JPMorgan China Growth & Income plc

Annual Report & Financial Statements
for the year ended 30th September 2023

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 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.

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 2023, 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

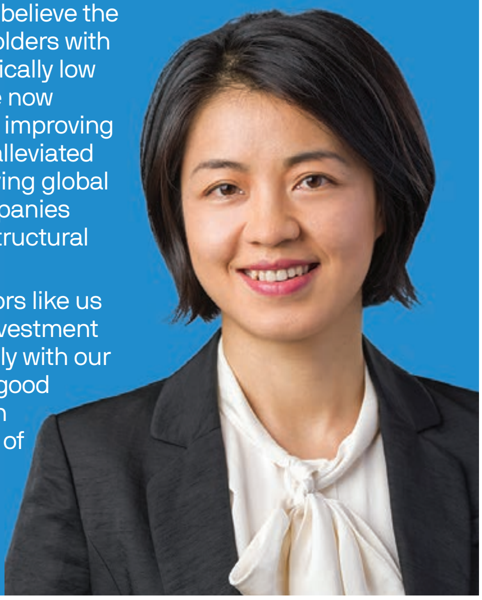
General enquiries about the Company should be directed to the Company Secretary at invtrusts.cosec@jpmorgan.com.

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

"The pace of recovery post -COVID may have disappointed many, but we believe the Company should present good investment opportunities to our shareholders with its long-term investment approach. The asset class is valued at a historically low level. Government policies designed to rejuvenate economic growth are now beginning to have an impact and economic data points are showing an improving trend. Geopolitical tension between China and the US appears to have alleviated following high-level discussions, motivated by common interests in solving global challenges. Faced with cyclical economic headwinds, our portfolio companies remained nimble, improved capital allocation and, given the trends in structural growth, they are still competitive in a global context.

We believe the current low valuation is a good time for long-term investors like us to hunt for good returns. With the addition of more than 30 seasoned investment professionals all based in Shanghai from our acquired JV working closely with our existing 24 dedicated Chinese investors, we look forward to generating good returns for our shareholders in the coming year and beyond, to maintain the Company's long track record of outright gains and outperformance of the market."

Rebecca Jiang, Portfolio Manager
JPMorgan China Growth & Income plc



Our heritage and our team

JPMorgan China Growth & Income pls was launched in October 1993 and has a long-term 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 17 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. Investing sustainably has always been an integral part of the Manager's fundamental research and investment approach, well before environmental, social and governance ('ESG') factors became mainstream. 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.

1,500+
Greater China company meetings conducted per annum

58
Investment professionals in Hong Kong, Shanghai and Taipei[1]

17 years
The Greater China team has an average of 17 years industry experience

67.4%
Active share — a measure of active management[2]

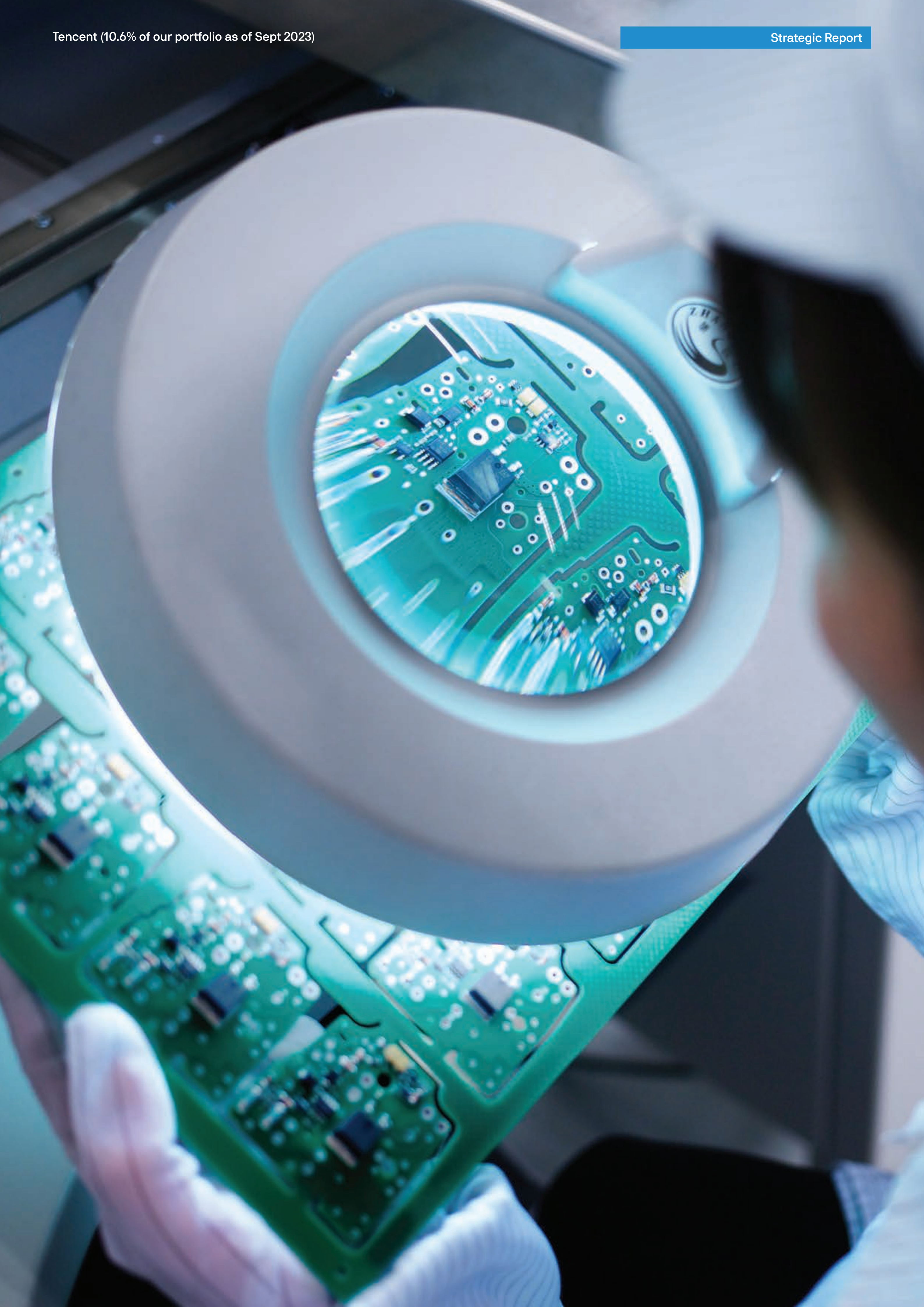
[1] 24 investment professionals in the Greater China team and 34 investment professionals from JPMorgan Asset Management (China) Limited.

[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

	2023	2022	3 years Cumulative	5 years Cumulative	10 years Cumulative
Return to shareholders[1,A]	–15.3%	–38.5%	–49.5%	+10.2%	+105.3%
Return on net assets[2,A]	–15.8%	–36.7%	–44.5%	+6.8%	+97.5%
Benchmark return[3]	–3.7%	–22.0%	–33.3%	–13.6%	+60.1%
Net asset return performance compared to benchmark return[3,A]	–12.1%	–14.8%	–11.2%	+20.4%	+37.4%
Annual dividend[4]	13.7p	22.8p			

[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.
[4] Details on the Company's dividend distribution policy can be found on page 2.
[A] Alternative Performance Measure.

A glossary of terms and Alternative Performance Measures is provided on pages 104 to 106.

Financial Highlights

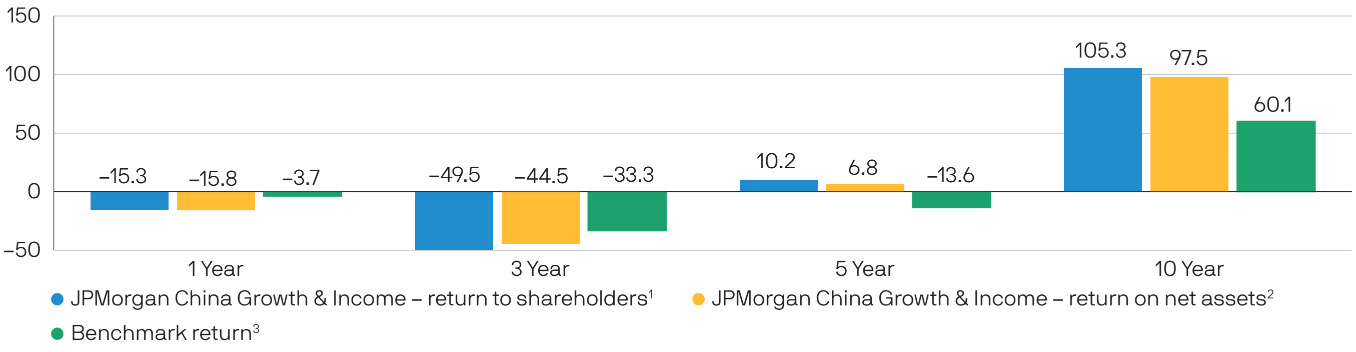
Summary of results

	2023	2022	% change
Net asset value, share price and discount at 30th September			
Shareholders' funds (£'000)	229,772	284,286	–19.2[1]
Net asset value per share[A]	276.2p	341.7p	–19.2[1]
Share price	244.5p	302.0p	–19.0[2]
Share price discount to net asset value[A]	11.5%	11.6%	
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)	3,745	4,186	–10.5
Net revenue attributable to shareholders (£'000)	1,557	2,251	–30.8
Revenue return per share	1.87p	2.71p	–31.0
Total loss per share	(51.84)p	(204.49)p	
Dividend per share	13.68p	22.8p	
Gearing at 30th September[A]	**14.0%**	**17.2%**	
Ongoing charges[A]	**1.12%**	**1.09%**	

[1] Excludes dividends reinvested. Including dividends reinvested, the return is –15.8%.
[2] Excludes dividends reinvested. Including dividends reinvested, the return is –15.3%.
[A] Alternative Performance Measure.

A glossary of terms and Alternative Performance Measures is provided on pages 104 to 106.

Long-term performance for years ended 30th September 2023



[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 2023 proved to be a period of remarkably different halves. During the first six months ended 31st March 2023, Chinese stock markets greeted with relief both the unexpected, immediate end of the Chinese government's zero-COVID policy and the government's decision to reverse several key policies, which had negatively impacted market sentiment. Reflecting this, the Company's total return on net assets (with net dividends reinvested) rose 7.9% in the first half, marginally outperforming the MSCI China Index.

With the impact of the country's reopening post COVID proving far less vigorous than originally anticipated, sentiment swiftly changed in the second half of the financial year. Consequently, Chinese stock markets have been volatile since March, buffeted by fragile business and consumer confidence, and increased concerns about rising youth unemployment, the heavily indebted property market and weakening export demand. Broader concerns about global macroeconomics, continued political tensions between the US and China, and the ongoing Russian-Ukrainian war dampened sentiment further. Faced with these challenges, growth stocks, which dominate the portfolio, fell sharply out of favour yet again. As a result, the Company's total return on net assets fell a disappointing –15.8% in the year ended 30th September 2023, underperforming the MSCI China Index, which, cushioned by state-owned value stocks particularly in the energy and financial services sector, declined by a more moderate –3.7%. The Company delivered a return to shareholders of –15.3% over the year, with the discount at which the shares traded over the 12 month period narrowing marginally.

While the Company's short-term performance is obviously disappointing, the Company has maintained its longer term track record of absolute gains over both five and ten years, comfortably outperforming its benchmark over these periods (see table on page 23). This reflects the Manager's 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 beginning on page 11 of this Annual Report.

During the period of increased trading volatility during the second half of the year, the Board was in regular contact with the Manager and corporate broker, monitoring the Company's investment portfolio, its cash flows and loan covenants and the discount at which the Company's shares were trading. Following the lifting of COVID restrictions, the Board resumed its annual visit to China. In addition to spending time with the locally-based Portfolio Managers and supporting analysts, we met senior representatives of the Manager's recently acquired, domestically focused JPMorgan Asset Management (China) in Shanghai, visited some investee companies and met with industry experts and business leaders in Shanghai and Hong Kong.

Dividend

In line with the Company's dividend policy, for the year ended 30th September 2023, four quarterly dividends of 3.42 pence were paid to shareholders. For the year to 30th September 2024, in the absence of unforeseen circumstances, a quarterly dividend of 2.76 pence per share will be paid. This represents an annual dividend of 4% of the Company's NAV as at 29th September 2023.

Gearing

In July 2021, the Company extended its £50 million loan facility (with an option to increase to £60 million) with Scotiabank for a further two years. On 14th July 2023, this facility expired and the Company entered into a new 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. Following the year-end, as a result of market movements, the Company breached one of its loan covenants and subsequently repaid some of the loan facility to avoid any further breaches.

At the year-end the Company was 14.0% geared, having averaged approximately 15.9% throughout the year and, at the time of writing, was 10.6%. 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 2023, 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.

As a result of a change in personal commitments, May Tan has decided to retire from the Board at the forthcoming Annual General Meeting in January 2024. She joined the Board in August 2021 and has made a significant contribution to the Board during her tenure. On behalf of the Board, I would like to thank May, particularly for the support she gave the management team in Hong Kong during the COVID period. In accordance with its long-term succession programme, the Board plans to recruit a new Director during 2024 to replace May.

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

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, as well as the Depositary and Registration services provided to the Company by the outsourced service providers. Following this review, the Board has concluded that the continued appointment of the Manager and the outsourced service providers on the terms agreed is in the interests of the shareholders as a whole.

The Company's ongoing charges for the financial year, as a percentage of the average of the daily net assets during the year, were 1.12% (2022: 1.09%). This small increase reflected the decline in net assets during the period, combined with the relatively high proportion of fixed costs.

Reduction in Management Fees

The Board believes the Company should demonstrably represent value for money. After discussions with the Manager about the appropriate level of the management fee in a rapidly developing market such as China, the Board has agreed with the Manager that, with effect from 1st April 2024, we will introduce a tiered fee rate of 0.80% for the first tier of up to £400 million of net assets and 0.75% thereafter (see page 46). Based on these revised fees, the proforma management fee would fall by over 11% and the proforma ongoing charge would be reduced to 1.04%.

Environment, Social and Governance (ESG) considerations

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 on 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.

Task Force on Climate-related Financial Disclosures (TCFD)

As a regulatory requirement, JPMorgan Asset Management (JPMAM) published its first UK TCFD Report for the Company in respect of the year ended 31st December 2022 on 30th June 2023. The report discloses estimates of the Company's portfolio climate-related risks and opportunities according to the Financial Conduct Authority (FCA) Environmental, Social and Governance (ESG) Sourcebook and TCFD. The report is available on the Company's website under the ESG documents section: **https://am.jpmorgan.com/content/dam/jpm-am-aem/emea/regional/en/regulatory/esg-information/jpmorgan-china-growth-and-income-plc-esg-fund-report.pdf**

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.

Chairman's Statement

Annual General Meeting

The Company's twenty-ninth Annual General Meeting will be held at 60 Victoria Embankment, London EC4Y 0JP on Friday, 26th January 2024 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 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 on page 102 of this 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 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 on page 2 of this Annual Report.

Outlook

With economic growth, domestic consumption and demand for exports in China likely to remain sluggish in the shorter term, Chinese stock markets look set to face continued challenges over the coming year. Moreover, while the recent resumption of high-level talks is encouraging, tensions between China and the US are likely to persist, and an escalation in anti-Chinese rhetoric ahead of next year's US presidential election cannot be ruled out. Other challenges include the continued uncertainties in the Chinese property market, the financial health of the nation's regional governments, rising youth unemployment and China's relations with Taiwan. Concerns about global supply chains and conflict in the Ukraine, as well as Israel and Palestine, may also impact market sentiment in the near term.

