JPMorgan China Growth & Income plc

Half Year Report & Financial Statements
for the six months ended 31st March 2023

J.P.Morgan
ASSET MANAGEMENT

Key Features

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 ADRs on other exchanges including the U.S.
- 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.

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 31st March 2023, the Company's issued share capital comprised 83,202,465 Ordinary shares of 25p each. No shares are held in Treasury. No shares have been repurchased or issued since the period-end.

Continuation Vote

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.

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').

Environment, Social and Governance ('ESG') Considerations

ESG considerations are fully integrated into the stock selection process. JPMAM research teams compile proprietary ESG analyses on companies as well as using external vendor research to rank them. Following in-depth strategic and financial analysis, these ESG rankings and factors are taken into consideration as part of the investment case. In addition, the Manager, together with stewardship specialists, engages with investee companies on specific ESG issues. JPMAM is a United Nations Principles of Responsible Investment ('UN PRI') signatory and is rated A+. JPMAM endeavours to vote at all of the meetings called by companies in which your portfolio invests. The Manager reports to the Board on its ESG considerations on a regular basis and an ESG report is included in the Company's Annual Report.

FCA regulation of 'non-mainstream pooled investments' and MiFID II 'complex instruments'

The Company currently conducts its affairs so that the shares it issues can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority ('FCA') in relation to non-mainstream investment products 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 shares are not classified as 'complex instruments' under the FCA's revised 'appropriateness' criteria adopted in the implementation of MiFID II.

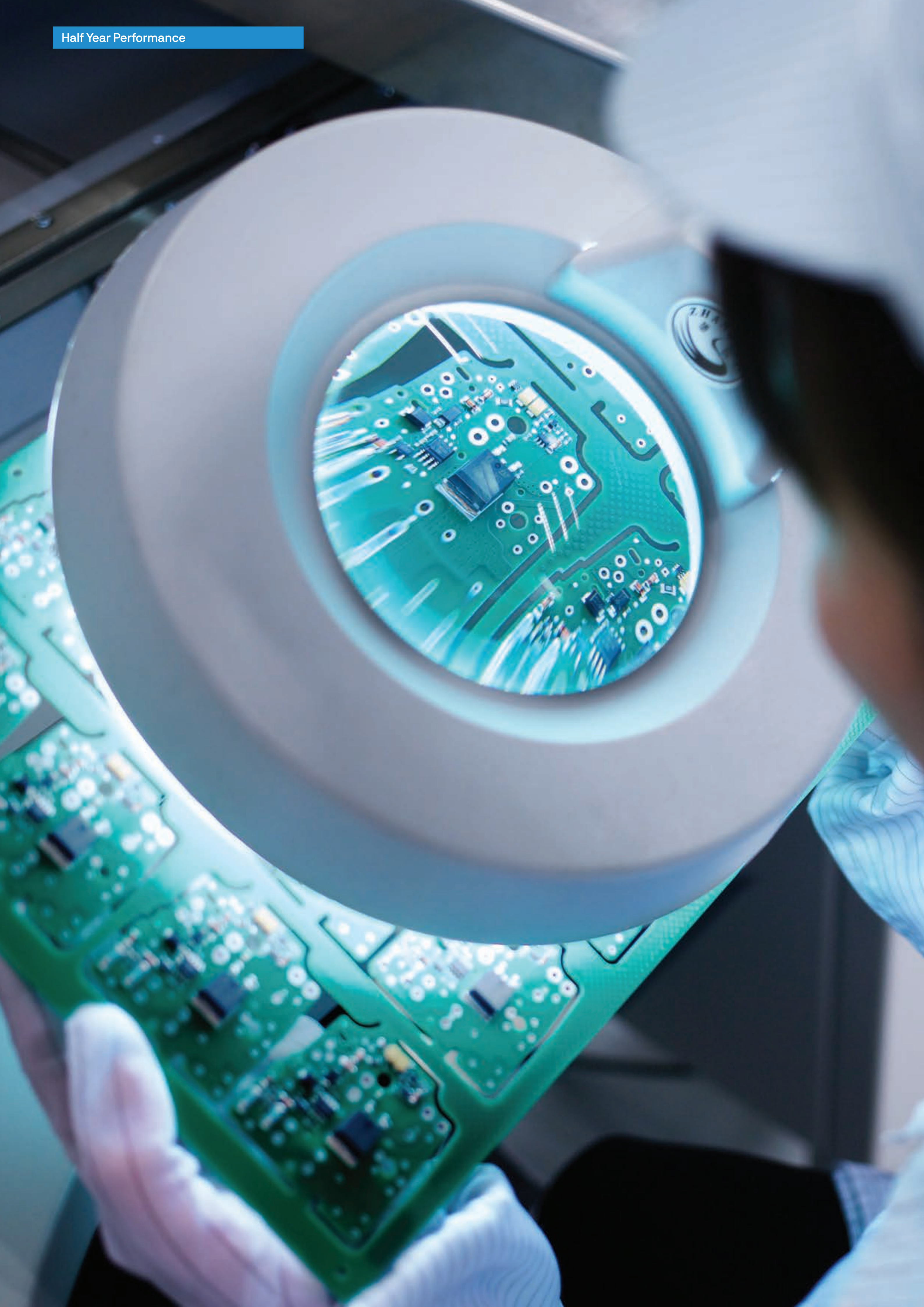
Association of Investment Companies ('AIC')

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, monthly factsheets and current and historic Half-Year and Annual Reports.

Contents



Financial Highlights

Total returns in sterling terms (including dividends reinvested) to 31st March 2023

	6 Months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative
Return to shareholders[1,A]	+9.7%	+4.4%	+25.1%	+159.8%
Return on net assets[2,A]	+7.9%	+9.1%	+22.5%	+153.6%
Benchmark return[3,A]	+7.3%	–7.4%	–7.5%	+74.8%
Net asset return performance compared to benchmark return[3,A]	+0.6%	+16.5%	+30.0%	+78.8%

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

	31st March 2023	30th September 2022	% change
Shareholders' funds (£'000)	300,788	284,286	5.8
Net asset value per share	361.5p	341.7p	5.8[1]
Share price[A]	324.5p	302.0p	7.5[2]
Share price discount to net asset value[A]	10.2%	11.6%	
Number of shares in issue	83,202,465	83,202,465	
Dividend[3]	6.84p	22.80p	
Ongoing charges[A]	**1.06%**	**1.09%**	
Gearing[A]	**15.8%**	**17.2%**	

[1] % change, excluding dividends paid. Including dividend, the total return is +7.9%.
[2] % change, excluding dividends paid. Including dividend, the total return is +9.7%.
[3] Dividend paid in respect of the six month period ended 31st March 2023 and year ended 30th September 2022.
[A] Alternative Performance Measure ('APM').

A glossary of terms and of APMs is provided on pages 29 to 31.

