



NORDIC ASIA

INVESTMENT GROUP 1987 AB

ANNUAL REPORT 2022

Please note that this is an English translation of the Annual Report written in Swedish by Nordic Asia Investment Group 1987 AB. In the event of any inaccuracies, the Swedish version applies.

ANNUAL REPORT 2022

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NORDIC ASIA INVESTMENT GROUP

A Swedish investment company investing in China with a focus on consumer-oriented companies

Nordic Asia Investment Group 1987 AB ("Nordic Asia", "the company") is a Swedish investment company that focuses on long-term investments in market-leading Chinese companies with exposure to the growing domestic consumer market in China. Nordic Asia has a portfolio of around twenty companies and exclusively invests in publicly listed companies. The investments are focused on three selected themes; the shift towards 5G and renewable energy, e-commerce platforms, and local brands.

NET ASSET VALUE & INVESTMENT PORTFOLIO

The Net Asset Value (NAV) amounted to 233 054 KSEK at the end of 2022, which corresponds to 6.78 SEK per common share. At the end of 2022, cash and cash equivalents amounted to 24 179 KSEK, equivalent to approximately 10% of NAV. Nordic Asia's portfolio consisted of 27 portfolio holdings at the year-end.

FINANCIAL GOALS

Portfolio performance

The company's objective is to achieve an annual return exceeding 15% with a low correlation to the Swedish stock market over time. During the year, Nordic Asia's net asset value has decreased by 14%, which can be compared to the benchmark index MSCI China, which has decreased by 24% over the corresponding period.

Dividend

The company intends to distribute at least 50% of the dividends received from portfolio companies each year. The Board of Directors has proposed a dividend of 0.09 SEK (0.08) per common share, totaling 3 094 KSEK (2 955). The dividend corresponds to the expected dividends from portfolio companies in 2023.

Operating Fees

The company's objective is to keep operating expenses as a percentage of net asset value below 1.50% at the end of a fiscal year. For 2022, operating expenses as a percentage of net asset value amounted to 2.36% (1.49), equivalent to -5 496 KSEK (-4 346). The cost base has developed in line with the 2022 budget, but the expense ratio has been impacted by the negative change in the value of the securities portfolio as well as share redemption.

HOLDINGS 2022-12-31	VALUTA	%	KSEK
SF Holding	CNY	4.0%	9 036
NIU Technologies	USD	1.5%	4 449
Contemporary Amperex Technology	CNY	2.0%	3 414
Semcorp (Yunnan Energy)	CNY	3.9%	6 158
Shenzhen Inovance Technology	CNY	3.1%	7 880
MOBILITY		14.5%	30 937
Xiaomi Corp	HKD	2.4%	5 693
Will Semiconductor	CNY	1.4%	3 361
Eoptolink	CNY	2.2%	5 091
EFFICIENCY		6.1%	14 145
China Tourism Duty Free	CNY	1.9%	4 530
Meituan	HKD	3.1%	7 202
Tencent	HKD	4.0%	9 299
Trip.com	HKD	2.0%	4 742
Alibaba Group (HK)	HKD	2.4%	5 691
JD.COM (HK)	HKD	3.9%	9 119
ENTERTAINMENT & E-COMMERCE		17.4%	40 584
Anta Sports	HKD	7.0%	16 240
Chow Tai Fook Jewellery Group	HKD	3.8%	8 865
FASHION		10.8%	25 104
Angel Yeast	CNY	3.3%	7 735
Anjoy Foods	CNY	3.6%	8 406
Chacha Food	CNY	3.7%	8 695
Jue Wei Food	CNY	4.0%	9 414
FOOD & BEVERAGE		14.7%	34 250
AIA	HKD	2.7%	6 274
China Merchants Bank	HKD	4.2%	9 786
East Money Information	CNY	4.2%	9 759
Hong Kong Exchanges and Clearing	HKD	2.1%	4 920
FINANCE		13.2%	30 739
Hygeia	HKD	4.2%	9 819
HEALTH		4.2%	9 819
Hangzhou Robam Appliances	CNY	3.9%	9 054
Jiangshan Oupai	CNY	5.8%	13 566
DURABLE GOODS		9.7%	22 621
TOTAL SECURITIES HOLDINGS, KSEK		89.3%	208 198
CASH (CONVERTED TO SEK), KSEK		10.4%	24 179
NET ASSET VALUE (NAV), KSEK		100.0%	233 054
NAV PER COMMON SHARE, SEK			6.78

KEY PERFORMANCE INDICATORS

	2022	2021
Net Asset Value, KSEK	233 054	290 732
Net Asset Value per common share (A+B), SEK	6.78	7.87
Operating expenses for the period, KSEK	-5 496	-4 346
Operating expenses as a share of Net Asset Value for the period	2.36%	1.49%
Dividend per common share (A+B), SEK	0.09*	0.08
Dividend per preference share (C), SEK	-	-
Share price at year-end, SEK (B)	5.50	7.00

*Proposed dividend.