Whatever China's near-term prospects, the Portfolio Managers continue to focus on the bottom-up fundamentals of high-quality Chinese businesses that are capable of generating excess returns over the longer term. The Portfolio Managers are encouraged by recent shifts in Chinese government policies, designed to promote economic growth and boost consumer confidence. Moreover, they continue to find attractive investment opportunities provided by Chinese companies that offer superior earnings growth or that are benefitting shareholders by introducing regular dividend payments or share buyback programmes.

Having visited China this year, 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, and we believe our Company deserves a place within any fully diversified global portfolio. Since the listing of the Company 30 years ago, the Portfolio Managers have demonstrated their skills in navigating turbulent markets by focusing on investing in attractively priced, quality companies that offer sustainable long-term growth. We remain confident that the investment strategy, combined with the skills and experience of our well-resourced investment team, will enable the Company to deliver superior returns over the longer term.

Alexandra Mackesy
Chairman

12th December 2023

Investment Manager's Report

Rebecca Jiang
Portfolio Manager

Howard Wang
Investment Advisor

Li Tan
Portfolio Manager

Introduction

During the financial year ended 30th September 2023, the Company's net assets (in total return terms) declined 15.8% (in sterling terms) compared to a benchmark decline of 3.7%. However, the Company's long-term track record of outright gains and outperformance remains intact. In the ten years ended September 2023, it delivered average annualised returns of 7.1%, compared to an average benchmark return of 4.8% pa.

Setting the scene

The year under review was marked by a series of unexpected challenges. The most prominent was China's abrupt exit from its stringent zero COVID policy last December. Following a wave of COVID infections, life returned to normal by Q2 2023. After an initial round of enthusiasm about reopening, China's sluggish economic recovery undershot many people's expectations, with the exception of travel-related consumption. There are several reasons for this disappointing turn of events. Primarily, as we have discussed in previous reports, China faces the structural challenge of transitioning away from its heavy reliance on fixed asset investment, in particular property development. This process will take years, and meanwhile, the property sector, which comprises 6% of the Chinese economy and 13% including related activities, remains challenged. Concerns about developers' balance sheet strength and declining property sales and prices are adversely impacting consumption and domestic growth more generally. What has disappointed us is that it is taking longer than expected for domestic consumer confidence to recover. This is reflected in lukewarm non-travel discretionary consumption, and a reluctance to invest.

A decline in Chinese exports has also been a drag on growth. Total exports declined 5.6% in USD terms in the first eight months of 2023, due in part to the depreciation of the renminbi. Higher overseas interest rates have dampened demand for Chinese exports, and there was a degree of front-loading of consumption during COVID, while some multinational companies have adopted a 'China+1' sourcing strategy, to strengthen their supply chains by reducing reliance on Chinese imports.

China's policy response to the economic slowdown became more active in 2023. In the property market, the regulatory focus has shifted from preventing an asset bubble to stimulating demand. Local governments were given the green light to remove various purchase restrictions, which should help unleash pent-up housing demand, while the legacy mortgage rate, which was set artificially high to prevent property speculation, was lowered to reduce the debt servicing burden on households. The loan prime rate (LPR) was also cut to reduce borrowing costs, and bank deposit rates were lowered simultaneously to protect bank margins. To stimulate demand for properties, the central government has advocated the redevelopment of shantytowns in large cities. All these policies are in addition to supply-side stimuli such as renewed access to onshore bond and equity markets for developers, intended to help strengthen their balance sheets. Arrangements are now in place to restructure the debt of troubled local government financing vehicles (LGFV, i.e. the issuers of quasi-municipal bonds). At the end of October, China's legislature approved a plan to issue RMB 1trn additional sovereign debt and to raise the fiscal deficit ratio for 2023 to 3.8% above the long-term ceiling of 3%. The magnitude and frequency of this stimulus policy surprised the market.

In terms of domestic politics, it was no surprise that President Xi secured his third term as leader in March, and assembled a new cabinet. Since then, industrial policies have generally been pro-business and pro-growth, acknowledging the challenges faced by the economy. To name a few of these policies, the government established a bureau, headed by the country's top economic planner, to oversee the development of the private economy. Cyber-security reviews of internet platforms were completed. After the last round of online platform regulations, online platform companies now operate under clearer regulations and guidelines. The way regulation is conducted has also changed from punishment and fines post events to consultation and setting guidelines before events. A good example of this is that regulators quickly proposed regulations on generative AI and large language models in order to safeguard the development of this new industry.

In terms of the external environment, persistently high inflation in US and Europe shaped the expectation that interest rates will be 'higher for longer'. Higher debt servicing costs squeezed

Investment Manager's Report

household budgets and in turn cast a shadow over the demand for Chinese exports, putting further downward pressure on the renminbi. But there were also some positive developments. We were happy to see the resumption of high-level engagement between the China and US governments, which should help to reduce the risks of future misunderstandings and miscalculations.

Performance commentary

To our disappointment, the company underperformed the market in the last financial year, due to both sector allocation and stock selection decisions. The use of gearing also contributed negatively, as the market declined over the period. During the review period, the outperformance of value stocks, led by state-owned enterprises in the energy and financial sectors, created a style headwind for our growth-tilted strategy. Over the year, the MSCI China Value Index has risen by 1.4% (in GBP) while the MSCI China Growth Index has fallen by 7.2% (in GBP). Our portfolio avoided capital-intensive state-owned enterprises and was overweight in several growth-oriented sectors including **Information Technology**, **Consumer Discretionary** and **Healthcare**. Our stock selection within these sectors detracted from returns over the period.

Within **IT**, **Starpower**, the Chinese leader in the production of power semiconductors, derated on ongoing concerns about oversupply, as the industry attracted several new entrants. **Silergy**, a Chinese producer of power management integrated circuits, suffered from longer-than-expected inventory digestion in the tech hardware space. However, we believe the company still has long-term structural growth opportunities and scope to gain market share. A few of our holdings in the **Solar Industry**, including equipment makers **Zhejiang Jingsheng Mechanical** and **Suzhou Maxwell Technology**, solar panel maker **Longi Green Energy** and solar glass maker **Xinyi Solar**, derated significantly due to concerns about industry overcapacity over the medium term.

Performance attribution

Year ended 30th September 2023

	%	%
Contributions to total returns		
Benchmark return		**–3.7**
Sector allocation	–3.1	
Stock selection	–6.8	
Currency	–0.4	
Gearing/net cash	–0.2	
Investment Manager contribution		**–10.5**
Dividend/residual		–0.5
Portfolio total return		**–14.7**
Management fee/Other expenses		–1.1
Net asset value total return		**–15.8**
Ordinary share price total return		**–15.3**

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 104 to 106.

Consumer discretionary detracted from relative returns due to our exposure to China's major e-commerce platforms **Meituan**, **Alibaba** and **JD**, which were marked down due to the insipid post-pandemic rebound. Historically widely owned by overseas investors, these were particularly susceptible to capital outflows from Hong Kong and foreign-based investors. However, in the case of

Meituan and Alibaba, fundamental performance tracked expectations. Although top-line growth slowed from pre-COVID levels, margins and earnings growth were supported by cost saving measures. JD underperformed, as it is losing market share to other e-commerce channels and the initiatives taken to rekindle growth have so far proved ineffective.

The adverse performance as a result of our exposure to **Healthcare** was mainly due to an error of judgement on our part. We were optimistic about the post-pandemic recovery in discretionary healthcare demand, and positioned for it via exposure to **Angelalign**, a transparent orthodontics device maker, **Aier Eye Hospital**, a private eye hospital, and **Imeik Technology**, a dermo filler maker. However, these stocks all derated on concerns about the sustainability of discretionary healthcare service spending, despite respectable growth in Q1 and Q2 2023. Our holdings in healthcare equipment, namely **Shenzhen Mindray** and **Qingdao Haier Biomedical**, underperformed due to tight local government funding and delays in equipment tenders caused by an anti-corruption campaign in the public healthcare sector. We believe this adverse event is temporary in nature and will not change the long-term demand for better healthcare facilities in China and the competitiveness of these two companies in a global context.

Top 10 Detractors	Company description	Relative weight (%)	Stock return (%)	Impact (%)
Suzhou Maxwell Technologies Co., Ltd.	Solar equipment manufacturer with a focus on heterojunction solar cell technology.	1.5	–62.3	–1.25
Meituan	The largest Chinese online-to-offline local life services platform providing services such as food delivery, hotel booking and coupon sales.	1.9	–36.4	–0.86
Yunnan Energy New Material Co., Ltd.	The largest lithium battery separator manufacturer in the world.	0.8	–68.4	–0.86
ENN Energy Holdings Limited	A gas distributor to households and businesses.	1.3	–41.8	–0.73
JD.com, Inc.	A leading e-commerce company with a strong position in electronics and household products supported by its strong inhouse logistic capabilities.	1.0	-46.2	-0.70
Alibaba Group Holding Limited	A leading e-commerce company that also offers a comprehensive digital infrastructure including payment and cloud services.	–5.0	–24.4	–0.67
StarPower Semiconductor Ltd.	The Chinese leader in the production of power semiconductors used in electric vehicles and solar panels.	1.0	–50.5	-0.60
Zhejiang Jingsheng Mechanical & Electrical	A dominant supplier of silicon wafer growth furnaces, which are used to make photovoltaic cells.	1.3	–38.6	–0.52
Angelalign Technology Inc.	A medical device company making transparent orthodontics devices.	1.0	–29.9	-0.49
Xinyi Solar Holdings Ltd.	A leading manufacturer of solar panel glasses.	1.2	–34.2	–0.48

Our overweight and stock selections in **Communication Services** and **Real Estate** contributed positively, partially offsetting the above mentioned negative impacts. **Netease**, China's second largest online gaming producer after Tencent, enhanced returns thanks to the resumption of online gaming title approval, improving margins and the company's ongoing share buyback programme. **Focus Media**, a niche advertisement agency providing offline display units and advertising in the lifts, outperformed as offline traffic recovered post-pandemic. The company has also made a significant effort to acquire new clients. Our relative outperformance in the troubled real estate sector was driven by our holdings in quality players with strong balance sheets – namely **KE Holding**, China's largest real estate agent network and property website, and **China Resources Mixc Lifestyle Services**, a property services company managing residential properties and premium shopping malls.

At the stock level, negative contributions were derived from both companies that we didn't own as well as those that we did own. **Energy**, a sector that comprises mainly state-owned, carbon-intensive

Investment Manager's Report

energy companies such as **Petrochina** and **China Shenhua Energy**, was the best-performing sector over the review period, and our zero weighting hurt performance. We avoid this sector due to our view that it offers no structural growth and there are very few company-specific growth drivers in addition to the companies' carbon intensity. Our underweight position in **Financials** also detracted, as this sector also outperformed. Within financials, our preference for market-oriented joint stock banks such as **China Merchants Bank**, rather than large state-owned banks such as Industrial & Commercial Bank of China, also hurt performance.

Top 10 Contributors	Company description	Relative weight (%)	Stock return (%)	Impact (%)
Beijing Kingsoft Office Software. Inc.	The company provides office and document editing software with over 500 million monthly active users.	1.2	65.7	1.0
Netease Inc	A leading provider of self-developed mobile and PC games along with multimedia services.	2.1	26.1	0.8
Pinduoduo, Inc.	A leading e-commerce company focusing on the value segment with a rapidly growing international business branded as Temu.	1.8	43.5	0.7
BeiGene Ltd	Biotech company focusing on the R&D of oncology drugs.	0.1	56.0	0.6
NIO Inc.	Founded in 2014, Nio is an electric vehicle brand that now holds over 50% market share in the premium EV market in China.	–0.7	0.0	0.5
Li Ning Company Limited	A sportswear and sports equipment company.	–0.8	0.0	0.4
Shanghai Baosight Software Co., Ltd.	A software provider focusing on improving production efficiency and automation level of the steel industry. It also has an internet data centre business.	1.3	32.3	0.4
Jiangsu Hengli Hydraulic Co., Ltd.	A manufacturer of hydraulic pumps and valves that are used in construction equipment.	1.3	27.7	0.4
Bilibili, Inc.	Video sharing platform that specialses in Anime, Comics and Games (ACG) and appeals to young audience.	0.1	52.8	0.3
Kangji Medical Holdings Limited	A medical device company making invasive surgical instruments and accessories	0.4	55.3	0.3

Transactions and sector allocation

Despite facing style headwinds due to our growth tilt, the Company maintained its overweights in sectors such as **e-Commerce**, **Information Technology**, **Industrials** and **Renewable Energy,** where we tend to find structural growth opportunities. However, we tried to rotate our holdings into companies with more certain prospects and/or more measured downside risks.

One of the most significant changes was our Q1 2023 decision to buy **Alibaba**, reducing our large underweight in this name. Although the company's growth has slowed, our decision to acquire exposure to the company again was based on some positive recent developments: (1) Alibaba's market share in core e-commerce businesses has stabilised; (2) the company has implemented a new organisation structure, intended to improve the accountability of each subsidiary's contribution to profitability; (3) it announced a plan to list a few subsidiaries, which may help to unlock value over time; and (4) its valuation had become very attractive.

This acquisition was funded in part by exiting **Bilibili**, the anime, comics & games (ACG) video platform, as its path to profitability was further delayed. We also took profits on some consumer stocks that had outperformed in the previous year, including **Chongqing Brewery**, Carlsberg's Chinese subsidiary.

Within the IT sector, we initiated a new position in **BOE Technology**, now the world's largest consumer electronics panel maker. This purchase is intended to increase our exposure to the cyclical recovery of the panel industry. The prices of some of the company's products have started to recover, and most importantly, its Korean competitors exited some areas of the market, creating a more favourable supply and demand picture going forwards. We also initiated a position in **Foxconn Industrial International**, a subsidiary of Taiwan-listed Hon Hai, which provides OEM and ODM services to consumer electronics and enterprise computing. It is benefiting from the global capex build-out of graphic processing unit (GPU) servers, due to its close ties with Nvidia, the semiconductor manufacturer, and US cloud suppliers. In addition, Foxconn's consumer electronics and traditional central processing unit (CPU) data centre businesses are recovering from post-pandemic destocking. These purchases were funded by reducing **Beijing Kingsoft Office**, a Chinese Microsoft Office equivalent with growth drivers from increasing subscriptions and potential opportunities to raise prices as AI functionality increases. We believed Beijng Kingsoft's valuation was stretched due to excessively optimistic assumptions, so we took the opportunity to reduce our exposure. We also booked some profits on **Supcon Technology**, an automation system provider for petrochemical processors and other industries following recent outperformance.

Within industrials, we maintained our exposure to the long-term structural growth prospects of solar energy and electric vehicles (EVs), but rotated positions to more attractively valued companies. We exited China's largest battery maker, **Contemporary Aperex Technology**, in Q1 2023, as our expected return was relatively unattractive. We also expect the business to experience margin pressures, as it may have to pass on more economic value to its downstream automaker clients, as many of them are still loss-making. We exited **Changzhou Xingyu Lighting**, an auto light component maker, as the valuation was no longer attractive based on our expected return framework. We initiated a new position in **Ningbo Tuopu**, an auto vibration control and lightweight chassis supplier that is very exposed to Tesla and has a good chance of supplying key components to Tesla's humanoid robot that is under development. We also added **Hongfa Technology**, a relay component maker supplying a wide range of industrial products, including EVs. Based on its success with Tesla and Chinese EV brands, Hongfa has secured major orders from European manufacturers, which allows it to grow its global market share.