Chairman's Statement

Alexandra Mackesy
Chairman

Performance

After a long challenging period, Chinese stock markets greeted with relief the Chinese government's decision to reverse course in several key policy areas during the six months ended 31st March 2023. The most prominent change was the unexpected, immediate end of the government's Covid-zero policy. As a result, the MSCI China Index rose, increasing 7.3% on a total return basis (in sterling terms) during the period. Your Company's total return on net assets (with net dividends reinvested) marginally outperformed this benchmark, rising 7.9% during the six months ended 31st March 2023. Over the same period, the total return to shareholders was +9.7%, reflecting the narrowing of the discount to net asset value ('NAV') at which the Company's shares trade, from 11.6% at the previous financial year end to 10.2% at the half year end.

The relative outperformance to the benchmark index is explained in the Investment Managers' Report on page 10. This report provides a detailed commentary on the portfolio positioning, the investment strategy and the outlook for investing in China.

Loan Facility and Gearing

The Investment Managers have been given the flexibility by the Board to manage gearing tactically within a range set by the Board of 10% net cash to 20% geared. During the period, the Company's gearing ranged from 13.3% to 19.9%, ending the half year at 15.8%.

The Company has a £60 million loan facility with The Bank Nova Scotia. As at 31st March 2023, £52.7 million of this facility was drawn down. As this facility expires in July 2023, the Board is currently considering its renewal.

Our Dividend Policy

In the absence of unforeseen developments, the Company's dividend policy aims to pay regular, quarterly dividends, equivalent in total to 4% of the Company's NAV on the last business day of the preceding financial year, in order to provide clarity to shareholders over the income stream they can expect during the following 12 months. This is paid by way of four equal interim dividends on the first business day in December, March, June and September.

On 3rd October 2022, the Company announced that the cum income Net Asset Value at the close of business on 30th September 2022 (the Company's year-end) was 341.62 pence per share. In line with the Company's distribution policy, the Directors declared the first quarterly interim dividend of 3.42 pence per share. Since then, two further dividend declarations have been made on 4th January 2023 and 1st April 2023, both of 3.42 pence per share. With the planned declaration of the final quarterly dividend of 3.42 pence per share on 3rd July 2023, the 2023 annual dividend will be 13.68 pence per share (2022: 22.8p).

Continuation Vote and Conditional Tender Offer

I am pleased to report that, at the Company's Annual General Meeting held in February 2023, shareholders voted in favour of the Company's continuation as an Investment Trust for a further five-year period. We thank shareholders for their ongoing support. The next continuation vote will be held in early 2028.

The Company's previous conditional tender offer for the five years ended 30th September 2022 was not triggered as the Company's NAV total return significantly outperformed the benchmark total return during this five-year period. Following careful consultation with the Company's largest shareholders and its advisers, the Board has decided to renew the conditional tender offer for up to 15% of the Company's issued share capital at a price equal to net asset value less costs if, over the next five years (from the start of the current financial year, being 1st October 2022), the NAV total return underperforms the benchmark total return.

Chairman's Statement

Share Issuance during the Period

At the time of writing, the Company's issued share capital consists of 83,202,465 Ordinary shares. The Company currently holds no shares in Treasury. During the six-month reporting period, the Company did not repurchase or issue any shares.

Changes to the Investment Management Team

As previously announced in April 2023, the Co-Investment Manager, Howard Wang, has relocated from JPMorgan's Hong Kong office to its Taipei office. Due to regulatory requirements, he is no longer listed as an Investment Manager of the Company and instead is listed as an Investment Advisor. Based in Hong Kong, Rebecca Jiang is now Lead Investment Manager of the Company. She has managed the Company's investments with Howard for six years and is well known to our shareholders via her AGM presentations to shareholders and her regular webcasts. Li Tan, also based in Hong Kong, will be added as a named Investment Manager of the Company alongside Rebecca. They will continue to work closely with Simmy Qi, who is based in Shanghai.

It is also worth noting that JPMorgan Asset Management received regulatory approval earlier this year to complete the acquisition of China International Fund Management, which has now been rebranded JPMorgan Asset Management China. This provides our portfolio managers with additional, locally-based investment resources.

Shareholders should note that there are no changes to the Company's investment process nor to JPMorgan's Greater China team structure. Howard Wang continues working with JPMorgan's research analysts and providing investment advice to the named Investment Managers. He also remains in his role as Head of the JPMorgan Greater China team, with ongoing responsibilities for the JPMorgan Greater China Growth strategies with Rebecca Jiang and Li Tan supported by Simmy Qi.

Reporting under the Task Force on Climate Related Financial Disclosures

In accordance with the requirements of the Taskforce on Climate Related Financial Disclosures ('TCFD'), JPMorgan Asset Management will provide product level reports for the investment trusts it manages in late June 2023 and annually thereafter. The report for the Company will be made available on the Company's website.

Outlook and Strategy

The ongoing conflict between Russia and the Ukraine and its broader impact continues to overshadow global geopolitics, macroeconomics and stock markets. Since March, Chinese stock markets have been volatile, buffeted by fragile business and consumer confidence, global macroeconomic concerns and continuing fundamental disagreements between China and the US. China's economic outlook, however, is in sharp contrast to expectations for other major economies, with inflation in China remaining low, interest rates trending down, and the government forecasting 5% GDP growth in 2023. Our Investment Managers report that valuation signals are attractive compared with historical averages and suggest that a sustained recovery in Chinese equity prices is in prospect, with the main driver of future stock performance likely to be renewed earnings growth. Supported by a well-resourced research team in Hong Kong, Shanghai and Taiwan, our Investment Managers continue to find well managed companies to invest in that are consistent with the structural growth bias of the investment strategy. We remain confident that our investment strategy, combined with careful stock picking and supported by the depth of resources in our investment team, will enable us to deliver superior long-term total returns.

Alexandra Mackesey
Chairman

26th May 2023

Investment Managers' Report

Rebecca Jiang
Investment Manager

Howard Wang
Investment Advisor

Li Tan
Investment Manager

Introduction

During the six months to 31st March 2023, JCGI delivered a total return on net assets of 7.9% (in sterling terms), compared to the benchmark return of 7.3%. This positive performance follows a challenging time for the Company in the last financial year ended 30th September 2022. However, in our view, it is more meaningful to assess performance over longer timeframes. On this basis, the Company has made positive absolute returns and outperformed the benchmark over three, five and ten years. Over the ten years to end March 2023, it made an average annualised return of 9.8%, versus a benchmark return of 5.7% on the same basis.

Setting the scene

In the past six months, the Chinese government reversed course in several key policy areas. The most prominent change was its surprisingly sudden exit from its Covid-zero policy at the end of November 2022, when it removed all domestic travel restrictions and lockdown requirements. Although Covid swept rapidly through the population early in 2023, this has not derailed the rebound in economic activity. The recovery in service sector activities such as travel and dining out has been particularly notable.

