to pay, in the absence of unforeseen circumstances, an annual dividend equivalent to 4% of the Company's NAV on the last business day of the preceding financial year. The target dividend is announced at the start of each financial year and paid by way of four equal interim dividends on the first business day in December, March, June and September. These dividends are paid from a combination of revenue and capital reserves.

Gearing

A flexible £30 million borrowing facility is in place and available for the Portfolio Managers to utilise within guidelines set by the Board. At 30th September 2024, £8.7 million was drawn down on the facility with the gearing level being 3.5% at that date.

Benchmark

MSCI China Index, with net dividends reinvested, in sterling terms.

Risk

Investors should note that the Greater China markets can exhibit more volatility than developed markets and this should be taken into consideration when evaluating the suitability of the Company as a potential investment.

Capital Structure

At 30th September 2024, the Company's issued share capital comprised 83,202,465 Ordinary shares of 25p each. No shares were held in Treasury. No shares have been repurchased or issued since the year-end.

Continuation Vote and Conditional Tender Offer

At the Annual General Meeting ('AGM') of the Company held on 6th February 2023, an ordinary resolution was approved by shareholders that the Company continue in existence for a further five year period. In accordance with the Company's Articles of Association, the Directors are required to propose a resolution that the Company continue as an investment trust at the Annual General Meeting in 2028 and every fifth year thereafter. There is a conditional tender offer in place for up to 15% of the Company's issued share capital at a price equal to net asset value less costs if, over the five years from 1st October 2022, the NAV total return underperforms the benchmark total return.

Management Company and Company Secretary

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

The Company's website, which can be found at www.jpmchinagrowthandincome.co.uk, includes useful information on the Company, such as daily prices, factsheets and current and historic Half-Year and Annual Reports.

Contact the Company/Keeping in Touch

General enquiries about the Company should be directed to the Company Secretary at invtrusts.cosec@jpmorgan.com.

The Board and the Portfolio Managers are keen to increase dialogue with shareholders and other interested parties. If you wish to sign up to receive email updates from the Company, including news and views and latest performance statistics, please click the QR Code to the right or visit https://tinyurl.com/JCGI-Sign-Up

"We believe there are several reasons to be optimistic about the prospects for Chinese equities, and for our portfolio, over the coming year. Firstly, valuations are still attractive. Even after the recovery in September and October 2024, they are still at relatively low levels compared to market history. Secondly, corporate reforms focused on improving capital allocation and shareholder returns will be very positive for the market. Finally, with the Chinese authorities now clearly determined to support the economy and the property sector, we see potential for upside surprises to earnings over the next year and beyond, especially for the quality and growth-oriented stocks we favour.

Externally, the relationship between China and the US is expected to remain challenging. It is hard to predict the full impact of President-Elect Trump's victory, and pre-election rhetoric may be tempered by post-election realities. We have incorporated perceived risks into our portfolio construction and risk management processes.

We will continue to seek out the opportunities generated by economic recovery and structural changes, to ensure that your Company continues to deliver outright gains and outperformance to shareholders over the long term."

Rebecca Jiang, Portfolio Manager
JPMorgan China Growth & Income plc

Our heritage and our team

Launched in October 1993, JPMorgan China Growth & Income plc has a 30-year track record of investing in 'Greater China', including China, Hong Kong and Taiwan. JPMAM is a leading investment specialist with a long established presence in Greater China and the Asia Pacific region. The Greater China team has an average of 18 years industry experience. The investment team, led by Rebecca Jiang who has been a Portfolio Manager of the Company since 2017, is assisted by Simmy Qi in Shanghai, Li Tan in Hong Kong and Howard Wang in Taipei. Their on-the-ground experience and in-depth knowledge of local markets, coupled with an established investment process, enables them to assess companies' longer-term prospects through rigorous research without being sidetracked by short-term noise.

Our Investment Approach

The Company takes an active, longer-term, bottom-up approach to investing in the Greater China markets. Rebecca and the team look at the growth potential of primarily higher quality companies and focus on fundamental, bottom-up stock selection, based on comprehensive research. In their research process, they systematically assess financially material environmental, social and governance ('ESG') factors amongst other factors in their investment decisions with the goals of managing risk and improving long-term returns. With an investment approach which identifies profitable companies that demonstrate sustained growth potential over the long term rather than focusing on short-term market movements, the Company has created value for investors over the long term.

1,600+
Greater China company meetings conducted per annum

71
Investment professionals in Hong Kong, Shanghai and Taipei (including JPMorgan Asset Management China)[1]

18 years
The Greater China team has an average of 18 years industry experience

63.3%
Active share — a measure of active management[2]

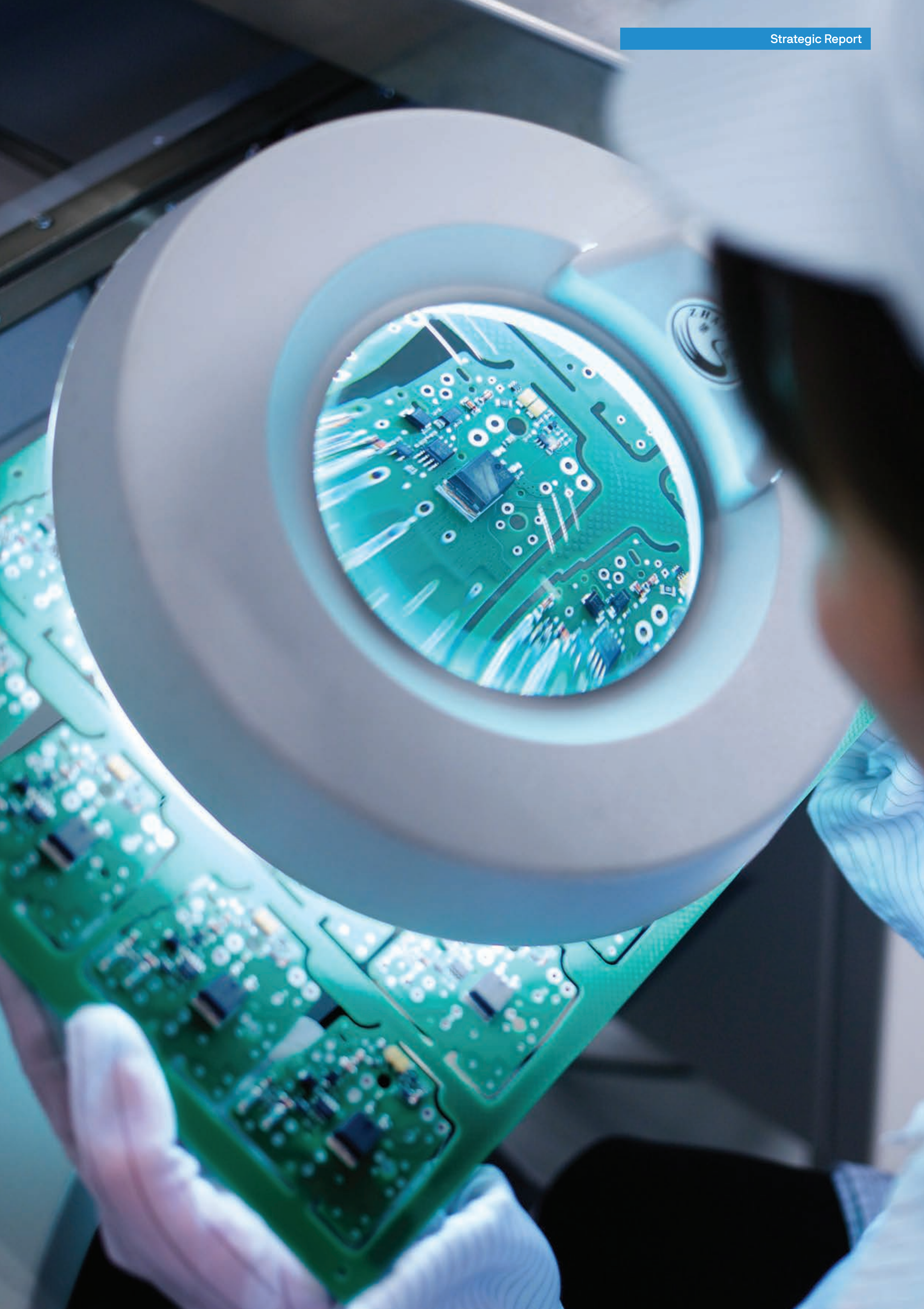
[1] 71 investment professionals in the Emerging Markets and Asia Pacific Team, including 35 investment professionals from JPMorgan Asset Management (China) Limited.

[2] Active share is a measurement of the difference in the Company's portfolio compared to the benchmark index. A portfolio that replicates the index has an active share of zero, while a portfolio that owns entirely out-of-benchmark securities has an active share of 100.

Contents

FINANCIAL CALENDAR

Financial year end	**30th September**
Final results announced	**December**
Half year end	**31st March**
Half year results announced	**May**
Dividend on Ordinary shares paid	**December/March/June/September**
Annual General Meeting	**January/February**



Financial Highlights

Total returns (including dividends reinvested) to 30th September

	2024	2023	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return to shareholders[1,A]	+2.3%	–15.3%	–46.7%	–5.5%	+87.6%
Return on net assets[2,A]	+3.6%	–15.8%	–44.8%	–4.5%	+90.0%
Benchmark return[3]	+12.7%	–3.7%	–15.3%	–4.2%	+69.0%
Net asset return performance compared to benchmark return[3,A]	–9.1%	–12.1%	–29.5%	–0.3%	+21.0%
Annual dividend[4]	11.04p	13.68p			

[1] Source: Morningstar.
[2] Source: Morningstar/J.P. Morgan, using net asset value per share.
[3] Source: MSCI. The Company's benchmark is the MSCI China Index with net dividends reinvested, in sterling terms. Prior to 26th January 2016, the benchmark was the MSCI Dragon Index.
[4] Details on the Company's dividend distribution policy can be found on page 47.
[A] Alternative Performance Measure.

A glossary of terms and Alternative Performance Measures is provided on pages 103 to 106.

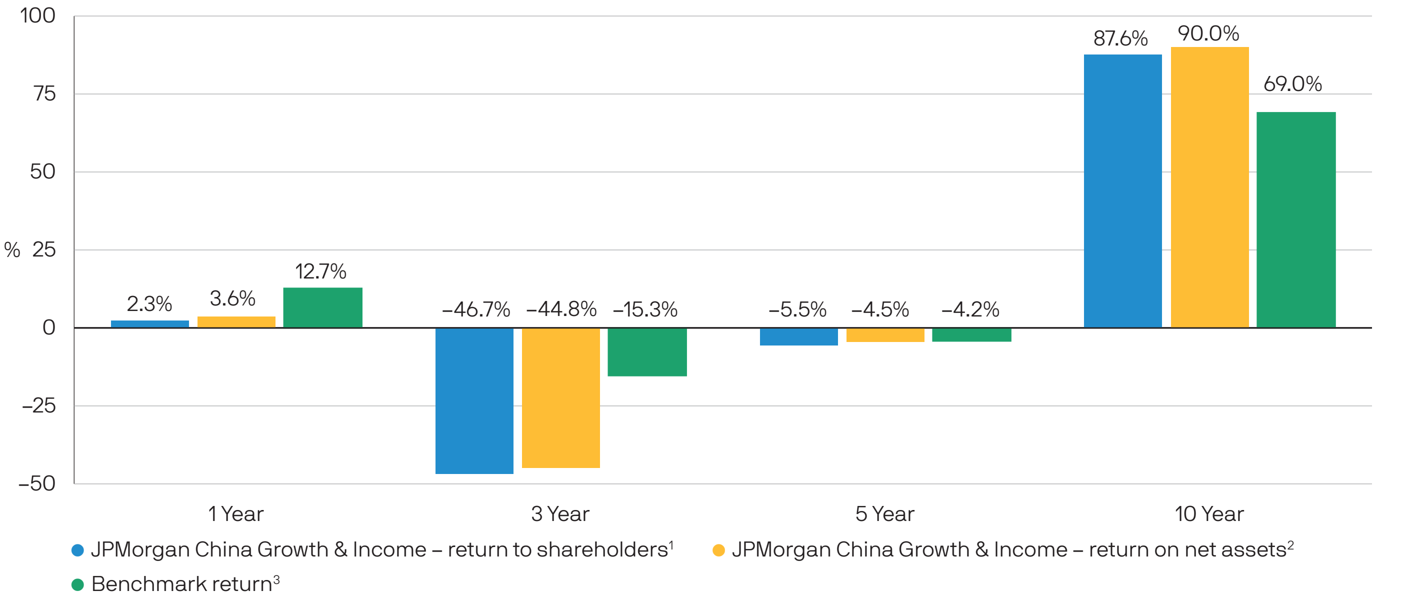
Financial Highlights

Summary of results

	2024	2023	% change
Net asset value, share price and discount at 30th September			
Shareholders' funds (£'000)	227,396	229,772	–1.0
Net asset value per share[A]	273.3p	276.2p	–1.0[1]
Share price	237.5p	244.5p	–2.9[2]
Share price discount to net asset value[A]	(13.1)%	(11.5)%	
Shares in issue (excluding shares held in Treasury)	83,202,465	83,202,465	
Revenue for the year ended 30th September			
Gross revenue attributable to shareholders (£'000)	4,442	3,745	+18.6
Net revenue attributable to shareholders (£'000)	2,823	1,557	+81.3
Revenue return per share	3.39p	1.87p	+81.3
Total return/(loss) per share	7.59p	(51.84)p	
Dividend per share	11.04p	13.68p	–19.3
Gearing at 30th September[A]	**3.5%**	**14.0%**	
Ongoing charges[A]	**1.18%**	**1.12%**	

[1] Excludes dividends reinvested. Including dividends reinvested, the return is +3.6%.
[2] Excludes dividends reinvested. Including dividends reinvested, the return is +2.3%.
[A] Alternative Performance Measure ('APM').
A glossary of terms and Alternative Performance Measures is provided on pages 103 to 106.

Long-term performance for years ended 30th September 2024



[1] Source: Morningstar.
[2] Source: Morningstar/J.P. Morgan, using net asset value per share.
[3] Source: MSCI. The Company's benchmark is the MSCI China Index with net dividends reinvested, in sterling terms. Prior to 26th January 2016, the benchmark was the MSCI Dragon Index.

Chairman's Statement

Alexandra Mackesy
Chairman

The year ended 30th September 2024 proved to be a period of sharply different halves, continuing the trend seen in the previous year. During the first six months ended 31st March 2024, the Company's total return on net assets (with net dividends reinvested) fell 13.1%, with extreme volatility continuing to batter market performance, amidst a myriad of concerns about the Chinese economy and geo-politics. There was a marked change in the second half of the year, with market volatility subsiding and investors sitting listlessly on the sidelines. News in September of a major government initiative aimed at stabilising the property market and encouraging consumer confidence gave the Chinese markets a dramatic kick start. As a result, the Company's total return on net assets climbed 19.3% in the second half of the year.

For the year as a whole, the Company's total return on net assets rose +3.6% over the year. This represents the change in net asset value ('NAV') with dividends reinvested and compares less favourably with the MSCI China Index benchmark return of +12.7%. The Company delivered a return to Ordinary shareholders of +2.3%, reflecting a slight widening in the discount, which averaged 10.4% during the period under review.

The rise of the MSCI China Index was driven by value stocks, particularly state controlled energy and financial companies. Quality and growth stocks, which are favoured by the Company's disciplined Portfolio Managers, lagged behind. Reflecting this, the MSCI China Value Index outperformed the MSCI China Growth Index by 7.5%.

While the Company's performance was obviously disappointing, particularly when compared with its benchmark, the Company has maintained its longer term track record of strong performance over ten years. This reflects the Manager's continued disciplined focus on long-term growth opportunities. Full details of investment performance, changes to the portfolio and the outlook can be found in the Investment Manager's Report (see page 11).

Dividend

Reflecting a sharp increase in dividend receipts from portfolio companies, the Company generated a revenue return of 3.39p during the year (FY2023: 1.87p). In line with the Company's dividend policy, for the year ended 30th September 2024, four quarterly dividends of 2.76 pence were paid to shareholders. For the year to 30th September 2025, in the absence of unforeseen circumstances, a quarterly dividend of 2.73 pence per share will be paid. This represents an annual dividend of 4% of the Company's NAV as at 30th September 2024.

Gearing

On 14th July 2023, the Company entered into a loan facility agreement for two years with Industrial and Commercial Bank of China Limited, London Branch (ICBC), in respect of a revolving loan facility of up to £60.0 million. Due to market movements and after discussions with ICBC, the Company's loan agreement was amended on 28th March 2024 and the facility was reduced to a commitment of up to £30.0 million. Some changes were also made to certain financial covenants.

The Company was 3.5% geared at the year end, having averaged approximately 6.7% throughout the year, and, at the time of writing, was 4.4%. The Company's ability to gear up has been constrained by both the high cost of bank borrowing and banks' continued reluctance to lend to investment trusts investing in Emerging Markets. To solve this problem, the Board has worked with JPMorgan to make Contracts for Difference (CFDs) available to the Company. CFDs, a form of derivative trade, provide the Company with an efficient alternative way of increasing leverage when it is deemed potentially attractive to do so. The Portfolio Managers have the flexibility to manage the gearing facility within a range set by the Board of 10% net cash to 20% geared, subject to daily market movements.

Share Issues and Repurchases

At last year's Annual General Meeting ('AGM'), shareholders granted the Directors authority to allot new shares and to repurchase the Company's shares for cancellation or to be held in Treasury. During the year, the Company did not repurchase or allot any shares. As in previous years, the Board's objective is to use share repurchase and share issuance authorities to help reduce the volatility in discounts and premiums by managing imbalances between supply and demand. We are therefore seeking approval from shareholders to renew the share issuance and repurchase authorities at the AGM.

The Board

In July 2024, the Board, through its Nomination Committee, carried out a comprehensive evaluation of the Board, its Committees, the individual Directors and the Chairman. Topics evaluated included the size and composition of the Board, board information and processes, shareholder engagement and training and accountability. The evaluation confirmed the efficacy of the Board and its Committees.

In accordance with the UK Corporate Governance Code, all of the Directors will retire at the forthcoming AGM and, being eligible, will offer themselves for reappointment by shareholders.

Following May Tan's retirement following the AGM in January 2024, the Board has decided to increase the size of the Board back to five directors which the Board believes is the optimal number of Directors for this Company. As part of the long-term succession programme, the Board intends to appoint a new Non-Executive Director in early 2025. Accordingly, it has appointed an external executive search company to find a suitable candidate for this position.

Board Diversity

The Board recognises the value and importance of diversity in the boardroom. I am pleased to report that the Board meets the FCA Listing rules targets on gender diversity criteria, female representation in a senior role and ethnic representation on the Board.

Review of services provided by the Manager

During the year, the Board, through its Management Engagement Committee, carried out a thorough review of the investment management, secretarial and marketing services provided to the Company by the Manager. These have been formally assessed through the annual manager evaluation process. Taking all factors into account, the Board concluded that the ongoing appointment of the Manager is in the continuing interests of shareholders.

The Board also reviews the Depositary and Registration services provided to the Company by the outsourced service providers. In terms of the Company's Registrar and upon the recommendation of the Manager, the Company announced earlier in the year that it had transferred the management of its share register from Equiniti Financial Services Limited to Computershare Investor Services PLC with effect from 24th June 2024.

Reduction in Management Fees

As noted in last year's results announcement, with effect from 1st April 2024, the Company's management fee was reduced from a fixed fee of 0.9% on net assets to a tiered fee rate of 0.80% for the first tier of up to £400 million of net assets and 0.75% thereafter.

Environment, Social and Governance (ESG) considerations

The Company has not sought any Sustainability label under the new Sustainability Directive Regime. However, the Board has continued to engage with the Manager on the integration of ESG factors into its investment process. The Board has conducted a review during the year to satisfy itself that the Manager has a robust process in place with sufficient resources behind it and that ESG considerations are considered by the Portfolio Managers at every stage of the investment decision.

The Board shares the Manager's view of the importance of financially material ESG factors when making investments for the long term and, in particular, the necessity of continued engagement with investee companies throughout the duration of the investment. The Portfolio Managers' ESG report (see page 24) describes the developments in the ESG process that have taken place during the year together with examples of how these are implemented in practice.

Annual General Meeting

The Company's thirtieth Annual General Meeting will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 23rd January 2025 at 11.30 a.m. The Board cannot stress strongly enough the importance of all shareholders exercising their right to vote, regardless of their size of holding, and hopes to welcome as many shareholders as possible to the AGM. As with previous years, you will have the opportunity to hear from members of our investment team. Their presentation will be followed by a question and answer session. Shareholders wishing to follow the AGM proceedings but choosing

Chairman's Statement

not to attend will be able to view them live and ask questions through conferencing software. Details on how to register, together with access details, can be found on the Company's website: www.jpmchinagrowthandincome.co.uk, or by contacting the Company Secretary at invtrusts.cosec@jpmorgan.com.

In accordance with normal practice, all voting on the resolutions will be conducted on a poll. Due to technological reasons, shareholders viewing the meeting via conferencing software will not be able to vote on the poll. We therefore encourage all shareholders, and particularly those who cannot attend physically, to submit their proxy votes in advance of the meeting, so that they are registered and recorded at the AGM. Proxy votes can be lodged in advance of the AGM either by post or electronically: detailed instructions are included in the Notes to the Notice of Annual General Meeting in the Annual Report. In addition, shareholders are encouraged to send any questions ahead of the AGM to the Board via the Company Secretary at the email address above. We will endeavour to answer relevant questions at the meeting or via the website depending on arrangements in place at the time.

If there are any changes to the above AGM arrangements, the Company will update shareholders through its website and, if appropriate, through an announcement on the London Stock Exchange.

My fellow Board members, representatives of JPMorgan and I look forward to the opportunity to meet and speak with shareholders over lunch, after the formalities of the meeting have been concluded.

Stay Informed

The Company delivers email updates with regular news and views, as well as the latest performance. If you have not already signed up to receive these communications and you wish to do so, you can opt in via https://tinyurl.com/JCGI-Sign-Up or by scanning the QR code in the front of the Annual Report.

Outlook

The Board has recently returned from a visit to China. In addition to spending time with the locally-based Portfolio Managers and supporting analysts, the Board visited a wide range of companies and met with industry experts and business leaders in Hong Kong, Shenzhen and Shanghai. It was evident that, while many challenges remain, the major government economic initiatives announced in September and November have improved sentiment within China, with companies describing themselves as 'cautiously optimistic' about future prospects. As our Portfolio Managers highlighted in last year's Annual Report, many companies have introduced regular dividend payouts and share buyback programmes designed to benefit shareholders. Amidst continued consolidation in the industrial sector, world-class companies are emerging, and many market-leading companies have expanded production overseas, both as a means of expanding into new markets to drive future growth, but also to give themselves a degree of protection from potentially punitive US tariffs.

Since the Company's listing in 1993, the Portfolio Managers have often had to navigate testing market conditions. They may have to draw on these skills again in 2025. While our Managers welcome the recent significant government economic initiatives, concerns about economic growth, domestic consumption, unemployment, and the robustness of the Chinese property and financial markets are likely to remain and may again impact market sentiment. That said, central and local governments are widely expected to announce further initiatives to tackle the structural impediments to economic growth, news that will be welcomed by domestic investors. An escalation in anti-Chinese rhetoric following the election of US President-Elect Trump cannot be ruled out, particularly given President-Elect Trump's pre-election comments about tariffs on Chinese imports. That said, our disciplined Portfolio Managers remain focused on the bottom-up fundamentals of high-quality Chinese businesses that are capable of generating excess returns over the longer term. Supported by a well-resourced investment team based in Hong Kong, Shanghai and Taipei, they continue to find attractive investment opportunities, and, by careful stock picking, they should enable the Company to deliver superior returns over the longer term. The Board shares the Portfolio Managers' optimism about the long-term prospects for the Chinese stock markets and the opportunities that will benefit the patient investor.

Alexandra Mackesy
Chairman

9th December 2024

Investment Manager's Report

Introduction

During the financial year ended 30th September 2024, the Company's net assets returned +3.6% (in sterling terms) compared to a benchmark return of +12.7%. However, the Company's long-term track record of outright gains and outperformance remains intact. In the ten years to 30th September 2024, the portfolio realised an average annual return of +6.6%, comfortably ahead of the average annual benchmark return of +5.4%.

Rebecca Jiang
Portfolio Manager

Howard Wang
Investment Advisor

Li Tan
Portfolio Manager

Setting the scene

The past year was one in which the Chinese economy continued to work through its structural challenges, including the collapse of its property bubble and the associated lack of funding sources for local governments after land sales revenue plummeted. For most of the year, policy responses to these challenges were restrained and piecemeal, as the authorities remained reluctant to implement large scale stimulus. The measures implemented included lower interest rates, the removal of some property market restrictions, and subsidies for industrial capex and large-ticket consumer goods.

These measures were welcomed and helped the economy to a degree. For the first nine months of 2024, Chinese GDP grew 4.8% in real terms, only slightly below the government's target of 5%. But the measures were not sufficient to reverse the deflationary trend that is becoming a growing concern for both policy makers and investors. The consumer price index (CPI) has been hovering around zero since Q2 2023 and the producer price index (PPI) has been below zero since the end of 2022. The former can be attributed to weak consumer confidence. With income growth weak, individuals and households are reluctant to use their ample savings to support spending. The weakness in producer prices is due to overcapacity in certain industries, notably automobile, solar and building materials.

As the year progressed, it became increasingly clear that the stimulus policies launched in the first nine months of the year all depended on market participants – households, enterprises and local governments – using their own balance sheets or income to benefit from the stimulus measures. But consumers were unwilling to buy big-ticket items even if these purchases were partly subsidised, businesses were not persuaded to take advantage of capex incentives, and local governments did not have the funds they needed to support the property sector. Central government is the only entity with the financial capacity to fund major stimulus.

Fortunately, the government gradually came to realise the seriousness of the challenges the economy faces, and the bottlenecks limiting the effectiveness of previously announced stimulus policies. It finally acknowledged that some of the challenges to economic growth are more structural than cyclical. Most importantly, recent events – the weakness of consumer confidence and the negative wealth effects of the property market collapse – have exposed the economy's excessive reliance on the property sector as a demand driver.

In response to this awakening, at the end of September, government authorities, including the Central Bank, the People's Bank of China (PBOC), the National Reform and Development Committee, which is the central government's economic planning committee, the Ministry of Housing and Urban-Rural Development, and the Ministry of Finance, hosted a series of press conferences to announce new stimulus policies. These measures demonstrated a level of coordination which was lacking in previous stimulus efforts, hampering their effectiveness. The most recent initiatives also showed a greater willingness to make direct fiscal transfers from the central government to local governments and even to consumers.

To be more specific, to stimulate consumption, the central government directly funded a new round of auto and electrical goods trade-in programmes and handed out cash and targeted subsidies to disadvantaged groups such as recent graduates looking for a job and households in poverty. In the property market, in addition to more cuts to mortgage rates and less stringent downpayment requirements, the central government changed the overall policy target to 'stopping the property market from declining'. To address the issue of unfinished and unsold flats, local governments were given the green light to issue special purpose bonds to purchase these properties and idle land,

Investment Manager's Report

effectively injecting liquidity into the property market and providing confidence to potential buyers. It is also widely expected that the central government may provide even more direct funding support to bolster the property sector.