In solar, we exited **Tongwei**, China's largest supplier of polysilicon, which is used in the production of solar panels. Tongwei has done well in the past two years, when polysilicon supplies were tight, whereas now the price of polysilicon is trending lower, as supply catches up with demand. We initiated a new position in **Zhejiang Jingsheng Machinery (ZJM)**, a dominant supplier of silicon wafer growth furnaces, which are used to make photovoltaic cells. This industry has relatively high technical barriers to entry and ZJM has a growing consumable business producing silicon wafer growth crucibles. We also purchased **Hangzhou First Applied Material**, the largest solar panel membrane producer. In contrast to polysilicon, the price of solar panel membranes is slowly recovering from its cyclical trough.

We also made some portfolio changes in two sectors sensitive to the macroeconomic environment, namely property and financials. We exited property services companies **Country Garden Services** and **Onewo**, which are controlled by property developers Country Garden and China Vanke respectively. Prolonged weakness in new property sales has imposed further pressure on developers' balance sheets, reducing their capacity to develop new projects, which in turn damages the long-term growth profile of these facility management companies. We initiated a new position in the property platform **KE Holding**. The company should benefit from an incremental alleviation of property purchase restrictions in the secondary property market. It has demonstrated a great capability to manage cash flow during the downturn, as it has remained a highly cash-generative business.

We are taking advantage of low valuations to slowly reduce our underweight to financials by adding selective names. For example, we initiated a new position in **China Pacific Insurance**. The life insurance industry is showing signs of recovery after several years of restructuring which has rationalised the use of sales agents, and China Pacific's protection and investment-type products are both proving popular with customers in uncertain times.

Investment Manager's Report

Ten largest investments

As at 30th September

Company	Description of Activities	2023 Valuation £'000	%[1]	2022 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.	27,858	10.6	28,091	8.4
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.	14,888	5.7	—	—
Meituan	An e-commerce company that offers services like food, dining and delivery on its platform throughout China.	13,355	5.1	20,417	6.1
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.	9,291	3.5	8,921	2.7
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.	9,273	3.5	13,325	4.0
WuXi Biologics (Cayman)	Founded in 2010, it has become a leading global Contract Research, Development and Manufacturing Organization (CRDMO) offering end-to-end solutions that enable partners to discover, develop and manufacture biologics from concept to commercialisation.	7,516	2.9	8,281	2.5
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.	7,002	2.7	—	—
JD.com	China's leading one-stop e-commerce platform, providing 588.3 million active customers with direct access to a wide selection of products to tap into China's fast-growing e-commerce market through its mobile applications and websites.	5,820	2.2	11,940	3.6
Kweichow Moutai	It manufactures and sells Moutai and other spirits which are sold in China and globally.	5,730	2.2	—	—
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.	5,419	2.1	7,766	2.4
Ten Largest Investments		**106,152**	**40.5**		

[1] Based on total investments of £262.0m (30th September 2022: £333.2m). Top ten investments at September 2022 representing £119.4m and 35.9% of total investments.

Gearing

The average gearing ratio of the company over the year was 15.9%, compared to 15.6% during the previous financial year. Our intention initially was to keep the total borrowing level unchanged, as we believed that a lot of bad news had been priced into stock prices at current levels and we saw scope for some improvement in market fundamentals, as corporate earnings growth was starting to turn around, thanks to stimulus policies and cost-cutting initiatives. In June 2023, we opted to reduce the size of our debt facility, as tight credit market conditions meant we had to renew the loan on less favourable terms. As a result, although net borrowing has been reduced, the gearing level edged up slightly due to the market fall.

ESG Engagement over the year

Our investment philosophy centres on identifying quality companies with sustainable growth potential. We have a strong conviction that Environmental, Social and Governance (ESG) considerations (particularly Governance) should be the foundation of any long-term investment process. In our view, corporate policies at odds with such considerations are not sustainable over time. We therefore believe that integrating ESG factors into the investment process is critical to its success. To this end, we work closely with JPMAM's dedicated Sustainable Investment (SI) team, which pro-actively engages with existing portfolio names on ESG matters.

Examples of how we have worked with the SI team over the past year to address ESG issues in our portfolio companies and information regarding how ESG matters are integrated into our investment process are detailed in the ESG Report on pages 24 to 28. This report includes case studies relating to our ESG engagement with Alibaba, Silergy and Tencent (see pages 25 and 26).

Key voting statistics are given in a table on page 27 and some examples are provided on pages 27 and 28 to illustrate the principles which inform our voting.

Outlook

One of the biggest and most welcome changes since our last annual report is that all levels of the Chinese government have become increasingly pro-business and pro-growth. The key focus of the government's economic and industry policies has shifted from preventing asset bubbles to rejuvenating growth and restoring consumer confidence. We believe the authorities will deploy more policy tools until these goals are realised. We expect monetary and fiscal policies to remain supportive. On the fiscal front, policy initiatives may include a broader restructuring of local government debt, and greater support for households. In addition, the latest economic indicators show some early signs that the Chinese economy is stabilising and gathering some fresh momentum. We remain cautious on the near-term outlook for export demand, as foreign inflation and interest rates remain high and stickier than expected, and as overseas customers continue to expand their supply chains beyond China. However, we are seeing some evidence that foreign customers are regaining confidence in the stability of Chinese supply chains now the economy has fully reopened.

On the geopolitical front, against the grim backdrop of major conflicts in Eastern Europe and the Middle East, we believe that a competitive, yet still collaborative relationship between China and the US is in the best interests of both nations and the entire world. We expect tensions between the US and China to persist, as the two great powers compete for global influence, and we would not be surprised by an escalation in anti-Chinese rhetoric in the run-up to next year's US presidential election. Having said that, we believe the risk that the relationship will deteriorate sharply has been greatly reduced, following the recent resumption of high-level talks between the two superpowers.

Putting politics aside, China's economy is certainly facing some headwinds, but given the sheer size and breadth of its corporate sector, we are still finding idiosyncratic organic growth opportunities to enhance our portfolio. Although we now forecast Chinese GDP to grow 4% and 3.5% in real-terms in 2024 and 2025, lower than the 7-8% in real-terms achieved prior to COVID , there are still many companies that are forecast to grow earnings much more rapidly. For example, in the healthcare sector, global pharmaceutical companies are once again employing the services of Chinese contract development and manufacturing organisations (CDMOs), which are valued for the quality of their output and speed to market. The CDMOs have been especially helpful in the development and

Investment Manager's Report

manufacture of the new and highly sought-after GLP-1 (glucagon-like peptide), a revolutionary treatment for diabetes and obesity. Our long-term holding in Asymchem Laboratories, and our new acquisition Sunresin New Materials, a supplier of purification resins used to make GLP-1, are both benefiting from this strong global demand.

Within the electric vehicle industry, Western countries have made headline news by restricting imports of Chinese vehicle manufacturers and battery makers. However, we have found a group of Chinese auto components makers that have proved themselves as reliable suppliers to Chinese EV brands and are now making inroads into Western markets. For example, Tesla has verified several such companies, including Hongfa Technology, Ningbo Tuopu Group and our long-term holding Fuyao Glass (auto glass maker), as Tier 1 suppliers. Such an endorsement has helped them win contracts from other American and European auto producers for their forthcoming EV models. These companies have also been astute in building production capacity outside China to serve overseas clients and save import tariffs.

Elsewhere, it is encouraging to see that even well-known large caps such as Alibaba, JD, Tencent and KE Holdings, whose top-line growth has slowed, are supporting profits by making efficiency gains. More importantly, these corporate behemoths have become increasingly investor-friendly – they are starting to pay dividends to support their share prices with continuous share buyback schemes, and to distribute their non-core investment portfolios to shareholders directly such as Tencent distributing its Meituan and JD shares to investors.

We are also pleased to report to our shareholders that JPMorgan has completed its 100% acquisition of China International Fund Management and has rebranded it JPMorgan Asset Management (China) Limited. It has over 30 seasoned investment professionals, all based in Shanghai and focusing on domestic equities.

In summary, in a slowing growth environment, some companies are becoming more mature and sophisticated in terms of their capital allocation by prioritising dividends and buybacks over non-core investment, which should enhance shareholder returns. Equity market valuations are now pricing in significant risk – the current Price/Earnings (P/E) ratio of the MSCI China Index is close to the lowest it has been in the last ten years, and the current Price/Book (P/B) ratio of the index is comparable to levels seen in 2009, at the time of the global financial crisis, and in 2003 during the SARS epidemic. We believe most of the widely discussed bad news has been priced in. At these low levels, we believe the market has significant scope to respond positively to incremental good news. We look forward to generating good returns for our shareholders in the coming year and beyond, to maintain the Company's long track record of outright gains and outperformance of the market.

Rebecca Jiang
Howard Wang
Li Tan
Investment Team

12th December 2023

Portfolio Information

Investment activity

During the year ended 30th September 2023

	Value at 30th September 2022 £'000	Value at 30th September 2022 % of portfolio	Purchases £'000	Sales £'000	Changes in value £'000	Value at 30th September 2023 £'000	Value at 30th September 2023 % of portfolio
China HK listed	151,474	45.4%	58,156	(58,271)	(18,601)	132,758	50.7
China A Shares	146,567	44.0%	79,416	(101,131)	(29,732)	95,120	36.3
China US listed	27,224	8.2%	14,085	(13,220)	2,412	30,501	11.6
China Total	**325,265**	**97.6%**	**151,657**	**(172,622)**	**(45,921)**	**258,379**	**98.6**
Hong Kong	4,853	1.5%	693	(5,862)	316	—	0.0
Taiwan	3,088	0.9%	6,110	(5,839)	267	3,626	1.4
Total Portfolio	**333,206**	**100.0%**	**158,460**	**(184,323)**	**(45,338)**	**262,005**	**100.0**

Geographical analysis

	30th September 2023 Portfolio %[1]	30th September 2023 Benchmark %[2]	30th September 2022 Portfolio %[1]	30th September 2022 Benchmark %[2]
China HK listed	50.7	75.6	45.4	73.0
China A Shares	36.3	16.1	44.0	17.3
China US listed	11.6	8.1	8.2	9.4
China B Shares	—	0.2	—	0.3
China Total	**98.6**	**100.0**	**97.6**	**100.0**
Hong Kong	—	—	1.5	—
Taiwan	1.4	—	0.9	—
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £262.0m (2022: £333.2m).

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

Sector analysis

	30th September 2023 Portfolio %[1]	30th September 2023 Benchmark %	30th September 2022 Portfolio %[1]	30th September 2022 Benchmark %
Consumer Discretionary	26.2	30.5	23.3	30.7
Communication Services	18.0	20.1	13.6	17.5
Information Technology	15.4	5.8	19.1	5.3
Industrials	12.1	5.2	13.1	5.8
Health Care	9.8	5.6	12.2	5.7
Consumer Staples	5.9	5.5	6.3	6.3
Financials	4.5	15.7	4.4	15.7
Real Estate	4.2	2.9	2.8	3.9
Utilities	2.3	2.3	4.0	2.7
Materials	1.6	3.3	1.2	3.7
Energy	—	3.1	—	2.7
Total	**100.0**	**100.0**	**100.0**	**100.0**

[1] Based on total investments of £262.0m (2022: £333.2m).

Portfolio Information

List of investments

As at 30th September 2023

Company	Country	Sector	2023 Valuation £'000	2023 Valuation %[1]	2022 Valuation £'000	2022 Valuation %[1]
Tencent	China HK listed	Communication Services	27,858	10.6	28,091	8.4
Alibaba	China HK listed	Consumer Discretionary	14,888	5.7	—	—
Meituan	China HK listed	Consumer Discretionary	13,355	5.1	20,417	6.1
NetEase	China HK listed	Communication Services	9,291	3.5	8,921	2.7
Pinduoduo[2]	China US listed	Consumer Discretionary	9,273	3.5	13,325	4.0
WuXi Biologics (Cayman)	China HK listed	Health Care	7,516	2.9	8,281	2.5
KE Holdings[2]	China US listed	Real Estate	7,002	2.7	—	—
JD.com	China HK listed	Consumer Discretionary	5,820	2.2	11,940	3.6
Kweichow Moutai	China A Shares	Consumer Staples	5,730	2.2	—	—
China Merchants Bank	China HK listed	Financials	5,419	2.1	7,766	2.4
Ten Largest Investments			**106,152**	**40.5**		
Kanzhun[2]	China US listed	Communication Services	5,338	2.0	5,934	1.8
ZTO Express Cayman[2]	China HK listed	Industrials	5,155	1.9	3,707	1.1
China Pacific Insurance	China HK listed	Financials	5,065	1.9	—	—
Focus Media Information Technology	China A Shares	Communication Services	4,974	1.9	—	—
Shanghai Liangxin Electrical[3]	China A Shares	Industrials	4,824	1.9	7,485	2.3
Trip.com[2]	China US listed	Consumer Discretionary	4,861	1.8	4,829	1.4
Haier Smart Home	China HK listed	Consumer Discretionary	4,734	1.8	3,348	1.0
Foxconn Industrial Internet	China A Shares	Information Technology	4,653	1.8	—	—
BOE Technology	China A Shares	Information Technology	4,545	1.7	—	—
China Yangtze Power	China A Shares	Utilities	4,393	1.7	3,920	1.2
H World Group	China HK listed	Consumer Discretionary	4,115	1.6	3,617	1.1
Montage Technology	China A Shares	Information Technology	4,085	1.6	3,158	0.9
China Resources Mixc Lifestyle Services	China HK listed	Real Estate	4,059	1.5	4,528	1.4
Full Truck Alliance[2]	China US listed	Industrials	4,027	1.5	2,596	0.8
Wuliangye Yibin	China A Shares	Consumer Staples	3,802	1.5	2,042	0.6
Hundsun Technologies	China A Shares	Information Technology	3,697	1.4	3,588	1.1
Jiangsu Hengli Hydraulic	China A Shares	Industrials	3,645	1.4	3,434	1.0
Kingdee International Software	China HK listed	Information Technology	3,635	1.4	4,327	1.3
Silergy	Taiwan listed	Information Technology	3,626	1.4	3,088	0.9
Asymchem Laboratories Tianjin	China HK listed	Health Care	3,559	1.3	3,244	1.0
Fuyao Glass Industry	China HK listed	Consumer Discretionary	3,437	1.3	3,315	1.0
Xinyi Solar	China HK listed	Information Technology	3,392	1.3	3,289	1.0
Zhejiang Jingsheng Mechanical & Electrical	China A Shares	Information Technology	3,272	1.2	—	—
Shenzhen Mindray Bio-Medical Electronics	China A Shares	Health Care	3,098	1.2	4,940	1.5
Amoy Diagnostics[3]	China A Shares	Health Care	3,097	1.2	2,097	0.6
Hongfa Technology	China A Shares	Industrials	2,903	1.1	—	—
Ningbo Tuopu	China A Shares	Consumer Discretionary	2,862	1.1	—	—
Zhejiang Dingli Machinery	China A Shares	Industrials	2,851	1.1	1,638	0.5
Shenzhou International	China HK listed	Consumer Discretionary	2,758	1.1	3,142	0.9
Jiumaojiu International	China HK listed	Consumer Discretionary	2,715	1.0	—	—
Zhuzhou CRRC Times Electric	China HK listed	Industrials	2,698	1.0	2,940	0.9
Aier Eye Hospital	China A Shares	Health Care	2,671	1.0	3,691	1.1
Sunresin New Materials	China A Shares	Materials	2,517	1.0	—	—
Suzhou Maxwell Technologies	China A Shares	Industrials	2,300	0.9	6,976	2.1
Anjoy Foods	China A Shares	Consumer Staples	2,266	0.9	3,627	1.1
Imeik Technology Development	China A Shares	Health Care	2,259	0.9	—	—

Portfolio Information

List of investments

As at 30th September 2022

Company	Country	Sector	2023 Value £'000	2023 Value %[1]	2022 Value £'000	2022 Value %[1]
Qingdao Haier Biomedical[3]	China A Shares	Health Care	2,023	0.8	2,621	0.8
Shenzhen Inovance Technology	China A Shares	Industrials	1,793	0.7	5,729	1.7
Luzhou Laojiao	China A Shares	Consumer Staples	1,750	0.7	—	—
Beijing Huafeng Test & Control Technology	China A Shares	Information Technology	1,735	0.7	2,937	0.9
Beijing Kingsoft Office Software	China A Shares	Information Technology	1,684	0.6	6,241	1.8
SUPCON Technology	China A Shares	Information Technology	1,666	0.6	5,370	1.6
JD Health International	China HK listed	Consumer Staples	1,664	0.6	—	—
ENN Energy	China HK listed	Utilities	1,625	0.6	6,055	1.8
StarPower Semiconductor	China A Shares	Information Technology	1,584	0.6	3,957	1.2
Hefei Meiya Optoelectronic Technology	China A Shares	Industrials	1,583	0.6	1,944	0.6
Yunnan Energy New Material[3]	China A Shares	Materials	1,496	0.6	4,037	1.2
Hangzhou First Applied Material	China A Shares	Information Technology	1,446	0.6	—	—
LONGi Green Energy Technology	China A Shares	Information Technology	1,320	0.5	2,546	0.8
Guangzhou Kingmed Diagnostics	China A Shares	Health Care	1,309	0.5	1,736	0.5
Bank of Ningbo	China A Shares	Financials	1,287	0.5	2,684	0.8
Total Investments			**262,005**	**100.0**		

[1] Based on total investments of £262.0m (30th September 2022: £333.2m). Top ten investments at September 2022 comprised £119.4m representing 35.9% of total investments.