The Chinese government also changed tack in its approach to the property market, becoming more supportive of the sector, although it has not abandoned its position that "properties are for living in, not for speculation". On the supply side, developers' access to onshore credit and equity markets has improved thanks to government guidance. On the demand side, mortgage rates are near a 20-year low, while local governments removed certain purchase restrictions in many Chinese cities. The sector still has legacy issues such as unfinished new housing projects, which we do not expect to dissipate quickly, but we are nonetheless pleased to see signs of a recovery in transaction volumes. For example, total residential property sales in Q1 2023 rose 4% on a year-on-year basis. The recovery in activity has been particularly strong in large cities such as Beijing and Shanghai. All this suggests a significant reduction in systemic risk within the sector, although we remain cautious about the long-term demand for housing in China.

As well as improved access to financing for property developers, there has been a more general easing in credit provision during the review period. China's Central Bank cut the reserve requirement ratio (RRR) for banks twice, by a total of 50 basis points during the six months to end March 2023, lowering it to a weighted average of 7.6% for financial institutions. As a result, the so-called 'credit impulse' (defined as new credit flowing to the economy, as a percentage of GDP) began to increase at the beginning of 2023. We expect monetary and fiscal policies to remain supportive for the rest of this year, while the deployment of additional stimulus measures will depend on the speed of the recovery.

There has also been a marked shift in government policies towards a more pro-growth, pro-business stance. The central government has given guidance intended to promote private enterprises and restore confidence after three years of stringent Covid restrictions and sudden, harsh regulatory crackdowns on certain sectors. For example, pressures on the internet services sector have eased. Regulators concluded cyber-security reviews of Didi, a provider of ride-hailing, e-bike and food delivery services, and two other internet platform companies, allowing them to resume new user registrations. After an eight-month hiatus, regulators recommenced the issuance of licences to gaming companies in mid-2022, and the monthly approvals of new titles and related content are now back at levels comparable to those seen before the August 2021 crackdown on on-line gaming. Within the public sector, new initiatives to encourage reform amongst state owned enterprises include targets for return on equity, operating margins and the use of leverage, which will, hopefully, improve performance and returns over time.

There was also positive news regarding US investors' capacity to invest in Chinese equities. American Depositary Receipts (ADRs) provide US investors with the means to purchase otherwise inaccessible foreign equities. They trade on US stock markets in the same manner as domestic shares. The market for Chinese ADRs has been subject to significant uncertainty for some time, due to China's reluctance to allow US regulators full access to the audit reports of Chinese listed companies. Investors in both China and the US therefore welcomed the news that China's financial regulators have agreed to grant US regulators the audit access. Following the successful conclusion of an initial round of audit inspections, it seems the risk that the US will de-list Chinese ADRs has fallen significantly.

The past six months have also been very eventful on the political front. At the Chinese Communist Party's 20th Congress, China's President Xi secured a third term in office and ensured the new Politburo Standing Committee consisted entirely of his supporters. However, we are pleased that all the top economic policymaking positions were allotted to well-regarded technocrats. The Congress highlighted several themes relevant to equity investors. Foremost amongst these was an increased emphasis on national security, which stretched beyond the traditional notion of territorial and sovereign security, to encompass the need for self-sufficiency in the form of reliable supply chains and the domestic technology advancement. As a result of this edict, we will be especially watchful for opportunities to invest in companies that benefit from increasing import substitution, and those businesses least susceptible to US bans on the export of key technology to China. The Congress also emphasised the importance of data collection and digitalisation. This theme was underscored by the establishment of a new National Bureau of Data, whose mandate includes strategic nationwide initiatives to encourage the development of the digital economy. We expect the government to step up support for related industries, including semiconductor production and enterprise digitalisation. A further important outcome from the Congress was a re-affirmation of the government's commitment to achieve carbon neutrality by 2060. Many of JCGI's holdings are already implementing strategies to ensure their operations are consistent with this and related targets and this will remain a key factor in our investment decisions going forward.

Performance commentary

During the six months to 31st March 2023, sector allocation contributed negatively by 3.9%. This was offset by the collective positive attribution from stock selection and gearing.

Information technology made the most positive attribution thanks to our holdings in Chinese software names such as **Beijing Kingsoft Office, Hundsun Technologies, Shanghai Baosight** and **Glodon**. The software sector and selected hardware companies were perceived as large language model (LLM) beneficiaries. **Hundsun Technologies'** outperformance can also be attributed to normalization of on-site software implementation to the financial industries after disruptions caused by the pandemic. Real estate also contributed positively thanks to strong execution by **China Resources Mixc Lifestyle** during the pandemic as well as **KE Holdings** thanks to low valuations, share buybacks and the improved outlook for property transactions.

The biggest detractors unfortunately came from our positions in the consumer discretionary sector. Our overweights in **JD** and **Meituan** hurt performance, as both were subject to increasing competition post reopening which delayed the track to higher profitability that we originally forecast. Our underweight position in **Alibaba** also hurt. Communication services detracted due to our structural underweight in **Tencent** (i.e. the benchmark's weighting is higher than our own investment limit) and not owning Chinese telecom companies which traded up on expectation of reforms within state owned enterprises (SOE) as well as increasing data center and cloud consumption driven by LLM adoption.

Sector allocation and transactions

We maintained overweights in areas with the most favourable secular growth prospects, notably information technology (IT) and healthcare, while maintaining underweights to financials and consumer discretionary. However, we did add some new names, and topped-up some existing positions, in response to recent U-turns in the government's policies on internet companies, Covid restrictions and the property sector.

Within IT, we continue to find plenty of opportunities to invest in companies with very favourable long-term growth prospects. We added to existing positions in **Montage**, a global leader in the production of specialist semiconductors, and **Hundsun Technologies**, a software company serving financial institutions in securities and asset management. These are now our two largest IT positions. In the hardware space, we purchased **BOE Technology**, a leading manufacturer of display panels. BOE's competitive landscape has improved, as several other players exited the market during the downturn. We funded this purchase by selling **Advanced Micro Fabrication** (**AMF**) and **Mediatek**. AMF is a semiconductor equipment maker which we sold due to concerns that it may be adversely impacted by US tech bans to its key clients. We exited **Mediateck**, a chipmaker for Android phones, on lower valuation signals and poor demand for Android phones. In the software sector, we sold cybersecurity

Investment Managers' Report

company **DBAPP Security**, due to concerns about its governance practices, and **ZWSOFT,** a computer aided design (CAD) software provider that has disappointed us in its execution. We also reduced our holding in **Beijing Kingsoft Office**, a producer of office software, after a rally in its share price. We continue to like the company as it is widely perceived as a beneficiary of LLM such as Open AI, as better AI functions embedded in Kingsoft Office products can potentially increase future customer paying ratios.