THE MARKET YEAR 2022 – CHINA

Characterized by global inflation, interest rate hikes, and, in the case of China, Covid-19

THE REOPENING OF CHINA AFTER COVID-19

Dec 7th China announced its reopening after nearly three years of Covid restrictions

STABLE DEVELOPMENT OF INFLATION

2% China's inflation (CPI) for 2022

GROWTH DESPITE COVID RESTRICTIONS AND REDUCED EXPORTS

3% China's GDP growth for 2022

STRONG FUNDAMENTALS DRIVE CHINA'S LONG-TERM GROWTH

Supported by China's shift from production to domestic consumption

CHINA – WORLD'S LARGEST ECONOMY 2030

5-6% China's expected average annual GDP growth rate until 2030

TRIPLING OF DOMESTIC CONSUMPTION BY 2030

50% China's expected consumption as a percentage of GDP by 2030, compared to the current 39%

DOUBLING OF THE MIDDLE CLASS

+400 Millions of expected new income earners in the Chinese middle class by 2030

NEW CONSUMPTION HABITS

3x Number of times more the millennial generation spends on clothing, entertainment, and services

LETTER FROM THE CEO

The year of 2022 has been a challenging year for the global economy, facing several challenges such as high inflation, interest rate hikes, disruptions in supply chains, component shortages, and Russia's invasion of Ukraine. China has not escaped the impact of these events, particularly in the export sector, while also dealing with Covid-19 and the strict zero-tolerance strategy, which finally ended in December. Despite this, China's GDP grew by 3% during the year.

The global interest rates have significantly increased due to high inflation, which has had (global) effects especially among sectors, companies, and individuals with relatively high debt and variable interest rates. Household living costs have increased during the year due to higher mortgage rates and high inflation in goods, particularly among the younger demographic. This decline in real purchasing power is likely to continue, and lenders will demand higher premiums to compensate for the increased credit risk. In contrast to the rest of the world, China has maintained a relatively low inflation level, partly explained by a historically more restrained monetary policy compared to other countries.

China's real estate sector, especially new constructions, has remained strained during the year due to previous overproduction of properties and limited demand due to Covid restrictions, affecting the willingness to move. However, towards the end of the year, some improvement was observed thanks to stabilizing measures which aided in the completion of unfinished projects and through cut lower mortgage rates.

The twentieth Party Congress held in October became an important event. The Party Congress, which is China's highest decision-making body, reaffirmed China's long-term goals of becoming a medium-income country (per capita) by 2035 and a high-income country by 2049. This implies that China's economy needs to double by 2035, corresponding to an annual growth rate of over 5%, and places high demands on the Chinese economy. To achieve this growth target, China's domestic economy becomes even more relevant, with domestic consumption as the driving force in China's continued growth journey.

The perhaps most significant event for China this year was when the government decided to reopen the country on December 7th after nearly three years of lockdowns due to Covid. Travel restrictions have been eased, and the requirement to wear masks has been lifted in Hong Kong, Macao and eased on the mainland in China. Positive effects were already seen towards the end of the year, with significant recovery

observed in public transportation. Besides the general economic recovery, substantial growth is expected in sectors that were particularly negatively affected by Covid restrictions. Examples include the entertainment industry, where an increase in restaurant visits, cinema ticket sales, and travel has been observed. Although the Purchasing Managers' Index for the manufacturing industry in March 2023 was 51.6 (partly due to declining exports), the index for China's service sector reached a new peak at 57.8. During the "Covid years," the average savings rate and total savings of Chinese households increased. As economic activity continues to normalize, the pent-up purchasing power combined with lower mortgage costs is expected to be a positive driving force for China's domestic economy.