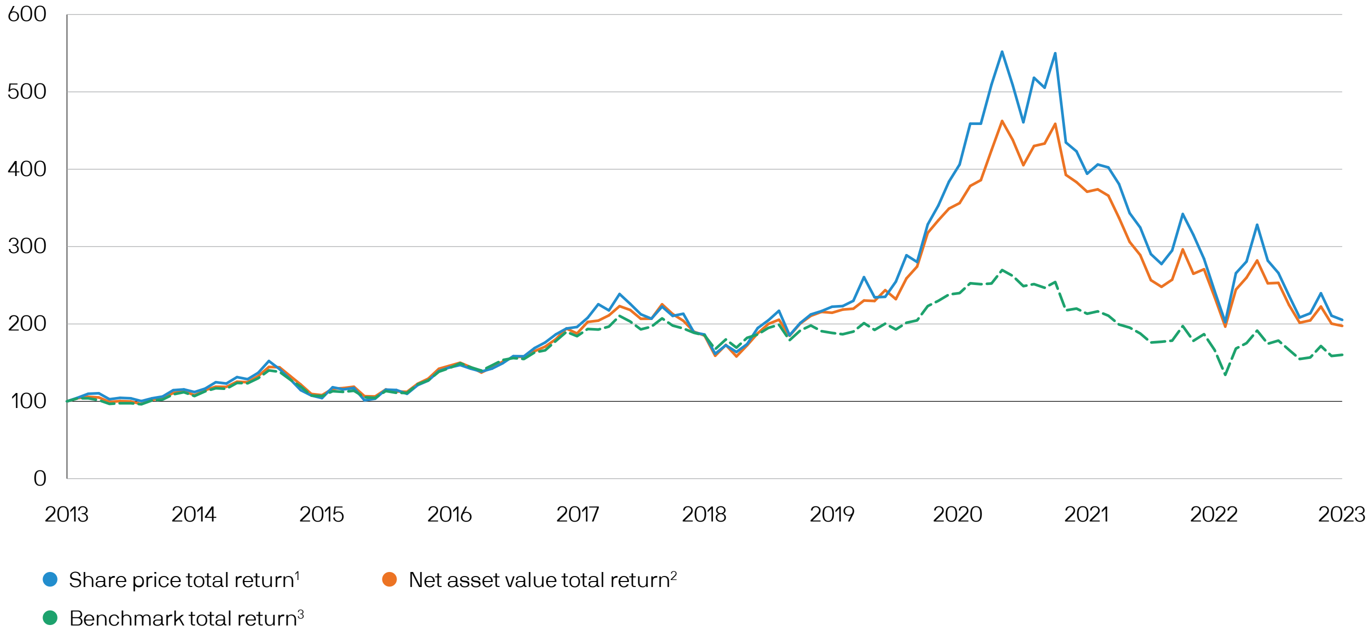
[2] Includes investments in American Depository Receipts (ADRs).

[3] Includes investments in Participatory Notes.

Ten Year Record

Ten Year Performance

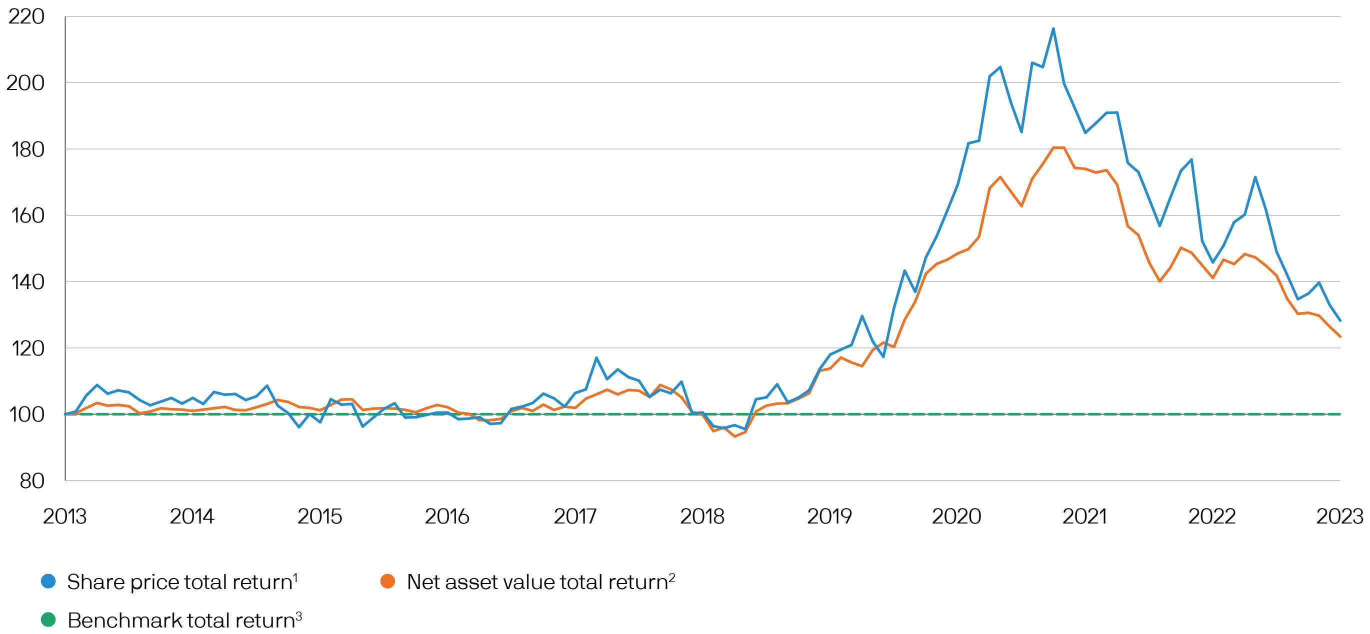
Figures have been rebased to 100 at 30th September 2013



[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 2013



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

Ten Year Record

At 30th September	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Shareholders' funds (£'m)	128.9	137.8	135.9	179.8	226.0	221.0	253.1	411.0	473.4	284.3	229.8
Net asset value per share (p)[A]	170.7	182.4	181.2	242.7	309.8	303.9	348.1	565.3	569.0	341.7	276.2
Share price (p)	147.5	163.5	150.8	205.8	278.3	263.0	309.5	552.0	518.0	302.0	244.5
Share price discount to net asset value per share (%)[A]	13.6	10.4	16.8	15.2	10.2	13.5	11.1	2.4	9.0	11.6	11.5
Gearing (%)[A]	11.1	8.8	13.9	8.5	9.3	17.9	9.8	10.6	10.2	17.2	14.0

Year ended 30th September											
Net revenue attributable to shareholders (£'000)	1,241	1,281	1,701	1,335	850	3,152	1,788	2,146	1,563	2,251	1,557
Revenue return per share (p)	1.63	1.70	2.25	1.79	1.16	4.32	2.46	2.95	1.97	2.71	1.87
Dividend per share (p)[1]	1.6	1.6	1.8	1.6	1.6	3.5	2.5	7.4	22.8	22.8	13.68
Ongoing Charges (%) (including performance fee payable)[2,A]	2.42	1.78	1.46	1.44	1.38	1.34	1.26	1.00	0.99	1.09	1.12

Rebased to 100 at 30th September 2013											
Total return to shareholders[3,A]	100.0	112.0	104.2	143.8	196.1	186.3	222.3	406.1	394.2	242.4	205.3
Total return on net assets[4,A]	100.0	107.8	108.0	146.0	187.7	185.0	214.5	356.2	370.9	234.7	197.5
Benchmark total return[5]	100.0	106.8	106.7	143.0	184.2	185.3	188.4	239.9	213.2	166.3	160.1

[1] Details on the Company's dividend distribution policy can be found on page 2.
[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 104 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 investment trust.

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.

Why do we integrate ESG into our investment processes?

Consideration of sustainability is intrinsic to our long-term approach to investment. When we invest our clients' assets, we have to make judgements about the future risks and rewards of any investment. Those risks and rewards have always included all ESG factors because they have the potential to affect the future value of a security. A business that produces huge amounts of carbon emissions or plastic waste, for example, is likely to find itself the subject of scrutiny from regulators and consumers and failure to anticipate this and to change will likely bring a loss of value for shareholders in the long run. The same is true of businesses that neglect their social responsibilities or fail in matters of governance. In all these instances, investors will eventually assign a higher discount rate to future cash flows, with consequences for the price of that company's securities.

ESG Integration within the Company's portfolio

We integrate ESG considerations across all three parts of our qualitative assessment of a business.

Firstly, we assign each business a strategic classification which is a label of franchise quality that ranges from Premium (best) to Quality and then to Trading and Structurally Challenged. This label is arrived at after a thorough examination of Economics (does the business create value for shareholders), Duration (can this value creation be sustained) and Governance (how will governance impact shareholder value). 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.

Secondly, our research analysts complete a 98-question risk profile for each of the 1,000+ companies covered. Two thirds of these questions relate to environmental, social and governance issues with the remainder considering broader aspects of risk such as financial risk and regulatory risk.

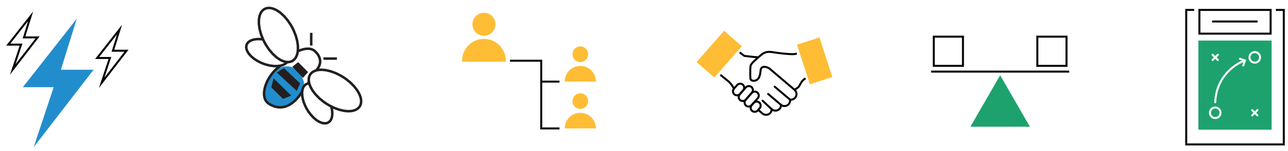
Thirdly, our analysts complete an ESG materiality score for every stock under coverage. The materiality framework splits our investable universe into over 50 sub-industries with companies scored only on the ESG issues that are likely to be financially material to the industry in which they operate. For example, we analyse software companies on issues of cyber security and carbon footprint of data centres of their data centres, while we focus more on environmental and safety issues for commodity extraction and processing names.

Engagement

Consideration of ESG issues should not be seen as a purely reactive activity in investment. It also involves active engagement with investee companies to promote standards, principles and outcomes that we would like to see companies demonstrate in practice.

The purpose of this report is to explain how we are setting about achieving these aspirations and to share examples of progress as we continue to seek ever more productive corporate engagement. Each example has been tagged to one of our Six Investment Stewardship Principles. These are the highest-level statement of universal priorities that we have. They are set by our Global Sustainable Investing Function and are principles we believe will have universal applicability and stand the test of time, and are as follows:

Environmental		Social		Governance	
Climate change	Natural capital and ecosystems	Human capital management	Stakeholder engagement	Governance	Strategy alignment with the long term



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.

Alibaba

We engaged with Alibaba's ESG Director and discussed climate change, its circular economy and human capital management.

On climate change, Alibaba published a climate carbon neutrality report in December last year. We welcome the company's latest commitment to this science-based initiative, and we welcome its intention to respond to the CDP (formerly the Carbon Disclosure Project) climate change survey. We asked about its newly proposed 'scope 3+' emissions and how this differs from scope 3 emissions. They explained that 'scope 3+' includes emissions that are outside of the Greenhouse Gas Protocol's usual 15 categories of scope 3 emissions.

On its circular economy, the company discloses various initiatives on waste management such as the Cainiao recycling initiatives. Whilst we appreciate the bottom-up efforts, we asked the company to consider setting a firmwide time-bound target on its circular economy, for example, 100% packaging materials to be recyclable or reusable by 2025. After the engagement, we shared industry examples.

On human capital management, Alibaba says it tracks operational metrics on gender, age, physical disabilities, management diversity and other categories. The company is aware of Hong Kong Stock Exchange's ESG reporting requirements on human capital, including employee turnover rate, and promises to follow the local requirements after the company seeks approval for its primary listing in Hong Kong. We asked the company to disclose time series human capital data and include qualitative reflections instead of referencing metrics in an appendix table. We also asked the company to consider disclosing more information about employee engagement. Its current employee engagement survey is designed more towards measuring work performance than understanding employee sentiment.

In 2021, a female employee of Alibaba reported that her manager and a client sexually assaulted her during a business trip. The incident and its subsequent handling deeply concerned us. In addition, it negatively affected Alibaba's corporate reputation and employee morale and as a result. We engaged with the company at the time and the analyst increased the number of red flags

Environmental, Social and Governance ('ESG') Report

for the company on our ESG checklist and downgraded the view of the business on our materiality framework. Our stewardship experts and investors have identified a number of social issues to address with the company, such as diversity, inclusion and equal opportunity in the workforce, working environment and employee satisfaction, and we continue to engage with the company on these topics.

Silergy Corp

We reached out to Silergy for a follow-up ESG meeting after our pre-AGM discussion in 2022 to discuss board oversight of cybersecurity and supply chain responsibility. Silergy is a China-based and Taiwan-listed semiconductor design company specialising in analogue integrated circuits used for power management.

We first obtained an update on the company's ESG governance and reporting. In 2022, it published an ESG summary report capturing key topics such as governance, intellectual property and patent management, information security, supply chain, talent management and environmental management. We commended the company for capturing relevant themes in the summary report and emphasised the importance of materiality of the ESG topics to the company and board's oversight.

We asked what training the company provides to its board of directors. It currently partners with external consultants on board ESG training but they do not cover specific topics such as cybersecurity. We encouraged the company to strengthen board oversight on cybersecurity, not only because this topic is often technical and difficult to understand, but also because the number of cyber attacks and data breach costs have increased with the significant increase in employees working from home. We shared our engagement experience with cyber attacks on Asian companies and found that vulnerabilities often arose because of an oversight failure and from a lack of resources and cyber budget for systems upgrades. We promised to share relevant materials with the company after the meeting.