The authorities also implemented measures to redress the poor performance of the equity market since the onset of the pandemic. For the first time in history, the PBOC launched a low-cost CNY 500 billion asset swap facility for non-bank financial institutions to buy shares, and CNY 300 billion (US$41 billion) of liquidity for companies to conduct share buybacks. Most encouragingly, the central bank committed to providing more liquidity if these measures proved effective. The PBOC is also considering setting up a national equity market stabilisation fund, a long-term mechanism intended to provide liquidity during periods of market weakness. Encouraged by this suite of substantial and coordinated policy measures, the MSCI China Index shook off its torpor and rose 19% (in GBP terms) in the following month.

Performance commentary

During the financial year, stock selection and sector allocation both undermined performance, detracting 5.1% and 2.9%, respectively. The use of gearing was neutral to performance.

Unfortunately, as was the case in the previous financial year, performance was hit by a style headwind, as the MSCI China Value index outperformed the MSCI China Growth index by 7.5 percentage points during the review period. Sectors that we tend to underweight such as **Financials** and **Energy**, which are characterised by limited growth prospects, were the two best performing sectors, returning 21% and 15% respectively during the financial year, while the quality and growth stocks we favour lagged. In terms of stock selection, we also have room to improve in some sectors that offer more growth opportunities, such as **Healthcare**, **Information Technology** and **Industrials**.

Performance attribution

Year ended 30th September 2024

	%	%
Contributions to total returns		
Benchmark return		**12.7**
Sector allocation	–2.9	
Stock selection	–5.1	
Gearing/net cash	0.0	
Investment Manager contribution		**–8.0**
Dividend/residual		0.1
Portfolio total return		**4.8**
Management fee and other expenses	–1.2	
Net asset value total return		**3.6**
Ordinary share price total return		**2.3**

Source: Factset, JPMAM, Morningstar.
Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark.

A glossary of terms and APMs is provided on pages 103 to 106.

Investment Manager's Report

On the positive side, we outperformed in the largest sector of the benchmark, **Consumer Discretionary**, which accounts for 29.5% of the Index. This was mainly due to our long-term holding of food delivery and restaurant review platform **Meituan** and **Trip.com**, an online travel booking service. Both these businesses reported continued improvement in margins and decent growth in a very challenging macro environment. Not owning the pure electrical vehicle (EV) automakers **Li Auto**, **Xpeng** and **Nio** collectively contributed positively. Our positioning in this sector is consistent with concerns we expressed in 2023 Annual Report on intensifying price competition, the difficulties associated with forecasting the popularity of specific new models and the large capital issuance for the loss-making players. We prefer to gain our exposure to the rising penetration of EVs indirectly, via component makers such as **Fuyao Glass**, an auto glass maker, and **Hongfa Technology**, a high voltage relay maker (used in various electrical modules including the battery charging).

Our exposure to **Real Estate** was also a major contributor, thanks to our overweight position in **KE Holding**, which operates the largest internet property information portal and the largest nationwide agent network. KE is a well-managed, asset-light business with improving profitability and good cash flow generation and it is committed to returning excess cash to shareholders via share buybacks. The business will also benefit significantly from all the past year's policy measures aimed at rejuvenating property transactions. Not owning any of the developers also helped performance.

Healthcare made the largest negative contribution, mainly due to our exposure to two types of companies. First, our two holdings in the contract development & manufacturing organisation (CDMO) sector, **Wuxi Biologics** and **Asymchem**, came under pressure. These companies provide comprehensive services to pharmaceutical, biotechnology, and medical device companies. Their share prices plummeted as the US House of Representatives sought to pass federal legislation called the 'Biosecure Act', which would prevent US federal funded projects from employing Chinese CDMOs, based on national security concerns. There are further market concerns that if the act is passed, it may also reduce the willingness of privately owned US pharmaceutical companies to use Chinese CDMOs, even if these commercial projects are not funded by the US government. As a result of these developments, we exited Asymchem and Wuxi Biologics following the year-end.

The second group of healthcare underperformers were those with exposure to discretionary healthcare services and public sector healthcare spending. Contrary to our expectations, the post-pandemic recovery in discretionary and out-of-pocket healthcare services proved to be short-lived. Consequently, these stocks reported disappointing results. To rectify this misjudgment, we exited **Imeik Technology**, a cosmetic dermo filler maker, and **Aier Eye Hospital**, a private eye hospital. The procurement of medical products, services and equipment has been negatively impacted by the prolonged anti-corruption campaign in healthcare and, to a lesser extent, post COVID austerity at the local government level. This adversely impacted our holdings in **Guangzhou Kingmed Diagnostics** (independent pathological labs) and **Qingdao Haier Biomedica**, a manufacturer of biomedical lab and public healthcare equipment. We exited the former as the investment case is very dependent on local governments honouring outstanding COVID-related payments to Kingmed for providing tests, which we think may be quite a challenge for many of them given local governments' austerity programmes. We retain a small position in the latter, waiting for the eventual recovery of healthcare capex in China partially funded by the central government and a recovery of its exporting business that was disrupted by the wars in the Middle East and Ukraine.

In the **Information Technology** (**IT**) sector, our stock selection bore mixed results. Our positions in solar energy, including module components maker **Xinyi Solar**, and equipment makers **Zhejiang Jingsheng Mechanical and Electrical** and **Suzhou Maxwell Technologies**, detracted the most. An industry downturn triggered by overcapacity has proved deeper and more protracted than expected. We exited some of these positions. Our long-term holdings in the software sector, namely **Kingdee International**

Investment Manager's Report

Software, an enterprise resources planning (ERP) software provider, and **Hundsun Technologies**, a software provider for the securities and asset management industries, also performed poorly. Despite long-term growth potential from increasing penetration and import substitution, these companies were more sensitive to the macroeconomic downturn and cuts in corporate IT spending then we anticipated. We exited Hundsun Technologies. On the positive side, our long-term strategy of investing in secular growth opportunities in technology bore some fruit during the year. Top 10 single stock contributors included a few long-held IT names such as **Silergy Technology**, a Taiwan listed manufacturer of analogue integrated circuits. This business is benefiting from the expansion of product types, rising market share and an industry-wide cyclical recovery. Our position in **Foxconn Industrial Internet** also added to performance. This company is an A-share listed subsidiary of **Hon Hai**, best known as the iPhone assembler. It is the largest global supplier of servers and racks and is Nvidia's main supplier of generative AI graphic processing unit (GPU) modules.

Transactions and sector allocation

The Company maintained its growth tilt throughout the year. By the end of the financial year, the top three overweight sectors were **Information Technology**, **Healthcare** and **Industrials**, as per the previous financial year. The top three underweight sectors were **Financials**, **Communication Services** and **Energy**. As previously discussed, the underweight position in Financials was mainly due to not owning the big five State-owned enterprise (SOE) banks as we see few structural growth opportunities there. The underweight position in Communication Services was primarily due to the outperformance of **Tencent** which led to a 16.3% weighting in the benchmark, while our portfolio weighting is capped at 12.5% by risk guidelines. We had zero holdings in Energy at the end of the financial year as the sector was dominated by carbon-intensive SOEs in the oil and coal industries, governance of which is not very transparent and where we have little edge in making forecasts.

While the sector allocations look very similar to a year ago, we made changes to our positions in sub-sectors. We rectified some mistakes made previously, sought certainty in earnings outlook at reasonable valuation, and where possible we added to companies committed to growing return to shareholders through dividends and share buybacks.

In Information Technology, our largest overweight sector, we exited a few relatively expensive software stocks based on valuations and fundamental outlook. These included **Beijing Kingsoft Office**, a Chinese office WPS (write, presentation and spreadsheet) software provider, as valuations ran ahead of the monetisation of its AI tools which had been constantly delayed; Hundsun Technology, a software provider to the finance industry, as valuations looked stretched due to clients in securities and asset management industry cutting IT budgets in the market downturn; and **Shanghai Baosight Software**, a software and automation system integrator for the steel industry, given our concerns about deteriorating profitability in the Chinese steel industry which will ultimately impact companies' willingness to spend on Baosight's services. In the broad solar industry, we exited a few small positions such as **Longi Green Energy Technology,** a manufacturer of wafers and solar panels, **Hangzhou First Applied Materials,** a manufacturer of specialised protection membrane used in solar panels, and two equipment makers for the solar industry **Suzhou Maxwell Technologies** and **Zhejiang Jingsheng Mechanical & Electrical**. Despite strong solar panel installation growth globally, the over-supply situation and the exit of marginal players took much longer to solve than we expected, leading to faster than predicted margin deterioration, even for the market leaders we own. In the IT sector, we rotated funding to companies that were reasonably valued and presented promising growth opportunities in artificial intelligence. We initiated a position in **TSMC** (Taiwan Semiconductor Manufacturing Company) at the beginning of 2024 when the market was overly concerned on the delayed recovery of traditional applications such as consumer electronics and auto, when advanced node chips used in artificial intelligence (AI) only accounted for low single digit of total revenue. We initiated the position as we believed TSMC's dominant position in semiconductor manufacturing will be further solidified in the AI era leading to better margins in the medium term. Our global research team collectively is quite optimistic on the take-off of AI chips in the coming years. Along the line, we also initiated **Zhongji Innolight** that makes optical transceivers, which is a critical part in data transfer within a server. It is a supplier to many US server clients. We also built positions in **Luxshare Precision**, one of Apple's most important suppliers across product lines, and **Lenovo Group**, a major PC and server maker globally. Although their products have existed for a long time, we believe AI will bring in new opportunities from the accelerated product replacement cycle and higher Average Selling Price (ASP) from more functions. Both companies' valuations were very reasonable at the point of purchase because many investors are still not fully convinced by the thesis.

In the broad **Healthcare** and **Consumer** space, we rectified some mistakes we made in the past year. For example, we exited Aier Eye Hospital, an out-of-pocket eye surgery provider, and **Guangzhou Kingmed Diagnostics Group**, an independent pathological lab chain providing outsourced pathological tests to public hospitals. Recovery post the COVID reopening had been disappointing due to weak consumption and continuous anti-corruption campaigns in public hospitals, that reduced patients' volume and healthcare service prices. We also exited casual restaurant operator **Jiumaojiu** and two Chinese liquor companies **Wuliangye** and **Luzhou Laojiao** as a result of concerns about CPI deflation for the former and high inventory for the latter two. We have rotated funding to companies at lower valuations, with better earnings growth visibility (even if lower), and/or where market expectations have been adjusted down to a more realistic level. Examples include **China Resources Sanjiu**, a household name in China with most of its profit generated from OTC (over-the-counter) traditional Chinese medicine used to cure mild illnesses such as colds and digestion problems. The business built a famous brand over decades and has strong control of its distribution channel. The consumption of its products demonstrates a certain level of non-discretionary nature, making it relatively less sensitive to macroeconomic downturns. Another example is **Sinopharm Group**, one of the largest medical products and device distributors nationwide. We initiated the position towards the end of the financial year when negative impacts from the anti-corruption campaign had been reflected in its low valuation and high dividend yield, despite the fact that the company should be a good proxy of potential recovery in patients and treatment volumes. Along the line of searching for above-nominal GDP growth with certainty and good execution, we initiated a new position in **Midea Group**, the largest home appliances company in China, and possibly in the world by production volume. Midea's growth is supported by a well-balanced set of drivers including growing market share outside China, improving export margins and home appliances trade-in programmes launched by the Chinese central government to stimulate demand. Its Hong Kong H share IPO was offered at a discount to its A share and we took the opportunity to initiate a new position through the H share.

In the broad Internet sector (classified as **Consumer Discretionary** or **Communication Services**), we used market volatility to rotate funding from outperformers/lower conviction names to companies in which we have higher conviction and that trade at reasonable valuation. In ecommerce, we exited **JD.com** but topped up **PDD Holdings**. We believe the former's competitive edge in electrical goods as well as quality logistic services are eroding and being caught up by competitors. PDD, while valued at similar levels and at one point cheaper than Alibaba and JD.com, has better growth prospects from Chinese consumers trading down and penetration into foreign markets. The meaningful reduction in Tencent reflected regular breaches of holding limits.

Investment Manager's Report

Ten largest investments

As at 30th September

Company	Description of Activities	2024 Valuation £'000	%[1]	2023 Valuation £'000	%[1]
Tencent	A Chinese technology company focusing on internet services. It is the world's largest video game vendor. It owns WeChat, among the largest Chinese and therefore global social media app as well as a number of music, media and payment service providers. Its venture capital arm has holdings in over 600 companies with a focus on technology start-ups across Asia.	25,441	10.8	27,858	10.6
Alibaba	A provider of online sales services. The Company provides internet infrastructure, electronic commerce, online financial, and internet content services through its subsidiaries. Alibaba offers its products and services worldwide.	17,422	7.4	14,888	5.7
Meituan	An e-commerce company that offers services like food, dining and delivery on its platform throughout China.	16,462	7.0	13,355	5.1
Pinduoduo	Founded in 2015, it started as an online fresh produce vendor before expanding into a leading social commerce platform serving close to 900 million users. Pinduoduo pioneered 'Team Purchase' and 'C2M' (consumer to manufacturer) processes to aggregate user demand and share the information with manufacturers to tailor make products according to users' preferences.	14,045	6.0	9,273	3.5
China Merchants Bank	China's first joint-stock commercial bank wholly owned by corporate legal entities. Since its inception, CMB has been a trend setter in China's banking industry through a series of pioneering efforts.	8,309	3.5	5,419	2.1
China Pacific Insurance	A provider of insurance services. The Company provides property insurance, short-term health insurance, accidental injury insurance, and more. China Pacific Property Insurance offers services in China.	6,969	3.0	5,065	1.9
NetEase	A leading China-based technology company involved in developing and operating online games. Its online gaming services cover both mobile and personal computer games.	6,665	2.8	9,291	3.5
KE Holdings	An operator of an integrated online and offline platform for housing transactions and services in China. The Company offers existing and new home sales, home rentals, home renovation, real estate financial solutions, and other services.	6,562	2.8	7,002	2.7
Trip.com	A provider of online travel agency services. The Company offers mobile applications, hotel reservations, flight ticketing, package tours, corporate travel management, and train ticketing services. Trip.com Group provides services worldwide.	6,431	2.8	4,861	1.8
Foxconn Industrial Internet	An operator of a communication network equipment development company. The Company develops and sells network switches, routers, wireless devices, web servers, set top boxes, smart home gateways, and other products. Foxconn Industrial Internet also manufactures storage equipment.	5,856	2.4	4,653	1.8
Ten Largest Investments		**114,162**	**48.5**	**101,665**	**38.7**

[1] Based on total investments of £235.4m (30th September 2023: £262.0m). Top ten investments at September 2023 totalled £106.2m, representing 40.5% of total investments.

Gearing

The average gearing level during the financial year was maintained at 6.7%. Our ability to gear up, if we deem it potentially attractive to so do, was constrained by the high cost of bank loans. To solve this problem, JPMorgan has completed a project to make CFDs available to the Company. This provides an alternative way of increasing leverage when we need it.

A CFD is a type of derivatives trade. It is an agreement between a buyer (in this case JCGI) and a seller, that stipulates that the buyer must pay the seller the difference between the current value of the asset and its value at a future contract time. It allows investors to profit from share price appreciation without actually owning it. However, CFDs do leave the investor open to risk if the price of the underlying stock declines. Also the company pays a brokerage fee for entering the contract regardless of realised profit and loss.

Outlook

As previously discussed, as long-term investors in Chinese equities, we acknowledge that there is no quick solution to some of the country's structural issues. It seems inevitable, and indeed desirable, that the property sector's contribution to growth will henceforth be permanently lower. In addition, local governments need to find an alternative source of funding to replace land sale revenue. On the demographic front, China's aging population and declining birthrate impose unwelcome deflationary pressures. But despite these challenges, it is worth reiterating that the financial return of an asset class may not necessarily move in close accordance with fundamental trends. Valuations and near-term market sentiment play important roles too.

Government efforts to address China's problems are likely to continue. We foresee more initiatives from both the central and local governments in the coming months to tackle the structural impediments to economic growth. Possible additional measures include a direct debt swap between the central and local governments; more direct cash handouts to targeted households; a recapitalisation of China's large state-owned banks; and using the central government's balance sheet to buy unfinished and unsold housing inventory. It is always difficult for equity investors to bet on the timing and scope of any such policy initiatives, and we do not intend to try. Nevertheless, we believe the central government's newfound but apparently strong commitment to use its balance sheet to solve the economy's problems sends a strong signal to the market that it is still prioritising economic stabilisation and growth and is willing to explore further ways to achieve these objectives.

While domestic demand is hesitant, exports remain a highlight of the Chinese economy, outgrowing GDP. The corporate stories we encounter repeatedly as we conduct our on the ground, bottom-up investment research into individual stocks are far more upbeat than the doom and gloom which pervades the media. Despite geopolitical concerns, we still find many Chinese companies playing increasingly important roles in global supply chains. Many are participating fully in global trends such as the artificial intelligence revolution and the infrastructure buildout in developed countries. For example, beyond the EV and renewable energy supply chain we have discussed in previous reports, we are invested in electronic hardware suppliers such as Zhongji Innolight and Foxconn International, which play critical roles in the global 'arms race' for GPU servers. We also have exposure to healthcare equipment and device suppliers such as Shenzhen Mindray and Amoy Diagnostic. About one third of these companies' total revenues are derived from exports.

Of course, we should not underplay the geopolitical risks that threaten Chinese and global equities. The most crucial of these for investors in Chinese equities is the course of China-US relations under the incoming US President-Elect. So early in the new administration, it is hard to predict the full impact of President-Elect Trump's victory, and pre-election rhetoric may be tempered by post-election political and diplomatic realities.

Our investment process does not try to second guess political events. Instead, we incorporate perceived risks into our portfolio construction and risk management processes. We rely on our deep, on-the-ground research to assess and analyse the potential risks faced by current and prospective portfolio holdings. Using our knowledge of their businesses and strategies, we try to reflect different risk scenarios in our forecasts and sensitivity analysis, and we will continue to take investment decisions based on our research and valuation signals. We may see increasing volatility as events unfold, but it is worth noting that although volatility is generally viewed as undesirable, it usually also presents good buying opportunities for investors, like us, who are willing to do their homework.

On the monetary policy front, it is good news for China that the US finally seems to have inflation under control. This is allowing the US Federal Reserve to begin easing monetary policy. Although it is hard to

Investment Manager's Report

predict the speed and scale of Fed rate cuts, declining Fed rates will, in general, provide China with scope to cut its own reference rate to further stimulate activity, without triggering drastic currency depreciation. If US inflation turns out to be stickier than expected due to President-Elect Trump's administration policies such as increasing trade barriers, China may have less room to lower its own interest rates, while keeping exchange rates relatively stable.

Elsewhere in the political arena, we view China's relationship with Taiwan as stable, despite periodic military drills by both sides. Taiwan held a peaceful presidential election in January 2024. The new President, William Lai, from the pro-independence Democratic Progressive Party (DPP), favours preserving the status quo regarding Taiwan's relations with China. As no party holds a majority in Taiwan's legislature, it is highly unlikely that the pro-independence DPP will be able to pass any radical resolution which might put fresh pressure on the cross-strait relationship.

Valuations matter, as noted above. Before the latest round of stimuli announced at the end of September, the MSCI China Index was discounting very pessimist assumptions. The price to book of the index, a rather conservative measure of valuation, hit as low as 1.1x in March 2024, close to the ten-year low level reached in September 2022 when China was paralysed by COVID lockdowns. The extreme pessimism reflected in valuations set the stage for the very sharp rebound in the wake of September's policy announcements. We would make two observations regarding this rebound. First, it is extremely difficult to time the entry point into the Chinese equity market, or indeed, any equity market. In our view, long-term investing at reasonable valuations is the better approach. Second, the Chinese market has not been completely deserted by international investors, as some commentators claim. When valuations are cheap and things are turning for the better, investors do notice. This is what has happened since September. The first leg of a strong rebound of many Chinese stocks listed in Hong Kong and the US was fuelled by global hedge funds taking a fresh look at China, and then followed by long-only mutual funds reassessing their positionings in China, mostly starting from an underweight position. Any further improvement in China's economic outlook is likely to spark further interest from international investors. On the other hand, we are also conscious that negative narratives around China and investment in China based on President-Elect Trump's attacks on China may cap the asset class's valuations in the near term.

Where are we going from here? We see reasons for optimism. Firstly, valuations are still attractive. Although valuations recovered in September and October 2024, they are still at relatively low levels compared to market history. For example, the price to book of the index is still below its level during the global financial crisis in 2009.

Second, corporate reforms focused on improving capital allocation and shareholder returns will be very positive for the market. Many cash generative companies, that traditionally hoarded cash for 'future growth opportunities' regardless of their actual capital needs, are more willing to distribute cash to shareholders either through dividends or share buybacks. This change is being strongly encouraged by the Chinese regulators, to the extent that the PBOC is extending low-cost liquidity to corporates to undertake such buybacks. Developments in this direction have been greatly welcomed by domestic and international investors, as they view dividends to be a more predictable source of return. This was certainly a factor behind the recent outperformance of the MSCI China Value Index. As we noted in the Half Year report, while many of our cash-rich holdings are already increasing payout ratios and undertaking share buybacks, there is still considerable scope for many to do even more. This should have a further beneficial impact on valuations over time.

Finally, with the Chinese authorities now clearly determined to support the economy and the property sector, we also see potential for upside surprises to earnings over the next year and beyond, especially for the quality and growth-oriented stocks we favour.

All this leaves us cautiously optimistic about the prospects for Chinese equities, and for our portfolio over the coming year. We will continue to seek out and grasp the opportunities generated by economic recovery and structural change, to ensure that your Company continues to deliver outright gains and outperformance to shareholders over the long term.

We thank you for your ongoing support.

Rebecca Jiang
Howard Wang
Li Tan
Investment Team

9th December 2024

Portfolio Information

Investment activity

During the year ended 30th September 2024

	Value at 30th September 2023 £'000	Value at 30th September 2023 % of portfolio	Purchases £'000	Sales £'000	Changes in value £'000	Value at 30th September 2024 £'000	Value at 30th September 2024 % of portfolio
China HK listed	132,758	50.7	20,165	(29,718)	4,707	127,912	54.4
China A Shares	95,120	36.3	23,741	(47,743)	(7,765)	63,353	26.8
China US listed	30,501	11.6	6,678	(4,866)	4,825	37,138	15.9
China Total	**258,379**	**98.6**	**50,584**	**(82,327)**	**1,767**	**228,403**	**97.1**
Taiwan	3,626	1.4	2,827	(1,943)	2,484	6,994	2.9
Total Portfolio	**262,005**	**100.0**	**53,411**	**(84,270)**	**4,251**	**235,397**	**100.0**

Geographical analysis

	30th September 2024 Portfolio %[1]	30th September 2024 Benchmark %[2]	30th September 2023 Portfolio %[1]	30th September 2023 Benchmark %[2]
China HK listed	54.4	75.6	50.7	75.6
China A Shares	26.8	17.0	36.3	16.1
China US listed	15.9	7.2	11.6	8.1
China B Shares	—	0.2	—	0.2
China Total	**97.1**	**100.0**	**98.6**	**100.0**
Taiwan listed	2.9	—	1.4	—
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £235.4m (2023: £262.0m).

[2] The Company's benchmark is the MSCI China Index with net dividends reinvested, in sterling terms.

Sector analysis

	30th September 2024 Portfolio %[1]	30th September 2024 Benchmark %	30th September 2023 Portfolio %[1]	30th September 2023 Benchmark %
Consumer Discretionary	34.1	32.0	26.2	30.5
Communication Services	16.8	21.7	18.0	20.1
Information Technology	14.6	5.8	15.4	5.8
Industrials	8.1	4.8	12.1	5.2
Financials	6.5	16.7	4.5	15.7
Healthcare	6.2	3.8	9.8	5.6
Real Estate	4.5	2.1	4.2	2.9
Consumer Staples	4.0	4.3	5.9	5.5
Utilities	3.2	2.4	2.3	2.3
Materials	2.0	3.2	1.6	3.3
Energy	—	3.2	—	3.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £235.4m (2023: £262.0m).

Portfolio Information

List of investments

As at 30th September 2024

Company	Country	Sector	2024 Valuation £'000	%[1]	2023 Valuation £'000	%[1]
Tencent	China HK listed	Communication Services	25,441	10.8	27,858	10.6
Alibaba	China HK listed	Consumer Discretionary	17,422	7.4	14,888	5.7
Meituan	China HK listed	Consumer Discretionary	16,462	7.0	13,355	5.1
Pinduoduo[2]	China US listed	Consumer Discretionary	14,045	6.0	9,273	3.5
China Merchants Bank	China HK listed	Financials	8,309	3.5	5,419	2.1
China Pacific Insurance	China HK listed	Financials	6,969	3.0	5,065	1.9
NetEase	China HK listed	Communication Services	6,665	2.8	9,291	3.5
KE Holdings[2]	China US listed	Real Estate	6,562	2.8	7,002	2.7
Trip.com[2]	China US & HK listed	Consumer Discretionary	6,431	2.8	4,861	1.8
Foxconn Industrial Internet	China A Shares	Information Technology	5,856	2.4	4,653	1.8
Ten Largest Investments*			**114,162**	**48.5**		
Haier Smart Home	China HK listed	Consumer Discretionary	5,376	2.3	4,734	1.8
Kweichow Moutai	China A Shares	Consumer Staples	4,897	2.1	5,730	2.2
China Resources Gas	China HK listed	Utilities	4,665	2.0	—	—
Fuyao Glass Industry	China HK listed	Consumer Discretionary	4,489	1.9	3,437	1.3
Kanzhun[2]	China US listed	Communication Services	4,456	1.9	5,338	2.0
H World Group	China HK listed	Consumer Discretionary	4,442	1.9	4,115	1.6
Montage Technology	China A Shares	Information Technology	4,440	1.9	4,085	1.6
Full Truck Alliance[2]	China US listed	Industrials	4,144	1.8	4,027	1.5
Midea	China A Shares	Consumer Discretionary	4,036	1.7	—	—
China Resources Mixc Lifestyle Services	China HK listed	Real Estate	4,005	1.7	4,059	1.5
Taiwan Semiconductor Manufacturing	Taiwan listed	Information Technology	3,855	1.6	—	—
Hongfa Technology	China A Shares	Industrials	3,775	1.6	2,903	1.1
Contemporary Amperex Technology	China A Shares	Industrials	3,622	1.5	—	—
Zhongji Innolight	China A Shares	Information Technology	3,546	1.5	—	—
Sunresin New Materials	China A Shares	Materials	3,438	1.5	2,517	1.0
Wuxi Biologics (Cayman)	China HK listed	Health Care	3,300	1.4	7,516	2.9
Silergy	Taiwan listed	Information Technology	3,139	1.3	3,626	1.4
ENN Energy	China HK listed	Utilities	2,832	1.2	1,625	0.6
Amoy Diagnostics[3]	China A Shares	Health Care	2,772	1.2	3,097	1.2
Lenovo	China HK listed	Information Technology	2,761	1.2	—	—
Zhuzhou CRRC Times Electric	China HK listed	Industrials	2,747	1.2	2,698	1.0
Fu Jian Anjoy Foods	China A Shares	Consumer Staples	2,690	1.1	2,266	0.9
China Resources Sanjiu Medical & Pharmaceutical	China A Shares	Health Care	2,653	1.1	—	—
BOE Technology	China A Shares	Information Technology	2,606	1.1	4,545	1.7
Kingdee International Software	China HK listed	Information Technology	2,520	1.1	3,635	1.4
Luxshare Precision Industry	China A Shares	Information Technology	2,515	1.1	—	—
Shenzhou International	China HK listed	Consumer Discretionary	2,509	1.1	2,758	1.1
Shenzhen Mindray Bio-Medical Electronics	China A Shares	Health Care	2,339	1.0	3,098	1.2
Zhejiang Dingli Machinery	China A Shares	Industrials	2,312	1.0	2,851	1.1
Minth	China HK listed	Consumer Discretionary	2,150	0.9	—	—
Chacha Food	China A Shares	Consumer Staples	2,000	0.8	—	—
Xinyi Solar	China HK listed	Information Technology	1,947	0.8	3,392	1.3
Qingdao Haier Biomedical[3]	China A Shares	Health Care	1,875	0.8	2,023	0.8
Sinopharm	China HK listed	Health Care	1,702	0.7	—	—
Focus Media Information Technology	China A Shares	Communication Services	1,597	0.7	4,974	1.9
Hefei Meiya Optoelectronic Technology	China A Shares	Industrials	1,517	0.6	1,583	0.6
iQIYI[2]	China US listed	Communication Services	1,500	0.6	—	—

Portfolio Information

List of investments

As at 30th September 2024

Company	Country	Sector	2024 Valuation £'000	%[1]	2023 Valuation £'000	%[1]
Ningbo Tuopu	China A Shares	Consumer Discretionary	1,395	0.6	2,862	1.1
Beijing Huafeng Test & Control Technology	China A Shares	Information Technology	1,325	0.6	1,735	0.7
Ganfeng Lithium	China HK listed	Materials	1,199	0.5	—	—
SUPCON Technology	China A Shares	Consumer Discretionary	1,131	0.5	1,666	0.6
Jiangsu Hengli Hydraulic	China A Shares	Industrials	1,016	0.4	3,645	1.4
Other investments			—	—	59,800	22.8
Total Investments			**235,397**	**100.0**	**262,005**	**100.0**

[1] Based on total investments of £235.4m (30th September 2023: £262.0m).