In the ecommerce space, we maintained significant positions in **Tencent** and **Netease**, but reduced our exposure to **Meituan** and **JD**, due to concerns that heightened competition and increasing promotions may slow progress towards higher margins. We took some profits on our holding in e-commerce platform **PDD** (formerly known as Pinduoduo) on valuation grounds, as the stock outperformed in 2022. During the review period, we rebuilt a position in **Alibaba**. This company is restructuring itself into six business units which, if floated separately, may be value accretive for shareholders. However, we remain underweight this stock due to our conservative view on Alibaba's ability to regain growth momentum in its core ecommerce space as it has been losing market share in ecommerce in the format of livestreaming and competitors like PDD.

In healthcare, we maintained largest positions in **Wuxi Biologics** and **Shenzhen Mindray**. We initiated a new position in **Imeik Technology**, a manufacturer of aesthetics cosmetic fillers and botox products. We also added to our existing position in **Angelalign Technology**, a manufacturer of transparent dental alignment products. We expect both these companies to benefit from the recovery in discretionary spending on healthcare services. In addition, we foresee scope for both businesses to expand their product offering, which will help them gain market share over the long term. On the other hand, we streamlined our holdings in some healthcare names, exiting or reducing positions where our level of conviction has decreased. This includes medical device makers **Broncus Holding, Kangji Medical Holdings** and **Venus Medtech Hangzhou**. We also took profit on **Beigene**, a cancer drug developer, after its share price rose following China's re-opening.

In the broad universe of consumption-related companies, although we are underweight consumer discretionary as a sector, **Trip.com**, China's largest online travel agency (OTA), remains one of the Company's largest holdings. We also initiated two new positions in Chinese liquor companies, **Wuliangye** and **Luzhou Laojiao**. Both these businesses are positioned at the premium end of the market and have incentive systems in place to encourage management to drive their businesses forward in innovative ways. Another new position is **Jiumaoujiu International**, a casual dining chain running three Chinese brands. This company demonstrated great operational resilience during the pandemic and is well-positioned to benefit now that restaurants have re-opened. We expect its multi-brand strategy to drive mid- to long-term growth.

China's reopening also prompted us to add to several existing service sector positions, including **H World**, the country's largest mid-priced hotel chain. This company implemented cost savings during the pandemic and is now experiencing a strong recovery in occupancy rates and revenues which should boost bottom line growth. We also built a position in **Focus Media**, an advertising agency specialising in lift spaces, as we expect the rebound in activity to translate into larger marketing budgets later this year. Like H World, Focus Media also underwent rigorous cost cutting during Covid. However, we exited **Chongqing Brewery** and **Proya Cosmetics** as both outperformed in 2022 and we expect future returns to weaken. In the case of Chongqing Brewery, there is also the risk of higher input price pressures this year.

The portfolio is modestly overweight real estate, and we maintained our key holding in **China Resources Mixc**, and built a new position in **KE Holdings**. This acquisition was motivated by our expectation that KE Holdings will benefit from the recovery in property transactions, especially in the secondary market. It is also likely to gain market share, as several smaller competitors did not survive the property downturn. The company boasts a strong balance sheet, good capital allocation and a lean cost structure.

Finally, we continue to like electric vehicles (EVs) and renewables, but we made some changes to our holdings in these sectors. We sold **Contemporary Amperex Technology (CATL)**, a producer of batteries for EVs and other uses. EV manufacturers are cutting their prices aggressively and we were concerned that this will adversely impact CATL's returns as auto manufacturers seek to reduce the cost of their inputs to help compensate for lower vehicle prices. We also disposed of **Xpeng**, an EV car manufacturer, as our conviction in this company diminished. These sales were used to fund the acquisition of **Ningbo Tuopu**, an auto component maker seeing strong demand from Tesla. In the renewable energy space, we have large holdings in **Suzhou Maxwell** and **Zhejiang Jingsheng**. Both these companies are solar equipment makers with high technical barriers to entry. We expect both to benefit from ongoing technological improvements and greater production capacity.

Performance attribution

For the six months ended 31st March 2023

	%	%
Contributions to total returns		
Benchmark Return		**7.3**
Sector allocation	–3.9	
Stock allocation	1.9	
Currency effect	1.3	
Gearing/Cash	2.2	
Investment manager contribution		**1.5**
Dividends/residual	–0.4	
Portfolio return		**8.4**
Management fee/other expenses	–0.5	
Return on net assets[A]		**7.9**
Impact of change in discount		**1.8**
Return to shareholders[A]		**9.7**

Source: FactSet, JPMAM and Morningstar.

All figures are on a total return basis.

Performance attribution analyses how the Company achieved its recorded performance relative to its benchmark index.

[A] Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 29 to 31.

Outlook

The global economy is facing ongoing challenges - record inflation, high, and possibly still rising, interest rates, and a resultant slowdown in growth, which may drift into recession in some countries. This is in sharp contrast to China's economic outlook, where inflation measured by CPI is 1.3% for 1Q 2023, the five year loan primary rate is down 4.3% from 4.6% a year ago, and the government is targeting GDP growth of around 5% during 2023. This is considered conservative by some market observers, but in our view, it is a reasonable goal given the headwinds faced by developed economies and the impact this will have on demand for Chinese exports. We expect consumption to be the main driver of Chinese GDP growth. Service sector activity is already rebounding strongly and certain industry data, such as trips made by high-speed rail, have surpassed their pre-pandemic levels.

However, the recovery in demand for big-ticket household items and cars is likely to be more gradual, as the property market remains lukewarm, the labour market is still slack and the demand for vehicles was front-loaded into 2022 thanks to government subsidies. The contribution from investment is also likely to be modest, as it is coming off a high base following last year's surge in public infrastructure investment, which was intended to support growth. In addition, new home starts will be slow to increase as developers are still repairing their balance sheets. The official GDP growth target may also assume a decline in net exports, as growth slows in many developed markets, but the severity and duration of this adverse influence is difficult to forecast.

Investment Managers' Report

On the global stage, fundamental disagreements between China and the US persist and there seems little prospect of near-term reproachment. For instance, the US continues its efforts to limit China's access to cutting-edge technologies. However, it is extremely difficult for the world's two largest economies to decouple, and it is in neither's economic interests to do so. This mutual self-interest should serve to encourage ongoing dialogue and co-operation in some spheres. Since the country exited its zero-Covid policy, government and business leaders have been keen to rebuild international relationships, which, if successful, should help the economy regain momentum.

In this persistently uncertain climate, it may take time for business and consumer confidence to recover from the past three, very difficult years, but the recent, much more pro-growth, pro-business tone of government policy announcements should lay the base for a multi-year recovery.

We remain equally optimistic about the longer-term prospects for Chinese equities. Despite the market rally triggered by China's re-opening, valuation signals remain attractive compared to historical averages. Our proprietary, five-year expected return model, as well as familiar measures such as price-to-book (P/B) and Price Earnings (P/E) ratios, remain near long-term lows, suggesting a sustained recovery in Chinese equity prices is in prospect. The main driver of future stock performance is likely to be renewed earnings growth. While some industries operating at the cutting-edge of technology will remain susceptible to geopolitical risks, elsewhere we see ample opportunities to invest in companies benefiting from structural trends such as the growth in China's middle class, import substitution, digitalisation and the transition to carbon neutrality.