The year 2023 has started strongly, and the recovery of the Chinese economy, especially the domestic consumer market with strong underlying fundamentals, has only just begun. In early March, double-digit growth figures have been observed in retail sales, and continued positive market development is expected for 2023. Although the economic recovery has been faster than expected, the central government announced that the GDP forecast for 2023 remains around 5%, citing risks from external demand. Therefore, the most important source of growth this year must continue to come from the domestic consumer market, especially from a recovery in the service sector, which accounts for about 48% of total employment.

For 2023, a recovery is expected in several portfolio companies with higher sales and operating margins. During this recovery process, companies exposed to the offline and service sectors, as well as those that have gained market share through continued investments during the Covid-19 years, are expected to benefit, particularly as China's economy rebounds.

I would like to take this opportunity to thank our investors for your continued trust and express my gratitude to the board and our employees for their commitment and work. Together, we look forward to continuing this long-term journey and generating good returns for our investors.



Yining Wang

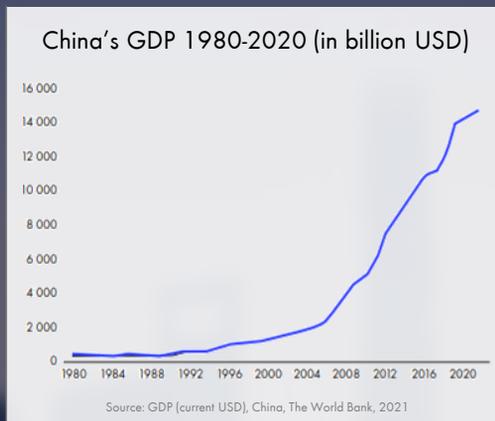
Chief Executive Officer

Nordic Asia Investment Group 1987 AB

FUNDAMENTAL GROWTH DRIVERS

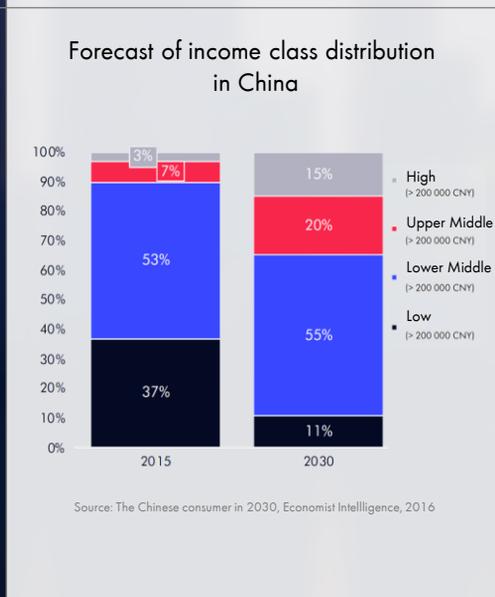
ECONOMIC GROWTH

Since the reform and opening-up of China in 1978, China’s GDP has increased by more than 90 times, lifting 800 million people out of poverty¹. In the past decade, China’s GDP has grown from 7.6 trillion USD to 17.7 trillion USD, surpassing Japan by 3.6 times to become the world’s second-largest economy². During the same period, the internet penetration rate in China has increased from 25% to 60%³, adding over 500 million new internet users⁴. Furthermore, the new wave of entrepreneurs has contributed to the presence of over 312 unicorn companies in China, with a combined market value exceeding 1.3 trillion USD⁵.



GROWING MIDDLE CLASS

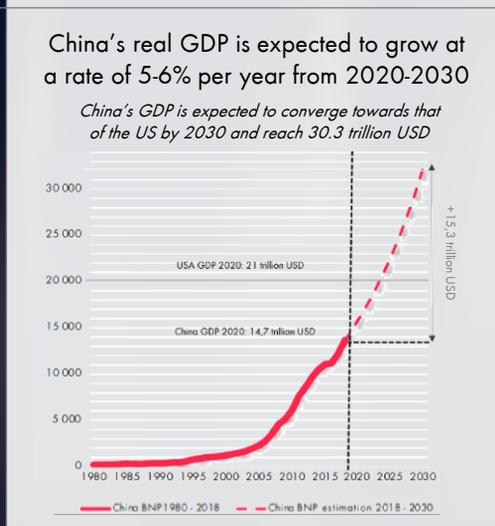
The Chinese millennial generation (born approximately between 1980 and 1990) has become the primary part of the workforce in China and currently represents over 400 million of China's 1.4 billion population⁶. The millennial generation is expected to contribute significantly to the growing Chinese middle class, which is defined as having a household income above 17 000 CNY (approximately 25 000 SEK) per month. This income group is projected to more than double over the coming decade, resulting in an increase of around 400 million new middle-class income earners. It is the expanding middle class that is expected to remain the main driving force in the Chinese consumer market going forward⁷. Today, it can be observed that millennials spend an average of three times more than the average population on clothing, entertainment, and other service consumption.