We also discussed responsible sourcing. In November 2022, MSCI upgraded the company's ESG rating to BB from B, mainly driven by the company's appointment of new independent directors at its 2022 AGM. One lagging area MSCI has identified relates to its responsible sourcing practices, arguing that its responsible sourcing policy does not reference specific materials. We asked the company what key raw materials it relies on as an integrated circuits (IC) designer, whether it has memberships in multi-stakeholder platforms, and how it assesses its suppliers. It said it mainly relies on the fact that many suppliers are listed companies which are subject to strict requirements. We found this disappointing, so we will send a list of follow-up questions.

We also put forward suggestions on human rights reporting. While the company discloses its human rights policy in its ESG summary report, it does not describe how it conducts human rights due diligence. We encouraged it to reference internationally recognised frameworks such as the OECD Responsible Business Conduct, the International Labor Organization's conventions, and the UN Guiding Principles on Business and Human Rights.

Tencent

We met Tencent in Hong Kong, following the recent publication of the company's ESG report, to discuss digital rights and data privacy, human capital management and corporate governance.

On digital rights and data privacy, the company introduced several new policies in 2022, including policies for implementing the testing and reviewing of application data privacy. We asked for examples of how the company upholds data minimisation. It told us that it streamlines the process regarding the deregistration of user accounts. We followed up on user complaints related to data privacy concerns. The company said that the number of complaints is in the low to mid-teens.

On responsible AI, we asked about the company's access to expertise to oversee responsible AI at the operational and board level. The company said that its CEO and two board directors from Naspers are probably most familiar with the topic and at the operational level, there is an AI development committee.

On human capital management, the company recently announced its commitment to diversity, equity and inclusion (DE&I). We asked for more information about its relevance to its business model and how it addresses its current pain points. The company mentioned the potential risk of sexual harassment and how it is educating its workforce about anti-harassment following Alibaba's sexual assault incident in 2021.

We have also previously discussed corporate governance at the company's 2022 AGM. During the AGM, we asked a question about board composition and the Tencent President, Martin Lau, responded with an intention to increase board independence. He followed through with this intent and raised board independence by stepping down from the board himself. After the company's 2023 AGM, independence will improve to 62.5% from 55%, and gender diversity on the board will improve to 25%. In addition, the company announced a commitment to 30% women on the board by 2030. We welcome this progress. Additionally, we followed up on the company's thoughts on appointing a lead independent director because currently its CEO is also the executive board chair.

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	69	1	0	70	1%
Capitalisation	137	34	0	171	25%
Company Articles	72	27	0	99	38%
Compensation	119	10	0	129	8%
Director Election	197	24	0	221	12%
Director Related	47	16	4	67	34%
Non-Routine Business	28	3	0	31	11%
Routine Business	315	9	0	324	3%
Strategic Transactions	62	17	0	79	27%
Miscellaneous	9	1	0	10	11%
Total	**1,055**	**142**	**4**	**1,201**	**13%**

The following examples should help illustrate some of the principles which inform our voting:

- **Company Name: NetEase**
- Date of vote: 15th June 2023
- Summary of resolution: Re-election of three long-serving independent directors
- Voting rationale and outcome: We voted against the re-election of three long-serving independent directors who have served on the board for more than 15 years, due to our ongoing concerns about their prolonged tenure and lack of board refreshment. We generally do not expect independent directors to serve on boards for more than nine years and additionally, we believe the presence of three long-serving independent directors could be destructive to NetEase's recent efforts in advancing its ESG agenda. This follows our vote at the June 2022 AGM against, at that time, four long-serving independent directors. Following the 2022 vote against re-election, we were pleased that the company responded by appointing a new female independent director with an auditing background to replace a male independent director who had served on the board for 20 years. Ms. Grace Hui Tang was appointed in July 2022 as the chairperson of the audit, compensation and nomination committees of the board and also serves as a member of the board's environmental, social and governance committee. This new appointment represents a step forward in the company's board refreshment programme and also increases female representation on the board.

- **Company Name: Kweichow Moutai Co Ltd**
- Date of vote: 13th June 2023
- Summary of resolution: Approve Participation in the Establishment of Industrial Development Funds
- Voting rationale and outcome: We voted against the company's participation in the establishment of Industrial Development Funds. We believe there is a governance issue as there is a mismatch between the parent company's commitment and benefits which commits to only 0.18% investment but benefits from 0.45% management fee and the listed entity which bears the most of the financial risks with 90.7% investment. In addition, the investment scope of the PE (private equity) funds is too general with no restriction in terms of industries or markets, and there are no details on project risk control measures.

Environmental, Social and Governance ('ESG') Report

- **Company Name: China Merchants Bank Co., Ltd**
- Date of vote: 27th June 2023
- Summary of resolution: Elect Huang Jian as Director
- Voting rationale and outcome: We believe that a strong independent element to a board is essential to the effective running of a company and we expect that majority of the board should be comprised of independent directors with clear steps being taken to improve board independence over time. At the same time, non-executive directors should have sufficient time to meet their board responsibilities. In order to be able to devote sufficient time to his or her duties, we would not normally expect a non-executive to hold more than three significant directorships at any one time. The director candidate is a newly proposed non-independent non-executive director who serves on five public boards currently, and the company's board independence is at 38%, below our expectation of at least majority independence. As such, we voted against his election.

Portfolio Carbon Footprint

The table below shows MSCI's ESG carbon risk metrics. We typically concentrate on the weighted average carbon intensity which measures a portfolio's exposure to carbon intensive companies. The figure is the sum of the security weight multiplied by the security Carbon Intensity. At 83.7 tons CO2e/USDm sales the portfolio has a lower weighted average carbon intensity than the MSCI China. As of the end of the financial year, the Company had zero weighting in the carbon intensive energy sector. The Company's long term preference has been with semiconductors, including photovoltaic supply chain companies, software and services, as well as healthcare and consumption. These companies either facilitate the transition to green energy and/or operate low carbon emission businesses by nature.

	Carbon Emissions tons CO2e / USDm invested	**Total Carbon Emissions** tons CO2e	**Carbon Intensity** tons CO2e / USDm sales	**Weighted Average Carbon Intensity** tons CO2e / USDm sales
JPMorgan China Growth & Income plc	31.1	7,169.82	71.7	83.7
MSCI China	396.9	91,510.18	395.5	228.9
Aim / Purpose	What is my portfolio's normalised carbon footprint per million dollars invested?	What is my portfolio's total carbon footprint?	How efficient is my portfolio in terms of carbon emissions per unit of output?	What is my portfolio's exposure to carbon intensive companies?
Description	Normalised measure of a portfolio's contribution to climate change that enables comparisons with a benchmark, between multiple portfolios, and over time, regardless of portfolio size.	Measures the carbon footprint of a portfolio – i.e. the total carbon emissions for which an equity portfolio is responsible – by summing up the proportionate carbon emissions of portfolio companies based on the investor's ownership share.	Expresses the carbon efficiency of the portfolio and allows investors to measure how much carbon emissions per dollar of sales are generated by portfolio companies. This metric adjusts for company size and is a more accurate measurement of the efficiency of output rather than a portfolio's absolute footprint.	Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. Agnostic to ownership share, it also facilitates comparison with non-equity asset classes.

The Future

We know that JCGI's stakeholders, including the Directors of your Company, see attention to ESG factors as critical in their assessment of us as Investment Manager. We expect ESG to remain a dominant theme within the financial services industry going forwards. The course being taken by regulators suggests that its importance will only increase in years to come. Our research process and the investment judgements we make will continue to reflect that and to evolve as necessary. In investing your Company's assets, we have always looked for companies with the ability to create value in a responsible way and that will not change.

J.P. Morgan Asset Management

12th December 2023

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, sustainable investment vehicle for investors who seek to achieve superior long-term returns for shareholders 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, accountability and sustainability. 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 24 investment professionals (comprising eight portfolio managers and 16 Greater China sector specific research analysts) located in Hong Kong, Shanghai and Taipei with an average of 17 years of industry experience (as at 31st December 2022).

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 1,600 company meetings every year. As at 30th September 2023, 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 34 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.

Business Review

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 sustainable 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 2023, the Company produced a total return to shareholders of –15.3% and a total return on net assets of –15.8%. This compares with the total return on the Company's benchmark index of –3.7%. However, the Company has outperformed the benchmark over the five and ten year periods. As at 30th September 2023, the value of the Company's investment portfolio was £262.0 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:

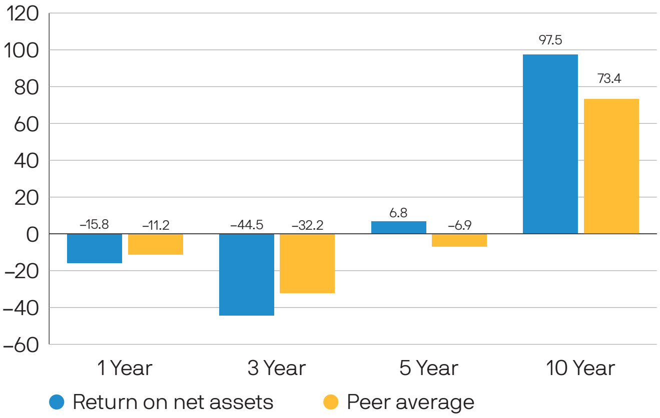
- **Total return performance against benchmark index**

  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 12. (Also, please refer to the figures on page 6).

- **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 AIC peer group.

Performance against the Company's investment trust peers



- **Performance attribution**

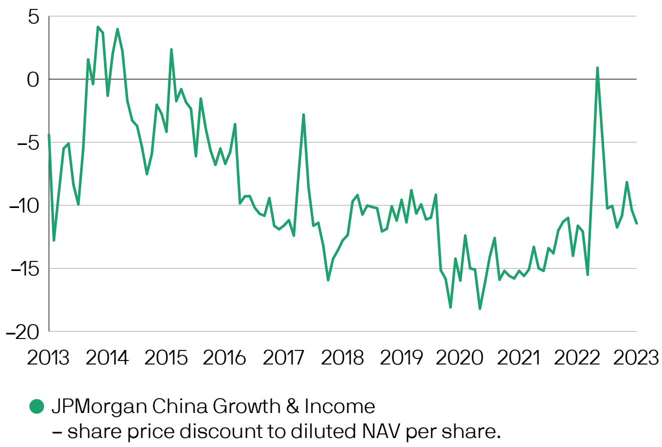
  The purpose of performance attribution analysis is to assess how the Company achieved its performance relative to its benchmark index, i.e. to understand the impact on the Company's relative performance of the various components such as stock selection, currency effect and gearing. Details of the attribution analysis for the year ended 30th September 2023 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 2023, the Company's shares traded between a premium of 0.9% and a discount of 15.5%, averaging a discount of 8.6% 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.

(Discount)/premium performance



Source: Morningstar.

- **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 2023 increased to 1.12% (2022: 1.09%) 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 (2022: nil) or for cancellation. In addition no shares have been re-issued from Treasury (2022: nil) and no new Ordinary shares were issued (2022: 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 100 and 101.

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 2023, there were two male Directors and three 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 2023, 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

Business Review

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 9.8.6R (9), (10) and (11) 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 2023:

Year ended 31st July 2023:

Gender	Number of Board Members	% of Board Members	Number of Senior Roles[1]
Male	2	40	2
Female	3	60	1
Prefer not to say	0	0	0

Ethnic Background	Number of Board Members	% of Board Members	Number of Senior Roles[1]
White British or other White (including minority-white groups)	2	40	3
Mixed/Multiple Ethnic Groups	3	60	0
Prefer not to say	0	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 and Human Rights Issues

The Company is managed by its Manager, has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Company has no direct social or community responsibilities or impact on the environment and the Company has not adopted an ESG investment strategy nor does it modify the Company's investment objective.

However, an increasingly broad spectrum of investors focus on 'ESG' issues for their portfolios. They want to know that their managers are aware of these issues, that they take them into account in building their portfolios and that they raise issues directly with investee companies. The Board understands the Investment Manager's approach to financially material ESG considerations, which are integrated into the investment process.

The Board believes that companies that address ESG issues and climate change and adopt responsible business practices are better placed to maximise their performance and create enduring value for shareholders. Corporate governance issues have the most direct bearing on the risk/reward profile of the Company's portfolio. This, together with relevant environmental concerns and social issues where the focus is on the economic impact is integrated into the Investment Manager's investment process. The Investment Manager engages in meaningful interactions with investee companies through dedicated meetings and exercises the Company's proxy votes in a prudent and diligent manner in the interests of shareholders. An explanation of the Investment Manager's overall approach to ESG is on page 24 to 28. The Board further notes JPMAM's global policy statements in respect of ESG issues:

JPMAM believes that companies should act in a socially responsible manner. We believe environmental, social and governance ('ESG') considerations, particularly those related to governance, can play a critical role in long-term investment strategy. As an active investment manager, engagement is an important and ongoing component of our investment process, and we view frequent and direct contact with company management as critically important. When considering investment options, we supplement our proprietary thinking with research from a variety of third-party specialist providers and engage directly with companies on a wide array of ESG issues. Our governance specialists regularly attend scheduled one-on-one company meetings alongside investment analysts to help identify and discuss relevant issues. Although our priority at all times is in the best economic interests of our clients, we recognise that ESG issues have the potential to impact the share price, as well as the reputation of companies.

JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager.

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 and Uncertainties

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 2023
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.	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 and Uncertainties

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2023
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.	↑
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.	→
Shareholder Relations	Details of the Company's compliance with Corporate Governance best practice, including information on relations with shareholders, are set out in the Corporate Governance Statement on pages 49 to 54.	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 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.	→

Principal and Emerging Risks and Uncertainties

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2023
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 87.	↑
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.	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 and Uncertainties

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2023
Regulatory 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 2. 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.	→
Economic and geopolitical			
Global pandemics	COVID-19 has highlighted the speed and extent of economic damage that can arise from a pandemic. 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.	→

Principal and Emerging Risks and Uncertainties

Principal risk	Description	Mitigation/Control	Movement in risk status in year to 30th September 2023
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 28). 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.	→

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.
China – US tensions	Increased anti-China rhetoric in the run up to the US Presidential election which may heighten tensions between the US and China.	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.
Artificial Intelligence (AI)	While it might equally be deemed a force for good, there appears to be an increasing risk to society from the threat posed by AI. Advances in computing power means that AI has become a powerful tool that will impact society, with a wide range of applications that include the potential to harm.	The Board will work to monitor developments concerning AI as its use evolves and consider how it might threaten the Company's activities, which may include a heightened threat to cybersecurity. The Board will work closely with JPMF in identifying these threats and, in addition, monitor the strategies of our service providers.