All this, combined with the size of the Chinese economy, suggests to us that Chinese equities demand a meaningful allocation within any fully diversified global portfolio. Historically low valuations suggest now may be a particularly good time to invest. For those who agree, JCGI offers an appealing, low-cost means of accessing this vibrant market. The Company's positive long track record illustrates the advantages of being on the ground in China and the effectiveness of our bottom-up investment process. We are confident that our focus on attractively priced, quality companies, that offer sustainable long-term growth, will continue to deliver superior capital gains and reliable and rising income to investors willing to look beyond near-term uncertainties.

We thank you for your ongoing support.

Rebecca Jiang
Howard Wang
Li Tan
Investment Team

26th May 2023

List of Investments

List of Investments

As at 31st March 2023

Company	Sector	31st March 2023 Valuation £'000	31st March 2023 Valuation %[1]	30th September 2022 Valuation £'000	30th September 2022 Valuation %[1]
Tencent[2]	Communication Services	36,890	10.6	28,091	8.4
Alibaba[2]	Consumer Discretionary	17,181	4.9	—	—
Meituan[2]	Consumer Discretionary	16,458	4.7	20,417	6.1
NetEase[2]	Communication Services	12,165	3.5	8,921	2.7
JD.com[2]	Consumer Discretionary	8,573	2.5	11,940	3.6
PDD[3,4]	Consumer Discretionary	8,531	2.4	13,325	4.0
KE Holdings[3,4]	Real Estate	8,390	2.4	—	—
Wuxi Biologics (Cayman)[2]	Health Care	8,008	2.3	8,281	2.5
Kanzhun[3,4]	Communication Services	7,882	2.3	5,934	1.8
Shanghai Baosight Software[5,6]	Information Technology	7,059	2.1	7,485	2.3
Ten Largest Investments*		**131,137**	**37.7**		
Trip.com Group[2,3,4]	Consumer Discretionary	6,919	2.0	4,829	1.4
Hundsun Technologies[5]	Information Technology	6,364	1.8	3,588	1.1
Montage Technology[5]	Information Technology	5,996	1.7	3,158	0.9
ZTO Express Cayman[2,3,4]	Industrials	5,982	1.7	3,707	1.1
Beijing Kingsoft Office Software[5]	Information Technology	5,909	1.7	6,241	1.8
Shenzhen Mindray Bio-Medical Electronics[5]	Health Care	5,868	1.7	4,940	1.5
ENN Energy[2]	Utilities	5,576	1.6	6,055	1.8
BOE Technology[5]	Information Technology	5,473	1.6	—	—
China Merchants Bank[2]	Financials	5,296	1.5	7,766	2.4
China Resources Mixc Lifestyle Services[2]	Real Estate	5,213	1.5	4,528	1.4
Wuliangye Yibin[5]	Consumer Staples	5,034	1.4	2,042	0.6
Focus Media Information Technology[5]	Communication Services	5,008	1.4	—	—
Angelalign Technology[2]	Health Care	4,999	1.4	1,511	0.5
Zhejiang Jingsheng Mechanical & Electrical[5]	Information Technology	4,697	1.3	—	—
Haier Smart Home[2]	Consumer Discretionary	4,672	1.3	3,348	1.0
Xinyi Solar[2]	Information Technology	4,244	1.2	3,289	1.0
H World[2]	Consumer Discretionary	4,158	1.2	3,617	1.1
Kingdee International Software[2]	Information Technology	4,154	1.2	4,327	1.3
Zhejiang Supcon Technology[5,6]	Information Technology	3,970	1.1	5,370	1.6
Jiangsu Hengli Hydraulic[5]	Industrials	3,963	1.1	3,434	1.0
Foshan Haitian Flavouring & Food[5]	Consumer Staples	3,934	1.1	3,922	1.2
Ningbo Tuopu[5]	Consumer Discretionary	3,881	1.1	—	—
Aier Eye Hospital[5]	Health Care	3,728	1.1	3,691	1.1
Amoy Diagnostics[5,6]	Health Care	3,680	1.1	2,907	0.6
OPT Machine Vision[5,6]	Information Technology	3,665	1.1	3,288	0.9
Suzhou Maxwell Technologies[5]	Industrials	3,633	1.0	6,976	2.1
Silergy[7]	Information Technology	3,605	1.0	3,088	0.9
Glodon[5]	Information Technology	3,491	1.0	2,301	0.7
China Yangtze Power[5]	Utilities	3,408	1.0	3,920	1.2
Imeik Technology Development[5]	Health Care	3,393	1.0	—	—
Zhuzhou CRRC Times Electric[2]	Industrials	3,354	1.0	2,940	0.9
Sichuan Swellfun[5]	Consumer Staples	3,244	0.9	—	—
Fuyao Glass Industry[2]	Consumer Discretionary	3,224	0.9	3,315	1.0
Asymchem Laboratories Tianjin[2,5]	Health Care	3,170	0.9	3,244	1.0
Anjoy Foods[5]	Consumer Staples	3,137	0.9	3,627	1.1
Zhejiang Dingli Machinery[5]	Industrials	3,107	0.9	1,638	0.5
Shenzhou International[2]	Consumer Discretionary	2,993	0.9	3,142	0.9

List of Investments

List of Investments (continued)

As at 31st March 2023

Company	Sector	31st March 2023 Valuation £'000	%[1]	30th September 2022 Valuation £'000	%[1]
Beijing Huafeng Test & Control Technology[5]	Information Technology	2,950	0.8	2,937	0.9
Sunny Optical Technology[2]	Information Technology	2,633	0.8	2,307	0.7
Qingdao Haier Biomedical[5,6]	Health Care	2,608	0.7	2,621	0.8
Hefei Meiya Optoelectronic Technology[5]	Industrials	2,557	0.7	1,944	0.6
StarPower Semiconductor[5]	Information Technology	2,540	0.7	3,957	1.2
Full Truck Alliance[3]	Industrials	2,503	0.7	2,596	0.8
Jiumaojiu International[2]	Consumer Discretionary	2,431	0.7	—	—
Country Garden Services[2]	Real Estate	2,365	0.7	2,747	0.8
JD Health International[2]	Consumer Discretionary	2,360	0.7	—	—
Oppein Home[5]	Consumer Discretionary	2,318	0.7	2,341	0.7
Bestechnic[5,6]	Information Technology	2,288	0.7	1,619	0.5
Maxscend Microelectronics[5]	Information Technology	2,273	0.7	1,738	0.5
Hangzhou Tigermed Consulting[5]	Health Care	2,219	0.6	2,269	0.7
Luzhou Laojiao[5]	Consumer Staples	2,159	0.6	—	—
Changzhou Xingyu Automotive Lighting Systems[5]	Consumer Discretionary	2,061	0.6	4,054	1.2
LONGi Green Energy Technology[5]	Information Technology	2,052	0.6	2,546	0.8
China Longyuan Power[2]	Utilities	2,026	0.6	3,255	1.0
Shenzhen Inovance Technology[5]	Industrials	1,988	0.6	5,729	1.7
Guangzhou Kingmed Diagnostics[5]	Health Care	1,941	0.6	1,736	0.5
Acrobiosystems[5,6]	Health Care	1,939	0.6	2,401	0.7
Hong Kong Exchanges & Clearing[8]	Financials	1,826	0.5	2,152	0.6
Yunnan Energy New Material[5]	Materials	1,615	0.5	4,037	1.2
Bank of Ningbo[5]	Financials	1,373	0.4	2,684	0.8
Venus MedTech Hangzhou[2]	Health Care	987	0.3	1,419	0.4
Shanghai Liangxin Electrical[5]	Industrials	964	0.3	—	—
Kangji Medical[2]	Health Care	880	0.3	2,018	0.6
Onewo[2]	Real Estate	794	0.2	1,964	0.6
Broncus[2]	Health Care	432	0.1	751	0.2
Total Investments		**348,361**	**100.0**	**285,965**	**85.5**