[2] Includes American Depository Receipts (ADRs).

[3] Includes investments in Participatory Notes in 2023.

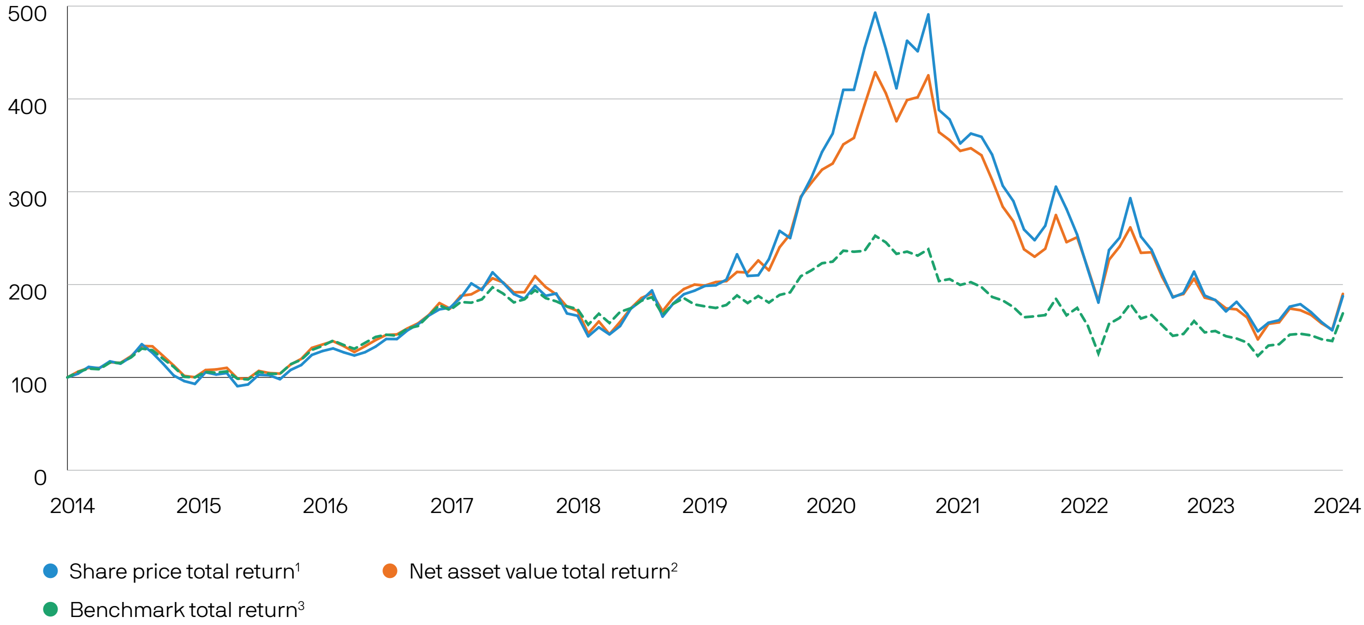
* At 30th September 2023, the value of the ten largest investments amounted to £106.2 million representing 40.5% of total investments.

A glossary of terms and alternative performance measures is provided on pages 103 to 106.

Ten Year Record

Ten Year Performance

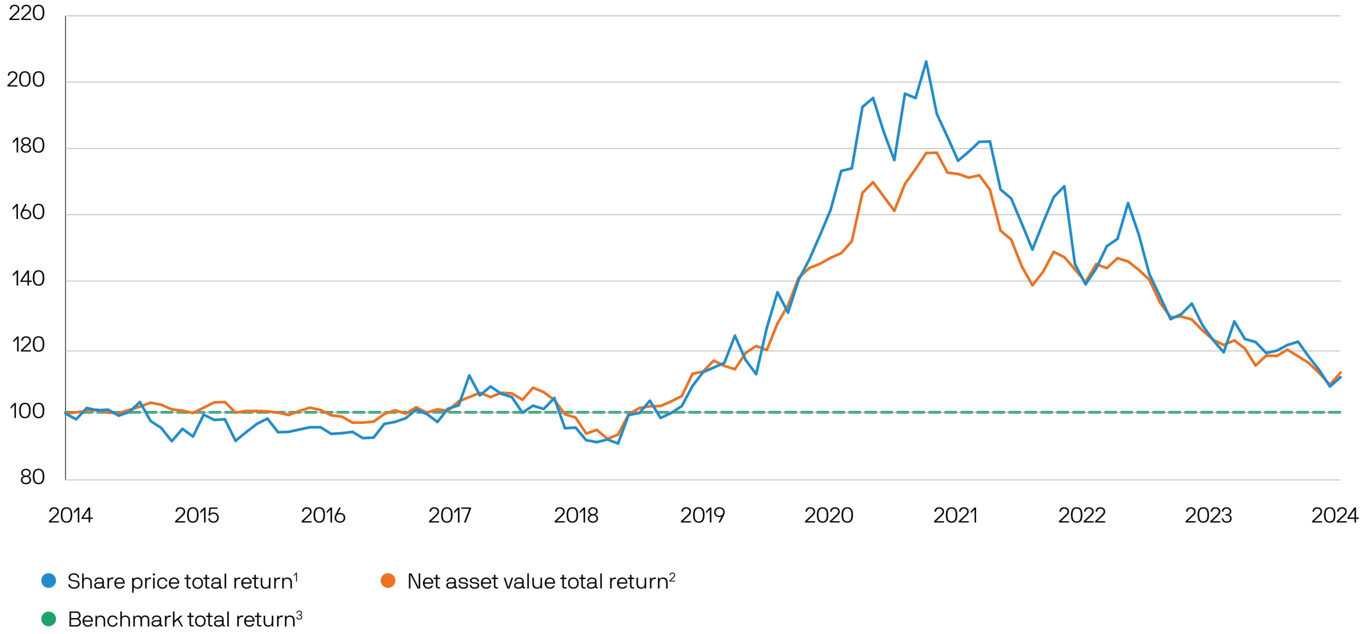
Figures have been rebased to 100 at 30th September 2014



[1] Source: Morningstar.
[2] Source: Morningstar/J.P.Morgan, using net asset value per share.
[3] Source: MSCI.

Ten Year Performance relative to Benchmark

Figures have been rebased to 100 at 30th September 2014



[1] Source: Morningstar.
[2] Morningstar/J.P.Morgan, using net asset value per share.
[3] Source: MSCI.

Ten Year Record

At 30th September	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Shareholders' funds (£'m)	137.8	135.9	179.8	226.0	221.0	253.1	411.0	473.4	284.3	229.8	227.4
Net asset value per share (p)[A]	182.4	181.2	242.7	309.8	303.9	348.1	565.3	569.0	341.7	276.2	273.3
Share price (p)	163.5	150.8	205.8	278.3	263.0	309.5	552.0	518.0	302.0	244.5	237.5
Share price discount to net asset value per share (%)[A]	10.4	16.8	15.2	10.2	13.5	11.1	2.4	9.0	11.6	11.5	13.1
Gearing (%)[A]	8.8	13.9	8.5	9.3	17.9	9.8	10.6	10.2	17.2	14.0	3.5

Year ended 30th September	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net revenue attributable to shareholders (£'000)	1,281	1,701	1,335	850	3,152	1,788	2,146	1,563	2,251	1,557	2,823
Revenue return per share (p)[A]	1.70	2.25	1.79	1.16	4.32	2.46	2.95	1.97	2.71	1.87	3.39
Dividend per share (p)[1]	1.6	1.8	1.6	1.6	3.5	2.5	7.4	22.8	22.8	13.68	11.04
Ongoing charges (%) (including performance fee payable)[2,A]	1.78	1.46	1.44	1.38	1.34	1.26	1.00	0.99	1.09	1.12	1.18

Rebased to 100 at 30th September 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total return to shareholders[3,A]	100.0	93.0	128.4	175.1	166.4	198.6	362.7	352.0	216.5	183.3	187.6
Total return on net assets[4,A]	100.0	100.2	135.4	174.1	171.6	199.0	330.4	344.0	217.7	183.3	190.0
Benchmark total return[5]	100.0	100.0	133.9	172.5	173.6	176.5	224.7	199.6	155.8	150.0	169.0

[1] Details on the Company's dividend distribution policy can be found on page 47.

[2] The performance fee was removed from the Company's fee structure with effect from 30th September 2015. Management fee and all other operating expenses and any performance fee, excluding finance costs, are expressed as a percentage of the average daily net assets during the year.

[3] Source: Morningstar.

[4] Source: J.P. Morgan/Morningstar, using cum income net asset value per share.

[5] Source: MSCI. The benchmark is the MSCI China Index with net dividends reinvested, in sterling terms. Prior to 26th January 2016, the benchmark was the MSCI Golden Dragon Index.

[A] Alternative performance measure ('APM').

A glossary of terms and APMs is provided on pages 103 to 106.

Environmental, Social and Governance ('ESG') Report

Introduction

ESG has become a convenient label for describing the broad field of sustainability in the corporate sector and is widely used when assessing the environmental impact of businesses, when considering how companies acquit themselves in respect of their broad social responsibilities, and when reviewing the practices and standards used in governing corporate organisations.

Awareness of these issues has increased significantly in recent years among investment practitioners and their clients, and indeed in society at large, and the practices at J.P.Morgan Asset Management have been at the forefront of these developments.

In these pages J.P.Morgan Asset Management explains how its approach has developed and how it is applied for the benefit of shareholders in this Company.

The basics: what is ESG?

E is for Environmental. This component considers a company's impact on the world we live in, relating to the quality and functioning of the natural environment and natural systems.

S is for Social. Social factors address the way that companies act within society; this includes the way that employee interests are managed, and the broader impact a company has on society.

G is for Governance. This component relates to how companies are managed. It considers the measures that protect shareholder interests as well as the way any company meets regulatory and other external obligations.

How do we integrate ESG into the investment processes?

The Company is not a sustainable or environmental, social and governance ('ESG') investment vehicle. However, in actively managed strategies deemed by J.P. Morgan Asset Management ('JPMAM' or referred to as 'we' or 'us' below) to be ESG integrated under our governance process, we systematically assess financially material ESG factors (amongst other factors) in our investment analysis and investment decisions, where possible and appropriate, with the goals of managing risk and improving long-term returns. Essentially, we seek to determine whether, in our opinion, a company faces potential headwinds or tailwinds from ESG considerations which may ultimately have a significant impact on its share price.

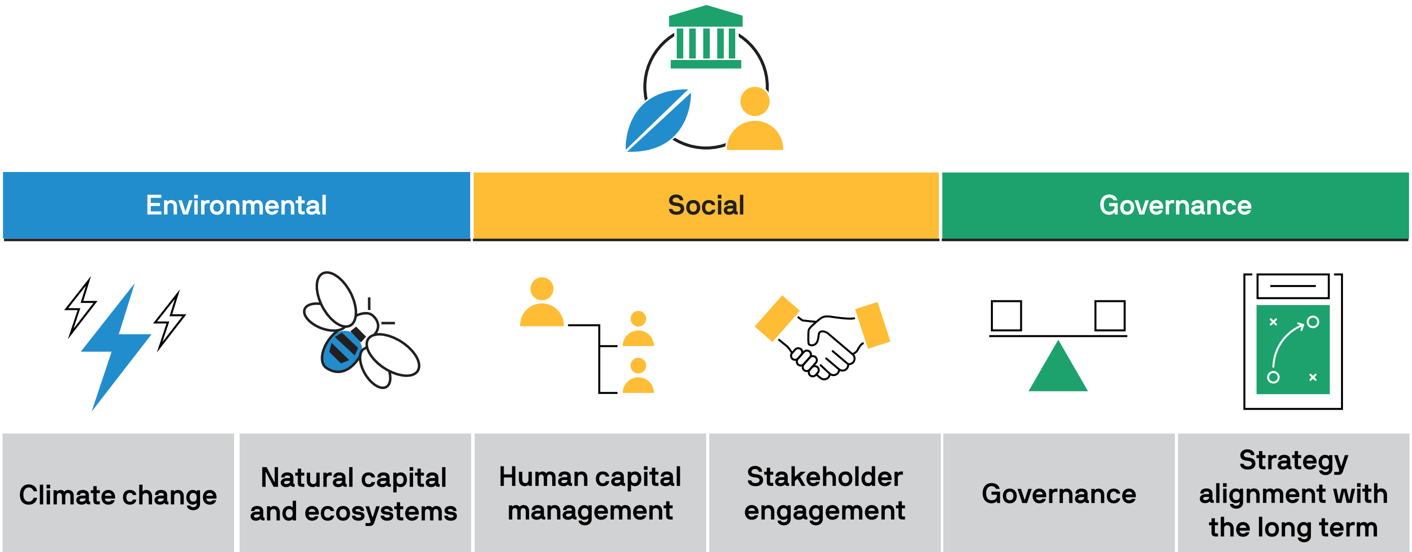
ESG integration does not change the Company's investment objective, exclude specific types of companies, or constrain the Company's investable universe. However, our assessment of financially material ESG factors may influence our investment decision. Ultimately, it may impact our decision to purchase a stock or not, or a stock's position size due to our level of conviction.

We integrate financially material ESG considerations across all parts of our qualitative assessment of a business. First, we assign each business a strategic classification that ranges from Premium (best) to Quality and then to Standard. This label is arrived at after a thorough examination of economics, governance and the strength of the business model to endure. Financially material Environmental and Social issues have always been part of our assessment of duration, along with broader considerations like the competitive and regulatory landscape faced by the business.

Engagement

We recognise and embrace our wider stewardship responsibilities to clients as a major asset owner. We use engagement to understand better and encourage portfolio companies to develop and adopt practices to manage their risk and create long-term shareholder value. Active ownership in the context of ESG integration allows us to manage financially material ESG risks and systematically to incorporate insights gained from engagement into our investment decisions. To shape that engagement, six overarching principles are defined by the specialist Sustainable Investment team within JPMAM.

Environmental, Social and Governance ('ESG') Report



We hope the case studies set out below help illustrate how these principles and frameworks work together to create a coherent and effective approach to corporate engagement. The companies mentioned are all held in your Company's portfolio and are just a few examples of the ongoing dialogue that we maintain with all the companies in which we invest on your behalf.

Proxy Voting

J.P. Morgan Asset Management exercises the voting rights of shares held in all client portfolios where entrusted with this responsibility. We seek to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

A summary of key voting statistics and activity for the Company during the period is detailed below:

	For	Against	Abstain	Total Items	% Against/ Abstain
Audit Related	68	0	0	68	0%
Capitalisation	141	24	0	165	15%
Company Articles	93	13	0	106	12%
Compensation	86	8	0	94	9%
Director Election	191	23	0	214	11%
Director Related	60	27	3	90	33%
Miscellaneous	17	0	0	17	0%
Non-Routine Business	16	1	0	17	6%
Routine Business	247	9	0	256	4%
Social	1	0	0	1	0%
Strategic Transactions	50	8	0	58	14%
TOTAL	**970**	**113**	**3**	**1,086**	

Environmental, Social and Governance ('ESG') Report

Tencent

We held a follow-up ESG meeting with Tencent on its AI governance, data privacy, content governance and board effectiveness after discussing these issues with the company last quarter.

The company admits that its internal AI governance mechanism is still evolving. One to two years ago, the company established an internal assessment committee to evaluate new AI products. We encouraged the company to disclose its AI governance structure and mechanism in its upcoming ESG report. Although this internal governance structure may change over time, we would value the company's acknowledgement of the topic's importance and its ongoing commitment to improving governance practices.

On the disclosure of a transparency report, Tencent started benchmarking telecommunication peers a few years ago and is aware of Google, Meta and Xiaomi's transparency reports. We asked why the internal discussion has not progressed beyond internal benchmarking. It explained that other direct Chinese domestic peers have not published such reports and that it already disclosed the number of illegal and non-compliant complaints handled by Tencent Guard in its latest sustainability report. We will continue this ask through the Asian Corporate Governance Association (ACGA).

We revisited the topic of content governance with the company. In our previous meetings with its independent director and investor relations, they stated that platform companies in China own the responsibility for content governance in compliance with local regulations. We asked about the company's latest approach to content governance as we have seen controversies faced by social media companies in the US (e.g. Instagram). They responded that it is still a combination of manual and technological support, and that Generative AI is more efficient in multi-model filtering covering texts, photos and videos. We asked if the company provides mental support for content reviewers who review violent and harmful content and it responded that it does provide mental consultation for employees.

On corporate governance and the appointment of a lead independent director (LID), they recalled that we put forward this request two years ago at the Company's AGM. The company believed appointing a LID is only to further board independence. We explained that the LID's purpose is also to represent minority investors' voices and offer a regular dialogue with minority investors. At the company's request, we shared our engagement experience with different independent directors of Asian companies. The company has not yet acknowledged the importance of appointing a LID. Instead, it said we can continue to attend its AGM in-person and make an explicit request if we want to meet certain independent directors at the AGM. We will continue this ask through the ACGA.

Alibaba Group Holding

We held a meeting with the ESG director of Alibaba, to follow up on AI governance, human capital and other ESG topics after discussing these issues with the company last quarter.

We first shared key takeaways from the international AI governance forum that we attended in December last year. One example was Linkedin's adoption of a gender-neutral skill-first hiring approach, which expands talent pools by 10x. We emphasised two key points from this example: 1) it is important for the company to analyse historical data and identify any potential inherent bias for high risk AI applications, and 2) for a better AI governance it often involves multi-disciplinary experts' sharing. The company shared that it is also currently asking different business functions about the data input for their AI applications. We will review its AI governance disclosure in its upcoming ESG report.

We reiterated our requests for the following social and governance engagement objectives. With respect to human capital and labour practices, we asked for the company to disclose their core labour rights metrics and for a firm-wide annual employee engagement survey to be conducted. On governance, we followed up on our request to meet with the newly appointed female independent director, who is also the chair of 30% Club Hong Kong – a campaign group taking action to increase gender diversity on boards and senior management teams. On climate, we also raised the importance of evaluating AI's impact on the company's carbon emissions, as AI chips computer power can be very energy intensive.

Last but not least, we noticed that the company is one of the Chinese target companies of Nature Action 100+, a new external collaborative engagement initiative. We asked about the company's discussion with the initiative and the nature related objective it intends to achieve. Some asks will be about its intention to report against the newly developed Taskforce on Nature-related Financial Disclosures (TNFD) framework. We shared that for some of its business segments such as e-commerce, we would encourage establishing a firm-wide time-bound quantitative target on circular economy and packaging. It acknowledged the relevance of packaging.

China Resources Mixc Lifestyle Services

We voted against the issuance of equity or equity linked securities without pre-emptive rights and against the reissuance of repurchased shares. Additionally, we voted to support the re-election of Li Xin and Lau Ping Cheung Kaizer as Directors.

We believe that any new issue of equity should first be offered to existing shareholders on a pre-emptive basis. We would vote against increases in capital, without pre-emptive rights, where the increase would dilute shareholder value in the long term. Furthermore, the company has abundant cash on hand and a relatively asset-light business model and so we do not see the need to raise capital.

Boards should ideally have a strong independent element to ensure the effective running of a company. However, given Mr. Li Xin has been Chairman of the company and also parent company CR Land, we have conviction in his ability and experience to operate as a company director. Similarly, Mr. Lau has had a track record serving the company and so far we trust current management to continue delivering.

Shenzhou International

Shenzhou's board independence has stayed at 44%, higher than HK Exchange's requirements but below our firm-wide expectation. We would likely vote against the appointment of directors for companies that do not have a majority of independent directors or show little intention to achieve this. Notably, the founder Mr. Ma and his related parties together own 48% of Shenzhou's shares and, based on our observations, have strong control over the board.

We suggested that we want independent directors who can function effectively, helping to govern and drive changes on the board, rather than acting as rubber stamps. Kenji Chan, Financial Controller of Shenzhou International, mentioned that while the board is not majority independent, the independent directors do make contributions. He cited Ms. Liu Chunhong as an example. As a member of the Audit and Compensation Committee and an expert in textiles and dyeing, Ms. Liu connected Shenzhou with PolyU to develop a project about new fabric materials. We expect to continue to engage with the company on this area.

J.P. Morgan Asset Management 9th December 2024

Business Review

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the objective and strategy of the Company, its structure, its investment policies and risk management, investment restrictions and guidelines, performance and key performance indicators, share capital, the Company's Environmental, Social and Governance policy, principal and emerging risks and how the Company seeks to manage those risks and, finally, its long-term viability.

The Company's Purpose, Values, Strategy and Culture

The purpose of the Company is to aim to be a cost effective, viable investment vehicle for investors who seek to achieve superior long-term returns from a portfolio of investments in 'Greater China'. In fulfilling its purpose, the Board takes account of wider issues including Environmental, Social and Governance. To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective. The values of the Company include integrity, transparency and accountability. To ensure that it is aligned with the Company's purpose, values and strategy, the Board comprises Directors who have a breadth of relevant skills and experience and contribute in an open boardroom culture that both supports and challenges the investment management company and its other third party suppliers.

Objective of the Company

The Company's objective is to provide shareholders with long-term capital growth by investing in companies in 'Greater China' (China, Hong Kong and Taiwan). It aims to outperform the MSCI China Index total return, with net dividends reinvested, in sterling terms.

Business Model

JPMorgan China Growth & Income plc is an investment trust company that has a premium listing on the London Stock Exchange. In seeking to achieve its objectives, the Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its AIFM which, in turn, delegates portfolio management to JPMorgan Asset Management (UK) Limited ('JPMAM') to actively manage the Company's assets. The Board has determined investment policies and related guidelines and limits. These objectives, investment policies and related guidelines and limits are detailed below.

JPMAM is a leading investment specialist with a long established presence in Greater China and the Asia Pacific region. JPMAM began managing its first Asia Pacific equity portfolio mandate in 1971. The Greater China team consists of 22 investment professionals (comprising eight portfolio managers and 14 Greater China sector specific research analysts) located in Hong Kong, Shanghai and Taipei with an average of 18 years of industry experience (as at 30th September 2024).

The portfolio managers leverage the insights of the dedicated Greater China investment analysts. The team believes that the research analysts significantly enhance the due diligence efforts, particularly through the development of proprietary, in-house research and through their ability to cover more off-benchmark and under-researched stocks. All members of the team conduct company due diligence and travel across the Greater China region, enabling information sharing and discussion. Company visits form the cornerstone of the proprietary research process which allows the managers to take controlled, considered positions designed to enhance performance. On average the team conducts close to more than 1600 company meetings every year. As at 30th September 2024, there were more than 550 Greater China stocks under coverage, of which more than 250 are A-shares (including dual listings). In addition, the team is also supported by the wider Emerging Markets and Asia Pacific sector research team as well as the 35 investment professionals in JPMorgan Asset Management (China) Limited, JPMorgan's domestic subsidiary based in Shanghai.

The team believes that active investing, focused on stock selection conducted by portfolio managers, offers a significant opportunity to add value to client portfolios. The primary objective of the philosophy and process is to deliver strong relative performance in a disciplined manner over the longer term; this comes from investing at the right time and price in well-managed, high quality, growth companies that return earnings and dividends fairly to minority shareholders.

Structure of the Company

The Company is subject to legislation and regulations including UK company law, UK Financial Reporting Standards, the FCA Listing, Prospectus, Disclosure Guidance and Transparency Rules, Market Abuse Regulation, taxation law and the Company's own Articles of Association.

The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Sections 1158 and 1159 of the Corporation Tax Act 2010). As a result the Company is not liable for taxation on capital gains. The Directors have no reason to believe that approval will not continue to be retained. The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's Statement on pages 8 to 10, and in the Investment Manager's Report on pages 11 to 18.

Investment Policies and Risk Management

In order to achieve the investment objective, the Company's business model is to invest in a diversified portfolio and to employ a Manager with a strong focus on research, company visits and ESG considerations that enable the Manager to identify what it believes to be the most attractive stocks in the region to provide long-term growth.

Investment risks are managed by diversifying investment over a number of 'Greater China' companies. The number of investments held by the Company will normally range between 45 and 85. The maximum permitted exposure to Hong Kong and Taiwan listed stocks not in the index is 30% of the portfolio.

Liquidity and borrowings are managed with the aim of increasing returns to shareholders.

Investment Restrictions and Guidelines

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions:

- At the time of purchase, the maximum permitted exposure to each individual company is 10.0% of the Company's total assets.
- As a result of market growth, the maximum permitted exposure to each individual company is 12.5% of the Company's total assets.
- The Company has unlimited permitted exposure to China A-Shares.
- The maximum permitted exposure to group or related companies is 15% of the Company's total assets.
- The maximum permitted exposure to small-cap stocks (a stock with a market capitalisation of below US$500 million) is 45% (including market movement).
- The Company does not invest more than 15% of its gross assets in other UK listed closed-ended investment funds (including investment trusts), nor does it invest more than 10% of its gross assets in companies that themselves may invest more than 15% of their gross assets in UK listed closed-ended investment funds.
- The Company may use derivative instruments, such as warrants, for the purpose of efficient portfolio management up to a value of 5%. The Company does not have a policy of hedging or otherwise seeking to mitigate foreign exchange risk but reserves the right to do so from time to time as part of the Company's efficient portfolio management.
- The Company has authority to transact in warrants up to 5% of the Company's assets and Participatory Notes up to a value of 20% of the Company's assets at the time of purchase.
- The Company does not normally invest in unquoted investments and no more than 10% of the Company's total assets can be invested in unquoted investments.
- The Company can invest in the IPO of a stock whose principal activities are the manufacturing and/or sales and distribution of goods and services in the Greater China markets in which the company invests.
- The Company's actual gearing is not to exceed 20%.

Monitoring of Compliance

Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Performance

In the year to 30th September 2024, the Company produced a total return to shareholders of +2.3% and a total return on net assets of +3.6%. This compares with the total return on the Company's benchmark index of +12.7%. The Company has outperformed the benchmark over the ten year period. As at 30th September 2024, the value of the Company's investment portfolio was £235.4 million. The Investment Manager's Report on pages 11 to 18 includes a review of developments during the year as well as information on investment activity within the Company's portfolio and the factors likely to affect the future performance of the Company.

Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Total return performance against benchmark index**

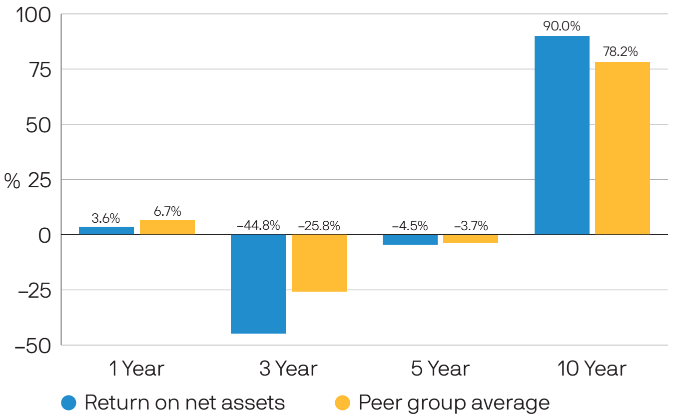
  This is the most important KPI by which performance is judged. The Company's principal objective is to achieve capital growth and outperformance relative to its benchmark over a normal cycle which is deemed to be five years. Information on the Company's performance is given in the Chairman's Statement on page 8 and the Investment Manager's Report on page 11. (Also, please refer to the figures on page 23).

- **Performance against the Company's peers**

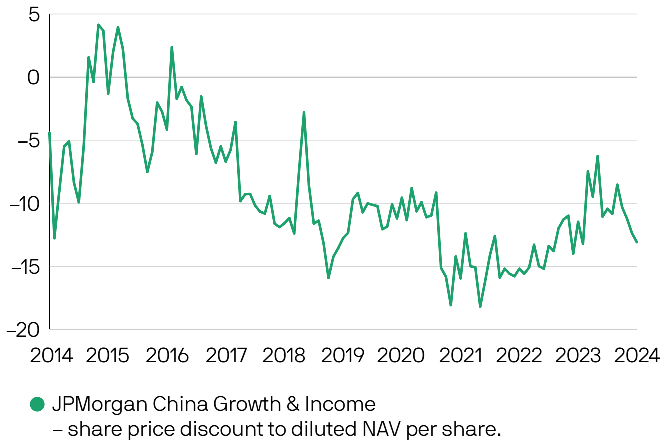
  The Board also monitors the performance relative to a broad range of competitor funds. The chart below shows the Company's performance compared to the limited AIC peer group, which now comprises only three trusts with differing characteristics.

Business Review

Performance against the Company's investment trust peers



(Discount)/premium performance



Source: Morningstar.

- **Performance attribution**

  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as stock selection, currency effect and gearing. Details of the attribution analysis for the year ended 30th September 2024 are given in the Investment Manager's Report on page 12.

- **Share price (discount)/premium to cum income net asset value ('NAV') per share**

  The Board operates a share issuance and share repurchase programme which seeks to address imbalances in the supply of and demand for the Company's shares within the market and thereby reduce the volatility and absolute level of the discount/premium to NAV per share at which the Company's shares trade. In the year to 30th September 2024, the Company's shares traded between a discount of 4.2% and 14.9%, averaging a discount of 10.4% over the year.

  The Board has the ability to purchase shares into Treasury and to re-issue them at a later date at a premium to NAV per share.

- **Ongoing charges**

  The ongoing charges represent the Company's management fee (see page 46) and all other operating expenses excluding finance costs, expressed as a percentage of the average daily net assets during the year.

  The ongoing charges for the year ended 30th September 2024 increased to 1.18% (2023: 1.12%) reflecting the reduction in net assets during the period. The Board reviews each year an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers.

Share Capital

The Directors have, on behalf of the Company, the authority to issue new Ordinary shares for cash on a non pre-emptive basis and to repurchase shares in the market for cancellation or to be held in Treasury. The Directors will re-issue shares held in Treasury only at a premium to net asset value per share.

During the year the Company did not repurchase any Ordinary shares into Treasury (2023: nil) or for cancellation. In addition no shares have been re-issued from Treasury (2023: nil) and no new Ordinary shares were issued (2023: nil). Since the year end, no shares have been repurchased or issued.

Resolutions to renew the authorities to issue new shares on a non pre-emptive basis and to repurchase shares for cancellation or to be held in Treasury will be put to shareholders for approval at the Annual General Meeting.

The full text of these Resolutions is set out in the Notice of Meeting on pages 99 and 100.

Diversity and Inclusion

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board and an assessment is made of the qualities and skills of the existing Board before appointing new Directors. Having recently completed a review of the skills and experience of Directors, the Board believes that it is equipped with the necessary attributes required for the sound stewardship of the Company and that their knowledge sets allow for lively and engaging debates. Please refer to page 51 for more information on the workings of the Nomination Committee.

Full details of the skills and experience of the Directors can be found on page 45. At 30th September 2024, there were two male Directors and two female Directors on the Board.

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

At 30th September 2024, the Board met the target on gender diversity criteria, female representation in a senior role and ethnic representation on the Board. The small size of the Board with only non-executive Directors can present challenges to ensuring targeted diversity in Board appointments. Although the Board does not consider it appropriate to set targets, it ensures that long lists include diverse candidates of appropriate experience and merit.

In accordance with Listing Rule 6.6.6 (9), the Board has provided the following information in relation to its diversity based on the position at the Company's financial year ended 30th September 2024:

Gender	Number of Board Members	% of Board Members	Number of Senior Roles[1]
Male	2	50.0	2
Female	2	50.0	1

Ethnic Background	Number of Board Members	% of Board Members	Number of Senior Roles[1]
White British or other White (including minority-white groups)	2	50.0	3
Mixed/Multiple Ethnic Groups	2	50.0	0

[1] The roles of Chair of the Board of Directors, Audit Committee Chair and Senior Independent Director are classified as senior positions. The role of Audit Committee Chair is not currently defined as a senior position under the Listing Rules. However the Board believes that, for an investment trust company, it should be regarded as such as it is broadly equivalent to the Chief Financial Officer of a trading company.

All Board appointments are subject to a formal, rigorous and transparent process. The Board, through the Nomination Committee, has reviewed the Company's succession plan and it is intended that alongside finding candidates who have skills which are complementary to those of other members of the Board, gender and ethnicity considerations will be important factors when considering future Board appointments.

Employees, Social, Community, Environmental and Human Rights Issues

The Company has a management contract with JPMF. It has no employees and all of its Directors are non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees.

The Board notes JPMAM and JPMorgan Chase's global policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

We are committed to becoming the world's most diverse and inclusive asset manager. We know diverse perspectives create differentiated thinking. We know our client relationships are stronger when our teams mirror the communities in which we work and invest. We reflect these beliefs in our hiring, development and promotion practices, and by nurturing a culture in which everyone is judged on their merits and empowered to hold each other accountable. Beyond our firm, we put our people and assets to work to help advance equity and economic opportunities – and influence other companies to do the same. We continually reinvest in our communities to close opportunity gaps wherever they exist.

We are working to support the transition to a low-carbon economy by scaling green solutions, balancing environmental, social and economic needs, and managing our operational footprint. We help clients navigate the challenges and realize the economic opportunities of the transition to a low-carbon economy. We believe supporting our clients, through advice and capital, to accelerate their low-carbon transition objectives creates positive environmental benefits and generates long-term financial returns for our shareholders.

We seek to deliver stronger financial outcomes, including by focusing on the most financially material environmental, social and governance (ESG) issues that we believe impact the long-term performance of companies in which we invest. Additionally, we advocate for robust corporate governance and sound business practices. We believe that understanding financially material ESG factors plays an

Business Review

important role in delivering long-term value creation for our clients.

JPMorgan Chase supports fundamental principles of human rights across all our lines of business and in each region of the world in which we operate. JPMorgan Chase's respect for the protection and preservation of human rights is guided by the principles set forth in the United Nations Universal Declaration of Human Rights. JPMorgan Chase believes it is the role of government in each country to protect the human rights, including the safety and security, of its citizens. However, we believe we can play a constructive role in helping to promote respect for human rights by our own actions and by seeking to engage with the governments of the countries with and in which we operate.

Greenhouse Gas Emissions

The Company itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. As a low energy user under HMRC guidelines it is not required to disclose energy and carbon information. The Board notes the policy statements from the Investment Manager in respect of Social, Community and Environmental and Human Rights issues and Greenhouse Gas Emissions and that it is a signatory to the CDP, as well as JPMorgan Chase being a signatory to the Equator Principles on managing social and environmental risk in project finance.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website:
https://www.jpmorganchase.com/about/our-business/human-rights

The Company's Management Engagement Committee reviews this statement as part of its annual review of the Manager.

Corporate Criminal Offence

The Company maintains zero tolerance towards tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company. As the Company has no employees, the Board's focus is to ensure that the risk of the Company's service providers facilitating tax evasion is also low.

To this end it seeks assurance from its service providers that effective policies and procedures are in place.

Future Prospects

The Board continues to focus on maximising total returns over the longer-term. The outlook for the Company is discussed in both the Chairman's Statement and the Investment Manager's Report (see pages 17 and 18).

Principal and Emerging Risks

The Directors confirm that they have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

With the assistance of the Manager, the Audit Committee maintains a risk matrix which identifies the principal risks to which the Company is exposed and methods of mitigating against them as far as practicable. The risks identified and the broad categories in which they fall, and the ways in which they are managed or mitigated are summarised below.

The AIC Code of Corporate Governance requires the Audit Committee to put in place procedures to identify emerging risks. At each meeting, the Board reviews all potential risks and considers emerging risks which it defines as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of occurrence probability and possible effects on the Company. As the impact of emerging risks is understood, these risks may be entered on the Company's risk matrix and mitigating actions considered as necessary.

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2024
Investment management and performance			
Geopolitical	Geopolitical risk can cause volatility in the markets in which the Company is invested; restrictions on the ability to invest and the free movement of capital and also potentially impact the ability of the Manager and other service providers to carry on business as usual. Specifically in China, we have seen instances of the government interfering in certain sectors of the financial markets as well as concerns relating to US-China trade tensions, potential conflict involving Taiwan and wider questions about supply chains and human rights in China. These concerns have led to international investors reducing their investments in China, and could risk damaging overseas sentiment towards Chinese equities further.	The Board meets advisers and gathers insights from both JP Morgan and independent sources on a regular and ongoing basis and takes advice from the Manager and its professional advisers.	→
Investment Under-performance	An inappropriate investment decision may lead to sustained investment underperformance against the Company's benchmark index and peer companies, resulting in the Company's shares trading on a wider discount as well as discontent amongst the Company's shareholders. In addition, a significant loss of scale would leave the Company less attractive to investors given the increase in the cost base and reduction in liquidity in the secondary market for its shares.	The Board aims to manage this risk by diversification of investments through its investment restrictions and guidelines which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates and transaction reports. The Board monitors the implementation and results of the investment process with the investment managers, who attend all Board meetings, and reviews data which show statistical measures of the Company's risk profile.	↑

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2024
Investment management and performance			
Investment Strategy	An ill-advised corporate initiative, for example an inappropriate takeover of another company or an ill-timed issue of new capital; misuse of the investment trust structure, for example inappropriate gearing; or if the Company's chosen strategy is no longer appropriate, may lead to a lack of investor demand.	The Board discusses this on a regular and ongoing basis with the Manager and corporate advisers based on information provided both at and between Board meetings (see above risk regarding Investment Underperformance). The Company states its strategy clearly in its Half-Year and Annual Reports and its website. The investment managers employ the Company's gearing within a strategic range set by the Board.	↑
Loss of Investment Team or Investment Manager	A sudden departure of one or more members of the investment management team could result in a deterioration in investment performance.	The Board seeks assurance that the Manager takes steps to reduce the likelihood of such an event by ensuring appropriate succession planning and the adoption of a team-based approach, as well as special efforts to retain key personnel. The Board engages privately with the investment managers on a regular basis and visits them annually in Shanghai and Hong Kong.	→
Share Price Discount	A disproportionate widening of the discount relative to the Company's peers could result in a loss of value for shareholders.	In order to manage the Company's discount, which can be volatile, the Company operates a share repurchase programme. The Board regularly discusses discount policy and has set parameters for the Manager and the Company's broker to follow. The Board receives regular reports and is actively involved in the discount management process. In addition, the Company's conditional tender offer of up to 15% of the issued share capital should limit the extent of the discount in the event that it is triggered in 2028.	↑
Corporate Governance	Changes in financial, regulatory or tax legislation may adversely affect the Company.	The Manager makes recommendations to the Board on accounting, dividend and tax policies and the Board seeks external advice where appropriate. The Board receives regular reports from its broker, depositary, registrar and Manager as well as its legal advisers and the Association of Investment Companies on changes to governance and regulations which could impact the Company and its industry. The Company monitors events and relies on the Manager and its other key third party providers to manage this risk by preparing for any changes. It also receives updates from its advisors on corporate governance issues and reviews its related policies regularly.	→

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2024
Shareholder Relations	Poor investment performance could result in a deterioration of the relationship with the Company's shareholders.	The Board receives regular reports from the Manager and the Company's broker about shareholder communications, their views and their activity. In addition, the Board engages directly with major shareholders on at least an annual basis and encourages all shareholders to engage with the Board and Investment Managers at the AGM and through the increased use of webcasts, periodic meetings and the introduction of email updates.	→
Financial	The financial risks faced by the Company include market price risk, interest rate risk, currency risk, liquidity risk and credit risk.	Counterparties are subject to daily credit analysis by the Manager. In addition the Board receives reports on the Manager's monitoring and mitigation of credit risks on share transactions carried out by the Company. Further details are disclosed in note 21 on page 86.	↑
Operational risks			
Cyber crime	Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the depositary's or custodian's records may prevent accurate reporting and monitoring of the Company's financial position. In addition to threatening the Company's operations, such an attack is likely to raise reputational issues which may damage the Company's share price and reduce demand for its shares. This risk is heightened given advances in computing power that mean that AI has become a powerful tool which can potentially impact and disrupt a wide range of applications.	Details of how the Board monitors the services provided by the Manager, its associates and depositary and the key elements designed to provide effective internal control are included within the Risk Management and Internal Control section of the Directors' Report on pages 52 and 53. The threat of cyber attack, in all its guises, is regarded as at least as important as more traditional physical threats to business continuity and security. The Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around the physical security of JPMorgan's data centres, security of its networks and security of its trading applications are tested independently.	↑
Fraud/other operating failures or weaknesses	The risk of fraud or other control failures or weaknesses within the Manager or other service providers could result in losses to the Company.	The Audit Committee receives independently audited reports on the Manager's and other service providers' internal controls, as well as a report from the Manager's Compliance function. The Company's management agreement obliges the Manager to report on the detection of fraud relating to the Company's investments and the Company is afforded protection through its various contracts with suppliers, of which one of the key protections is the Depositary's indemnification for loss or misappropriation of the Company's assets held in custody.	→

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2024
Regulatory risk			
Inability to secure gearing	One of the advantages of the investment trust structure is the ability to deploy gearing. However, many of the leading lenders to the trust sector have declined to offer terms in recent years as a result of diminished risk appetite.	The Board work with JPMAM to identify suitable lenders and ensure that the Company has credible options that allows it to provide geared exposure. In addition, the Company now has the ability to gear through the use of Contracts for Difference (CFDs).	→
Use of CFDs	The Company now has the ability to adopt geared exposure through the use of CFDs. This presents counterparty risk to the issuer and also requires additional controls around margin calls.	JPMAM has experience in the use of CFDs and will report to the Board on their use and exposures on a periodic basis. In addition, the Board places reliance on JPMAM's robust assessment of counterparty risk.	→
Legal and Regulatory	In order to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010 ('Section 1158'). Details of the Company's approval are given under 'Structure of the Company' on page 28. Were the Company to breach Section 1158, it may lose investment trust status and, as a consequence, gains within the Company's portfolio would be subject to Capital Gains Tax.	The Section 1158 qualification criteria are continually monitored by the Manager and the results reported to the Board each month. The Company must also comply with the provisions of the Companies Act 2006 and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules, Disclosure Guidance and Transparency Rules ('DTRs') and, as an Investment Trust, the Alternative Investment Fund Managers Directive ('AIFMD'). A breach of the Companies Act 2006 could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing which in turn would breach Section 1158. The Board relies on the services of its Company Secretary, JPMorgan Funds Limited and its professional advisers to ensure compliance with the Companies Act 2006, the UKLA Listing Rules, DTRs and AIFMD.	→
Risk of misrepresent-ation of ESG credentials	Although financial material ESG factors are integrated into its investment process, the Company is not a sustainable or ESG investment vehicle. However, the inappropriate use of language and claims in communication with shareholders and potential investors could lead to confusion and potentially censor. Sustainability Disclosure Requirements (SDR) require FCA-authorised fund distributors to avoid greenwashing.	The Board determines the description of ESG approach and policies in Annual Report and other investor communications taking care to avoid any suggestion of greenwashing and with regard to current regulations. In addition, the manager is hugely experienced in investor communications and is fully cognisant of the requirements of SDR given its wider business.	→

Principal and Emerging Risks

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2024
Economic and geopolitical			
Global pandemics	COVID-19 has highlighted the speed and extent of economic damage that can arise from a pandemic, particularly in a society such as China's. The risk remains that new variants or other viruses may not respond to existing vaccines, may be more lethal and may spread rapidly around the world, presenting risks to the operations of the Company, the Manager and its investee companies.	The Board receives reports on the business continuity plans of the Manager and other third party providers. The effectiveness of these measures were assessed throughout the course of the COVID-19 pandemic and the Board will continue to monitor developments as they occur and seek to learn lessons which may be of use in the event of future pandemics.	↓
ESG Risk	Failure to recognise non-financial risks in portfolio construction and stock selection and/or to explain our ESG approach to current/potential investors.	The Manager integrates ESG scoring into stock selection alongside financial measures and portfolio level measures such as carbon intensity/CO2 emissions are aggregated and presented alongside the benchmark index. The Board can determine the appetite for ESG as well as financial factors in portfolio construction via investment restrictions and guidelines and the investment policy. The Board determines the description of the ESG approach and policies in the Annual Report and other investor communications.	→
Climate change	Climate change is one of the most critical issues confronting asset managers and their investors. Climate change may have a disruptive effect on individual investee companies and the operations of the Manager and other major service providers.	The Manager's investment process integrates consideration of environmental, social and governance factors into decisions on which stocks to buy, hold or sell (see the ESG report on pages 24 to 27). This includes the approach investee companies take to recognising and mitigating climate change risks. The Manager aims to influence the management of climate related risks through engagement and voting and is a participant of Climate Action 100+ and a signatory of the United Nations Principles for Responsible Investment. As extreme weather events become more common, in particular with the typhoons, flooding and droughts experienced in China, the resiliency, business continuity planning and the location strategies of our services providers will come under greater scrutiny.	→

Principal and Emerging Risks

Emerging risk	Description	Mitigation/Control
Social unrest within China	If economic growth and consumer demand remain sluggish and unemployment rises in China, there is a risk disruptive social unrest could occur at a local or national level. Such disorder could disrupt the companies in which our Company invests, and negatively impact both our manager's operations within China and international sentiment towards Chinese equities.	The Board and the Portfolio Managers understand the inherent risks associated with investing in emerging markets such as China. While focusing on the long term, the Manager is mindful of these risks when considering investment strategy and portfolio construction, and keeps the Board regularly informed about any issues that might impact China and the portfolio.
Impact of reshoring and tariffs	Political and economic pressures from countries in the Developed Markets, led by the US, have led to instances of 'reshoring' in recent years that have potentially negative consequences for both the Chinese economy and its companies. In addition, the threat of a step change in tariffs applied to goods originating in China and the wider Asian region could see a robust response from those countries impacted, with a dampening effect on global economic activity.	The Board works with the Manager using JPMorgan's resources to monitor developments on a continuous basis. Working closely with the Board, the Portfolio Managers will keep shareholders regularly informed of its views using various communication methods such as webcasts, monthly fact sheets and the Company's website.

Long-Term Viability

The UK Corporate Governance Code and the AIC Code of Corporate Governance requires the Board to assess the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision. The Company's current position and prospects are set out in the Chairman's Report (page 8), the Investment Manager's Report (page 11) and the Strategic Report (page 28). The principal risks and emerging risks are set out on pages 33 to 38.

Taking account of the Company's current position, the principal and emerging risks that it faces and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next five years. In the absence of another dramatic fall in the market, the Directors believe that the Company has no loan covenants or liabilities that cannot be readily met with the necessary actions. The Board continues to monitor loan covenants, together with the Manager and the loan provider, and is satisfied with the process and controls around the monitoring of the loan covenants. The Directors have reviewed income and expense projections, the liquidity of the investment portfolio and future cash flow projections, taking the Company's dividend policy into account in making their assessment.

They have made that assessment by considering those principal and emerging risks, the Company's investment objective and strategy, the investment capabilities of the Manager and the outlook for the economies and markets of the Greater China region. They have examined the robustness of these base case estimates using further severe but plausible scenarios, including the market contractions caused by the volatility in the Chinese market, precipitated by heightened US-China tensions and concerns about tariffs as a result of the new administration, Russia's war on Ukraine and the conflict between Israel and Palestine. The Board is cognisant of the market uncertainty, together with its impact on the prospects for many of the Company's portfolio holdings. Notwithstanding this uncertainty, given the factors stated below, the Board expects the Company to continue for the foreseeable future and has conducted its assessment for a period of five years.

In determining the appropriate period of assessment, the Directors had regard to their view that, given the Company's objective of achieving long-term capital growth, shareholders should consider the Company as a long-term investment proposition. The Directors also take account of the inherent uncertainties of equity markets and the existence of a continuation vote every five years (last continuation vote passed at the 2023 AGM). As a result of all these deliberations, the Directors consider five years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years until 30th September 2028. This reasonable expectation is subject to there being no significant adverse change to the regulatory or taxation environment for investment trusts; and subject to there being no sustained adverse investment performance by the current or any successive investment manager, that may result in the Company not being able to maintain a supportive shareholder base.

By order of the Board
Lucy Dina, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

9th December 2024

Duty to Promote the Success of the Company

Section 172 of the Companies Act 2006 ('Companies Act') states that: A Director of a company must act in the way that is considered in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following six items:

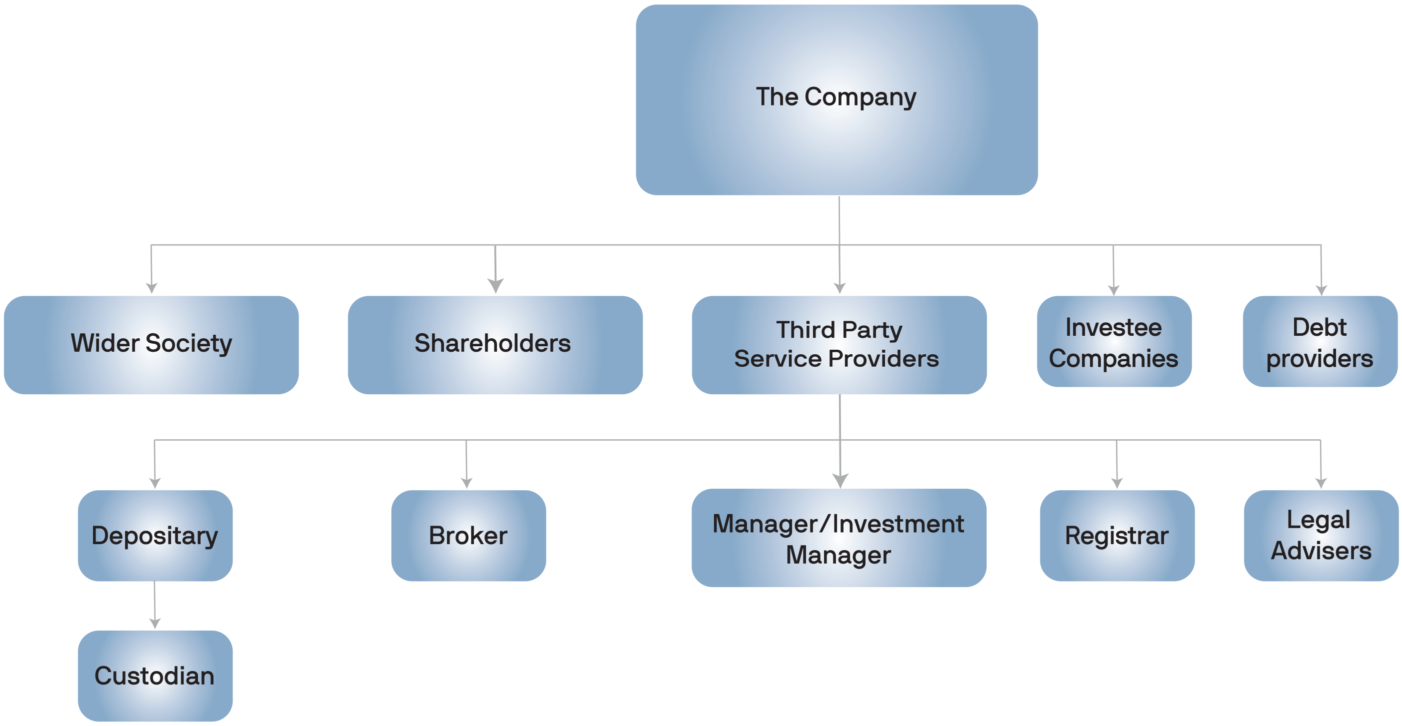
The likely consequences of any decision in the long term	In managing the Company, the aim of both the Board and Manager is always to ensure the long-term success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. In managing the Company during the year under review, the Board acted in the way which it considered, in good faith, would be most likely to promote the Company's long-term success and to achieve its wider objectives for the benefit of shareholders as a whole, having had regard to the wider stakeholders and the other matters set out in section 172 of the Companies Act.
The interests of the Company's employees	The Company does not have any employees.
The need to foster the Company's business relationships with suppliers, customers and others	The Board's approach is described under 'Stakeholders' on the next page.
The impact of the Company's operations on the community and the environment	The Board takes a close interest in ESG issues and climate change, sets the overall strategy and regularly reviews the Manager's adherence to their process. However, the integration of financially material ESG factors does not modify the Company's investment objective and the Company does not have an ESG focused investment strategy. The Board has appointed a Manager that, through its Investment Manager, integrates ESG considerations into its investment process. Further details are set out in the ESG report on pages 24 to 27.
The desirability of the Company maintaining a reputation for high standards of business conduct	The Board's approach is described under the Company's Purpose, Values, Strategy and Culture on page 28.
The need to act fairly between members of the Company	The Board's approach is described under 'Stakeholders' on the next page.

The Board's philosophy is that the Company should foster a culture where all parties are treated fairly and with respect and the Board recognises the importance of keeping the interests of the Company's stakeholders, and of acting fairly between them, front of mind in its key decision making.

Duty to Promote the Success of the Company

Stakeholders

The Board has identified the following as its key stakeholders:



The Board believes the best interests of the Company are aligned with those of its key stakeholders as all parties wish to see and ultimately benefit from the Company achieving its investment objectives while carrying on business in compliance with the highest possible regulatory, legal, ethical and commercial standards.