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 30). The principal risks and uncertainties are set out on pages 34 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 2008 financial crisis, the COVID-19 pandemic and the volatility in the Chinese market, precipitated by heightened US-China tensions, Russia's war on Ukraine and more recently 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,
Chairman

12th December 2023

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:

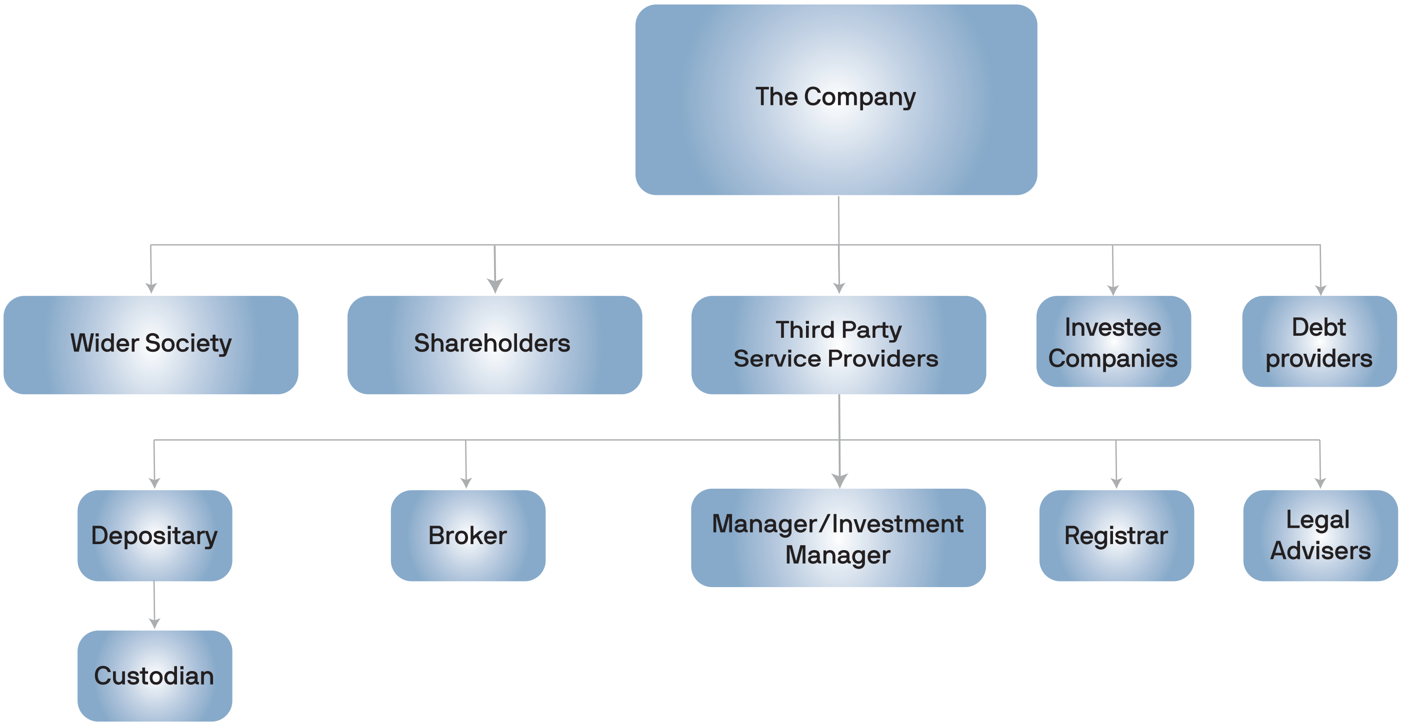
The likely consequences of any decision in the long term	In managing the Company, the aim of both the Board and Manager is always to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. In managing the Company 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 sustainable 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 28.
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 29.
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 28). 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 sustainable 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 28.

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 a prolonged period of extreme volatility, the Board was in regular contact with its Investment Managers and continues to hold the Investment Managers to account on investment performance.

Monitoring and constructively challenging the Manager

After the disruption caused by COVID-19, the Board resumed its annual visit to JPMorgan's offices in Shanghai and Hong Kong. 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

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. Subsequent to the year end, 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.

Borrowings and Gearing

The Board's £50 million loan facility (plus a £10 million accordion facility) with The Bank of Nova Scotia in July 2021 for two years expired in July 2023.

In order to allow the Portfolio Managers to retain the flexibility to maintain gearing up to the maximum permitted level, on 14th July 2023 the Company entered into a new 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. 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

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.

Revised Investment Management Agreement ('IMA')

In the period since the Company entered into its IMA with the Manager, there have been a number of regulatory developments which have had an impact upon the Manager (and, to a degree, the Company). Whilst none of these developments specifically required the IMA to be updated it was deemed prudent to reflect these developments, as well as making other updates to reflect best practice. Accordingly, the Board approved a new IMA during the year.

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.

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

12th December 2023

Suzhou Maxwell (0.9% of our portfolio as of Sept 2023)

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: 2023.

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: 2023.

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: 41,551 Shares.

Joanne Wong

A Director since June 2021.

Last reappointed to the Board: 2023.

A Hong Kong resident, Joanne has some 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.

May Tan

A Director since August 2021.

Last reappointed to the Board: 2023.

A Hong Kong resident, May has over 30 years of experience in the investment industry. May qualified as a Chartered Accountant with PwC before embarking on a career as an equity and corporate finance specialist with Cazenove Asia from 1984-2009. She served as the CEO of Cazenove Asia (1993-2009). When Cazenove Asia became part of Standard Chartered Bank (SCB) in 2009, May assumed the role of head of equity corporate finance at SCB from 2009-2013. She was appointed the CEO of SCB (Hong Kong) Limited in 2014 and retired in 2017. She is currently a Director of Hong Kong listed CLP Holdings. She was previously a Director of Link Asset Management and HSBC Life Insurance.

Shared directorships with other Directors: None.

Shareholding in Company: Nil.

Aditya Sehgal (Chairman of the Remuneration Committee)

A Director since October 2021.

Last reappointed to the Board: 2023.

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 Oct 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.

Shared directorships with other Directors: None.

Shareholding in Company: 5,000.

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 2023.

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 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 Investment Managers, the performance against the benchmark 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 96.

Management Fee

On 1st April 2019, the basic annual management fee was amended to 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). Investments in J.P. Morgan managed funds are excluded from the assets used for the purpose of this calculation. The management fee is paid by monthly installments.

With effect from 1st April 2024, following negotiations between the Board and Manager, it has been agreed that the management fee will be charged at a 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.

Directors' Report

Total Loss and Dividends

The gross total loss for the year amounted to £36.9 million (2022: loss of £164.8 million) and the net total loss after deducting the management fee, other administrative expenses, finance costs and taxation, amounted to £43.1 million (2022: loss of £170.1 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 2022 and 31st March 2023, 30th June 2023 and 30th September 2023 dividends of 3.42p were declared for each quarter. The dividends payable for the year to 30th September 2024 will be 2.76p per quarter.

Gearing

The Board sets the overall gearing policy. During part of the year, a £50 million unsecured floating rate borrowing facility (with a £10 million accordion facility) was in place with Scotiabank. On 14th July 2023, this facility expired and the Company entered into a new 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.

As at 30th September 2023, £31.8 million had been drawn on the facility. Further details about the loan facility are given in note 13 on page 84.

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 103.

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	4,196,969	5.04

No 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.

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 are known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its directors concerning compensation for loss of office.

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

Directors' Report

Listing Rule 9.8.4R

Listing Rule 9.8.4R 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 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in JPMorgan China Growth & Income plc, please forward this document, together with the accompanying documents, immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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. This authority will expire at the conclusion of the Company's AGM in 2025 unless renewed at a prior general 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. This authority will expire at the conclusion of the Company's AGM in 2025 unless renewed at a prior general meeting.

The full text of the resolutions 9 to 12 is set out in the Notice of Annual General Meeting on pages 100 and 101.

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 2023 AGM, will expire at the forthcoming AGM unless renewed at this meeting. 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.

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 101.

(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 2023 have totalled 13.68 pence per share.

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

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

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 60,651 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.

Financial risk management objectives and policies, with information on exposure to price, credit and liquidity risk, can be found in note 21 to the Financial Statements (page 87). Information on post balance sheet events can be found in note 23 (page 94).

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.

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 five 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 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.

Corporate Governance Statement

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, with the exception of May Tan who will retire from the Board at the conclusion of the 2024 AGM.

Resolution 4 concerns the reappointment of Alexandra Mackesy. She joined the Board in July 2018 and has served for five years as a Director and nearly a year as Chairman. Alexandra has over 30 years experience in the investment industry. She has held a number of non-executive positions on the boards of UK-listed companies. She lived in Hong Kong for 14 years where she worked as an investment analyst with a particular focus on Greater Chinese companies.

Resolution 5 concerns the reappointment of David Graham. He joined the Board in May 2017 and has served for six years as a Director and is Chairman of the Audit Committee. David is a Chartered Accountant by training (PwC) whose career has been in investment management. He has held a number of non-executive and senior appointments with major global asset management companies.

Resolution 6 concerns the reappointment of Joanne Wong. She joined the Board in June 2021. Joanne has some 30 years of experience in the investment industry and being resident in Hong Kong, has an in depth of understanding and oversight of developments in the Chinese economy and equity markets.

Resolution 7 concerns the reappointment of Aditya Sehgal. He joined the Board in October 2021. Aditya has spent several years working in China and has a wealth of experience in marketing. He is an experienced investor in early stage technology and consumer companies and has a keen interest in technology and ecommerce-related business in China and globally.

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 AGM when, under the Company's Articles of Association, it is required that they be appointed by shareholders. Thereafter, subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for the Director to seek an additional term. The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking reappointment but its long-term succession plan assumes that Directors serve for no more than nine years in normal circumstances, in line with the ongoing requirements of the AIC Code of Corporate Governance, including the need to refresh the Board and its Committees. The Board has adopted corporate governance best practice and hence all Directors must stand for annual reappointment.

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 four years.

Director	Appointment Date	2024 AGM	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	2	1
David Graham	4	2	1
Aditya Sehgal	4	2	1
May Tan	4	2	1
Joanne Wong	4	2	1

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	1
Joanne Wong	1	1

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

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 pages 31 and 32.

The Committee has a succession plan to refresh the Board in an orderly manner over time.

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, 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 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.

Aditya Sehgal took over from David Graham as Chairman of the Remuneration Committee following the year-end.

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. As a result of the evaluation process, the

Corporate Governance Statement

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.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 34 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.

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 2023 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, as highlighted in italics, is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on page 32.

Corporate Governance

JPMAM believes that corporate governance is integral to its investment process. As part of its commitment to delivering superior investment performance to its clients, it expects and encourages the companies in which it invests to demonstrate the highest standards of corporate governance and best business practice. JPMAM examines the share structure and voting structure of the companies in which it invests, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of JPMAM's proxy voting and engagement activity.

Proxy Voting

JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on its reasonable judgement of what will best serve the financial interests of its clients. So far as is practicable, JPMAM will vote at all of the meetings called by companies in which it is invested.

Stewardship/Engagement

JPMAM believes effective investment stewardship can materially contribute to helping build stronger portfolios over the long term for its clients. At the heart of JPMAM's approach lies a close collaboration between its portfolio managers, research analysts and investment stewardship specialists to engage with the companies in which JPMAM invests. Regular engagement with JPMAM's investee companies through investment-led stewardship has been a vital component of JPMAM's active management heritage.

JPMAM continues to exercise active ownership through regular and ad hoc meetings, and through its voting responsibilities.

JPMAM's formal stewardship structure is designed to identify risks and understand its portfolio companies' activities, in order to enhance value and mitigate risks associated with them. JPMAM has identified five main investment stewardship priorities it believes have universal applicability and will stand the test of time:

- *governpance;*
- *strategy alignment with the long term;*
- *human capital management;*
- *stakeholder engagement; and*
- *climate risk.*

Corporate Governance Statement

Within each priority area, JPMAM has identified related themes it is seeking to address over a shorter time frame. These themes will evolve as JPMAM engages with companies to understand issues and promote best practice. This combination of long-term priorities and evolving, shorter-term themes provides JPMAM with a structured and targeted framework to guide its investors and investment stewardship teams globally as JPMAM engages with investee companies around the world.

JPMAM is also committed to reporting more widely on its activities, including working to meet the practices laid out by the Financial Reporting Council ('FRC') in the UK Stewardship Code, to which JPMAM is a signatory.

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-amaem/global/en/institutional/communications/luxcommunication/corporate-governance-principles-and-voting-guidelines.pdf

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

12th December 2023

Audit Committee Report

Composition and Role

The Audit Committee, chaired by David Graham, meets at least twice 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 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 29), risk management policies (see pages 52 to 53), capital management policies and procedures (see page 93), the nature of the portfolio and revenue as well as expenditure projections, taking into account the heightened market volatility since the COVID-19 outbreak, the growing geopolitical risk to include the ongoing conflict between Russia and Ukraine and more recently Israel and Palestine, US-China tensions and the recent 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 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 2024, being at least 12 months from approving this Annual Report and Financial Statements. 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. These factors are also referenced in the Company's Long-Term Viability Statement on page 39.

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. In addition, and in particular, the Board has considered the impact of heightened market volatility since the COVID-19 outbreak, the growing geopolitical risk to include the ongoing conflict between Russia and Ukraine and more recently Israel and Palestine, US-China tensions and the recent volatility of the Chinese market but does not believe the Company's going concern status is affected.

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 2024 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 2023, 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 78. 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 in the aftermath of COVID-19, the war in Ukraine and Russia and more recently Israel and Palestine, 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 price 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. As stated under subsequent events on page 94 of the Financial Statements, following a breach of one of the loan covenants post the year-end due to market movements, the Company had to repay part 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 are 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.

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.

Risk Management and Internal Control

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 £47,000 (2022: £40,000). The Committee 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. This year ended 30th September 2023 is the current Audit Partner's fourth of a five year maximum term.

Details of the Auditor's fees paid are disclosed in note 6 on page 80. There were no non-audit fees incurred during the year.

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 Investment 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 2023, 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
12th December 2023


NetEase (3.5% of our portfolio as of Sept 2023)

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 30th September 2023, 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 2024 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. 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 2023, Directors' fees were paid at a fixed rate of £38,500 per annum for the Chairman, £33,000 per annum for the Chairman of the Audit Committee and £27,500 per annum for each other Director. The fees were then increased following the AGM in 2023 to the following levels; £40,000 for the Chairman, £34,500 for the Audit Committee Chairman and £29,000 for each other Director. The Board has agreed that fees will be increased following the AGM in 2024 to the following levels to reflect more closely industry standards: £41,400 for the Chairman, £35,700 for the Audit Committee Chairman and £30,000 for each other Director.

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 2022 and no changes are proposed for the year ending 30th September 2024.

At the AGM held on 6th February 2023, of votes cast, 98.8% 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 1.2% were voted against the Resolution. Of votes cast in respect of the Directors' Remuneration Report, 98.8% were voted in favour (or granted discretion to the Chairman who voted in favour) and 1.2% were voted against.

Details of voting on both the Remuneration Policy and Remuneration Policy Implementation Reports from the 2024 AGM will be given in the Annual Report for the year ending 30th September 2024.

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 2023 was £158,980. The single total figure of remuneration for each Director is detailed below together with the prior year comparative.

Single total figure table[1]

Directors' Name	Total fees 2023 £	2022 £
Alexandra Mackesy	39,496	35,124
David Graham	33,996	32,375
Aditya Sehgal	28,496	27,000
May Tan	28,496	27,000
Joanne Wong	28,496	27,000
John Misselbrook[2]	—	12,128
Total	**158,980**	**160,627**

[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 28th January 2022.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the year to 30th September 2023:

Director	% change for the year to 30th September 2023	2022	2021
Alexandra Mackesy[1]	12.4%	36.9%	4.8%
David Graham	5.0%	3.9%	3.0%
Aditya Sehgal[2]	5.5%	n/a	n/a
May Tan[3]	5.5%	n/a	n/a
Joanne Wong[4]	5.5%	n/a	n/a
John Misselbrook[5]	n/a	n/a	3.3%

[1] Appointed Chairman 28th January 2022.

[2] Appointed 1st October 2021.

[3] Appointed 2nd August 2021.

[4] Appointed 1st June 2021.

[5] Retired 28th January 2022.