[1] Based on total investments of £348.4m (30th September 2022: £333.2m).
[2] China HK listed
[3] China US listed
[4] Includes American Depository Receipts (ADRs)
[5] China A Shares listed
[6] Includes investments in Participatory Notes.
[7] Taiwan
[8] Hong Kong

* At 30th September 2022, the value of the ten largest investments amounted to £119.4 million representing 35.9% of total investments.

A glossary of terms and alternative performance measures is provided on pages 29 to 31.

Portfolio Analysis

Geographical Analysis

	31st March 2023		30th September 2022	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
China HK listed	49.6	75.5	45.4	73.0
China A Shares	39.7	16.0	44.0	17.3
China US listed	9.2	8.2	8.2	9.4
China B Shares	—	0.3	—	0.3
China Total	**98.5**	**100.0**	**97.6**	**100.0**
Taiwan	1.0	—	0.9	—
Hong Kong	0.5	—	1.5	—
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £348.4m (2022: £333.2m).

Sector Analysis

	31st March 2023		30th September 2022	
	Portfolio %[1]	Benchmark %	Portfolio %[1]	Benchmark %
Consumer Discretionary	24.6	29.5	23.3	30.7
Information Technology	20.2	6.1	19.1	5.3
Communication Services	17.8	20.4	13.6	17.5
Health Care	12.7	5.7	12.2	5.7
Industrials	8.8	5.4	13.1	5.8
Consumer Staples	5.0	5.5	6.3	6.3
Real Estate	4.8	3.3	2.8	3.9
Utilities	3.2	2.4	4.0	2.7
Financials	2.4	15.3	4.4	15.7
Materials	0.5	3.6	1.2	3.7
Energy	—	2.8	—	2.7
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £348.4m (2022: £333.2m).

Condensed Statement of Comprehensive Income

	(Unaudited) Six months ended 31st March 2023			(Unaudited) Six months ended 31st March 2022			(Audited) Year ended 30th September 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	—	20,148	20,148	—	(139,922)	(139,922)	—	(158,974)	(158,974)
Net foreign currency gains/(losses)	—	4,542	4,542	—	(1,335)	(1,335)	—	(10,027)	(10,027)
Income from investments	270	—	270	283	—	283	3,693	—	3,693
Interest receivable and similar income[1]	290	—	290	225	—	225	493	—	493
Gross return/(loss)	**560**	**24,690**	**25,250**	**508**	**(141,257)**	**(140,749)**	**4,186**	**(169,001)**	**(164,815)**
Management fee	(329)	(988)	(1,317)	(483)	(1,450)	(1,933)	(850)	(2,549)	(3,399)
Other administrative expenses	(280)	—	(280)	(320)	—	(320)	(605)	—	(605)
Net return/(loss) before finance costs and taxation	**(49)**	**23,702**	**23,653**	**(295)**	**(142,707)**	**(143,002)**	**2,731**	**(171,550)**	**(168,819)**
Finance costs	(363)	(1,088)	(1,451)	(89)	(268)	(357)	(281)	(845)	(1,126)
Net return/(loss) before taxation	**(412)**	**22,614**	**22,202**	**(384)**	**(142,975)**	**(143,359)**	**2,450**	**(172,395)**	**(169,945)**
Taxation	(8)	—	(8)	—	—	—	(199)	—	(199)
Net return/(loss) after taxation	**(420)**	**22,614**	**22,194**	**(384)**	**(142,975)**	**(143,359)**	**2,251**	**(172,395)**	**(170,144)**
Return/(loss) per share (note 3)	**(0.50)p**	**27.18p**	**26.68p**	**(0.46)p**	**(171.84)p**	**(172.30)p**	**2.71p**	**(207.20)p**	**(204.49)p**

[1] Includes income from securities lending.

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

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.

The net return/(loss) after taxation represents the return/(loss) for the period and also the total comprehensive income.

Condensed Statement of Changes in Equity

	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
Six months ended 31st March 2023 (Unaudited)								
At 30th September 2022	**20,803**	**80,951**	**3**	**581**	**37,392**	**144,556**	**—**	**284,286**
Net return/(loss)	—	—	—	—	—	22,614	(420)	22,194
Dividend paid in the period (note 4)	—	—	—	—	—	(5,692)	—	(5,692)
At 31st March 2023	**20,803**	**80,951**	**3**	**581**	**37,392**	**161,478**	**(420)**	**300,788**
Six months ended 31st March 2022 (Unaudited)								
At 30th September 2021	**20,803**	**80,951**	**3**	**581**	**37,392**	**333,672**	**—**	**473,402**
Net loss	—	—	—	—	—	(142,975)	(384)	(143,359)
Dividends paid in the period (note 4)	—	—	—	—	(9,486)[3]	—	—	(9,486)
At 31st March 2022[3]	**20,803**	**80,951**	**3**	**581**	**27,906**	**190,697**	**(384)**	**320,557**
Year ended 30th September 2022 (Audited)								
At 30th September 2021	**20,803**	**80,951**	**3**	**581**	**37,392**	**333,672**	**—**	**473,402**
Net (loss)/return	—	—	—	—	—	(172,395)	2,251	(170,144)
Dividend paid in the year (note 4)	—	—	—	—	—	(16,721)[3]	(2,251)	(18,972)
At 30th September 2022	**20,803**	**80,951**	**3**	**581**	**37,392**	**144,556**	**—**	**284,286**

[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 distribution to investors.

[3] For the six months ended 31st March 2022, the dividend paid of £9,486,000 was initially recognised in other reserve and subsequently reallocated to capital reserves for the year ended 30th September 2022. The other reserve and capital reserves as at 31st March 2022 have not been adjusted for this reallocation. As at 30th September 2022, all the dividends paid in the year were allocated to capital reserves.