INCREASING CONSUMPTION

In a base scenario, real GDP is projected to grow at a rate of approximately 5-6% per year until 2030, while Chinese domestic private consumption is expected to increase as a share of China's GDP from 39% to 50%. This increase provides evidence that domestic consumption is expected to grow by about three times during the current decade, from the current level of around 5.6 trillion USD to over 15 trillion USD.

The accelerating growth among Chinese consumers suggests that Chinese consumption will remain the leading engine driving the global economy, with China overtaking the United States as the world's largest economy by 2030⁸.



¹ <https://www.worldbank.org/en/country/china/overview>, ² <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=CN>, ³ <https://www.statista.com/statistics/236963/penetration-rate-of-internet-users-in-china/>, ⁴ <https://www.statista.com/statistics/265140/number-of-internet-users-in-china/>, ⁵ <https://www.hurun.net/en-US/Info/Detail?num=HD7Q8RVHK6WE>, ⁶ <https://xqdoc.imedao.com/14fcc41218a6163fed2098a2.pdf>, ⁷ National Bureau of statistics China: GDP per capital ranking, ⁸ White paper China's New sources of Economic Growth: Reform, Resources and Climate change: Section 4 2018.

INVESTMENTS IN CHINA'S DOMESTIC CONSUMER MARKET

Nordic Asia deciphers the Chinese investment market

LONG-TERM OWNERSHIP WITH A FOCUS ON DOMESTIC CONSUMPTION

Strategically selected investment portfolio based on long-term structural market trends and the increasing purchasing power of the growing middle class in China

LISTED HOLDINGS

Nordic Asia exclusively invests in Chinese publicly listed companies with a market capitalization of at least 1 billion USD, traded on the Shanghai, Shenzhen, Hong Kong, or US stock exchanges

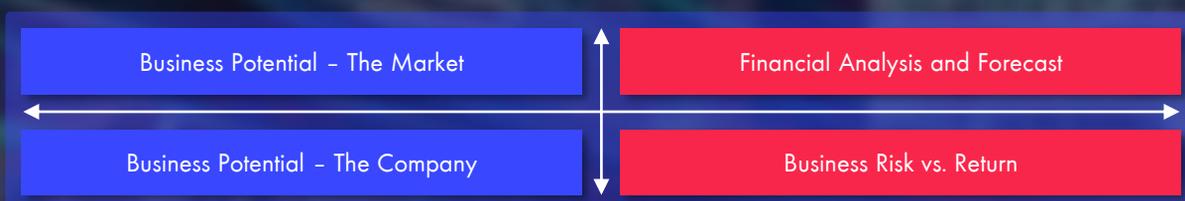
GOAL: 15% ANNUAL RETURN OVER TIME

Nordic Asia aims to achieve an annual return exceeding 15% over time with a low correlation to the Swedish stock market

LOCAL ANALYSIS

With a local analyst team based in Shanghai

ESTABLISHED INVESTMENT FRAMEWORK



THE TEAM



Yining Wang – VD & Investment Director

Previous experience: Business Area Manager – Assa Abloy APAC in Hong Kong, Analyst – Procuritas, Trainee – Melker Schörling, Winner of CFA Global Research Challenge in EMEA 2012.

Education: MSc Financial Management, Stockholm School of Economics, BSc Business Administration, Gothenburg School of Business, Economics and Law.

Based in Hong Kong, fluent in Swedish, English and Mandarin.

SCHÖRLING
ASSA ABLOY



Yu Zhang – Head of Analysis

Previous experience: Head of Analysis – Haitong Securities, Sealand Securities and Central China Securities. Winner of the analyst awards “Golden Bull”, “New Fortune” and “Crystal Ball Analyst”.

Education: MSc Finance, Royal Institute of Technology, BSc Economics, Beijing.

Based in Shanghai, fluent in English and Mandarin.



中原证券
CENTRAL CHINA SECURITIES



Sunny Huang – Investment Analyst

Previous experience: Analyst – Evalueserve on behalf of Bank of America.

Education: MSc Finance, BSc Accounting and Finance, University of Manchester.