A table showing the total remuneration for the Chairman over the five years ended 30th September 2023 is below:

Remuneration for the Chairman over the five years ended 30th September 2023

Year ended 30th September	Fees £	Performance related benefits received as a percentage of maximum payable[1]
2023	40,000	n/a
2022	38,500	n/a
2021	37,000	n/a
2020	35,500	n/a
2019	35,000	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. The Directors' beneficial shareholdings, including any shares held by connected persons, are detailed below.

Directors' Name	30th September 2023	30th September 2022 or as at date of appointment
Alexandra Mackesy	10,600	10,600
David Graham	41,551	40,284
Aditya Sehgal	5,000	nil
May Tan	nil	nil
Joanne Wong	3,500	nil
Total	**60,651**	**50,884**

[1] Audited information.

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.

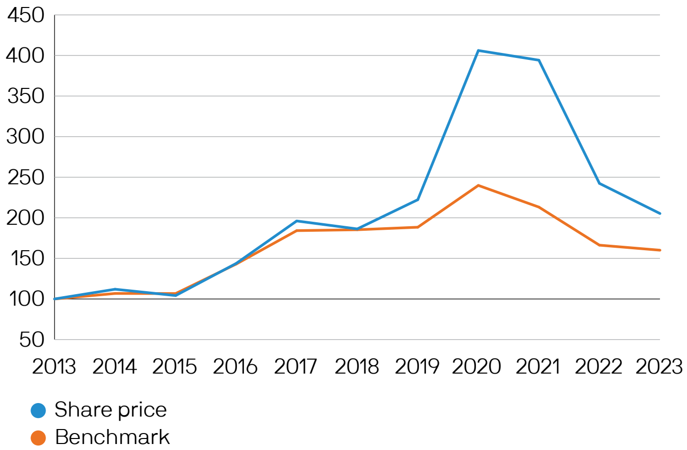
No amounts (2022: nil) were paid to third parties for making available the services of Directors.

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 2023



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

A table showing actual expenditure by the Company on remuneration and distributions to shareholders for the year and the prior year can be seen on the following table:

Expenditure by the Company on remuneration and distributions to shareholders

	Year ended 30th September 2023	2022
Remuneration paid to all Directors	£158,979	£160,627
Distribution to shareholders		
— by way of dividend	£11,382,000	£18,972,000
— by way of share repurchases	—	—
Total distribution to shareholders	**£11,382,000**	**£18,972,000**

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

12th December 2023

Beijing Kingsoft Office (0.6% of our portfolio as of Sept 2023)

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 Directors consider 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

12th December 2023

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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of *JPMorgan China Growth & Income Plc* (the 'Company') for the year ended 30th September 2023 which comprise of the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows 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 four years, covering the years ended 30th September 2020 to 30th September 2023. 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 geo political 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;
- 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

		2023	2022
Key audit matters	Valuation and ownership of quoted investments	✔	✔
Materiality	*Company Financial Statements as a whole* £2.2m (2022: £2.8m) based on 1% (2022: 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 matter

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 77 and note 11 on page 83)	The investment portfolio at the year-end comprised of 100% of listed equity investments held at fair value through profit or loss. There is a risk that the prices used for the valuation of 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. 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 of the shares; ● Confirmed the prices from the primary exchange where equity linked notes (ELNs) are tradeable and where recent prices were not available from the exchange we verified the price using the underlying equity prices from external market sources; ● Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price was not the most appropriate indication of fair value by considering the realisation period for individual holdings; ● Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date; and ● Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share. *Key observations* Based on our procedures performed we did not identify any matters to suggest that the valuation and ownership of quoted investments was not appropriate.

Independent Auditor's Report

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.

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

	Company Financial Statements	
	2023 £m	**2022 £m**
Materiality	2.2	2.8
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	1.6	2.1
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 £44,000 (2022: £60,000) for the Financial Statements as a whole. We also agreed to report differences below these thresholds 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.

Independent Auditor's Report

Corporate Governance Statement

The 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.

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 34; • 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.

Independent Auditor's Report

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.

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 the investment manager and those charged with governance and Audit Committee; and
- Obtaining an understanding of 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 the Company's 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 the investment manager and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings 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 its Investment Trust Status.

Fraud

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

Our risk assessment procedures included:

- Enquiry with the investment manager 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 to be management override of controls.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing material period 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

Independent Auditor's Report

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.

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

12th December 2023

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 2023

	Notes	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Net losses on investments held at fair value through profit or loss	3	—	(45,372)	(45,372)	—	(158,974)	(158,974)
Net foreign currency gains/(losses)[1]		—	4,740	4,740	—	(10,027)	(10,027)
Income from investments	4	3,305	—	3,305	3,693	—	3,693
Other income	4	440	—	440	493	—	493
Gross return/(loss)		**3,745**	**(40,632)**	**(36,887)**	**4,186**	**(169,001)**	**(164,815)**
Management fee	5	(617)	(1,851)	(2,468)	(850)	(2,549)	(3,399)
Other administrative expenses	6	(628)	—	(628)	(605)	—	(605)
Net return/(loss) before finance costs and taxation		**2,500**	**(42,483)**	**(39,983)**	**2,731**	**(171,550)**	**(168,819)**
Finance costs	7	(735)	(2,206)	(2,941)	(281)	(845)	(1,126)
Net return/(loss) before taxation		**1,765**	**(44,689)**	**(42,924)**	**2,450**	**(172,395)**	**(169,945)**
Taxation charges	8	(208)	—	(208)	(199)	—	(199)
Net return/(loss) after taxation		**1,557**	**(44,689)**	**(43,132)**	**2,251**	**(172,395)**	**(170,144)**
Return per share	9	**1.87p**	**(53.71)p**	**(51.84)p**	**2.71p**	**(207.20)p**	**(204.49)p**

[1] £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 loss on cash and cash equivalents (2022: £11,660,000 due to an exchange loss on the loan which is denominated in US dollars and £1,633,000 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 77 to 94 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 30th September 2023

	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 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 10)	—	—	—	—	—	(16,721)	(2,251)	(18,972)
At 30th September 2022	**20,803**	**80,951**	**3**	**581**	**37,392**	**144,556**	**—**	**284,286**
Net (loss)/return	—	—	—	—	—	(44,689)	1,557	(43,132)
Dividend 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**

[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.

The notes on pages 77 to 94 form an integral part of Financial Statements.

Statement of Financial Position

At 30th September 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	11	**262,005**	**333,206**
Current assets	12		
Debtors		157	1,997
Cash and cash equivalents		87	10,950
		244	12,947
Current liabilities	13		
Creditors: amounts falling due within one year		(669)	(61,867)
Net current liabilities		**(425)**	**(48,920)**
Total assets less current liabilities		**261,580**	**284,286**
Non current liabilities			
Creditors: amounts falling due after more than one year	14	(31,808)	—
Net assets		**229,772**	**284,286**
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	90,042	144,556
Revenue reserve	16	—	—
Total shareholders' funds		**229,772**	**284,286**
Net asset value per share	17	**276.2p**	**341.7p**

The Financial Statements on pages 72 to 94 were approved and authorised for issue by the Directors on 12th December 2023 and signed on their behalf by:

Alexandra Mackesy
Chairman

The notes on pages 77 to 94 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 2023

	2023 £'000	2022[1] £'000
Cash flows from operating activities		
Net loss before finance costs and taxation	(39,983)	(168,819)
Adjustment for:		
Net losses on investments held at fair value through profit or loss	45,372	158,974
Net foreign currency (gains)/losses	(4,740)	10,027
Dividend income	(3,305)	(3,693)
Interest income	(216)	(59)
Realised gain/(loss) on foreign exchange transactions	95	(776)
Realised exchange (loss)/gain on liquidity fund	(990)	1,089
Increase in accrued income and other debtors	(8)	(17)
Increase in accrued expenses	44	6
Net cash outflow from operations before dividends and interest	**(3,731)**	**(3,268)**
Dividends received	3,068	3,412
Interest received	216	59
Net cash (outflow)/inflow from operating activities	**(447)**	**203**
Purchases of investments	(184,366)	(233,601)
Sales of investments	208,204	265,482
Settlement of foreign currency contracts	—	(129)
Net cash inflow from investing activities	**23,838**	**31,752**
Dividends paid	(11,382)	(18,972)
Repayment of bank loans	(53,866)	(12,470)
Drawdown of bank loans	34,318	9,995
Utilisation of bank overdraft	—	(124)
Interest paid	(2,804)	(920)
Net cash (outflow) from financing activities	**(33,734)**	**(22,491)**
(Decrease)/increase in cash and cash equivalents	**(10,343)**	**9,464**
Cash and cash equivalents at start of year	10,950	36
Exchange movements	(520)	1,450
Cash and cash equivalents at end of year	**87**	**10,950**
Cash and cash equivalents consist of:		
Cash and short term deposits	83	2,865
Cash held in JPMorgan US Dollar Liquidity Fund	4	8,085
Total	**87**	**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 (outflow)/inflow from operating activities' on the face of the Cash Flow Statement. Previously, this was shown by way of note. Interest paid has also been reclassified to financing activities, previously shown under operating activities, as this relates to the loans drawndown. 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.

The notes on pages 77 to 94 form an integral part of these Financial Statements.

Statement of Cash Flows

Analysis of changes in net debt

	As at 30th September 2022 £'000	Cash flows £'000	Other non-cash charges[1] £'000	As at 30th September 2023 £'000
Cash and cash equivalents				
Cash	2,865	(2,495)	(287)	83
Cash equivalents	8,085	(7,848)	(233)	4
	10,950	(10,343)	(520)	87
Borrowings:				
Debt due within one year	(57,511)	49,142	8,369	—
Debt due after one year	—	(29,594)	(2,214)	(31,808)
	(57,511)	19,548	6,155	(31,808)
Net debt	**(46,561)**	**9,205**	**5,635**	**(31,721)**

[1] Other non-cash charges represents the foreign exchange gains and losses on amounts held in foreign currency.

The notes on pages 77 to 94 form an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended 30th September 2023

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 29), 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 since the COVID-19 outbreak, the growing geopolitical risk to include tensions between China and the United States and the ongoing conflict between Russia and Ukraine and more recently Israel and Palestine. 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 policies applied in these Financial Statements are consistent with those applied in the preceding year.

(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 reserves

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 within 'Realised gains and losses'.

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 within 'Investment holding gains and losses'.

Notes to the Financial Statements

1. Accounting policies (continued)

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 83.

(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 and cash equivalents may comprise cash including demand deposits which are short-term, 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 cash equivalents as they are held for cash management purposes as an alternative to cash, are short term, and readily convertible 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 classified as 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.

(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.

Notes to the Financial Statements

3. Losses on investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Realised net losses on sales of investments	(29,264)	(9,294)
Net change in unrealised gains and losses on investments	(16,074)	(149,629)
Other capital charges	(34)	(51)
Total capital losses on investments held at fair value through profit or loss	**(45,372)**	**(158,974)**

4. Income

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Overseas dividends	2,935	—	2,935	3,103	—	3,103
Dividends from participatory notes	83	—	83	262	—	262
Special dividends	287	—	287	328	—	328
	3,305	**—**	**3,305**	**3,693**	**—**	**3,693**
Interest receivable and similar income						
Securities lending fees	224	—	224	434	—	434
Interest from liquidity fund	212	—	212	59	—	59
Deposit interest	4	—	4	—	—	—
	440	**—**	**440**	**493**	**—**	**493**
Total income	**3,745**	**—**	**3,745**	**4,186**	**—**	**4,186**

5. Management fee

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	617	1,851	2,468	850	2,549	3,399

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

6. Other administrative expenses

	2023 £'000	2022 £'000
Administration expenses	336	278
Directors' fees[1]	159	161
Safe custody fees	51	72
Depository fees[2]	35	54
Auditor's remuneration for audit services	47	40
Total	**628**	**605**

[1] Full disclosure is given in the Directors' Remuneration Report on page 59.

[2] Includes £nil (2022: £nil) irrecoverable VAT.

7. Finance costs

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Interest on bank loans and overdrafts	735	2,206	2,941	281	845	1,126

8. Taxation

(a) Analysis of tax charge for the year

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Overseas withholding tax	208	—	208	199	—	199
Total tax charge for the year	**208**	**—**	**208**	**199**	**—**	**199**

(b) Factors affecting total tax charge for the year

The tax charge for the year is higher (2022: higher) than the Company's applicable rate of corporation tax of 22.01% (2022: 19%).

The factors affecting the current tax charge for the year are as follows:

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Net return/(loss) before taxation	1,765	(44,689)	(42,924)	2,450	(172,395)	(169,945)
Net return/(loss) before taxation multiplied by the applicable rate of corporation tax of 22.01% (2022: 19%)	388	(9,836)	(9,448)	466	(32,756)	(32,290)
Effects of:						
Non taxable capital losses	—	8,943	8,943	—	32,111	32,111
Non taxable overseas dividends	(709)	—	(709)	(652)	—	(652)
Tax attributable to expenses and finance costs charged to capital	(773)	773	—	(645)	645	—
Unrelieved expenses	1,054	—	1,054	833	—	833
Overseas withholding tax	208	—	208	199	—	199
Double taxation relief expense	—	—	—	(2)	—	(2)
Disallowed interest	40	120	160	—	—	—
Total tax charge for the year	**208**	**—**	**208**	**199**	**—**	**199**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £11,930,000 (2022: £10,543,000) based on a prospective corporation tax rate of 25% (2022: 25%). 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.

Given the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

Notes to the Financial Statements

9. Return/(loss) per share

	2023 £'000	2022 £'000
Revenue return	1,557	2,251
Capital loss	(44,689)	(172,395)
Total loss	**(43,132)**	**(170,144)**
Weighted average number of shares in issue during the year	83,202,465	83,202,465
Revenue return per share	1.87p	2.71p
Capital loss per share	(53.71)p	(207.20)p
Total loss per share	**(51.84)p**	**(204.49)p**

10. Dividends

(a) Dividends paid and declared

	2023 £'000	2022 £'000
Dividends paid		
2023 first quarterly interim dividend of 3.42p (2022: 5.7p)	2,846	4,743
2023 second quarterly interim dividend of 3.42p (2022: 5.7p)	2,846	4,743
2023 third quarterly interim dividend of 3.42p (2022: 5.7p)	2,845	4,743
2023 fourth quarterly interim dividend of 3.42p (2022: 5.7p)	2,845	4,743
Total dividends paid in the period	**11,382**	**18,972**

In respect of the year ending 30th September 2024, the first quarterly interim dividend of 2.76p per share amounting to £2,296,000 (2023: 3.42p per share amounting to £2,846,000) 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 2024.

(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 2023, the dividends declared were paid during the year as shown above.

The aggregate of the distributable reserves is £90,042,000 (2022: £144,556,000). 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).

The aggregate of the distributable reserves after the payment of the first quarterly dividend for the year ended 2024 will amount to £87,746,000 (2022: £141,710,000).

11. Investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Investments listed on a recognised stock exchange	262,005	333,206
Opening book cost	347,716	386,515
Opening investment holding (losses)/gains	(14,510)	135,119
Opening valuation	333,206	521,634
Purchases at cost	158,460	233,677
Sales proceeds	184,323	(263,182)
Net losses on investments	(45,338)	(158,923)
	262,005	333,206
Closing book cost	292,589	347,716
Closing investment holding losses	(30,584)	(14,510)
Total investments held at fair value through profit or loss	**262,005**	**333,206**

The company received £184,323,000 (2022: £263,182,000) from investments sold in the year. The book cost of these investments when they were purchased was £213,568,000 (2022: 272,476,000). These investments have been revalued over time and until they were sold, any unrealised gains/losses were included in the fair value of the investments.