Condensed Statement of Financial Position

	(Unaudited) At 31st March 2023 £'000	(Unaudited) At 31st March 2022 £'000	(Audited) At 30th September 2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	**348,361**	**377,680**	**333,206**
Current assets			
Debtors	954	888	1,997
Cash and cash equivalents	7,798	1,895	10,950
	8,752	2,783	12,947
Current liabilities			
Creditors: amounts falling due within one year[1]	(56,325)	(248)	(61,867)
Net current (liabilities)/assets	**(47,573)**	**2,535**	**(48,920)**
Total assets less current liabilities	**300,788**	**380,215**	**284,286**
Creditors: amounts falling due after more than one year[1]	—	(59,658)	—
Net assets	**300,788**	**320,557**	**284,286**
Capital and reserves			
Called up share capital	20,803	20,803	20,803
Share premium	80,951	80,951	80,951
Exercised warrant reserve	3	3	3
Capital redemption reserve	581	581	581
Other reserve	37,392	27,906[2]	37,392
Capital reserves	161,478	190,697[2]	144,556
Revenue reserve	(420)	(384)	—
Total shareholders' funds	**300,788**	**320,557**	**284,286**
Net asset value per share (note 5)	**361.5p**	**385.3p**	**341.7p**

[1] As at 31st March 2023, £52.6m (31st March 2022: £59.7m; 30th September 2022: £57.5m) was drawn down from the loan facility.

[2] For the six months ended 31st March 2022, the dividend paid of £9,486,000 was initially recognised in other reserve and subsequently reallocated to capital reserves for the year ended 30th September 2022. The other reserve and capital reserves as at 31st March 2022 have not been adjusted for this reallocation. As at 30th September 2022, all the dividends paid in the year were allocated to capital reserves.

Company registration number: 02853893

Condensed Statement of Cash Flows

	(Unaudited) Six months ended 31st March 2023 £'000	(Unaudited) Six months ended 31st March 2022[1] £'000	(Audited) Year ended 30th September 2022[1] £'000
Cash flows from operating activities			
Net return/(loss) before finance costs and taxation	23,653	(143,002)	(168,819)
Adjustment for:			
Net (gains)/losses on investments held at fair value through profit or loss	(20,148)	139,922	158,974
Net foreign currency (gains)/losses	(4,542)	1,335	10,027
Dividend income	(270)	(283)	(3,693)
Interest income	(117)	(1)	(59)
Realised gains on foreign exchange transactions	(809)	(496)	(776)
Realised exchange (gains)/losses on the Liquidity Fund	(310)	51	1,089
Increase in accrued income and other debtors	(12)	(27)	(17)
(Decrease)/increase in accrued expenses	(24)	(78)	6
Net cash used in operating activities	**(2,579)**	**(2,579)**	**(3,268)**
Dividends received	310	237	3,412
Interest received	117	1	59
Net cash (outflow)/inflow from operating activities	**(2,152)**	**(2,341)**	**203**
Purchases of investments and derivatives	(122,398)	(156,164)	(233,601)
Sales of investments and derivatives	127,557	159,858	265,482
Settlement of foreign currency contracts	—	(147)	(129)
Net cash inflow from investing activities	**5,159**	**3,547**	**31,752**
Equity dividends paid	(5,692)	(9,486)	(18,972)
Repayment of loan	(4,317)	—	(12,470)
Drawdown of loan	4,723	9,995	9,995
Utilisation of bank overdraft	—	(124)	(124)
Interest paid	(1,187)	(327)	(920)
Net cash (outflow)/inflow from financing activities	**(6,473)**	**58**	**(22,491)**
(Decrease)/increase in cash and cash equivalents	**(3,466)**	**1,264**	**9,464**
Cash and cash equivalents at start of period/year	10,950	36	36
Unrealised gains on foreign currency cash and cash equivalents	314	595	1,450
Cash and cash equivalents at end of period/year	**7,798**	**1,895**	**10,950**
Cash and cash equivalents consist of:			
Cash and short term deposits	272	1,516	2,865
Cash held in JPMorgan US Dollar Liquidity Fund	7,526	379	8,085
Total	**7,798**	**1,895**	**10,950**

[1] The presentation of the Cash Flow Statement, as permitted under FRS 102, has been changed so as to present the reconciliation of 'net return/(loss) before finance costs and taxation' to 'net cash used in operating activities' on the face of the Cash Flow Statement. Previously, this was shown by way of note. Other than consequential changes in presentation of the certain cash flow items, there is no change to the cash flows as presented in previous periods.

Condensed Statement of Cash Flows

Reconciliation of net debt

	As at 30th September 2022 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31st March 2023 £'000
Cash and cash equivalents				
Cash	2,865	(3,290)	697	272
Cash equivalents	8,085	(176)	(383)	7,526
	10,950	(3,466)	314	7,798
Borrowings				
Bank loan	(57,511)	(406)	5,347	(52,570)
	(57,511)	(406)	5,347	(52,570)
Net debt	**(46,561)**	**(3,872)**	**5,661**	**(44,772)**

Notes to the Condensed Financial Statements

For the six months ended 31st March 2023

1. Financial statements

The information contained within the condensed financial statements in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30th September 2022 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The financial statements are prepared 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.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015, has been applied in preparing this condensed set of financial statements for the six months ended 31st March 2023.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 30th September 2022.

3. Return/(loss) per share

	(Unaudited) Six months ended 31st March 2023 £'000	(Unaudited) Six months ended 31st March 2022 £'000	(Audited) Year ended 30th September 2022 £'000
Return/(loss) per share is based on the following:			
Revenue (loss)/return	(420)	(384)	2,251
Capital return/(loss)	22,614	(142,975)	(172,395)
Total return/(loss)	**22,194**	**(143,359)**	**(170,144)**
Weighted average number of shares in issue during the period/year	83,202,465	83,202,465	83,202,465
Revenue (loss)/return per share	(0.50)p	(0.46)p	2.71p
Capital return/(loss) per share	27.18p	(171.84)p	(207.20)p
Total return/(loss) per share	**26.68p**	**(172.30)p**	**(204.49)p**

4. Dividends paid

	(Unaudited) Six months ended 31st March 2023 £'000	(Unaudited) Six months ended 31st March 2022 £'000	(Audited) Year ended 30th September 2022 £'000
2023 first quarterly interim dividend of 3.42p (2022: 5.7p)	2,846	4,743	4,743
2023 second quarterly interim dividend of 3.42p (2022: 5.7p)	2,846	4,743	4,743
2022 third quarterly interim dividend of 5.7p	—	—	4,743
2022 fourth quarterly interim dividend of 5.7p	—	—	4,743
Total dividends paid	**5,692**	**9,486**	**18,972**

A third quarterly dividend of 3.42p has been declared for payment on 1st June 2023 for the financial year ending 30th September 2023.

Dividend payments in excess of the revenue amount will be paid out of the Company's distributable reserves.