The table below sets out details of the Company's engagement with these stakeholders:

Stakeholder engagement
Shareholders
Continued shareholder engagement is critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering and maintaining good working relationships with shareholders and understanding the views of shareholders in order to incorporate them into the Board's strategic thinking and objectives. Shareholders are encouraged to attend the Company's Annual General Meeting. Shareholders can contact Directors via the Company Secretary. In addition, the Chairman and Directors make themselves available as and when required to address shareholders' queries and offer meetings to larger shareholders. Engagement with shareholders has also improved with the increased use of regular webcasts and the opportunity for shareholders to sign up for electronic news update. Full details on how the Board ensures it is fully appraised of shareholder views and how it engages with all shareholder groups can be found on page 52.
Manager
The principal supplier is the Manager, in particular the investment management team who are responsible for managing the Company's assets in order to achieve its stated investment objective. The Board maintains a good working relationship with the Manager, who also provides administrative support and promotes the Company through its investment trust sales and marketing teams. The Board monitors the Company's investment performance at each Board Meeting in relation to its objective and also to its investment policy and strategy: This includes a formal quarterly review of the investment portfolio with the investment team as well as receiving ad hoc updates at times of market turmoil. The Board also maintains strong lines of communication with the Manager via its dedicated Company Secretary and client director whose interactions extend well beyond the formal business addressed at each Board and Committee meeting. This enables the Board to remain regularly informed of the views of the Manager and the Company's shareholders (and vice versa).

Duty to Promote the Success of the Company

Investee companies

The Board is committed to responsible investing and actively monitors the activities of investee companies through its delegation to the Manager. In order to achieve this, the Manager has discretionary powers to exercise voting rights on behalf of the Company on all resolutions proposed by the investee companies. In respect of the year under review, the Manager engaged with all of its investee companies and voted at all of the annual general meetings and extraordinary meetings held during the year by the Company's portfolio companies (full details can be found in the ESG report on pages 24 to 27). The Board monitors investments made and divested and questions the Manager's rationale for exposures taken and voting decisions made.

Other key service providers

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers, with appropriate capability, performance records, resources and controls in place to deliver the services that the Company requires for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board maintains regular contact with its key external service providers, either directly, or via its dedicated Company Secretary or client director, and receives regular reporting from these providers at Board and Committee meetings. The Management Engagement Committee meets annually to review and appraise all its third party service providers.

Wider society and the environment

Whilst strong long-term investment performance is essential for an investment trust, the Board recognises that to provide an investment vehicle that is viable over the long term, both it and the Manager must have regard to ethical and environmental issues that impact society. Hence Environmental, Social and Governance ('ESG') considerations are integrated into the Manager's investment process and will continue to evolve. Further details of the Manager's integrated approach to ESG can be found on pages 24 to 27.

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. Key decisions and actions during the year which have required the Directors to have regard to applicable section 172 factors include:

Key decisions and actions

Monitoring the Company's Portfolio

During the year, the Board was in regular contact with its Portfolio Managers and continues to hold the Portfolio Managers to account on investment performance.

Monitoring and constructively challenging the Manager

The Board conducted its annual visit to JPMorgan's offices in Shanghai, Shenzhen and Hong Kong in November 2024. During this visit, the Board examined the Manager's investment approach and processes, meeting a number of the analysts, as well as strategists and economists, representatives of the Manager's support functions and senior representatives of JPM Asset Management (China) in Shanghai.

Reduction of the Management Fee

During the year, the Board held detailed discussions with the Manager about the appropriate level of the management fee, based on the Board's view that the Company should demonstrably represent value for money. Subsequently, the Board agreed with the Manager to introduce, with effect from 1st April 2024, a tiered fee rate of 0.80% for the first tier of up to £400 million of net assets and 0.75% thereafter.

Prior to 1st April 2024, the annual management fee was 0.9% per annum on net assets.

Borrowings and Gearing

On 14th July 2023 the Company entered into a loan facility agreement for two years with Industrial and Commercial Bank of China Limited, London Branch (ICBC), in respect of a revolving loan facility of up to £60.0 million (including a £30.0 million accordion option). This debt permits the maintenance of the relative gearing level of the Company as the asset base grows, which the Board believes will enhance returns to shareholders over the long term.

Duty to Promote the Success of the Company

Due to market movements and after discussions with ICBC, the Company's loan agreement was amended on 28th March 2024 and the facility was reduced to a commitment of up to £30.0 million (including an accordion option of £10.0 million). Some changes were also made to certain financial covenants. This loan facility expires in July 2025.

In addition to the loan facility, the Company is also now able to utilise CFDs. ICBC has authorised the Company to use CFDs alongside the loan facility, as long as the CFD liabilities are included in the Total Borrowings calculations for the loan covenants and in doing so there is no breach in the covenants.

Delivery of the Long-Term Succession Plan

The Board through its Nomination Committee reviewed its long-term succession programme. Your Directors believe that shareholder interests are best served by ensuring a smooth and orderly succession for the Board which serves to provide both continuity and refreshment while ensuring diversity of both background (including gender and ethnicity) and experience.

During the year the Board appointed an external head hunter, Odgers Berndtson, to conduct a search for a new Non-Executive Director to join the Board in 2025.

Change of Registrar

As part of review of its key service providers, the Company, through its Manager, undertook a review of Equiniti Limited ('Equiniti'), its Registrar, which has been engaged by the Company for a number of years. After a request to various potential providers for proposals and a thorough due diligence process by the Manager, and after careful consideration, the Board, with effect from 24th June 2024, moved the Company's registrar services from Equiniti to Computershare Investor Service Plc ('Computershare') as it believed this to be in the best interests of shareholders.

Increasing the Profile of the Company

It is important that the Company remains front of mind with both institutional and retail investors. The Board employs Kepler to provide research notes for the Company twice a year. In addition, the portfolio managers also use webcasts and speak at video conferences, organised by brokers and external companies. The Board has worked closely with JPMorgan's marketing and sales teams in order to increase the profile of the Company and to keep shareholders abreast of developments during the extended period of market volatility.

Regular Actions

In addition, the Directors have kept under review the competitiveness of the management fee and the Company's other operating costs; they have undertaken a robust review of the principal and emerging risks faced by the Company; they have continued to encourage the Manager to enhance its sales and marketing efforts; they have discussed, confirmed and monitored the Company's dividend; and they have discussed and monitored gearing levels and the Portfolio Managers' requirements for cash.

Furthermore, the Board has been in frequent contact with the Manager, receiving regular updates on the operating effectiveness of the Manager and key service providers and on areas such as portfolio performance and activity, portfolio liquidity and the discount to NAV at which the Company's shares trade.

By order of the Board
Lucy Dina, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

9th December 2024

Board of Directors

Alexandra Mackesy (Chairman of the Board, Nomination Committee and Management Engagement Committee)

A Director since July 2018.

Last reappointed to the Board: 2024.

Alexandra lived in Hong Kong for 14 years, where she worked as an investment analyst for Credit Suisse (Director, China and Hong Kong Equity Research), JPMorgan (Director, Asian Equity Research) and SG Warburg. Since 2004, she has sat on the boards of several UK listed companies, including investment trusts, and is currently a Non-Executive Director on the Boards of Henderson Smaller Companies Trust plc and Murray International Trust PLC. She has a keen interest in corporate governance practices.

Shared directorships with other Directors: None.

Shareholding in Company: 10,600 shares.

David Graham (Chairman of the Audit Committee and Senior Independent Director)

A Director since May 2017.

Last reappointed to the Board: 2024.

David qualified as a Chartered Accountant and then had a career in investment management, firstly as an Asian fund manager with Lazards and then building businesses across Asia Pacific, Europe, Middle East and Africa for BlackRock and predecessor firms (Merrill Lynch Investment Managers and Mercury Asset Management.) He has worked in Hong Kong, Tokyo and Sydney and has been a Representative Director in domestic, joint venture, fund management companies in China, India, Thailand and Taiwan. He is also a Non-Executive Director and Chairman of Fidelity Japan Trust and a Non-Executive Director of Templeton Emerging Markets Investment Trust PLC.

Shared directorships with other Directors: None.

Shareholding in Company: 42,639 shares.

Joanne Wong

A Director since June 2021.

Last reappointed to the Board: 2024.

A Hong Kong resident, Joanne has 30 years of experience in the investment industry. After spending ten years as an equity analyst focusing on Hong Kong and China listed companies, she joined Franklin Templeton Investments in Hong Kong in 2002. Working within Franklin Templeton's Global Equity Group, she became a Portfolio Manager managing Asian and Global mandates, with a particular responsibility for the Hong Kong and Chinese equity markets. She retired from Franklin Templeton in 2020.

Shared directorships with other Directors: None.

Shareholding in Company: 3,500 shares.

Aditya Sehgal (Chairman of the Remuneration Committee)

A Director since October 2021.

Last reappointed to the Board: 2024.

Aditya has spent several years working in China and has a wealth of experience in marketing. He has a particularly keen interest in technology and eCommerce-related business in China and globally. He retired from Reckitt in October 2021 as President for Nutrition, 'eRB' and China. His previous roles with the company included Chief Operating Officer. He led the China business for over a decade. He is an experienced investor in early-stage technology and consumer companies. He is currently a Non-Executive Director of Voltas Limited and a Director of Godrej Consumer Products Limited.

Shared directorships with other Directors: None.

Shareholding in Company: 5,000 shares.

All Directors are members of the Audit Committee, Nomination Committee, Remuneration Committee and Management Engagement Committee.

All Directors are considered independent of the Manager.

Directors' Report

The Directors present their report and the audited Financial Statements for the year ended 30th September 2024.

Directors

The Directors of the Company who held office at the end of the year are as detailed on page 45.

Details of Directors' beneficial shareholdings may be found in the Directors' Remuneration Report on page 59. No changes have been reported to the Directors' shareholdings since the year end.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting ('AGM') and, being eligible, will offer themselves for reappointment by shareholders. The Board seeks to balance the need for refreshment of its members with the value derived from their experience and continuity. The Nomination Committee, having considered their qualifications, performance and contribution to the Board and its Committees, confirms that each Director continues to be effective and demonstrates commitment to the role, and the Board recommends to shareholders that those standing for reappointment be reappointed.

Director Indemnification and Insurance

As permitted by the Company's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity, as defined by Section 234 of the Companies Act 2006. The indemnities were in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Management of the Company

The Manager and Company Secretary to the Company is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. The active management of the Company's assets is delegated by JPMF to an affiliate JPMorgan Asset Management (UK) Limited ('JPMAM') with day to day investment management activity conducted in Hong Kong, with input from team members in Shanghai and Taipei. The Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

JPMF is employed under a contract which can be terminated on one year's notice, without penalty. If the Company wishes to terminate the contract on shorter notice, the balance of remuneration is payable by way of compensation.

The Board, through the Management Engagement Committee, conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Portfolio Managers, the performance against the benchmark and a relevant peer group over the long-term, and the support that the Company receives from JPMF. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmchinagrowthandincome.co.uk There have been no material changes (other than those reflected in these Financial Statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

As an authorised AIFM, JPMF will make the requisite disclosures on remuneration levels and polices to the FCA at the appropriate time.

The Company's leverage and JPMF's remuneration disclosures are set out on page 95.

Management Fee

With effect from 1st April 2024, following negotiations between the Board and Manager, the Board introduced a tiered fee rate of 0.80% per annum on the first £400 million of net assets and 0.75% on net assets in excess of £400 million. Prior to this, the basic annual management fee was 0.9% per annum on net assets, having previously been 1% on gross assets (i.e. total assets less liabilities, after adding back any loans).The management fee is paid by monthly installments.

Directors' Report

Total Return and Dividends

The gross total return for the year amounted to £10.1 million (2023: loss of £36.9 million) and the net total return after deducting the management fee, other administrative expenses, finance costs and taxation, amounted to £6.3 million (2023: loss of £43.1 million).

The dividend policy aims to pay, in the absence of unforeseen circumstances, an annual dividend equivalent to 4% of the Company's NAV on the last business day of the preceding financial year. The target dividend is announced at the start of each financial year and paid by way of four equal interim dividends on the first business day in December, March, June and September. These dividends are paid from a combination of revenue and capital reserves. In respect of the quarters to 31st December 2023 and 31st March 2024, 30th June 2024 and 30th September 2024 dividends of 2.76p were declared for each quarter. The dividends payable for the year to 30th September 2025 will be 2.73p per quarter.

Gearing

On 14th July 2023 the Company entered into a loan facility agreement for two years with Industrial and Commercial Bank%of China Limited, London Branch (ICBC), in respect of a revolving loan facility of up to £60.0 million (including a £30.0 million accordion option). Due to market movements and after discussions with ICBC, the Company's loan agreement was amended on 28th March 2024 and the facility was reduced to a commitment of up to £30.0 million (including a £10.0 million accordion option). Some changes were also made to certain financial covenants.

As at 30th September 2024, £8.7 million had been drawn on the facility. Further details about the loan facility are given in note 13 on page 83. Subsequent to the year-end, the Company has utilised CFDs, a form of derivative trade which provide the Company with an efficient alternative way of increasing leverage when it is deemed potentially attractive to do so.

Disclosure of information to Auditor

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's Auditor is unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

Independent Auditor

BDO LLP has expressed its willingness to continue in office as Auditor to the Company and a resolution proposing its reappointment and to authorise the Directors to agree its remuneration for the ensuing year will be put to shareholders at the forthcoming Annual General Meeting (see page 56 regarding Auditor appointment and tenure).

Companies Act 2006 Requirements

The following disclosures are made in accordance with Section 992 Companies Act 2006.

Capital Structure

The Company's capital structure is summarised on the inside front cover of this report. The Ordinary shares have a premium listing on the London Stock Exchange.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this report are given in note 17 to the Notice of Annual General Meeting on page 102.

Notifiable Interests in the Company's Voting Rights

At the financial year end the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	%
City of London Investment Management Company Limited	10,009,371	12.03

Since the year end, City of London declared that its notifiable interest in the Company increased to 11,667,930 (14.02%). No other changes to this holding or any other holdings have been notified as at the date of this report.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or repurchase the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

Miscellaneous Information

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its

Directors' Report

control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Listing Rule 6.6.4R

Listing Rule 6.6.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial advisor authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

(i) Authority to allot new Ordinary shares and to disapply statutory pre-emption rights (resolutions 9 and 10)

The Directors will seek renewal of the authority at the AGM to issue new Ordinary shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £2,080,061 such amount being equivalent to 10% of the present issued Ordinary share capital (excluding Treasury shares, if any) as at the last practicable date before the publication of the Notice of Meeting.

It is advantageous for the Company to be able to issue new shares (or to re-issue Treasury shares) to investors when the Directors consider that it is in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the net asset value (the 'NAV') per Ordinary share, thereby increasing the assets underlying each share and spreading the Company's administrative expenses over a greater number of shares. The issue proceeds are available for investment in line with the Company's investment policies.

(ii) Authority to allot further new Ordinary shares and to disapply statutory pre-emption rights (resolutions 11 and 12)

In addition to any authorities granted by resolutions 9 and 10 above, the Directors will seek renewal of the authority at the AGM to issue new Ordinary shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £2,080,061 such amount being equivalent to 10% of the present issued Ordinary share capital (excluding Treasury shares, if any) as at the last practicable date before the publication of the Notice of Meeting.

The full text of the resolutions 9 to 12 is set out in the Notice of Annual General Meeting on pages 99 and 100.

If each of resolutions 9 to 12 are passed, the Company will have the ability to issue, on a non pre-emptive basis, up to 20% of its issued share capital (excluding shares held in Treasury, if any).

(iii) Authority to repurchase the Company's shares (resolution 13)

The authority to repurchase up to 14.99% of the Company's issued Ordinary shares granted by shareholders at the 2024 AGM, will expire on 25th July 2025 unless the authority is renewed at the Company's Annual General Meeting in 2025 or at any other general meeting prior to such time. The Directors consider that the renewing of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining Ordinary shares.

Resolution 13 gives the Company authority to repurchase its own issued Ordinary shares in the market as permitted by the Companies Act 2006 (the 'Act'). The authority limits the number of shares that could be purchased to a maximum of approximately 14.99% of the Company's issued Ordinary shares (excluding Ordinary shares held in Treasury) at the date of the passing of resolution 13. The authority also sets minimum and maximum prices and will expire on 25th July 2025 unless the authority is renewed at the Company's AGM in 2025 or any other prior general meeting. The Board will therefore seek shareholder approval at the AGM to renew this authority, which will last until the AGM in 2026 or the date occurring 18 months from the date on which the Resolution is passed, whichever is the earlier, unless renewed, revoked or varied by the Company at a general meeting prior to such time.

If resolution 13 is passed at the AGM, the Board may repurchase the shares for cancellation or hold them in Treasury. The Company will only reissue shares held in Treasury at a premium to NAV. This policy is kept under review by the Board.

Repurchases of Ordinary shares will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate.

The full text of the resolution is set out in the Notice of Annual General Meeting on page 100.

(iv) Approval of dividend policy (resolution 14)

The Directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends during the year, which for the year ended 30th September 2024 have totalled 11.04 pence per share.

(v) Authority to hold general meetings (resolution 15)

Proposed as a special resolution, the Directors seek shareholder approval to call a general meeting, other than an Annual General Meeting, on no less than 14 clear days' notice.

The Company will only use the shorter notice period where it is merited by the purpose of the meeting.

Recommendation

The Board considers that resolutions 9 to 15 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions as they intend to do, where voting rights are exercisable, in respect of their own beneficial holdings which amount in aggregate to 61,739 Ordinary shares (as at the date of this report) representing approximately 0.07% of the voting rights of the Company.

Other Information

Information on acquisition of the Company's own shares and greenhouse gas emissions can be found in the Business Review.

Corporate Governance Statement

Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code') published in 2018, as they apply to investment trust companies. It considers that reporting against the AIC Code, therefore, provides more appropriate information to the Company's shareholders. Through ongoing advice from the Company Secretary and the use of a detailed checklist, the Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management remuneration;
- internal audit; and
- the workforce.

Copies of the UK Code and the AIC Code may be found on the respective organisations' websites: www.frc.org.uk and www.theaic.co.uk.

In January 2024, the Financial Reporting Council ('FRC') updated the UK Code. This new UK Code will apply to financial years beginning on or after 1st January 2025. In August 2024, the AIC updated the AIC Corporate Governance Code (the '2024 AIC Code'), which incorporates changes to the UK Code by the FRC in January 2024. The 2024 AIC Code applies to accounting periods beginning on or after 1st January 2025, with the exception of new Provision 34. Provision 34 is applicable for accounting periods beginning on or after 1st January 2026.

The Company will be reporting against the new 2024 AIC Code for its financial year ending 30th September 2026.

Role of the Board

The management agreement between the Company and JPMF sets out the matters which have been delegated to the Manager. This includes management of the Company's assets and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's Corporate Governance and risk control arrangements.

At each Board meeting, Directors' interests are considered. These are reviewed carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved. It was resolved that there were no actual or indirect interests of a Director which conflicted with the interests of the Company which arose during the year.

The Board has procedures in place to deal with potential conflicts of interest and, following the introduction of the Bribery Act 2010, has adopted appropriate procedures designed to prevent bribery. It confirms that the procedures have operated effectively during the year under review.

The Board meets at least quarterly during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary, and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMF, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Board Composition and Chairman

The Board, chaired by Alexandra Mackesy, consists of four Non-Executive Directors as at the year end, all of whom are regarded by the Board as independent of the Company's Manager. Given the size of the Board, all Directors are members of the Nomination, Remuneration, Management Engagement and Audit Committees. The Directors have a breadth

Corporate Governance Statement

of investment knowledge, business and financial skills and experience relevant to the Company's business. The Board is well diversified in terms of gender, ethnicity and experience. Brief biographical details of each Director are set out on page 45.

There have been no changes to the Chairman's significant commitments during the year under review.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found below. The Board has a formal long-term succession programme to ensure that it is refreshed in an orderly manner over time.

The Board's policy on diversity, including gender and ethnicity, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and seeks to ensure that it does not unwittingly exclude any group.

Senior Independent Director

The Senior Independent Director, David Graham, leads the evaluation of the performance of the Chairman and is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman.

Reappointment of Directors

The skills and experience that each Director brings to the Board is important to the long-term success of the Company. The Directors of the Company and their brief biographical details are set out on page 45. All Directors will stand for reappointment at the Annual General Meeting.

For details of current directorships, please refer to page 45 of the Report.

Resolution 4 concerns the reappointment of Alexandra Mackesy. She joined the Board in July 2018 and has served for six years as a Director and nearly three years as Chairman.

Resolution 5 concerns the reappointment of David Graham. He joined the Board in May 2017 and has served for seven years as a Director and is Chairman of the Audit Committee. David is also Senior Independent Director.

Resolution 6 concerns the reappointment of Aditya Sehgal. He joined the Board in October 2021 and has served for three years as a Director and is Chairman of the Remuneration Committee.

Resolution 7 concerns the reappointment of Joanne Wong She joined the Board in June 2021 and has served for three years as a Director.

The Board confirms that each of the Directors standing for reappointment at the forthcoming Annual General Meeting continue to contribute effectively and recommends that shareholders vote in favour of their reappointment.

Tenure

Directors are initially appointed until the following Annual General Meeting when, under the Company's Articles of Association, it is required that they be appointed by shareholders. Thereafter, a Director's re-appointment is subject to the performance evaluation carried out each year and the approval of shareholders at each Annual General Meeting, in accordance with corporate governance best practice. The Board is also of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company or, indeed, its Chairman.

Continuity and experience can add significantly to the strength of the Board especially in times of market turbulence. The Board has noted the inference of provisions in the UK Corporate Governance Code that non-executive directors who have served for more than nine years should be presumed not to be independent. However, the AIC does not believe that this presumption is necessarily appropriate for investment companies and therefore does not recommend that long-serving directors be prevented from forming part of an investment trust board. However, in normal circumstances the Chairman and Directors are expected to serve for a nine-year term, but this may be adjusted for reasons of flexibility and continuity.

The Board has adopted corporate governance best practice and all Directors stand for annual reappointment. The Company has a succession plan in place, which is kept under review by the Nomination Committee.

The table below details the tenure of Directors, who are standing for reappointment, as at the forthcoming Annual General Meeting and projected forward to 2031. The average tenure of a Director is less than five years.

Director	Appointment Date	2025 AGM	2026 AGM	2027 AGM	2028 AGM	2029 AGM	2030 AGM	2031 AGM
David Graham	01/05/2017				n/a	n/a	n/a	n/a
Alexandra Mackesy	27/07/2018					n/a	n/a	n/a
Joanne Wong	01/06/2021							
Aditya Sehgal	01/10/2021							

Key – tenure
● 0-6 years ● 7-9 years

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the AGM.

A schedule of interests for each Director is maintained by the Company and reviewed at every Board meeting. New interests are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved.

A list of potential conflicts of interest for each Director is maintained by the Company. These are considered carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and the Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment trust companies. Regular reviews of the Directors' training needs are carried out by the Chairman by means of the evaluation process described below.

Meetings and Committees

The Board delegates certain responsibilities and functions to committees. Details of membership of Committees are shown with the Directors' profiles on page 45.

The table details the number of Board and Committee meetings attended by each Director. During the year, there were four full Board meetings, two Audit Committee meetings, one Management Engagement Committee meeting, one Nomination Committee meeting and one Remuneration Committee meeting. The Board holds additional ad hoc meetings as and when required to deal with various corporate initiatives, procedural matters, board recruitment and formal approvals. In addition, there is regular contact between the Directors and the Manager and Company Secretary throughout the year. The below table shows meeting attendance at the year-end.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Nomination Committee Meetings Attended
Alexandra Mackesy	4	3	1
David Graham	4	3	1
Aditya Sehgal	4	3	1
May Tan[1]	2	1	—
Joanne Wong	4	3	1

[1] Resigned on 26th January 2024.

Director	Remuneration Committee Meetings Attended	Management Engagement Committee Meetings Attended
Alexandra Mackesy	1	1
David Graham	1	1
Aditya Sehgal	1	1
May Tan[1]	—	—
Joanne Wong	1	1

[1] Resigned on 26th January 2024.

In addition to the regular meeting schedule, the Board visits China annually to meet members of the JPMF team, some of the investee companies, industry experts and business leaders.

Board Committees

Nomination Committee

The Nomination Committee, chaired by Alexandra Mackesy, meets at least annually to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary.
The appointment process takes account of the benefits of diversity, including gender and ethnicity.

The Board's policy on diversity, is set out on page 31.

Following the retirement of May Tan in January 2024, the Board has decided to increase the size of the Board back to five directors which the Board believes is the optimal number of Directors for this Company. As part of the long-term succession programme, the Board intends to appoint a new Non-Executive Director in early 2025. Accordingly, it has appointed Odgers Berndtson, an external executive search company, to find a suitable candidate for this position.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity and how the Board works together as a group.

Questionnaires, drawn up by the Board, with the assistance of the Manager and external consultant BoardForms Ltd, are completed by each Director. The responses are collated and then discussed by the Committee. The evaluation of individual Directors is led by the Chairman. The Senior Independent

Corporate Governance Statement

Director, David Graham, leads the evaluation of the Chairman's performance.

The Nomination Committee is cognisant of the FCA's rules announced in April 2022 on diversity and inclusion on company boards.

Remuneration Committee

The Remuneration Committee, chaired by Aditya Sehgal, meets annually to review Directors' fees and makes recommendations to the Board as and when appropriate in relation to remuneration policy and implementation. This takes into account the level of fees paid to the directors of the Company's peers and within the investment trust industry generally to ensure that high quality people are attracted and retained.

Management Engagement Committee

The Management Engagement Committee, chaired by Alexandra Mackesy, consists of all of the Directors and meets annually to review the performance of the Manager and the third party service providers of the Company.

The Committee conducts a formal evaluation of the Manager on an annual basis. The evaluation includes consideration of the investment strategy and process of the Investment Manager, noting outperformance of the benchmark over the long term, and the quality of support that the Company receives from JPMF. The Committee also reviews the Company's agreements with other major service providers. As a result of the evaluation process, the Board confirms that it is satisfied that the continuing appointment of the Manager is in the interests of shareholders as a whole.

Audit Committee

The report of the Audit Committee is set out on pages 55 to 57.

Terms of Reference

The Nomination Committee, the Remuneration Committee, the Management Engagement Committee and the Audit Committee have written terms of reference which define clearly their respective responsibilities, copies of which are available on the Company's website and for inspection, on request at the Company's registered office and at the Company's AGM.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders half yearly by way of the Half Year Report and Annual Report and Financial Statements. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value of the Company's shares, the weekly publication of the Company's level of gearing and the monthly publication of a Company factsheet. Shareholders can also register to receive regular electronic updates about the Company.

All shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting at which the Directors and representatives of the Manager are available in person to meet with and answer shareholders' questions. In addition, a presentation is given by the Investment Managers who review the Company's performance. During the year the Company's brokers and the Investment Managers hold regular discussions with shareholders. The Directors are made fully aware of their views. The Chairman and Directors make themselves available as and when required to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 110.

The Company's Annual Report and Financial Statements are published in time to give shareholders at least 20 working days notice of the AGM. Shareholders wishing to raise questions in advance of the meeting are encouraged to write to the Company Secretary at the address shown on page 110. A formal process is in place for all letters to the Chairman or other Directors to be forwarded immediately. As part of this process, any feedback from shareholders is also communicated to the Board.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the AGM.

Risk Management and Internal Control

The AIC Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of risk management and internal control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by JPMAM and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure they meet the Company's business objectives.

Corporate Governance Statement

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 33 to 38). This process has been in place for the year under review and up to the date of the approval of the Annual Report and Financial Statements and it accords with the Financial Reporting Council's guidance.

Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board.