Based in Shanghai, fluent in English, Mandarin and Cantonese.



BANK OF AMERICA



Freya Sun – Risk Analyst

Previous experience: Risk Analyst – Société Générale in Hong Kong, Analyst, derivatives – Caceis (Credit Agricole) in Hong Kong and M&A Intern – Shenwan Hongyuan Security Company in Beijing.

Education: BSc Business Administration, Chinese University of Hong Kong.

Based in Hong Kong, fluent in English and Mandarin.



Yu Chang Jian – Investment Analyst

Previous experience: Investment analyst, tech – Youbai, Shanghai.

Experience: MSc Management, European Business School, BSc Finance, University of International Business and Economics.

Based in Shanghai, fluent in English and Mandarin.

Youbai

THE INVESTMENT STRATEGY

LONG-TERM STRATEGIC OWNERSHIP IN CHINA'S DOMESTIC CONSUMER MARKET

- Nordic Asia's investment strategy is rooted in long-term and strategic equity ownership in market-leading Chinese companies with exposure to the domestic consumer market in China.
- Nordic Asia aims to hold a concentrated investment portfolio of around twenty companies, with the goal of achieving an annual return exceeding 15 percent.
- Nordic Asia invests solely in publicly listed companies with a market capitalization of at least 1 billion USD, traded on the Shanghai, Shenzhen, Hong Kong, or US (ADR) stock exchanges.

SUPPORTED BY A LOCAL ANALYST TEAM

The investment strategy is supported by Nordic Asia's Shanghai-based investment team, providing proximity to the investment market and portfolio companies.

INVESTMENTS WITHIN THREE STRATEGIC THEMES

STRUCTURAL TECHNOLOGICAL SHIFTS

Transition to 5G and renewable energy.

TRADING PLATFORMS

Market-leading platforms with a combination of sales channels.

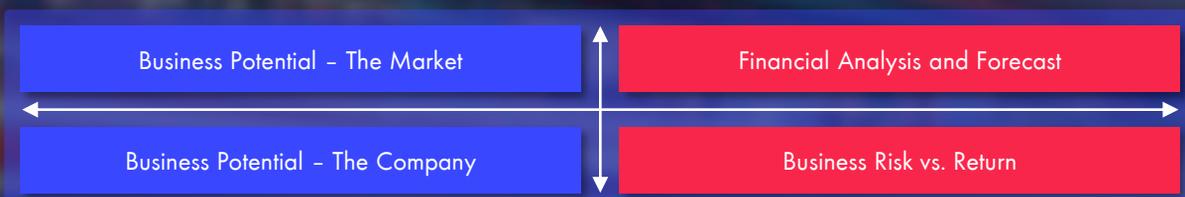
LOCAL BRANDS

Product quality, broad target audiences, and cost advantages.

INVESTMENT PROCESS & FRAMEWORK

NORDIC ASIA'S INVESTMENT MODEL IS BUILT UPON SOLID FUNDAMENTAL ANALYSES OF PORTFOLIO COMPANIES' MARKET POSITIONS IN CHINA'S CONSUMER MARKET

- From an investment universe of over 1 500 companies, a sector-based screening process is conducted, creating an internal "watch list" of approximately 200 companies across 20 sectors.
- In the next step, the companies are reviewed and analyzed, resulting in a "short list" of around 60 companies.
- The companies in the short list are monitored, leading to the creation of a "target list" and an internal analysis schedule is developed to conduct a deeper analysis of the companies.
- Finally, once the internal analysis is completed, the specific company is presented to Nordic Asia's internal investment committee for consideration, followed by an investment decision.



TRIP.COM - CASE STUDY

Trip.com

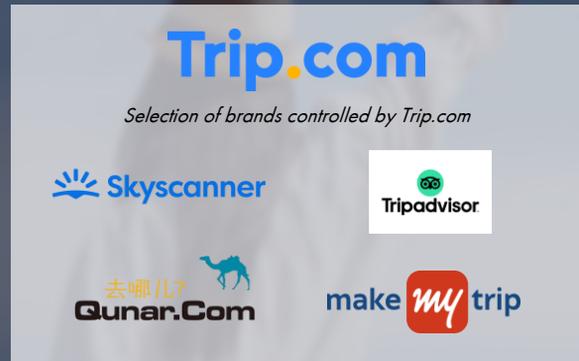
Trip.com is one of China's leading online travel agencies offering a wide range of travel services. The predecessor of Trip.com, Ctrip, was founded in 1999 and experienced rapid growth between 2004 and 2010, coinciding with the increasing use of the Internet and mobile phones in China. After emerging as a significant player in China's domestic tourism industry through investments and acquisitions following a prolonged price war from 2010 to 2015, Trip.com established strong relationships with airlines, hotels, and local tourism authorities.