Notes to the Condensed Financial Statements

5. Net asset value per share

	(Unaudited) Six months ended 31st March 2023	(Unaudited) Six months ended 31st March 2022	(Audited) Year ended 30th September 2022
Net assets (£'000)	300,788	320,557	284,286
Number of shares in issue	83,202,465	83,202,465	83,202,465
Net asset value per share	**361.5p**	**385.3p**	**341.7p**

6. Fair valuation of investments

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

	(Unaudited) Six months ended 31st March 2023		(Unaudited) Six months ended 31st March 2022		(Audited) Year ended 30th September 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	332,785	—	350,709	—	308,625	—
Level 2	15,576[1]	—	26,971[2]	—	24,581[3]	—
Total	**348,361**	**—**	**377,680**	**—**	**333,206**	**—**

[1] Participatory notes. 31st March 2023: (Acrobiosystems, Amoy Diagnostics, Bestechnic, OPT Machine Vision, Qingdao Haier Biomedical, Shanghai Baosight Software, Zhejiang Supcon Technology).

[2] Participatory notes. 31st March 2022: (Acrobiosystems, Amoy Diagnostics, BOE Technology, Leader Harmon, OPT Machine Vision, Qingdao Haier Biomedical, Shanghai Baosight Software, StarPower Semiconductor, Zhejiang Supcon Technology, ZWSOFT).

[3] Participatory notes. 30th September 2022: (StarPower Semiconductor, DBAPP Security, OPT Machine Vision, Shanghai Baosight Software, Qingdao Haier Biomedical, ZWSOFT, Acrobiosystems, Bestechnic, Amoy Diagnostics, Zhejiang Supcon Technology).

Interim Management Report

The Company is required to make the following disclosures in its half year report:

Principal and Emerging Risks and Uncertainties

Supported by a detailed risk matrix, the Board has identified the principal risks and uncertainties which face the Company. These risks fall into the following broad categories: geopolitical; investment underperformance; strategy and business management; loss of Investment Team or Investment Manager; share price discount; corporate governance; shareholder relations; financial; cybercrime; fraud/other operating failures or weaknesses; legal and regulatory; global pandemics; and climate change. While these categories have not changed from those reported in the Strategic Report within the Annual Report and Financial Statements for the year ended 30th September 2022, the Board considers that some uncertainties within these categories have increased in risk since the year end and are monitoring them carefully. These include the continuing conflict between Russia and the Ukraine, heightened tensions between the US and China, the introduction of trade-related sanctions by both the US and China, and fragile consumer demand in China. Last year, the Board identified social unrest within China as an Emerging Risk. Subsequent to the year end, the Board also identified Artificial Intelligence as an Emerging Risk.

Related Parties Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least 12 months from the date of the approval of this half yearly financial report. In reaching that view, the Directors have considered the impact of the ongoing Russia-Ukraine conflict and the increase in US-China tensions on the Company's financial, operational position and market conditions. For these reasons, they consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

(i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st March 2023, as required by the UK Listing Authority Disclosure and Transparency Rule ('DTR') 4.2.4R; and

(ii) the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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.

For and on behalf of the Board

Alexandra Mackesy
Chairman 26th May 2023

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

Return to Shareholders (APM)

Total return to 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	Six months ended 31st March 2023	
Opening share price (p)	5	302.0	(a)
Closing share price (p)	5	324.5	(b)
Total dividend adjustment factor[1]		1.020772	(c)
Adjusted closing share price (d = b x c)		331.2	(d)
Total return to shareholder (e = d / a – 1)		**9.7%**	**(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	Six months ended 31st March 2023	
Opening cum-income NAV per share (p)	5	341.7	(a)
Closing cum-income NAV per share (p)	5	361.5	(b)
Total dividend adjustment factor[1]		1.019497	(c)
Adjusted closing cum-income NAV per share (d = b x c)		368.5	(d)
Total return on net assets (e = d / a – 1)		**7.9%**	(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.

Net asset value per share (APM)

The value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 5 on page 25 for detailed calculations.

Benchmark total 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 (the MSCI China Index) 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 index and consequently, there may be some divergence between the Company's performance and that of the benchmark.

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	31st March 2023 £'000	30th September 2022 £'000	
Investments held at fair value through profit or loss	21	348,361	333,206	(a)
Net assets	21	300,788	284,286	(b)
Gearing (c = (a / b) – 1)		**15.8%**	**17.2%**	(c)

Ongoing Charges Ratio (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.

The figure as at 31st March 2023 is an estimated annualised figure based on the actual figures for the six months ended 31st March 2023.

Ongoing charges ratio calculation	Page	31st March 2023 £'000	30th September 2022 £'000	
Management Fee	19	2,634	3,399	
Other administrative expenses	19	560	605	
Total management fee and other administrative expenses		3,194	4,004	(a)
Average daily cum-income net assets		302,179	366,964	(b)
Ongoing charges (c = a / b)		**1.06%**	**1.09%**	(c)

Share Price Discount/(Premium) to 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 5).

Performance attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark.

Performance Attribution Definitions:

Stock and sector 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 effect

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.

Glossary of Terms and Alternative Performance Measures ('APMS')

Management fee/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.

Share Issuance

Measures the enhancement to net asset value per share of issuing shares in the Company at a price which is greater than the Company's net asset value per share.

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, and currently, only Mainland Chinese Investors and selected Foreign Institutional Investors are allowed to trade A-Shares.

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).

China B-Shares

Companies incorporated in mainland China and traded on the mainland B-Share markets. The prices of B-Shares are quoted in US dollars and are available to both Mainland Chinese Investors and Foreign Institutional Investors.

Hong Kong H-Shares

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

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.

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 are allowed to invest directly in the restricted market.

Where to Buy J.P. Morgan Investment Trusts

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 You Invest
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 are third party providers and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each provider's privacy and cookie policies as well as their platform charges structure.

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms 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 https://www.theaic.co.uk/how-to-vote-your-shares for information on which platforms support these services and how to utilise them.

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 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

Information about the Company

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**

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)
David Graham (Audit Committee Chairman)
Aditya Sehgal
May Tan
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.

aic
The Association of Investment Companies

A member of the AIC

Manager and Company Secretary

JPMorgan Funds Limited
Company's Registered Office
60 Victoria Embankment
London EC4Y 0JP
Telephone number: 020 7742 4000

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.

Registrars

Equiniti Limited
Reference 1078
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: 0371 384 2317

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrar quoting reference 1078.

Registered shareholders can obtain further details on their holdings on the internet by visiting www.shareview.co.uk.

Independent Auditor

BDO LLP
Statutory Auditor
55 Baker Street
London W1U 7EU

Brokers

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA
Telephone number: 020 310 0000

CONTACT

60 Victoria Embankment
London
EC4Y 0JP
Tel +44 (0) 20 7742 4000
Website www.jpmchinagrowthandincome.co.uk

GB I104 | 05/23

J.P.Morgan
ASSET MANAGEMENT