The key elements designed to provide effective risk management and internal control are as follows:

- **Financial Reporting**

  Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

- **Management Agreement**

  Appointment of a manager, depositary and custodian regulated by the FCA whose responsibilities are clearly defined in a written agreement.

- **Management Systems**

  The Manager's system of risk management and internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by the Manager's Compliance department which regularly monitors compliance with FCA rules and reports to the Board.

- **Investment Strategy**

  Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

  The Board, either directly or through the Audit Committee, keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of JPMAM and its associates as follows:

  - the Board, through the Management Engagement Committee, reviews the terms of the management agreement and receives regular reports from the Manager's Compliance department;
  - reviews reports on the risk management and internal controls and the operations of its custodian, JPMorgan Chase Bank, which is itself independently reviewed;
  - the Board reviews every six months a report from the Company's Depositary, Bank of New York Mellon (International) Limited ('BNYM'), which summarises the activities performed by the Depositary during the reporting period; and
  - the Board reviews every six months an independent report on the internal controls and the operations of JPMF's investment trust department.

- **Depositary**

  The Board has appointed BNYM as depositary, with responsibilities for safe keeping of custodial assets and oversight of the records and cash flows.

Through the procedures set out above, the Board confirms that it has reviewed, and is satisfied with, the effectiveness of the Company's system of internal control for the year ended 30th September 2024 and to the date of approval of this Annual Report and Financial Statements.

During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore, a confirmation in respect of necessary actions has not been considered appropriate.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. The following is a summary of JPMAM's policy statements on corporate governance and voting, which has been reviewed and noted by the Board. Details on Environmental, Social and Governance considerations are included in the Strategic Report on pages 31 and 32.

Corporate Governance

We believe that there is a strong positive correlation between high governance standards and superior shareholder returns. Governance is about ensuring the quality of the decision-making process, which can determine the success and failure of the company. Effective corporate governance features transparency, accountability, oversight and respect for shareholders. We evaluate governance starting with a company's board composition, structure and performance, looking for independence, relevant skillsets and board dynamics. Importantly, it is the mandate of a company's board to oversee whether the corporate strategy is aligned with the purpose and value of the company. The board oversees management's execution against the company's capital, liquidity, strategic and financial operating plans in achieving its set objectives. Capital allocation issues are judged in terms of alignment with long-term strategy and value creation at the applicable company. Boards are also responsible for overseeing the management of financially material environmental and social matters, which could affect the longevity of the company.

Corporate Governance Statement

Proxy Voting

We vote shares held in our clients' portfolios in a prudent and diligent manner, based on our reasonable judgement of what will best serve the long-term interests of our clients. To help ensure that proxies are voted in the best interests of clients, J.P. Morgan Asset Management has adopted detailed, regional, proxy voting guidelines that incorporate comprehensive guidelines for voting proxies on specific types of issues, and these are publicly available on our websites. We aim to keep abstentions to a minimum. In certain instances, however, it may be in a client's best interests to intentionally refrain from voting.

Stewardship/Engagement

Engaging investee companies in dialogue and encouraging sound environmental, social and governance (ESG) practices is an important component of how we deliver our investment stewardship strategy. Our engagement is based on our in-depth investment research on companies, alongside our assessment of macroeconomic drivers, sector-specific factors and financially material ESG themes. This research insight enables us to act proactively and encourage investee companies to acknowledge issues and improve practices before risks are realized and opportunities are missed. This is how we seek to drive impact in our investment stewardship activity and advocate for sound practices at our investee companies. We believe this will ultimately preserve and enhance asset value.

Our engagement model is built on an investor-led, expert-driven approach and leverages the knowledge of more than 1,000 investment professionals around the world, working in close collaboration with investment stewardship specialists. Our engagement process benefits from the longstanding relationships our investment teams have with local investee companies, through regular interactions with board directors and chairs, senior executives, and CEOs. We believe this collaborative, well-resourced approach enables us to recognise significant risks early and identify new opportunities, supporting our goal of generating attractive risk-adjusted returns. Combining our ESG research capability with the experience and skill of our investment teams and the expertise of our investment stewardship specialists gives us a deep understanding of the risks and opportunities facing different sectors, industries, and geographies. By integrating this expertise into a global common platform, we seek to maintain a consistently high standard of engagement, considering the myriad of nuances a responsible investor needs to embrace.

We have identified six Investment Stewardship Priorities that we believe can be broadly applied in our engagement efforts and will remain relevant through market cycles. These priorities address the ESG issues that pose the most significant long-term material financial risks to our investments, while also presenting the greatest opportunities. Engaging on these topics is therefore important to delivering value to our clients:

- *governance;*
- *strategy alignment with the long term;*
- *human capital management;*
- *stakeholder engagement;*
- *climate change; and*
- *natural capital and ecosystems.*

Within each priority area, we have identified related sub-themes that we are seeking to address over a shorter timeframe (18-24 months). These subthemes will evolve, over time, as we engage with investee companies to understand issues and promote best practices. This combination of priorities and evolving themes provides a structured and targeted framework for engagement for our investors and Investment Stewardship team globally.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: **https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/investment-stewardship-report.pdf**

By order of the Board
Lucy Dina, for and on behalf of
JPMorgan Funds Limited,
Company Secretary

9th December 2024

Audit Committee Report

Composition and Role

The Audit Committee, chaired by David Graham and whose membership is set out on page 45, meets at least three times each year. The members of the Audit Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. At least one member of the Committee has recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates. The Chairman is a member of the Audit Committee as she is independent and adds considerable value to its duties and responsibilities given her financial experience and long standing knowledge of investment companies.

The Committee reviews the actions and judgements of the Manager in relation to the Half Year Report and Annual Report and Accounts and the Company's compliance with the AIC Code. It examines the effectiveness of the Company's internal control systems. It monitors the Company's key risks and controls relating to those risks. It receives controls reports on the Manager and the custodian and monitors the controls and service levels at the Company's other key third party suppliers. It also receives information from the Manager's Compliance department and reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external Auditor. The Audit Committee has reviewed the independence and objectivity of the Auditor and is satisfied that the Auditor is independent. At the request of the Board, the Audit Committee provides confirmation to the Board as to how it has discharged its responsibilities.

Going Concern

In accordance with The Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Directors have considered the Company's investment objective (see page 28), risk management policies (see pages 52 and 53), capital management policies and procedures (see page 92), the nature of the portfolio and revenue as well as expenditure projections. The Directors have also taken into account the continued market volatility and economic uncertainty resulting from ongoing geopolitical tensions and conflicts, including the war in Ukraine and the escalating conflict in the Middle East, US-China tensions, the volatility of the Chinese market and slowing of the Chinese economy on the revenue expected from underlying investments in these projections and inflationary concerns, rate rises and risks to energy supply. The Company's assets, all of which are investments in quoted securities which are readily realisable, exceed its liabilities under all stress test scenarios reviewed by the Board and reviews of the impact of market factors, structural and financial factors and operating factors. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company's key third party suppliers, including its Manager, are not experiencing any operational difficulties to adversely affect their services to the Company.

The Directors believe that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence to 31st December 2025, being at least 12 months from approving this Annual Report and Financial Statements.

For these reasons, the Directors consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the Financial Statements. They have not identified any material uncertainties in the Company's ability to continue to do so over a period of at least 12 months from the date of approval of these Financial Statements.

The Audit Committee assesses the Company's ability to continue as a going concern to 31st December 2025 and makes recommendations to the Board to approve the going concern concept for preparation of the Financial Statements. The Company's longer-term viability is considered in the Viability Statement on page 39.

Audit Committee Report

Financial Statements and Significant Accounting Matters

During its review of the Company's Financial Statements for the year ended 30th September 2024, the Audit Committee considered the following significant issues, including those communicated by the Auditor during their reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1(b) to the accounts. Controls are in place to ensure that valuations are appropriate and existence is verified through custodian reconciliations. The Company has appointed Bank of New York Mellon (International) Limited ('BNYM') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A., as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets.
Recognition of investment income	The recognition of investment income was undertaken in accordance with accounting policy note 1(d) to the accounts on page 76. The Board regularly reviews subjective elements of income such as special dividends and agrees their accounting treatment.
Compliance with Sections 1158 and 1159 of the Corporation Tax Act 2010	Approval for the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1st October 2012 was obtained and ongoing compliance with the eligibility criteria is monitored by the Board on a regular basis.
Calculation of management fees	Consideration is given to the methodology used to calculate fees, matched against the criteria set out in the Investment Management Agreement.
The risk that the global economic disruption and market volatility resulting from the conflict between Ukraine and Russia, the escalating conflict in the Middle East and localised disruption in China as a result of economic uncertainties will affect the Company's ability to continue in operation due to the impact on the share prices of portfolio companies or the ability of third party service providers (including the Manager, the Depositary, the Custodian, the Fund Accountants, the Brokers and the Registrar) to maintain business continuity and continue to provide appropriate service levels	The Audit Committee has reviewed the impact of market volatility on the Company's portfolio and receives regular updates on portfolio performance from the portfolio manager. The Audit Committee has also reviewed recent portfolio liquidity and updated revenue and expense forecasts in light of the market correction and fall in the value of the portfolio and its anticipated impact on portfolio liquidity, revenue and market valuations and considers that the Company's business model remains viable and that the Company has sufficient resources to continue in operation and to meet all liabilities as they fall due. The Audit Committee has also reviewed the Company's borrowing facility and continuously monitors the financial covenants of the loan facility. The Audit Committee is confident that the Company has appropriate controls and processes in place to manage the principal risks and uncertainties identified above and to maintain its operating model. The Audit Committee has received representations and updates from the Company's key service providers in respect of their business continuity plans and is confident that all such providers will be able to continue to provide the required level of service for the foreseeable future. This includes the possible provision of additional services outside Hong Kong which are currently performed in Hong Kong.

The Board received no notice of any significant financial reporting issues and judgements made in connection with the preparation of the Financial Statements.

Risk Management and Internal Control

The Committee examines the effectiveness of the Company's internal control systems, receives information from the Manager's Compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external Auditor.

The Directors have a robust process for identifying, evaluating and managing the significant risks faced by the Company, which are recorded in a risk matrix. The Committee, on behalf of the Board, considers each key risk as well as reviewing the mitigating controls in place. Each risk is rated for its likelihood of occurrence and its potential impact, how these risks are monitored and mitigating controls in place. The Board has delegated to the Committee the responsibility for the review and maintenance of the risk matrix.

The Directors' statement on the Company's system of internal control is set out on pages 52 and 53.

Auditor Appointment and Tenure

The Audit Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of the external Auditor and their fee. Representatives of the Company's Auditor attended the Audit Committee meeting at which the draft Annual Report and Financial Statements were considered and also engage with Directors as and when required.

Audit Committee Report

BDO LLP was appointed as Auditor to the Company in February 2020. The current audit fee is £51,880 (2023: £47,000). The increase in the audit fee was due to inflation and also a one-time cost of £3,000 for a system change rolled out by JPMorgan which necessitated additional audit efforts on BDO's part to update system controls. The Committee also recognises there have been changes in audit requirements in recent years and further changes are anticipated. It accepts that increases in audit fees in the sector are inevitable. Having reviewed the performance of the external Auditor, including assessing the quality of work, proposed fee, timing of communications and work with the Manager, the Committee considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting. The Board reviews and approves any non-audit services provided by the independent auditor and assesses the impact of any non audit work on the ability of the auditor to remain independent. Details of the Auditor's fees paid are disclosed in note 6 on page 79. There were no non-audit fees incurred during the year.

This year ended 30th September 2024 is the current partner's fifth year of a five year maximum term and therefore a new audit partner will be introduced following the 2024 audit.

BDO LLP was appointed at the AGM in 2020 following an audit tender. In accordance with requirements relating to the appointment of Auditor, the Company will conduct a competitive audit tender no later than in respect of the financial year ending 30th September 2030.

In July 2024 the FRC published its annual assessment of quality among the Tier 11 audit firms. Our external auditor, BDO is one of the six Tier 11 audit firms, and was therefore subject to a review by the Financial Reporting Council's Audit Quality Review team. The FRC's report identified a number of areas for improvement for BDO, and in response to these findings, BDO has implemented an action plan.

The Audit Committee discussed the FRC's findings along with BDO's action plan in detail with BDO. BDO have confirmed that they remain committed to maintaining the highest standards of audit quality and will continue to work closely with the FRC to address any areas of concern.

Fair, Balanced and Understandable

Having taken all available information into consideration and having discussed the content of the Annual Report and Financial Statements with the AIFM, the Portfolio Managers, the Company Secretary and other third party service providers, the Committee has concluded that the Annual Report and Financial Statements for the year ended 30th September 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 63.

By order of the Board
David Graham, for and on behalf of the Board
Audit Committee Chairman
9th December 2024

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30th September 2024, which has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in its report on pages 65 to 70.

Directors' Remuneration Policy

The Directors' Remuneration Policy is subject to a triennial binding vote. However, the Board has resolved that for good governance purposes, the policy vote will be put to shareholders every year. Accordingly, a resolution to approve this policy will be put to shareholders at the 2025 AGM. The policy subject to the vote is set out in full below and is currently in force.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and should be at a level to ensure that candidates of a high calibre are recruited to the Board. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than other Directors, reflecting the greater time commitment involved in fulfilling those roles.

The Remuneration Committee, comprising all Directors, reviews fees on a regular basis and makes recommendations to the Board as and when appropriate. No Director is involved in the determination of his or her own remuneration. Reviews are based on information provided by the Manager, and includes research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The Company has no Chief Executive Officer and no employees and therefore no consultation of employees is required and there is no employee comparative data to provide in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive, share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not granted exit payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in attending the Company's business.

Up to the AGM in 2024, the Directors were paid at a fixed rate of £40,000 per annum for the Chairman, £34,500 per annum for the Audit Committee Chairman and £29,000 per annum for each other Director. With effect from 1st February 2024, the Directors' fees were increased to the following: £41,400 per annum for the Chairman, £35,700 per annum for the Audit Committee Chairman and £30,000 per annum for each other Director. The Board has agreed that fees will be increased following the AGM in 2025 to the following levels to reflect more closely industry standards: £43,000 for the Chairman, £36,750 for the Audit Committee Chairman and £31,000 for each other Director.

The changes followed a review of fee levels which utilised external published reviews of fees in the investment trust industry as a whole and takes into account the level of responsibility of Board members.

The Company's Articles of Association stipulate that aggregate fees must not exceed £250,000 per annum. Directors' fees are reviewed regularly and any increase in the maximum aggregate amount requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Remuneration Committee would consider any comments received from shareholders on remuneration policy and would take account of these views if appropriate.

The Directors do not have service contracts with the Company. The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's AGM and the Company's registered office. Details of the Board's policy on tenure are set out on page 50.

The Company's Remuneration policy also applies to new Directors.

Directors' Remuneration Policy Implementation Report

The Directors' Remuneration Policy Implementation Report which includes details of the Directors' Remuneration Policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM. There have been no changes to the policy during this financial year compared with the year ended 30th September 2023 and no changes are proposed for the year ending 30th September 2025.

At the AGM held on 26th January 2024, of votes cast, 99.04% of votes cast were voted in favour of (or granted discretion to the Chairman who voted in favour of) the Resolution to approve the Directors' Remuneration Policy and 0.96% were voted against the Resolution. Of votes cast in respect of the Directors' Remuneration Report, 99.25% were voted in favour (or granted discretion to the Chairman who voted in favour) and 0.75% were voted against.

Details of voting on both the Remuneration Policy and Remuneration Policy Implementation Reports from the 2025 AGM will be given in the Annual Report for the year ending 30th September 2025.

Directors' Remuneration Report

Details of the implementation of the Company's remuneration policy are given below. No advice from remuneration consultants was received during the year under review.

Single total figure of remuneration

The single total figure of remuneration for the Board as a whole for the year ended 30th September 2024 was £144,880. The single total figure of remuneration for each Director is detailed below together with the prior year comparative where applicable. There are no performance targets in place for the Directors of the Company and there are no benefits for any of the Directors which will vest in the future. There are no taxable benefits, pension, bonus, long term incentive plans, exit payments or arrangements in place on which to report.

Single total figure table[1]

Directors' Name	2024 Fees £	2023 Fees £
Alexandra Mackesy	40,930	39,496
David Graham	35,299	33,996
Aditya Sehgal	29,665	28,496
May Tan[2]	9,321	28,496
Joanne Wong	29,665	28,496
Total	**144,880**	**158,980**

[1] Audited information. Other subject headings for the single figure table as prescribed by regulations are not included because there is nothing to disclose in relation thereto.

[2] Retired 26th January 2024.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the year to 30th September 2024:

	% change for the year to 30th September			
Directors' name	**2024**	**2023**	**2022**	**2021**
Alexandra Mackesy[1]	3.6%	12.4%	36.9%	4.8%
David Graham	3.8%	5.0%	3.9%	3.0%
Aditya Sehgal[2]	4.1%	5.5%	n/a	n/a
May Tan[3]	n/a	5.5%	n/a	n/a
Joanne Wong[4]	4.1%	5.5%	n/a	n/a

[1] Appointed Chairman 28th January 2022.

[2] Appointed 1st October 2021.

[3] Appointed 2nd August 2021 and retired 26th January 2024.

[4] Appointed 1st June 2021.

A table showing the total remuneration for the Chairman over the five years ended 30th September 2024 is below:

Remuneration for the Chairman over the five years ended 30th September 2024

Year ended 30th September	Fees £	Performance related benefits received as a percentage of maximum payable[1]
2024	41,400	n/a
2023	40,000	n/a
2022	38,500	n/a
2021	37,000	n/a
2020	35,500	n/a

[1] In respect of one year period and periods of more than one year.

Directors' Shareholdings[1]

There are no requirements pursuant to the Company's Articles of Association for the Directors to own shares in the Company. As at 30th September 2024, the Directors' beneficial shareholdings, including any shares held by connected persons, are detailed below.

Directors' Name	30th September 2024	30th September 2023 or as at date of appointment
Alexandra Mackesy	10,600	10,600
David Graham	42,639	41,551
Aditya Sehgal	5,000	5,000
May Tan[2]	nil	nil
Joanne Wong	3,500	3,500
Total	**61,739**	**60,651**

[1] Audited information.

[2] Retired 26th January 2024.

As at the latest practicable date before the publication of this document, there have been no changes to the Directors' shareholdings.

The Directors have no other share interests or share options in the Company and no share schemes are available.

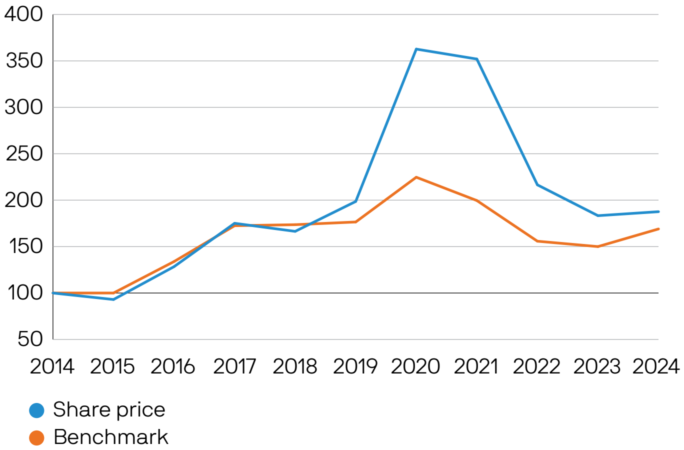
No amounts (2023: nil) were paid to third parties for making available the services of Directors.

Directors' Remuneration Report

In accordance with the Companies Act 2006, a graph showing the Company's share price total return compared with its benchmark, the MSCI China Index[1] with dividends reinvested, in sterling terms, over the last ten years is shown below. The Board believes that this index is the most appropriate for the Company's performance comparison purposes because it most closely reflects the Investment Manager's investment universe.

[1] Prior to 26th January 2016, the benchmark was the MSCI Golden Dragon Index.

Ten Year Share Price and Benchmark Total Return Performance to 30th September 2024



Source: Morningstar/J.P.Morgan/MSCI.

The table below is provided to enable shareholders to assess the relative importance of expenditure on Directors' remuneration. It compares the remuneration with distributions to shareholders by way of dividends and share repurchases.

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th September 2024	2023
Remuneration paid to all Directors	£144,880	£158,979
Distribution to shareholders		
— by way of dividend	£9,186,000	£11,382,000
— by way of share repurchases	—	—
Total distribution to shareholders	**£9,186,000**	**£11,382,000**

For and on behalf of the Board
Aditya Sehgal
Remuneration Committee Chairman

9th December 2024

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). Under company law the Directors must not approve the Financial Statements unless they are satisfied that, taken as a whole, the Annual Report and Financial Statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

and the Directors confirm that they have done so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Financial Statements are published on the www.jpmchinagrowthandincome.co.uk website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. The accounts are prepared in accordance with UK legislation, which may differ from legislation in other jurisdictions.

Under applicable law and regulations the Directors are also responsible for preparing a Strategic Report, a Directors' Report and a Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed in the Directors' Report confirm that, to the best of their knowledge:

- the Company's Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards, comprising FRS102, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Board confirms that it is satisfied that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board
Alexandra Mackesy
Chairman

9th December 2024

Independent Auditor's Report

Opinion on the Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 30th September 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of JPMorgan China Growth & Income plc (the 'Company') for the year ended 30th September 2024 which comprise Statement of Comprehensive Income, the Statement of the Changes in Equity, the Statement of Financial Position, the Statement of Cashflows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 3rd February 2020 to audit the Financial Statements for the year ending 30th September 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 30th September 2020 to 30th September 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

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

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery created by the ongoing geopolitical issues by reviewing the information used by the Directors in completing their assessment;
- Assessing the liquidity of the investment portfolio, which underpins the ability to meet the future obligations and operating expenses for a period of 12 months from the date of approval of these Financial Statements; and
- Reviewing the loan agreements to identify relevant covenants and assessing the likelihood of them being breached based on the Directors' forecast and sensitivity analysis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the Financial Statements are authorised for issue.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2024	2023
	Valuation and ownership of quoted investments	✔	✔
Materiality	*Company Financial Statements as a whole* £2.2m (2023: £2.2m) based on 1% (2023: 1%) of Net assets		

Independent Auditor's Report

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the Financial Statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments (Note 1(b) on page 76 and note 11 on page 82)	The investment portfolio at the year-end comprised of quoted equity investments. There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company. Therefore we considered the valuation and ownership of quoted investments to be the most significant audit area as the quoted investments also represent the most significant balance in the Financial Statements and underpin the principal activity of the entity. Furthermore, we consider the valuation disclosures to be a significant area as they are expected to be a key area of interest for the users of the Financial Statements. For these reasons and the materiality of the balance in relation to the Financial Statements as a whole, we considered this to be a key audit matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures: ● Confirmed the year-end bid price was used by agreeing to externally quoted prices; ● Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; ● Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and ● Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date. ***Key observations*** Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the quoted equity investments was not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements as a whole.

Independent Auditor's Report

Based on our professional judgement, we determined materiality for the Financial Statements as a whole and performance materiality as follows:

Company Financial Statements		
	2024 £m	2023 £m
Materiality	2.2	2.2
Basis for determining materiality	1% of Net assets	1% of Net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the Financial Statements.	As an investment trust, the net asset value is the key measure of performance for users of the Financial Statements.
Performance materiality	1.65	1.65
Basis for determining performance materiality	75% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £110,000 (2023: £44,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the Financial Statements and our Auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate Governance Statement

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

Independent Auditor's Report

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

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 55; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 39.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 57; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 33; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 52; and • The section describing the work of the Audit Committee set out on page 55.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the Financial Statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with those charged with governance and Audit Committee; and
- Obtaining and understanding the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - o Detecting and responding to the risks of fraud; and
  - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud is to be management override of controls.

Our procedure in respect of the above included:

- Testing manual year-end journals by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Independent Auditor's Report

Use of our report

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

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

9th December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

For the year ended 30th September 2024

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Net gains/(losses) on investments held at fair value through profit or loss	3	—	4,194	4,194	—	(45,372)	(45,372)
Net foreign currency gains[1]		—	1,308	1,308	—	4,740	4,740
Income from investments	4	4,346	106	4,452	3,305	—	3,305
Other income	4	96	—	96	440	—	440
Gross return/(loss)		**4,442**	**5,608**	**10,050**	**3,745**	**(40,632)**	**(36,887)**
Management fee	5	(429)	(1,286)	(1,715)	(617)	(1,851)	(2,468)
Other administrative expenses	6	(647)	—	(647)	(628)	—	(628)
Net return/(loss) before finance costs and taxation		**3,366**	**4,322**	**7,688**	**2,500**	**(42,483)**	**(39,983)**
Finance costs	7	(276)	(829)	(1,105)	(735)	(2,206)	(2,941)
Net return/(loss) before taxation		**3,090**	**3,493**	**6,583**	**1,765**	**(44,689)**	**(42,924)**
Taxation	8	(267)	—	(267)	(208)	—	(208)
Net return/(loss) after taxation		**2,823**	**3,493**	**6,316**	**1,557**	**(44,689)**	**(43,132)**
Return/(loss) per share	9	**3.39p**	**4.20p**	**7.59p**	**1.87p**	**(53.71)p**	**(51.84)p**

[1] £1,491,000 due to an exchange gain on the loan which is denominated in US dollars and £183,000 due to net exchange loss on cash and cash equivalents (2023: £6,155,000 due to an exchange gain on the loan which is denominated in US dollars and £1,415,000 due to net exchange gains on cash and cash equivalents).

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The 'Total' column of this statement is the profit and loss account of the Company and the 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. Net return after taxation represents the profit for the year and also total comprehensive Income.

The notes on pages 76 to 93 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 30th September 2024

	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Capital reserves[2] £'000	Revenue reserve[2] £'000	Total £'000
At 30th September 2022	**20,803**	**80,951**	**3**	**581**	**37,392**	**144,556**	**—**	**284,286**
Net (loss)/return after taxation	—	—	—	—	—	(44,689)	1,557	(43,132)
Dividends paid in the year (note 10)	—	—	—	—	—	(9,825)	(1,557)	(11,382)
At 30th September 2023	**20,803**	**80,951**	**3**	**581**	**37,392**	**90,042**	**—**	**229,772**
Proceeds from share forfeiture[3]	—	—	—	—	—	333	—	333
Net return after taxation	—	—	—	—	—	3,493	2,823	6,316
Dividends paid in the year (note 10)	—	—	—	—	—	(6,202)	(2,984)	(9,186)
Refund of unclaimed dividends[3] (note 10)	—	—	—	—	—	—	161	161
At 30th September 2024	**20,803**	**80,951**	**3**	**581**	**37,392**	**87,666**	**—**	**227,396**

[1] Created during the year ended 30th September 1999, following a cancellation of the share premium account.

[2] These reserves form the distributable reserves of the Company and may be used to fund distributions to investors.

[3] During the year, the Company undertook an Asset Reunification Program to reunite inactive shareholders with their shares and unclaimed dividends. Pursuant to the Company's Articles of Association, the Company has exercised its right to reclaim the shares of shareholders whom the Company, through its previous Registrar, has been unable to locate for a period of 12 years or more. These forfeited shares were sold in the open market by the Registrar and the proceeds, net of costs, were returned to the Company. In addition, any unclaimed dividends older than 12 years from the date of payment of such dividends were also forfeited and returned to the Company.

The notes on pages 76 to 93 form an integral part of Financial Statements.