Transaction costs on purchases during the year amounted to £194,000 (2022: £337,000) and on sales during the year amounted to £269,000 (2022: £325,000). These costs comprise mainly brokerage commission.

12. Current assets

	2023 £'000	2022 £'000
Debtors		
Securities sold awaiting settlement	—	1,877
Dividends and interest receivable	111	82
Other debtors	46	38
	157	**1,997**

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

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, short term deposits and liquidity funds. The carrying amount of these represents their fair value.

Notes to the Financial Statements

13. Current liabilities

	2023 £'000	2022 £'000
Creditors: amounts falling due within one year		
Bank loan	—	57,511
Securities purchased awaiting settlement	—	3,868
Loan interest payable	471	334
Other creditors and accruals	198	154
	669	**61,867**

On 15th July 2021, the Company renewed the £50 million loan facility (with an accordion facility of £10 million) with The Bank of Nova Scotia, London Branch (new entity of the previous Scotiabank) for two years. This facility expired on 14th July 2023 and the Company arranged a new revolving credit facility with ICBC as detailed in note 14 below.

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

	2023 £'000	2022 £'000
Bank loan	31,808	—
	31,808	**—**

On 14th July 2023 the Company arranged a new £30 million multicurrency revolving loan facility (with the ability to increase up to £60 million if various conditions are met) with ICBC for a further two years. At 30th September 2023, the Company had drawn down US$ 38.8 million (£31.8 million) of this loan facility with ICBC at an interest rate of SOFR + 1.75% (2022: US$ 64.2 million (£57.5 million of this loan facility with Scotiabank at an interest rate of SOFR + 1.075%)).

15. Called up share capital

	2023		2022	
	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 (2022: none).

16. Capital and reserves

2023	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Capital reserves[2] Realised gains and losses £'000	Capital reserves[2] Investment 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	—	—	—	—	—	—	—	1,557	1,557
Dividend paid	—	—	—	—	—	(9,825)	—	(1,557)	(11,382)
Closing balance	**20,803**	**80,951**	**3**	**581**	**37,392**	**122,839**	**(32,797)**	**—**	**229,772**

2022	Called up share capital £'000	Share premium £'000	Exercised warrant reserve £'000	Capital redemption reserve £'000	Other reserve[1] £'000	Capital reserves[2] Realised gains and losses £'000	Capital reserves[2] Investment holding gains and losses £'000	Revenue reserve[2] £'000	Total £'000
Opening balance	20,803	80,951	3	581	37,392	197,841	135,831	—	473,402
Net exchange gains on cash and cash equivalents	—	—	—	—	—	1,633	—	—	1,633
Realised loss on sale of investments	—	—	—	—	—	(9,294)	—	—	(9,294)
Net change in unrealised gains and losses on investments	—	—	—	—	—	—	(149,629)	—	(149,629)
Realised foreign exchange losses on repayment of loans	—	—	—	—	—	(1,816)	—	—	(1,816)
Transfer of exchange gains on loans repaid in period	—	—	—	—	—	130	(130)	—	—
Unrealised exchange losses on multi currency loan	—	—	—	—	—	—	(9,844)	—	(9,844)
Finance costs charged to capital	—	—	—	—	—	(845)	—	—	(845)
Management fee charged to capital	—	—	—	—	—	(2,549)	—	—	(2,549)
Other capital charges	—	—	—	—	—	(51)	—	—	(51)
Retained revenue	—	—	—	—	—	—	—	2,251	2,251
Dividend paid	—	—	—	—	—	(16,721)	—	(2,251)	(18,972)
Closing balance	**20,803**	**80,951**	**3**	**581**	**37,392**	**168,328**	**(23,772)**	**—**	**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 reserve of the Company and may be used to fund distribution to investors.

Notes to the Financial Statements

17. Net asset value per share

	2023	2022
Net assets (£'000)	229,772	284,286
Number of shares in issue	83,202,465	83,202,465
Net asset value per share	**276.2p**	**341.7p**

18. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2022: 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 £2,468,000 (2022: £3,399,000).

Safe custody fees amounting to £51,000 (2022: £72,000) were payable to JPMorgan Chase Bank N.A. during the year of which £21,000 (2022: £17,000) 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 £9,000 (2022: £26,000).

Handling charges on dealing transactions amounting to £34,000 (2022: £52,000) were payable to JPMorgan Chase Bank N.A. during the year of which £6,000 (2022: £6,000) was outstanding at the year end.

The Company also held cash in the JPMorgan US Dollar Liquidity Fund, which is managed by JPMorgan Asset Management (Europe) S.à r.l. At the year end this was valued at £4,000 (2022: £8,085,000). Interest amounting to £212,000 (2022: £59,000) was receivable during the year.

Fees amounting to £224,000 (2022: £434,000) were receivable from stock lending transactions during the year. JPMorgan Investor Services Limited commissions in respect of such transactions amounted to £25,000 (2022: £48,000).

At the year end, total cash of £83,000 (2022: £2,865,000) 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 80.

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:

(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.

(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.

(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 77.

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

	2023		2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	256,299	—	308,625	—
Level 2	5,706[1]	—	24,581[2]	—
Total	**262,005**	**—**	**333,206**	**—**

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

[2] Participatory Notes (StarPower Semiconductor, DBAPP Security, OPT Machine Vision, Shanghai Baosight, Haier, ZWSOFT, Acrobiosystems, Bestechnic, Amoy Diagnostics, Zhejiang Supcon).

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 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

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

(a) Market risk (continued)

(i) Currency risk (continued)

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.

			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**

			2022		
	US Dollar £'000	Hong Kong Dollar £'000	Taiwan Dollar £'000	Chinese Renminbi £'000	Total £'000
Current assets	8,987	1,913	—	2,236	13,136
Creditors	(1,298)	(3,280)	—	(69)	(4,647)
Bank loan	(57,511)	—	—	—	(57,511)
Net current (liabilities)/assets	(49,822)	(1,367)	—	2,167	(49,022)
Investments held at fair value through profit or loss	51,806	158,792	3,088	119,520	333,206
Total net foreign currency exposure	**1,984**	**157,425**	**3,088**	**121,687**	**284,184**

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

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% (2022: 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.

	2023		2022	
	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	(309)	309	(375)	375
Capital return	(22,988)	22,988	(28,419)	28,419
Total return after taxation	**(23,297)**	**23,297**	**(28,794)**	**28,794**
Net assets	**(23,297)**	**23,297**	**(28,794)**	**28,794**

(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 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.

	2023 £'000	2022 £'000
Exposure to floating interest rates:		
Cash and short term deposits	83	2,865
JPMorgan US Dollar Liquidity Fund	4	8,085
Bank loan	(31,808)	(57,511)
Total exposure	**(31,721)**	**(46,561)**

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 (2022: same).

Notes to the Financial Statements

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

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 4% (2022: 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.

	2023		2022	
	4% increase in rate £'000	4% decrease in rate £'000	4% increase in rate £'000	4% decrease in rate £'000
Statement of Comprehensive Income – return after taxation				
Revenue return	(315)	315	(137)	137
Capital return	(954)	954	(1,725)	1,725
Total return after taxation for the year	**(1,269)**	**1,269**	**(1,862)**	**1,862**
Net assets	**(1,269)**	**1,269**	**(1,862)**	**1,862**

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:

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	262,005	333,206

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 pages 20 and 21. 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.

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% (2022: 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.

	2023		2022	
	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	(118)	118	(150)	150
Capital return	52,047	(52,047)	66,191	(66,191)
Total return after taxation	**51,929**	**(51,929)**	**66,041**	**(66,041)**
Net assets	**51,929**	**(51,929)**	**66,041**	**(66,041)**

(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 84.

Liquidity risk exposure

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

	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:				
Other creditors and accruals	198	—	—	198
Bank loan – including interest[1]	1,015	1,162	33,549	36,226
	1,213	**1,162**	**33,549**	**36,424**

[1] The principal amount outstanding on the bank loan at the year end was £31,808,000 (2022: £57,511,000).

Notes to the Financial Statements

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

(b) Liquidity risk (continued)

Liquidity risk exposure (continued)

	2022			
	Three months or less £'000	More than three months but not more than one year £'000	More than one year £'000	Total £'000
Creditors:				
Securities purchased awaiting settlement	3,868	—	—	3,868
Other creditors and accruals	154	—	—	154
Bank loan – including interest[1]	744	58,408	—	59,152
	4,766	**58,408**	**—**	**63,174**

[1] The principal amount outstanding on the bank loan at the year end was £31,808,000 (2022: £57,511,000).

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 exposed to the following counterparty risk as a result of its investment in Participatory Notes:

	2023 £'000	2022 £'000
BNP Paribas	3,665	11,092
Morgan Stanley	686	—
UBS	1,355	12,634
CICC	—	856
Total Exposure to Credit Risk from Counterparties in P Note transactions	**5,706**	**24,582**

Cash and cash equivalents

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 US Dollar Liquidity Fund.

JPMorgan Chase Bank N.A. and the JPMorgan US Dollar Liquidity Fund have S+P credit ratings of A–1 and AAAm respectively.

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 2023 amounted to £6.1 million (2022: £16.8 million) and the maximum value of stock on loan during the year amounted to £24.6 million (2022: £63.5 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 2023, investment grade non-cash collateral of £4.7 million (2022: £9.6 million), consisting of sovereign debt and treasury bonds, and cash collateral of £1.7 million (2022: £8.6 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:

	2023 £'000	2022 £'000
Debt:		
Bank loan	31,808	57,511
	31,808	57,511
Equity:		
Called up share capital	20,803	20,803
Reserves	208,969	263,483
	229,772	284,286
Total debt and equity	**261,580**	**341,797**

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.

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	262,005	333,206
Net assets	229,772	284,286
Gearing	**14.0%**	**17.2%**

Notes to the Financial Statements

22. Capital management policies and procedures (continued)

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. Subsequent events

Since the year-end, the Company breached one of its loan covenants due to the decline in net assets and market volatility. The Company had to repay some of the loan facility to avoid any additional breaches of loan covenants.

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.

Meituan Dianping (5.1% of our portfolio as of Sept 2023)

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%	113.2%
Actual[1]	200%	113.2%

[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%.

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 2022 Performance Year in December 2022 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 2022 Performance Year and the number of beneficiaries. These figures include the remuneration of all staff of JPMorgan 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 25 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 44 sub-funds) as at 31st December 2022, with a combined AUM as at that date of £21.6 billion and £21.3 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US$'000s)	21,662	14,069	35,731	146

The aggregate 2022 total remuneration paid to AIFMD Identified Staff was US$114,556,000, of which US$1,232,000 relates to Senior Management and US$113,324,000 relates to other Identified Staff.[1]

[1] For 2022, 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 2023 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 3.66%. Total lendable assets represents the aggregate value of asset 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	6,095	2.65%

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
Merrill Lynch	United States of America	1,674
Goldman	United States of America	1,671
Citigroup	United States of America	820
JP Morgan	United States of America	805
Morgan Stanley	United States of America	722
HSBC	United Kingdom	400
Jefferies	United States of America	4
Total		**6,095**

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	2,531
Government of Japan	1,966
United Kingdom Treasury	72
French Republic Government	39
Kingdom of Belgium Government	21
Federal Republic of Germany Government	14
Kingdom of Netherlands Government	6
Republic of Austria Government	5
Total	**4,654**

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
Sovereign Debt and Treasury Notes	Investment Grade	USD	2,531
Sovereign Debt	Investment Grade	JPY	1,966
Sovereign Debt	Investment Grade	EUR	85
Sovereign Debt	Investment Grade	GBP	72
Total			**4,654**

Cash collateral

Cash collateral of £1,735,000 was received in respect of the amounts of securities on loan.

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	1,735
1 week to 1 month	—
1 to 3 months	190
3 to 12 months	118
more than 1 year	4,346
Total	**6,389**

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

Notice is hereby given that the twenty-ninth Annual General Meeting of JPMorgan China Growth & Income plc will be held at 60 Victoria Embankment, London EC4Y 0JP on Friday, 26th January 2024 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 2023.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 30th September 2023.
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 Joanne Wong a Director of the Company.
7. To reappoint Aditya Sehgal 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, 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 11th December 2023, this being the latest practicable date prior to the publication 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 2025 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 11th December 2023, 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 upon the expiry of the general authority conferred by Resolution 9 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or Treasury shares to be sold after such expiry and so that the Directors of the Company may allot equity securities or sell Treasury shares pursuant to such offers or agreements 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 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 11th December 2023, this being the latest practicable date prior to the publication 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 2025 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.

Notice of Annual General Meeting

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 11th December 2023, 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 upon the expiry of the general authority conferred by Resolution 11 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or Treasury shares to be sold after such expiry and so that the Directors of the Company may allot equity securities or sell Treasury shares pursuant to such offers or agreements 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 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; 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, Secretary

15th December 2023

Notice of Annual General Meeting

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.
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/Voting Direction Form, you can appoint a proxy or proxies electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed under your name on the Form of Proxy/Voting Direction Form). Alternatively, if you have already registered with Equiniti Limited's online portfolio service, Shareview, you can submit your Form of Proxy at www.shareview.co.uk. Full instructions are given on both websites.
17. As at 11th December 2023 (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. See further instructions on the Form of Proxy.

Glossary of Terms and Alternative Performance Measures ('APMS') (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 2023	Year ended 30th September 2022	
Opening share price (p)	23	302.0	518.0	(a)
Closing share price (p)	23	244.5	302.0	(b)
Total dividend adjustment factor[1]		1.045599	1.054840	(c)
Adjusted closing share price (d = b x c)		255.6	318.6	(d)
Total return to shareholders (e = (d / a) – 1)		**–15.3%**	**–38.5%**	(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 2023	Year ended 30th September 2022	
Opening cum-income NAV per share (p)	23	341.7	569.0	(a)
Closing cum-income NAV per share (p)	23	276.2	341.7	(b)
Total dividend adjustment factor[1]		1.041886	1.053661	(c)
Adjusted closing cum-income NAV per share (d = b x c)		287.8	360.0	(d)
Total return on net assets (e = (d / a) – 1)		**–15.8%**	**–36.7%**	(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 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 86 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	30th September 2023 £'000	30th September 2022 £'000	
Investments held at fair value through profit or loss	74	262,005	333,206	(a)
Net assets	74	229,772	284,286	(b)
Gearing (c = (a / b) – 1)		**14.0%**	**17.2%**	(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 2023	Year ended 30th September 2022	
Management fee (£'000)	72	2,468	3,399	
Other administrative expenses (£'000)	72	628	605	
Total management fee and other administrative expenses(£'000)		3,096	4,004	(a)
Average daily net assets		275,769	366,964	(b)
Ongoing charges (c = a / b)		**1.12%**	**1.09%**	(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	30th September 2023	Year ended 30th September 2022	
Share price (p)	7	244.5	302.0	(a)
Net assets value per share (p)	7	628	605	(b)
Discount (c = (a -b)/ b)		**(11.5)%**	**(11.6)%**	(c)

Performance attribution

Analysis of how the Company achieved its recorded performance relative to its benchmark (see attribution table on page 11).

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.

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

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/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.

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).

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.

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 have quota from the Chinese regulator to invest directly in the Chinese market.

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
DealingiDealing
Directed Service
Fidelity Personal Investing
Freetrade
Halifax Share
Hargreaves Lansdown
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 102 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.

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.

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.

Registrars

Equiniti Limited
Reference 1078
Aspect House
Spencer Road
West Sussex BN99 6DA
Telephone number: +44 (0)371 384 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. If calling from outside of the UK, please ensure the country code is used.

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

aic The Association of Investment Companies

A member of the AIC

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