Since 2016, the company has expanded globally by acquiring Skyscanner, MakeMyTrip, and other entities. To counter competition from other major internet giants like Meituan and Alibaba, Ctrip changed its name to Trip.com in 2019 and introduced the "G2 Strategy" focusing on "Good Quality" and "Globalization." The company also introduced a "tourist community" feature in its apps, enhancing user experience and engagement. Trip.com has formed a robust network of partnerships, a key factor in maintaining its leading position. Close collaborations with hotels and airlines allow Trip.com to offer a comprehensive flight and hotel booking system with access to over 90 000 hotels and 240 000 hotel partners. Furthermore, Trip.com leverages cross-selling by providing various tourism packages based on its established system.

Through its successful global expansion, Trip.com has not only positioned itself as a leading travel platform worldwide but has also reinforced its position in the domestic market in China. Today, Trip.com ranks as the number one travel platform in China with over 80 million active users per month, prior to the pandemic.

COMPANY OUTLOOK

Trip.com is considered one of the major beneficiaries of the tourism recovery since China reopened in December 2022. A clear rebound was observed during the Chinese New Year holiday in February 2023, with a 23.1% year-on-year growth in travel, translating to approximately 30% sales growth in the tourism sector. International travel to and from China has also begun to recover, reaching 22% of pre-Covid levels. Trip.com has communicated that outbound travel bookings through their platform have increased by over 300% year-on-year during the first two months of 2023, indicating a recovery of up to 40% of pre-Covid levels.



Revenue (2022)	20 billion CNY
Growth (2022, YoY)	0.1%
Operating margin (2022)	6.4%
Number of employees (2022)	32 202
Market capitalization (as of March 31, 2023)	26 billion USD



- Pent-up demand for travel after years of Covid restrictions.
- Trip.com's strong partner network is expected to drive future growth in both the domestic and global markets.
- Increasing user engagement is expected to help Trip.com maintain its strong market position.
- Global expansion is anticipated to drive further growth by funneling traffic to the group's other travel platforms and increasing the user base.

ANTA SPORTS – CASE STUDY



Anta Sports is China's largest player in sportswear with over 10 000 stores nationwide and has been implementing a multi-brand strategy since 2009 to expand its target audience and increase market share. With the experience of successfully driving the Anta brand for sports enthusiasts, Anta Sports initiated its operations. The company initially focused on the well-known FILA brand to meet the demand for more exclusive sports products with distinct fashion elements. In 2022, the number of FILA stores reached 1,984, accounting for about 40% of Anta Sports' total revenue.

Anta Sports has further diversified its brand portfolio by targeting more professional users with brands such as Descente (skiing), Kolon Sport (outdoor activities), Salomon (high-quality sportswear), Arcteryx (outdoor activities), and others. Through the successful FILA strategy, Anta Sports also achieved strong growth in the segment of more exclusive brands, with 191 Descente stores and 161 Kolon stores. Anta Sports also succeeded in turning Amer Sports, the parent company of Salomon and Arcteryx, into a profitable entity in 2022. As a result, Anta Sports has established a strong presence in the Chinese sportswear market and created a large and diversified customer base.

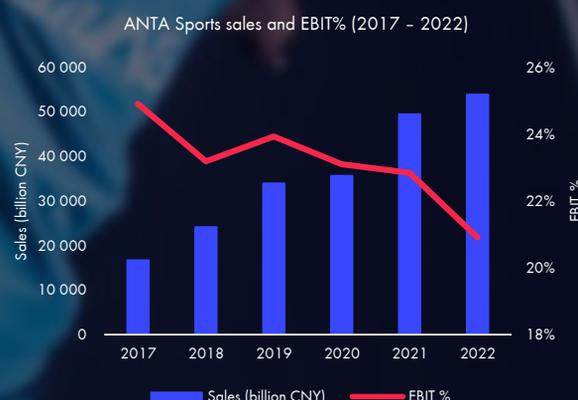
In 2020, Anta Sports initiated a transformation of its sales model to DTC (direct to customer), resulting in 7 200 out of a total of 9 603 stores under the company's direct control by 2022. After the DTC transformation, Anta Sports can manage its stores more efficiently through a consistent management system and a consolidated inventory system. In 2021, Anta Sports also launched its "Lead to Win" program, aimed at increasing brand awareness and ASP (average selling price) by introducing product series with improved technology, closer ties to China's national team, and enhanced appeal to Generation Z.