Statement of Financial Position

At 30th September 2024

	Notes	2024 £'000	2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**235,397**	**262,005**
Current assets			
Debtors	12	630	157
Current asset investments[1]		347	4
Cash at bank[1]		2,291	83
		3,268	244
Current liabilities			
Creditors: amounts falling due within one year	13	(11,269)	(669)
Net current assets		**(8,001)**	**(425)**
Total assets less current liabilities		**227,396**	**261,580**
Non current liabilities			
Creditors: amounts falling due after more than one year	14	—	(31,808)
Net assets		**227,396**	**229,772**
Capital and reserves			
Called up share capital	15	20,803	20,803
Share premium	16	80,951	80,951
Exercised warrant reserve	16	3	3
Capital redemption reserve	16	581	581
Other reserve	16	37,392	37,392
Capital reserves	16	87,666	90,042
Revenue reserve	16	—	—
Total shareholders' funds		**227,396**	**229,772**
Net asset value per share	17	**273.3p**	**276.2p**

[1] Cash at bank in the Statement of Financial Position has been restated to exclude the investment in the JPMorgan USD Liquidity Fund of £4,000 for the year ended 30th September 2023, and to disclose this separately as Current asset investments to conform with the statutory format as required by the Companies Act. There is no impact on other line items in the Statement of Financial Position nor on the total current assets.

The Financial Statements on pages 72 to 93 were approved and authorised for issue by the Directors on 9th December 2024 and signed on their behalf by:

Alexandra Mackesy
Chairman

The notes on pages 76 to 93 form an integral part of these Financial Statements.

The Company is registered in England and Wales No. 02853893.

Statement of Cash Flows

For the year ended 30th September 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Net return/(loss) before finance costs and taxation	7,688	(39,983)
Adjustment for:		
Net (gains)/losses on investments held at fair value through profit or loss	(4,194)	45,372
Net foreign currency gains	(1,308)	(4,740)
Dividend income	(4,452)	(3,305)
Interest income	(48)	(216)
Realised (gains)/losses on foreign exchange transactions	(298)	95
Realised exchange gains on liquidity	(155)	(990)
Decrease/(increase) in accrued income and other debtors	16	(8)
(Decrease)/increase in accrued expenses	(20)	44
Net cash outflow from operations before dividends and interest	**(2,771)**	**(3,731)**
Dividends received	4,157	3,068
Interest received	48	216
Net cash inflow/(outflow) from operating activities	**1,434**	**(447)**
Purchases of investments	(51,159)	(184,366)
Sales of investments	83,750	208,204
Net cash inflow from investing activities	**32,591**	**23,838**
Dividends paid	(9,186)	(11,382)
Refund of unclaimed dividends	161	—
Repayment of bank loans	(21,618)	(53,866)
Drawdown of bank loans	—	34,318
Proceeds from share forfeiture	333	—
Interest paid	(1,434)	(2,804)
Net cash outflow from financing activities	**(31,744)**	**(33,734)**
Increase/(decrease) in cash and cash equivalents	**2,281**	**(10,343)**
Cash at bank and current asset investments at start of year	87	10,950
Exchange movements	270	(520)
Cash at bank and current asset investments at end of year	**2,638**	**87**
Cash at bank and current asset investments consist of:		
Cash at bank	2,291	83
JPMorgan USD Liquidity Fund	347	4
Total	**2,638**	**87**

The notes on pages 76 to 93 form an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended 30th September 2024

1. Accounting policies

(a) Basis of accounting

The Financial Statements are prepared under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ('UK GAAP'), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in July 2022.

All of the Company's operations are of a continuing nature.

The Financial Statements have been prepared on a going concern basis. In forming this opinion, the Directors have considered the Company's investment objective (see page 28), risk management policies, capital management policies and procedures, the nature of the portfolio and revenue as well as expenditure projections, taking into account the heightened market volatility from, the growing geopolitical risk to include tensions between China and the United States, the ongoing conflict between Russia and Ukraine, and the conflict in the Middle East. The Company's shareholders voted for the continuation of the Company at the 2023 AGM. The next continuation vote will be at the 2028 AGM. The disclosures on going concern on page 55 of the Directors' Report form part of these financial statements. The Directors consider that the Company has adequate financial resources to enable it to continue in operational existence for at least 12 months.

The policies applied in these Financial Statements are consistent with those applied in the preceding year, except for the restatement of Cash and Cash equivalents to present these separately as Cash at bank and Current asset investments.

(b) Valuation of investments

The Company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. The portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy and information is provided internally on that basis to the Company's Board of Directors.

Accordingly, upon initial recognition the investments are designated by the Company as held at fair value through profit or loss. They are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. For investments which are not traded in active markets, unlisted and restricted investments, the Board takes into account the latest traded prices, other observable market data and asset values based on the latest management accounts.

Equity linked notes (ELNs) and Participatory Notes are valued based on the bid price of the equity share it is linked to.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for gains/losses on investment

Gains and losses on sales of investments including the related foreign exchange gains and losses, and any other capital charges, are included in the Statement of Comprehensive Income and dealt with in capital reserves in the Statement of Financial Position and within 'Realised gains and losses' as shown in note 16.

Increases and decreases in the valuation of investments held at the year end including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and dealt with in capital reserves in the Statement of Financial Position and within 'Investment holding gains and losses' as shown in note 16.

d) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Dividends are included gross of any withholding tax.

Special dividends are looked at individually to ascertain the reason behind the payment. This will determine whether they are treated as revenue or capital.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to the revenue with the following exceptions:

- the management fee is allocated 25% to revenue and 75% to capital, in line with the Board's expected long term split of revenue and capital return from the Company's investment portfolio.
- expenses incidental to the purchase and sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 11 on page 82.

(f) Finance costs

Finance costs are accounted for on an accruals basis using the effective interest method.

Finance costs are allocated 25% to revenue and 75% to capital, in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

(g) Financial instruments

Cash at bank may comprise cash including demand deposits which are short-term. Current asset investments will include highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Liquidity funds are considered current asset investments as they are held for short term cash management purposes as an alternative to cash which is readily realisable to a known amount of cash.

Other debtors and creditors do not carry any interest, are short term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans are financial liabilities measured at amortised cost. They are initially measured as proceeds net of direct issue costs and subsequently measured at amortised cost. Interest payable on the bank loan is accounted for on an accruals basis in the Statement of Comprehensive Income.

(h) Taxation

Current tax is provided at the amounts expected to be paid or recovered.

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is more likely than not that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

Tax relief is allocated to expenses charged to capital on the 'marginal basis'. On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to capital.

(i) Value Added Tax ('VAT')

Expenses are disclosed inclusive of the related irrecoverable VAT. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

Notes to the Financial Statements

1. Accounting policies (continued)

(j) Foreign currency

The Company is required to identify its functional currency, being the currency of the primary economic environment in which the Company operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency. Sterling is also the currency in which the Financial Statements are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the Statement of Comprehensive Income as an exchange gain or loss in revenue or capital, depending on whether the gain or loss is of a revenue or capital nature.

(k) Dividends payable

Dividends are not recognised in the Financial Statements unless there is an obligation to pay at the balance sheet date. As a result interim dividends declared or paid after the year end are not recognised in the Financial Statements until they have been paid.

(l) Repurchases of ordinary shares for cancellation

The cost of repurchasing ordinary shares including the related stamp duty and transactions costs is charged to 'Capital reserves' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of ordinary share capital repurchased and cancelled is transferred out of 'Called up share capital' and into 'Capital redemption reserve'.

(m) Repurchase of shares to hold in Treasury

The cost of repurchasing shares into Treasury, including the related stamp duty and transaction costs is charged to 'Capital reserves' and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. Where shares held in Treasury are subsequently cancelled, the nominal value of those shares is transferred out of called up share capital and into capital redemption reserve.

(n) Issuance of new ordinary shares

The sales proceeds from the issuance of new ordinary shares up to the nominal value of the shares issued is accounted for in Called up share capital. The amount of sales proceeds in excess of the nominal value of the shares issued is accounted for in Share premium.

Should shares held in Treasury be reissued, the sales proceeds will be treated as a realised profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sales proceeds over the purchase price will be transferred to share premium. In circumstances where issuance occurs and there are no shares held in Treasury the Company will apply to the London Stock Exchange for a 'Block Listing' and New Ordinary shares will be issued.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements on occasion requires the Directors to make judgements, estimates and assumptions that affect the reported amounts in the primary Financial Statements and the accompanying disclosures. These assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the current and future periods, depending on circumstance.

The Directors do not believe that any significant accounting judgements or estimates have been applied to this set of Financial Statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Gains/(losses) on investments held at fair value through profit or loss

	2024 £'000	2023 £'000
Realised net losses on sales of investments	(40,945)	(29,264)
Net change in unrealised gains and losses on investments	45,196	(16,074)
Other capital charges	(57)	(34)
Total capital gains/(losses) on investments held at fair value through profit or loss	**4,194**	**(45,372)**

4. Income

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Income from investments						
Overseas dividends	4,129	—	4,129	2,935	—	2,935
Dividends from participatory notes	59	—	59	83	—	83
Special dividends	158	106	264	287	—	287
	4,346	**106**	**4,452**	**3,305**	**—**	**3,305**
Interest receivable and similar income						
Securities lending fees	48	—	48	224	—	224
Interest from liquidity fund	35	—	35	212	—	212
Deposit interest	13	—	13	4	—	4
	96	**—**	**96**	**440**	**—**	**440**
Total income	**4,442**	**106**	**4,548**	**3,745**	**—**	**3,745**

5. Management fee

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Management fee	429	1,286	1,715	617	1,851	2,468

Details of the management fee are given in the Directors' Report on page 46.

6. Other administrative expenses

	2024 £'000	2023 £'000
Administration expenses	384	336
Directors' fees[1]	145	159
Safe custody fees	33	51
Depository fees	33	35
Auditor's remuneration for audit services[2]	52	47
Total	**647**	**628**

[1] Full disclosure is given in the Directors' Remuneration Report on page 59.
[2] The Auditor did not provide any non-audit services during the year (2023: none).

Notes to the Financial Statements

7. Finance costs

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Interest on bank loans and overdrafts	276	829	1,105	735	2,206	2,941

8. Taxation

(a) Analysis of tax charge for the year

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Overseas withholding tax on dividends	267	—	267	208	—	208
Total tax charge for the year	**267**	**—**	**267**	**208**	**—**	**208**

(b) Factors affecting total tax charge for the year

The tax charge for the year is lower than (2023: higher) the Company's applicable rate of corporation tax of 25.00% (2023: 22.01%). The factors affecting the current tax charge for the year are as follows:

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Net return/(loss) before taxation	3,090	3,493	6,583	1,765	(44,689)	(42,924)
Net return/(loss) before taxation multiplied by the applicable rate of corporation tax of 25.00% (2023: 22.01%)	773	873	1,646	388	(9,836)	(9,448)
Effects of:						
Non taxable capital gains/(losses)	—	(1,375)	(1,375)	—	8,943	8,943
Non taxable overseas dividends	(1,072)	(27)	(1,099)	(709)	—	(709)
Tax attributable to expenses and finance costs charged to capital	(529)	529	—	(773)	773	—
Unrelieved expenses	828	—	828	1,054	—	1,054
Overseas withholding tax	267	—	267	208	—	208
Disallowed interest	—	—	—	40	120	160
Total tax charge for the year	**267**	**—**	**267**	**208**	**—**	**208**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £12,577,000 (2023: £11,930,000) in respect of excess management expenses of £50,307,000 (2023: £46,995,000), based on a prospective corporation tax rate of 25% (2023: 25%) as enacted by the Finance Act 2021. The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the Financial Statements.

9. Return/(loss) per share

	2024 £'000	2023 £'000
Revenue return	2,823	1,557
Capital return/(loss)	3,493	(44,689)
Total return/(loss)	**6,316**	**(43,132)**
Weighted average number of shares in issue during the year	83,202,465	83,202,465
Revenue return per share	3.39p	1.87p
Capital return/(loss) per share	4.20p	(53.71)p
Total return/(loss) per share	**7.59p**	**(51.84)p**

10. Dividends

(a) Dividends paid and proposed

	2024		2023	
	Pence	£'000	Pence	£'000
Dividends paid				
First quarterly interim dividend	2.76	2,296	3.42	2,846
Second quarterly interim dividend	2.76	2,297	3.42	2,846
Third quarterly interim dividend	2.76	2,297	3.42	2,845
Fourth quarterly interim dividend	2.76	2,296	3.42	2,845
Total dividends paid in the year	**11.04**	**9,186**	**13.68**	**11,382**
Refund of unclaimed dividends over 12 years old	n/a	(161)	—	—
Net dividends	**11.04**	**9,025**	**13.68**	**11,382**

In respect of the year ending 30th September 2025, the first quarterly interim dividend of 2.73p per share amounting to £2,271,000 (2024: 2.76p per share amounting to £2,296,000) has been declared and paid. In accordance with the accounting policy of the Company, this dividend will be reflected in the Financial Statements for the year ending 30th September 2025.

(b) Dividend for the purposes of Section 1158 of the Corporation Tax Act 2010 ('Section 1158')

The requirements of Section 1158 are considered on the basis of the dividend paid and declared in respect of the financial year, shown above. For the year ended 30th September 2024, the dividends declared were paid during the year as shown above.

The aggregate of the distributable reserves is £87,666,000 (2023: £90,042,000). Please note that at the Annual General Meeting ('AGM') in February 2020, shareholders approved an amendment to the Company's Articles of Association to allow the Company to distribute capital as income to enable the implementation of the Company's dividend policy. Please see page 47 for further details).

Notes to the Financial Statements

11. Investments held at fair value through profit or loss

	2024 £'000	2023 £'000
Investments listed on a recognised stock exchange	235,397	262,005
Opening book cost	292,589	347,716
Opening investment holding gains/(losses)	(30,584)	(14,510)
Opening valuation	262,005	333,206
Movement in the year:		
Purchases at cost	53,411	158,460
Sales – proceeds	(84,270)	(184,323)
Gains/(losses) on investments	4,251	(45,338)
	235,397	262,005
Closing book cost	220,785	292,589
Closing investment holding gains/(losses)	14,612	(30,584)
Total investments held at fair value through profit or loss	**235,397**	**262,005**

The company received £84,270,000 (2023: £184,323,000) from investments sold in the year. The book cost of these investments when they were purchased was £125,215,000 (2023: £213,568,000). These investments have been revalued over the period held and until they were sold, any unrealised gains/losses were included in the fair value of the investments.

Transaction costs on purchases during the year amounted to £121,000 (2023: £194,000) and on sales during the year amounted to £101,000 (2023: £269,000). These costs comprise mainly brokerage commission.

12. Current assets

	2024 £'000	2023 £'000
Debtors		
Securities sold awaiting settlement	461	—
Dividends and interest receivable	139	111
Other debtors	30	46
Total	**630**	**157**

The Directors consider that the carrying amount of debtors approximates to their fair value.

13. Current liabilities

	2024 £'000	2023 £'000
Creditors: amounts falling due within one year		
Bank loan	8,699	—
Securities purchased awaiting settlement	2,252	—
Loan interest payable	142	471
Other creditors and accruals	176	198
Total	**11,269**	**669**

The Directors consider that the carrying amount of creditors approximates to their fair value.

On 14th July 2023, the Company arranged a £30 million multicurrency revolving loan facility (with the ability to increase up to £60 million if various conditions were met) with ICBC for a further two years. On 28th March 2024, the ICBC revolving loan facility was amended to £20 million (with the ability to increase up to £30 million if various conditions are met). At 30th September 2024, the Company had drawn down US$11.7 million (£8.7 million) of this loan facility with ICBC at an interest rate of SOFR + 1.75% (2023: US$38.8 million (£31.8 million) drawn down at an interest rate of SOFR + 1.75% and shown as amounts due after more than one year in note 14).

14. Creditors: amounts falling due after more than one year

	2024 £'000	2023 £'000
Bank loan	—	31,808
	—	**31,808**

Details of the bank loan are provided in note 13 above. At 30th September 2024, the bank loan has been shown as amounts due within one year in note 13 (2023: amounts falling due after more than one year US$38.8 million (£31.8 million) drawn down at an interest rate of SOFR + 1.75%).

15. Called up share capital

	2024		2023	
	Number of shares	£'000	Number of shares	£'000
Ordinary shares allotted and fully paid[1]:				
Opening balance of Ordinary shares of 25p each excluding shares held in Treasury	83,202,465	20,803	83,202,465	20,803
Subtotal of shares of 25p each excluding shares held in Treasury	**83,202,465**	**20,803**	**83,202,465**	**20,803**
Closing balance of shares of 25p each including shares held in Treasury	**83,202,465**	**20,803**	**83,202,465**	**20,803**

[1] Fully paid ordinary shares, which have a par value of 25p each, carry one vote per share and carry a right to receive dividends.

During the year, no ordinary shares were bought back or issued (2023: none).

Notes to the Financial Statements

16. Capital and reserves

2024	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Capital reserves[2,3] Realised gains and losses £'000	Capital reserves[2,3] Holding gains and losses £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	20,803	80,951	3	581	37,392	122,839	(32,797)	—	229,772
Net exchange losses on cash and cash equivalents	—	—	—	—	—	(183)	—	—	(183)
Realised loss on sale of investments	—	—	—	—	—	(40,945)	—	—	(40,945)
Net change in unrealised gains and losses on investments	—	—	—	—	—	—	45,196	—	45,196
Realised foreign exchange losses on repayment of loans	—	—	—	—	—	(918)	—	—	(918)
Unrealised exchange gains on multi currency loan	—	—	—	—	—	—	2,409	—	2,409
Finance costs charged to capital	—	—	—	—	—	(829)	—	—	(829)
Management fee charged to capital	—	—	—	—	—	(1,286)	—	—	(1,286)
Capital special dividends received	—	—	—	—	—	106	—	—	106
Proceeds from share forfeiture	—	—	—	—	—	333	—	—	333
Other capital charges	—	—	—	—	—	(57)	—	—	(57)
Retained revenue for the year	—	—	—	—	—	—	—	2,823	2,823
Refund of unclaimed dividends	—	—	—	—	—	—	—	161	161
Dividend paid in the year	—	—	—	—	—	(6,202)	—	(2,984)	(9,186)
Closing balance	**20,803**	**80,951**	**3**	**581**	**37,392**	**72,858**	**14,808**	**—**	**227,396**

2023	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Capital reserves[2,3] Realised gains and losses £'000	Capital reserves[2,3] Holding gains and losses £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	20,803	80,951	3	581	37,392	168,328	(23,772)	—	284,286
Net exchange losses on cash and cash equivalents	—	—	—	—	—	(1,415)	—	—	(1,415)
Realised loss on sale of investments	—	—	—	—	—	(29,264)	—	—	(29,264)
Net change in unrealised gains and losses on investments	—	—	—	—	—	—	(16,074)	—	(16,074)
Realised foreign exchange gains on repayment of loans	—	—	—	—	—	8,369	—	—	8,369
Transfer of exchange gains on loans repaid in period	—	—	—	—	—	(9,263)	9,263	—	—
Unrealised exchange losses on multi currency loan	—	—	—	—	—	—	(2,214)	—	(2,214)
Finance costs charged to capital	—	—	—	—	—	(2,206)	—	—	(2,206)
Management fee charged to capital	—	—	—	—	—	(1,851)	—	—	(1,851)
Other capital charges	—	—	—	—	—	(34)	—	—	(34)
Retained revenue for the year	—	—	—	—	—	—	—	1,557	1,557
Dividend paid in the year	—	—	—	—	—	(9,825)	—	(1,557)	(11,382)
Closing balance	**20,803**	**80,951**	**3**	**581**	**37,392**	**122,839**	**(32,797)**	**—**	**229,772**

[1] Created during the year ended 30th September 1999, following a cancellation of the share premium account.
[2] These reserves form the distributable reserve of the Company and may be used to fund distribution to investors.
[3] The aggregate of the realised gains and losses and holdings gains and losses amounts to £87,666,000 (2023: £90,042,000), which is shown as Capital reserves in the Statement of Financial Position on page 74.

17. Net asset value per share

	2024	2023
Net assets (£'000)	227,396	229,772
Number of shares in issue, excluding shares held in Treasury	83,202,465	83,202,465
Net asset value per share	**273.3p**	**276.2p**

18. Capital commitments and contingent liabilities

At the balance sheet date there were no contingent liabilities or capital commitments (2023: same).

19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 46. The management fee payable to the Manager for the year was £1,715,000 (2023: £2,468,000).

Safe custody fees amounting to £33,000 (2023: £51,000) were payable during the year to JPMorgan Chase Bank N.A. of which £8,000 (2023: £21,000) was outstanding at the year end.

The Manager may carry out some of its dealing transactions through group subsidiaries. These transactions are carried out at arm's length. The commission payable to JPMorgan Securities Limited for the year was £3,000 (2023: £9,000).

Handling charges on dealing transactions amounting to £57,000 (2023: £34,000) were payable to JPMorgan Chase Bank N.A. during the year of which £4,000 (2023: £6,000) was outstanding at the year end.

The Company also had an investment in the JPMorgan USD Liquidity Fund, a money market fund which is managed by JPMorgan Asset Management(Europe) S.à r.l. At the year end this was valued at £347,000 (2023: £4,000). Interest amounting to £35,000 (2023: £212,000) was receivable during the year.

Fees amounting to £48,000 (2023: £224,000) were receivable from stock lending transactions during the year. JPMorgan Chase Bank N.A. commissions in respect of such transactions amounted to £5,000 (2023: £25,000).

At the year end, total cash of £2,291,000 (2023: £83,000) was held with JPMorgan Chase Bank, N.A. in a non interest bearing current account.

Full details of Directors' remuneration and shareholdings can be found on page 60 and in note 6 on page 79.

20. Disclosures regarding financial instruments measured at fair value

The fair value hierarchy disclosures required by FRS 102 are given below.

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and derivative financial instruments.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e.: developed using market data) for the asset or liability, either directly or indirectly

When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Notes to the Financial Statements

20. Disclosures regarding financial instruments measured at fair value (continued)

Level 3 Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability

If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(b) on page 76.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 30th September.

	2024		2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	235,397	—	256,299	—
Level 2	—	—	5,706[1]	—
Total	**235,397**	**—**	**262,005**	**—**

[1] Participatory Notes (Shanghai Liangxin Electrical, Amoy Diagnostics, Qingdao Haier Biomedical, Yunnan Energy New Material).

21. Financial instruments' exposure to risk and risk management policies

As an investment trust, the Company invests in equities for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

The Directors' policy for managing these risks is set out below. The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

- investments in equity shares, with exposure to 'Greater China' companies and which are held in accordance with the Company's investment objective;
- cash held within a liquidity fund;
- short term debtors, creditors and cash and cash at bank arising directly from its operations; and
- a loan facility.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling which is the Company's functional currency and presentation currency. As a result, movements in exchange rates may affect the sterling value of those items.

Notes to the Financial Statements

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of this exposure by considering the effect on the Company's net asset value and income of a movement in rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to manage working capital requirements. It is currently not the Company's policy to hedge against foreign currency risk.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 30th September are shown below. Notwithstanding the exposure being shown in the table as US Dollar and HK Dollar, the predominant, underlying currency exposure of these investments will be to the Chinese Renminbi. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2024				
	US Dollar £'000	Hong Kong Dollar £'000	Taiwan Dollar £'000	Chinese Renminbi £'000	Total £'000
Current assets	2,173	612	15	503	3,303
Creditors	(1,460)	(443)	—	(492)	(2,395)
Bank loan	(8,699)	—	—	—	(8,699)
Net (liabilities)/assets	(7,986)	169	15	11	(7,791)
Investments held at fair value through profit or loss	35,099	133,988	6,994	59,316	235,397
Total net foreign currency exposure	**27,113**	**134,157**	**7,009**	**59,327**	**227,606**

	2023				
	US Dollar £'000	Hong Kong Dollar £'000	Taiwan Dollar £'000	Chinese Renminbi £'000	Total £'000
Current assets	89	32	—	28	149
Creditors	(471)	—	—	—	(471)
Bank loan	(31,808)	—	—	—	(31,808)
Net (liabilities)/assets	(32,190)	32	—	28	(32,130)
Investments held at fair value through profit or loss	35,663	132,489	3,626	90,227	262,005
Total net foreign currency exposure	**3,473**	**132,521**	**3,626**	**90,255**	**229,875**

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year.

Notes to the Financial Statements

21. Financial instruments' exposure to risk and risk management policies (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table illustrates the sensitivity of return after taxation for the year and net assets with regard to the Company's financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2023: 10%) appreciation or depreciation in sterling against the currencies to which the Company is exposed to, which is considered to be a reasonable illustration based on the high volatility of exchange rates during the year.

	2024		2023	
	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000	If sterling strengthens by 10% £'000	If sterling weakens by 10% £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(438)	438	(309)	309
Capital return	(22,761)	22,761	(22,988)	22,988
Total return after taxation	**(23,199)**	**23,199**	**(23,297)**	**23,297**
Net assets	**(23,199)**	**23,199**	**(23,297)**	**23,297**

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the liquidity fund and the interest payable on the Company's variable rate cash borrowings.

Management of interest rate risk

The Company does not normally hold significant cash and cash in hand balances. Short term borrowings are used when required. The Company may finance part of its activities through borrowings at levels approved and monitored by the Board. The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company borrows on the loan facility.

Interest rate exposure

The exposure of financial assets and liabilities to floating interest rates using the year end figures, giving cash flow interest rate risk when rates are reset, is shown below.

	2024 £'000	2023 £'000
Exposure to floating interest rates:		
Cash and short term deposits	2,291	83
JPMorgan USD Liquidity Fund	347	4
Bank loan	(8,699)	(31,808)
Total exposure	**(6,061)**	**(31,721)**

Interest receivable on cash balances, or payable on overdrafts, is at a margin below or above SONIA (in respect of Sterling denominated loans) and compounded SOFR (in respect of Dollar denominated loans) respectively (2023: same).

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1% (2023: 4%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2024		2023	
	1% increase in rate £'000	1% decrease in rate £'000	4% increase in rate £'000	4% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue (loss)/return	5	(5)	(315)	315
Capital return	(65)	65	(954)	954
Total return after taxation for the year	**(60)**	**60**	**(1,269)**	**1,269**
Net assets	**(60)**	**60**	**(1,269)**	**1,269**

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances, cash held in the liquidity fund and amounts drawn down on the loan.

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of equity investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objectives and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Other price risk exposure

The Company's total exposure to changes in market prices at 30th September comprises its holdings in equity investments as follows:

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	235,397	262,005

The above data is broadly representative of the exposure to other price risk during the current and comparative year.

Concentration of exposure to other price risk

An analysis of the Company's investments is given on page 19. This shows that the investments' value is in the 'Greater China' area. Accordingly, there is a concentration of exposure to that region. However, it should also be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Notes to the Financial Statements

21. Financial instruments' exposure to risk and risk management policies (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% (2023: 20%) in the market value of equity investments. In light of the fall in portfolio value during the current year, this level of change is considered to be a reasonable illustration based on current market conditions and in the absence of unforeseen market events. The sensitivity analysis is based on the Company's equity investments, adjusting for changes in the management fee but with all other variables held constant.

	2024		2023	
	20% increase in fair value £'000	20% decrease in fair value £'000	20% increase in fair value £'000	20% decrease in fair value £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(88)	88	(118)	118
Capital return	46,815	(46,815)	52,047	(52,047)
Total return after taxation	**46,727**	**(46,727)**	**51,929**	**(51,929)**
Net assets	**46,727**	**(46,727)**	**51,929**	**(51,929)**

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

The Board's policy is for the Company to remain fully invested in normal market conditions and that short term borrowings be used to manage short term liabilities, working capital requirements and to gear the Company as appropriate. Details of the current loan facility are given in note 13 on page 83.

Liquidity risk exposure

Contractual maturities of the financial liabilities, based on the earliest date on which payment can be required are as follows:

	2024			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors:				
Bank loan – including interest[1]	311	9,070	—	9,381
Other creditors and accruals	176	—	—	176
Securities purchased for future settlement	2,252	—	—	2,252
	2,739	**9,070**	**—**	**11,809**

[1] The principal amount outstanding on the bank loan at the year end was £8,699,000 (2023: £31,808,000).

	2023			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors:				
Bank loan – including interest[1]	1,015	1,162	33,549	36,226
Other creditors and accruals	198	—	—	198
	1,213	**1,162**	**33,549**	**36,424**

[1] The principal amount outstanding on the bank loan at the year end was £8,699,000 (2023: £31,808,000).

The liabilities in the table above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

Portfolio dealing

The Company invests in markets that operate Delivery Versus Payment ('DVP') settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. However, the Company's holdings in Participatory Notes and Warrants are subject to counterparty risk associated with each issuer. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

At the year end the Company was not exposed to the counterparty risk as a result of its investment in Participatory Notes:

	2024 £'000	2023 £'000
BNP Paribas	—	3,665
Morgan Stanley	—	686
UBS	—	1,355
CICC	—	—
Total Exposure to Credit Risk from Counterparties in P Note transactions	**—**	**5,706**

Cash at bank and Current asset investment

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group and the Board.

All surplus cash is either on deposit with JPMorgan Chase Bank or invested in the JPMorgan USD Liquidity Fund. JPMorgan Chase Bank N.A. and the JPMorgan USD Liquidity Fund have S+P credit ratings of A–1 and AAAm respectively.

Notes to the Financial Statements

21. Financial instruments' exposure to risk and risk management policies (continued)

(c) Credit risk (continued)

Management of credit risk (continued)

Exposure to JPMorgan Chase

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase were to cease trading.

The Depositary, Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. Accordingly, the risk of loss is remote.

Credit risk exposure

The amounts shown in the Statement of Financial Position under debtors, cash and cash equivalents and the exposure to the Participatory Notes as disclosed above, represent the maximum exposure to credit risk at the current and comparative year ends. The credit risk exposure to stock lending is mitigated by the collateral held by the Company, as shown below.

Stock lending

The aggregate value of securities on loan at 30th September 2024 amounted to £11.1 million (2023: £6.1 million) and the maximum value of stock on loan during the year amounted to £23.8 million (2023: £24.6 million). Collateral is obtained by JPMorgan Asset Management and is called in on a daily basis to a value of 102% of the value of the securities on loan if that collateral is denominated in the same currency as the securities on loan and 105% if it is denominated in a different currency. As at 30th September 2024, investment grade non-cash collateral of £11.6 million (2023: £4.7 million), consisting of sovereign debt and treasury bonds, and cash collateral of £nil (2023: £1.7 million) was held by the Company.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the Statement of Financial Position at fair value or the carrying amount is a reasonable approximation of fair value.

22. Capital management policies and procedures

The Company's debt and equity structure comprises the following:

	2024 £'000	2023 £'000
Debt:		
Bank loan	8,699	31,808
	8,699	31,808
Equity:		
Called up share capital	20,803	20,803
Reserves	206,593	208,969
	227,396	229,772
Total debt and equity	**236,095**	**261,580**

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise capital return to its shareholders through an appropriate level of gearing.

The Company's actual gearing is not to exceed 20% without Board permission.

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	235,397	262,005
Net assets	227,396	229,772
Gearing	**3.5%**	**14.0%**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back equity shares, either for cancellation or to hold in Treasury, which takes into account the share price discount or premium;
- the need to issue new shares, including issues from Treasury; and
- the appropriateness of the Company's dividend policy.

23. Analysis of changes in net debt

	As at 30th September 2023 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th September 2024 £'000
Cash at bank and current asset investments				
Cash at bank	83	1,929	279	2,291
Current asset investments[1]	4	352	(9)	347
	87	2,281	270	2,638
Borrowings:				
Debt due after one year	(31,808)	21,618	1,491	(8,699)
Loan Interest	(471)	1,423	(1,094)	(142)
	(32,279)	23,041	397	(8,841)
Net debt	**(32,192)**	**25,322**	**667**	**(6,203)**

[1] JPMorgan USD Liquidity Fund, money market fund.

24. Subsequent events

The Directors have evaluated the period since the year end and have not noted any further subsequent events that would affect the Financial Statements at the balance sheet date.

Regulatory Disclosures

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Leverage

For the purposes of the Alternative Investment Fund Managers' Directive (the 'AIFMD'), 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 is calculated on a gross and a commitment method, in accordance with the AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company is required to state its maximum and actual leverage levels, calculated as prescribed by the AIFMD, as at 30th September, which gives the following figures:

	Gross Method	Commitment Method
Leverage exposure		
Maximum limit	200%	113%
Actual[1]	104%	104%

[1] This is the maximum level of gearing as prescribed by the AIFMD. Please note that the Company's investment policies currently restrict gearing to a maximum of 20% of shareholders' funds, i.e. 120%.

AIFMD Remuneration Disclosures

A summary of the Remuneration Policy currently applying to the Management Company (the '**Remuneration Policy Statement**') can be found at https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy. This Remuneration Policy Statement includes details of how remuneration and benefits are calculated, including the financial and non-financial criteria used to evaluate performance, the responsibilities and composition of the Firm's Compensation and Management Development Committee, and the measures adopted to avoid or manage conflicts of interest. A copy of this policy can be requested free of charge from the Management Company.

The Remuneration Policy applies to all employees of the Management Company, including individuals whose professional activities may have a material impact on the risk profile of the Management Company or the Alternative Investment Funds it manages ('**AIFMD Identified Staff**'). The AIFMD Identified Staff include members of the Board of the Management Company (the '**Board**'), senior management, the heads of relevant Control Functions, and holders of other key functions. Individuals are notified of their identification and the implications of this status on at least an annual basis.

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2023 Performance Year in September 2024 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2023 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 27 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 44 sub-funds) as at 31st December 2023, with a combined AUM as at that date of £23.99 billion and £20.03 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US$'000s)	23,549	15,069	38,618	149

The aggregate 2023 total remuneration paid to AIFMD Identified Staff was US$119,473,000, of which US$1,636,000 relates to Senior Management and US$117,837,000 relates to other Identified Staff.[1]

[1] For 2023, the AIFMD identified staff disclosures include employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

Regulatory Disclosures

Securities Financing Transactions Regulation Disclosures (Unaudited)

The Company engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to SFTR for the accounting year ended 30th September 2024 are detailed below.

Global Data

Amount of securities on loan

The total value of securities on loan as a proportion of the Company's total lendable assets, as at the balance sheet date, is 6.57%. Total lendable assets represents the aggregate value of assets types forming part of the Company's securities lending programme.

Amount of assets engaged in securities lending

The following table represents the total value of assets engaged in securities lending:

	Value £'000	% of AUM
Securities lending	11,069	4.87%

Concentration and Aggregate Transaction Data

Counterparties

The following table provides details of the counterparties (based on gross volume of outstanding transactions with exposure on a gross absolute basis) in respect of securities lending as at the balance sheet date:

	Country of Incorporation	Value £'000
Barclays	United Kingdom	4,198
Morgan Stanley	United States of America	3,366
Merrill Lynch	United States of America	1,581
Citigroup	United States of America	1,284
JP Morgan	United States of America	454
Nomura	Japan	173
Goldman	United States of America	13
Total		**11,069**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Maturity tenure of security lending transactions

The Company's securities lending transactions have open maturity.

Collateral issuers

The following table lists the issuers by value of non-cash collateral received by the Company by way of title transfer collateral arrangement across securities lending transactions, as at the balance sheet date:

Issuer	Collateral Value £'000
United States of America Treasury	9,754
United Kingdom Treasury	1,461
Government of Japan	249
Kingdom of Belgium Government	43
Kingdom of Netherlands Government	38
Republic of Austria Government	37
Federal Republic of Germany Government	25
French Republic Government	13
Total	**11,620**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Type, quality and currency of collateral

The following table provides an analysis of the type, quality and currency of non-cash collateral received by the Company in respect of securities lending transactions as at the balance sheet date.

Type	Quality	Currency	Value £'000
Treasury Notes	Investment Grade	USD	7,961
Treasury Bonds	Investment Grade	USD	1,784
Sovereign Debt	Investment Grade	GBP	1,461
Sovereign Debt	Investment Grade	JPY	249
Sovereign Debt	Investment Grade	EUR	156
Treasury Bills	Investment Grade	USD	9
Total			**11,620**

Regulatory Disclosures

Maturity tenure of collateral

The following table provides an analysis of the maturity tenure of collateral received in relation to securities lending transactions as at the balance sheet date:

Maturity	Value £'000
1 day to 1 week	—
1 week to 1 month	20
1 to 3 months	42
3 to 12 months	542
more than 1 year	11,016
Total	**11,620**

Settlement and clearing

The Company's securities lending transactions including related collaterals are settled and cleared either bi-laterally, tri-party or through a central counterparty.

Re-use of collateral

Share of collateral received that is reused and reinvestment return

Non-cash collateral received by way of title transfer collateral arrangements in relation to securities lending transactions cannot be sold, re-invested or pledged.

Cash collateral received in the context of securities lending transactions may be reused in accordance with the provisions contained within the Prospectus, however the Company does not currently reinvest cash collateral received in respect of securities lending transactions.

Safekeeping of collateral

All collateral received by the Company in respect of securities lending transactions as at the balance sheet date is held by the Depository.

Return and cost

JPMorgan Chase Bank, N.A (JPMCB), the lending agent, receives a fee of 10% of the gross revenue for its services related to the Stock Lending Transactions. The remainder of the revenue, 90%, is received by the Company i.e. for the benefit of Shareholders.

Notice of Annual General Meeting

Important information:

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, it is recommended that you seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent professional adviser duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser. If you have sold or otherwise transferred all of your shares in the Company, please forward this document at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. This document should not, however, be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of shares, you should retain this document.

Notice is hereby given that the thirtieth Annual General Meeting of JPMorgan China Growth & Income plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Thursday, 23rd January 2025 at 11.30 a.m. for the following purposes:

1. To receive the Directors' Report, the Annual Financial Statements and the Auditor's Report for the year ended 30th September 2024.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 30th September 2024.
4. To reappoint Alexandra Mackesy as a Director of the Company.
5. To reappoint David Graham as a Director of the Company.
6. To reappoint Aditya Sehgal as a Director of the Company.
7. To reappoint Joanne Wong as a Director of the Company.
8. To reappoint BDO LLP as Auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Authority to allot new Ordinary shares – Ordinary Resolution

9. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised (in substitution of any authorities previously granted to the Directors) pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot Ordinary shares in the Company and to grant rights to subscribe for, or to convert any security into, Ordinary shares in the Company ('Rights') up to an aggregate nominal amount of £2,080,061, representing approximately 10% of the Company's issued Ordinary share capital (excluding shares held in Treasury) as at the date of this notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2026, or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require Ordinary shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot Ordinary shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

10. THAT, subject to the passing of Resolution 9 set out above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 9 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of Treasury shares for cash up to an aggregate nominal amount of £2,080,061 (representing approximately 10% of the issued Ordinary share capital (excluding shares held in Treasury) of the Company as at the date of this notice at a price of not less than the net asset value per share and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026, or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

Authority to allot further new Ordinary shares – Ordinary Resolution

11. THAT, in addition to any authority granted by Resolution 9 above, the Directors of the Company be and they are hereby generally and unconditionally authorised, pursuant to and in accordance with Section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot Ordinary shares in the Company and to grant rights to subscribe for, or to convert any

Notice of Annual General Meeting

security into, Ordinary shares in the Company ('Rights') up to an aggregate nominal amount of £2,080,061 (representing approximately 10% of the Company's issued Ordinary share capital (excluding shares held in Treasury) as at the date of this notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2026, or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require Ordinary shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot Ordinary shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of further relevant securities – Special Resolution

12. THAT, subject to the passing of Resolution 11 set out above, and in addition to any authority granted by Resolution 10 above, the Directors of the Company be and they are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 or by way of a sale of Treasury shares as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of Treasury shares for cash up to an aggregate nominal amount of £2,080,061 (representing approximately 10% of the issued Ordinary share capital (excluding shares held in Treasury) of the Company as at 6th December 2024, this being the latest practicable date prior to the publication of this notice) at a price of not less than the net asset value per share and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2026, or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares – Special Resolution

13. THAT, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693 of the Act) of fully paid Ordinary shares in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided always that:

    (i) the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be 12,472,049, or if less, that number of Ordinary shares which is equal to 14.99% of the issued share capital (less shares held in Treasury, if any) as at the date of the passing of this Resolution;

    (ii) the minimum price (excluding expenses) which may be paid for an Ordinary share shall be 25 pence;

    (iii) the maximum price (excluding expenses) which may be paid for an Ordinary share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for an Ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

    (iv) any purchase of Ordinary shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary share (as determined by the Directors);

    (v) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2026 or the date occurring 18 months from the date on which this Resolution is passed, whichever is the earlier, or at any other general meeting prior to such time; and

    (vi) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

Approval of dividend policy – Ordinary Resolution

14. THAT the shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends during the year.

Authority to hold general meetings – Special Resolution

15. THAT, a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

By order of the Board
Lucy Dina, for and on behalf of JPMorgan Funds Limited, Company Secretary

9th December 2024

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. If law or Government guidance so requires at the time of the Meeting, the Chairman of the Meeting will limit, in his sole discretion, the number of individuals in attendance at the Meeting. In addition, the Company may still impose entry restrictions on certain persons wishing to attend the AGM in order to secure the orderly and proper conduct of the Meeting.
2. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person. However, please note that in the current circumstances, your vote may not be counted where a proxy other than the Chairman of the Meeting is appointed as additional third parties may not be permitted entry to the meeting.
4. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form, no later than 11.30 a.m. two business days prior to the Meeting (i.e. excluding weekends and bank holidays).
5. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the other or others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as at 6.30 p.m. two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote at the Meeting or adjourned Meeting.
7. Entry to the Meeting will be restricted to shareholders and their proxy or proxies, with guests admitted only by prior arrangement.
8. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Companies Act 2006 (as amended by the Shareholder Rights Directive 2009, each such representative(s) may exercise the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative. Representatives should bring to the Meeting evidence of their appointment, including any authority under which it is signed.
9. Members that satisfy the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with Auditor of the Company ceasing to hold office since the previous AGM, which the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditor no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on its website pursuant to this right.
10. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the Meeting except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the Meeting or if it would involve the disclosure of confidential information.

Notice of Annual General Meeting

11. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

12. A copy of this notice has been sent for information only to persons who have been nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a 'Nominated Person'). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

13. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmchinagrowthandincome.co.uk.

14. The register of interests of the Directors and connected persons in the share capital of the Company and the Directors' letters of appointment are available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting. No Director has any contract of service with the Company.

15. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

16. As an alternative to completing a hard copy Form of Proxy, you can appoint a proxy or proxies electronically by visiting www.investorcentre.co.uk/eproxy. You will need the Control Number, Shareholder Reference Number and PIN which are set out on your proxy form or the electronic broadcast you received from Computershare.

17. As at 6th December 2024 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 83,202,465 Ordinary shares (of which nil shares are held in Treasury), carrying one vote each. Therefore the total voting rights in the Company are 83,202,465.

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (CREST ID is 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is liable to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to www.proxymity.io. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Glossary of Terms and Alternative Performance Measures ('APMs') (Unaudited)

Alternative Performance Measures

Alternative Performance Measures (APMs) are numerical measures of current, historical or future financial performance, financial position or cash flow that are not GAAP measures. APMs are intended to supplement the information in the financial statements, providing useful industry-specific information that can assist shareholders to better understand the performance of the Company.

Where a measure is labelled as an APM, a definition and reconciliation to a GAAP measure is set out below. The APMs are unaudited.

Return to Shareholders (APM)

Total return to the shareholders, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Total return calculation	Page	Year ended 30th September 2024	Year ended 30th September 2023	
Opening share price (p)	23	244.5	302.0	(a)
Closing share price (p)	23	237.5	244.5	(b)
Total dividend adjustment factor[1]		1.053424	1.045599	(c)
Adjusted closing share price (p) (d = b x c)		250.2	255.6	(d)
Total return to shareholders (e = (d/a) – 1)		**+2.3%**	**–15.3%**	(e)

[1] 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 last traded price quoted at the ex-dividend date.

Return on Net Assets (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	Year ended 30th September 2024	Year ended 30th September 2023	
Opening cum-income NAV per share (p)	23	276.2	341.7	(a)
Closing cum-income NAV per share (p)	23	273.3	276.2	(b)
Total dividend adjustment factor[1]		1.047430	1.041886	(c)
Adjusted closing cum-income NAV per share (p) (d = b x c)		286.3	287.8	(d)
Total return on net assets (e = (d/a) – 1)		**+3.6%**	**–15.8%**	(e)

[1] 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.

Benchmark return

Total return on the benchmark, on a closing-market value to closing-market value basis, assuming that all dividends received were reinvested, without transaction costs, in the shares of the underlying companies at the time the shares were quoted ex-dividend.

The benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this; consequently, there may be some divergence between the Company's performance and that of the benchmark.

Net asset return performance compared to benchmark return (APM)

The percentage of Company's benchmark return is subtracted from the return on net assets percentage.

Net asset value per share (APM)

The value of Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 17 on page 85 for detailed calculations.

Glossary of Terms and Alternative Performance Measures ('APMs') (Unaudited)

Gearing/(Net Cash) (APM)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	Year ended 30th September 2024	Year ended 30th September 2023	
Investments held at fair value through profit or loss (£'000)	74	235,397	262,005	(a)
Net assets (£'000)	74	227,396	229,772	(b)
Gearing (c = (a/b) – 1)		**3.5%**	**14.0%**	(c)

Ongoing charges (APM)

The ongoing charges represent the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Ongoing charges calculation	Page	Year ended 30th September 2024	Year ended 30th September 2023	
Management fee (£'000)	72	1,715	2,468	
Other administrative expenses (£'000)	72	647	628	
Total management fee and other administrative expenses (£'000)		2,362	3,096	(a)
Average daily net assets (£'000)		200,988	275,769	(b)
Ongoing charges (c = a/b)		**1.18%**	**1.12%**	(c)

Share Price Discount/Premium to cum income Net Asset Value ('NAV') per Share (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share.

The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium (page 7).

	Page	Year ended 30th September 2024	Year ended 30th September 2023	
Share price (p)	7	237.5	244.5	(a)
Net assets value per share (p)	7	273.3	628	(b)
Discount (c = (a -b)/ b)		**(13.1)%**	**(11.5)%**	(c)

Glossary of Terms and Alternative Performance Measures ('APMs') (Unaudited)

Portfolio Turnover

Portfolio turnover is a measure of how frequently assets within a fund or investment portfolio are bought and sold.

	Page	Year ended 30th September 2024	Year ended 30th September 2023	
Opening valuation (£'000)	82	262,005	333,206	(a)
Total investments held at fair value through profit or loss (£'000)	82	235,397	262,005	(b)
Average Portfolio Value (£'000) (c=(a+b)/2)		248,701	297,606	(c)
Purchases at cost (£'000)	82	53,411	158,460	(d)
Sales - proceeds (£'000	82	84,270	184,323	(e)
Average of purchases and sales (£'000) (f=(d+e)/2)		68,841	171,392	(f)
Portfolio Turnover (g = f/c)		**27.7%**	**57.6%**	(g)

Performance attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark (see attribution table on page 12).

Performance Attribution Definitions:

Asset allocation

Measures the impact of allocating assets differently from those in the benchmark, via the portfolio's weighting in different countries, sectors or asset types.

Stock selection

Measures the effect of investing in securities to a greater or lesser extent than their weighting in the benchmark, or of investing in securities which are not included in the benchmark.

Currency

Measures the impact of currency exposure differences between the Company's portfolio and its benchmark.

Gearing/net cash

Measures the impact on returns of borrowings or cash balances on the Company's relative performance.

Dividends/Residual

Represents timing differences in respect of cash flows and dividends.

Management fee and other expenses

The payment of fees and expenses reduces the level of total assets, and therefore has a negative effect on relative performance.

Share Buyback

Measures the enhancement to net asset value per share of buying back the Company's shares for cancellation at a price which is less than the Company's net asset value per share.

Other Definitions:

American Depositary Receipts (ADRs)

Certificates that are traded on US stock exchanges representing a specified number of shares in a non-US company. ADRs are denominated and pay dividends in US dollars and may be traded like regular shares of stock.

China A-Shares

Companies incorporated in mainland China and which are traded in the mainland A-Share markets. The prices of A-Shares are quoted in Renminbi.

The Company invests directly in China A-Shares and also gains access to the A-Share market by investing into China A-Share access products (Participatory Notes).

Glossary of Terms and Alternative Performance Measures ('APMs') (Unaudited)

China HK Listed

Companies incorporated in mainland China and listed in Hong Kong and other foreign stock exchanges.

Participatory Notes (or P-Notes)

Financial instruments used to gain access to markets with capital controls. The notes are derivative products issued by brokers or other financial institutions that have quota from the Chinese regulator to invest directly in the Chinese market.

Shanghai-Hong Kong Stock Connect

A cross-boundary investment channel that connects the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Under the programme, investors in each market are able to trade shares on the other market using their local brokers and clearing houses.

Shenzhen-Hong Kong Stock Connect

A cross-boundary investment channel that connects the Shenzhen Stock Exchange and the Hong Kong Stock Exchange. Under the programme, investors in each market are able to trade shares on the other market using their local brokers and clearing houses.

Contracts for Difference (CFDs)

Financial instruments that allows speculation on price movements of various assets without owning them, offering the potential for profit in both rising and falling markets through leveraged positions, and they may also provide income from the underlying equity holding in the form of dividends.

Investing in JPMorgan China Growth & Income plc

You can invest in a J.P. Morgan investment trust through the following:

1. Via a third party provider

Third party providers include:

AJ Bell Investcentre
Barclays Smart investor
Bestinvest
Charles Stanley Direct
Close brothers A.M. Self Directed Service
Fidelity Personal Investing
Freetrade
Halifax Share Dealing
Hargreaves Lansdown
iDealing
IG
Interactive investor
iWeb
ShareDeal active
Willis Owen
X-O.co.uk

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

2. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you to find an investment that suits your individual circumstances.
An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk.

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk.

3. Voting on Company Business and Attending the AGM

The Board encourages all of its shareholders to exercise their rights by voting at general meetings and attending if able to do so. If you hold your shares on the Company's main register, please refer to the notes to the AGM on page 101 and your form of proxy. If your shares are held through a platform, platform providers often provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' ('AIC') website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

Share Fraud Warning

Investment and pension scams are often sophisticated and difficult to spot

FINANCIAL CONDUCT AUTHORITY

Be a ScamSmart Investor

Be a ScamSmart investor and spot the warning signs

Fraudsters will often:

- contact you out of the blue
- apply pressure to invest quickly
- downplay the risks to your money
- promise tempting returns that sound too good to be true
- say that they're only making the offer available to you or even ask you to not tell anyone else about it

How to avoid investment and pension scams

1. **Reject unexpected offers**
   Scammers usually cold call, but contact can also come by email, post, word of mouth or at a seminar. If you've been offered an investment out of the blue, chances are it's a high risk investment or a scam.
2. **Check the FCA Warning List**
   Use the FCA Warning List to check the risks of a potential investment – you can also search to see if the firm is known to be operating without our authorisation.
3. **Get impartial advice**
   Get impartial advice before investing – don't use an adviser from the firm that contacted you.

If you're suspicious, report it

You can report the firm or scam to us by contacting our **Consumer Helpline** on **0800 111 6768** or using our reporting form using the link below.

If you've lost money in a scam, contact Action Fraud on 0300 123 2040 or www.actionfraud.police.uk

Be ScamSmart and visit www.fca.org.uk/scamsmart

Information about the Company

Financial Conduct Authority (‘FCA’) Regulation of ‘non-mainstream pooled investments’ and MiFID II ‘complex investments’

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA’s rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA’s restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company’s ordinary shares are not considered to be ‘complex investments’ under the FCA’s ‘Appropriateness’ rules and guidance in the Conduct of Business sourcebook.

Consumer Duty Value Assessment

The Manager has conducted an annual value assessment on the Company in line with Financial Conduct Authority (FCA) rules set out in the Consumer Duty regulation. The assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations. Within this, the assessment considers quality of services, performance of the trust (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company), and also considers whether vulnerable consumers are able to receive fair value from the product. The Manager has concluded that the Company is providing value based on the above assessment.

Task Force on Climate-related Financial Disclosures

As a regulatory requirement, in June 2024 the Investment Manager published its second UK Task Force on Climate-related Financial Disclosures Report for the Company in respect of the year ended 31st December 2023. The report discloses estimates of the Company’s portfolio climate-related risks and opportunities according to the FCA ESG Sourcebook and the Task Force on Climate-related Disclosures. The report is available on the Company’s website **www.jpmchinagrowthandincome.co.uk** under the ESG documents section.

The Board is aware that best practice reporting under TCFD is still evolving with respect to metrics and input data quality, as well as the interpretation and implications of the outputs produced, and will continue to monitor developments as they occur.

The Company, as a closed ended investment fund, is currently exempt from complying with the Task Force on Climate-related Financial Disclosures.

Information about the Company

History

JPMorgan China Growth & Income plc was launched in October 1993, as The Fleming Chinese Investment Trust plc, by a public offer of shares which raised £60 million before expenses. The Company changed its name to JPMorgan Fleming Chinese Investment Trust plc in December 2001 and then to JPMorgan Chinese Investment Trust plc in December 2005. The Company adopted its present name on 4th February 2020.

Directors

Alexandra Mackesy (Chairman of the Board, Nomination Committee and Management Engagement Committee)
David Graham (Chairman of the Audit Committee and Senior Independent Director)
Aditya Sehgal (Chairman of the Remuneration Committee)
Joanne Wong

Company Numbers

Company registration number: 02853893
London Stock Exchange Sedol number: 0343501

Ordinary Shares

ISIN: GB0003435012
Bloomberg ticker: JCGI LN
LEI: 549300S8M91P5FYONY25

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange. The Company's Ordinary shares are listed on the London Stock Exchange and are quoted daily in the Financial Times and on the J.P. Morgan website at www.jpmchinagrowthandincome.co.uk, where the Ordinary share price is updated every 15 minutes during trading hours.

Website

www.jpmchinagrowthandincome.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 0800 20 40 20 or +44 1268 44 44 70
email: invtrusts.cosec@jpmorgan.com

For company secretarial and administrative matters, please contact Lucy Dina at the above address.

Depositary

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

The Depositary has appointed JPMorgan Chase Bank, N.A. as the Company's custodian.

Custodian

J.P. Morgan Chase Bank, National Association
25 Bank Street
Canary Wharf
London E14 5JP

Registrar (with effect from 24th June 2024)

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
United Kingdom
Telephone + 44 (0) 370 707 1520

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday
Shareholders can manage their shareholding online by visiting the Investor Centre at www.investorcentre.co.uk, Shareholders just require their Shareholder Reference Number, which can be found on any communications previously received from Computershare.

Independent Auditor

BDO LLP
Statutory Auditor
55 Baker Street
London W1U 7EU

Brokers

Winterflood Securities Limited
The Atrium Building
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The Association of Investment Companies
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ASSET MANAGEMENT