COMPANY OUTLOOK

Anta Sports has a well-established brand and actively works to broaden its market by expanding into new market segments with new product categories and brands. Anta Sports is expected to continue its market leadership with its diversified portfolio and experienced management. Through its successful multi-brand strategy, the company is positioned to further capture market share and achieve higher profit margins, leveraging its premium segments and increased operational efficiency.



Revenue (2022)	54 billion CNY
Growth (2022, YoY)	8.8%
Operating margin (2022)	20.9%
Number of employees (2022)	59 000
Market capitalization (as of March 31, 2023)	39 billion USD



- Experienced leadership with a track record of successfully acquiring brands and launching new product lines to stay relevant.
- Attractive and broad brand portfolio that appeals to multiple target audiences.
- High margins within the more premium-oriented endeavors.
- DTC (direct to customer) strategy for greater flexibility, efficiency, and cost benefits.

MEITUAN - CASE STUDY

Meituan

Meituan is the largest local service platform in China, providing services such as food delivery, shopping, hotels, travel, and more. As of December 2022, Meituan had 678 million registered users and 9.3 million merchants. For many people in China, Meituan has become the most common way to access food-related services.

In 2021, Meituan adopted the "Food + Platform" strategy to build an ecosystem around food services, leading to the development of the largest food delivery network in China, with approximately 70% market share. Meituan also merged with Dianping, a restaurant review platform similar to Yelp, to expand its coverage to local store food services.

In addition to the food sector, Meituan has expanded its range of services to include hotel and travel services, entertainment, and transportation services. By offering a comprehensive range of services, Meituan not only attracts more users but also helps merchants gain more customers by converting online traffic. In 2020, Meituan took the opportunity to expand its services due to Covid restrictions by adding grocery stores and other retail options to its platform.

In 2022, Meituan's "Instashopping" (excluding food delivery) reached 1.8 billion orders, equivalent to 4.9 million orders per day (compared to 3.1 million in 2021), thanks to increased demand during the pandemic. Meituan is also developing Meituan Select, a leading purchasing platform for community groups that currently covers over 1 000 cities, offering pickup and delivery the day after ordering.



Revenue (2022)	220 billion CNY
Growth (2022, YoY)	22.8%
Operating margin (2022)	1.3%
Number of employees (2022)	90 472
Market capitalization (as of March 31, 2023)	114 billion USD



COMPANY OUTLOOK

In 2022, Meituan achieved 1 CNY in operating profit per food delivery order based on 15.9 billion food deliveries, resulting in a gross margin of 13.5% (compared to 6.4% in 2021), while its major competitor Ele.me still operates at a loss. There are further margin improvements for Meituan's food delivery through economies of scale, enhancing efficiency, and creating room for subsidies as competition decreases and order volume increases. For the retail, hotel, and travel segments, Meituan will maintain its leading position by effectively attracting new customers to store owners.

- New digital consumption patterns post-pandemic imply a continued strong demand for Meituan's services.
- Meituan holds a strong market position with its extensive delivery network, reducing the risk of new competitors.
- In the future, Meituan plans to expand globally, with current exploration of food delivery services in Hong Kong, marking the first step toward global expansion.

THE PORTFOLIO

INVESTMENT PORTFOLIO WITH TWENTY OR MORE COMPANIES LISTED COMPANIES

Limited portfolio size consisting of publicly traded companies with a market value of at least 1 billion USD.

FOCUS ON THE SHIFT TOWARDS 5G, TRADING PLATFORMS, AND LOCAL BRANDS...

Supported by the growing domestic consumer market in China.

...WITHIN THE SECTORS

Entertainment, e-commerce, sports & fashion, finance, food & beverage, healthcare, and durable goods.

HOLDINGS April 25, 2023	SECTOR	NO. OF SHARES	SHARE PRICE (LCY)	CURRENCY	% PORTFOLIO MV, KSEK	
SF Holding	Mobility	89 776	54.80	CNY	3.5%	7 293
NIU Technologies	Mobility	109 152	3.68	USD	2.0%	4 118
Contemporary Amperex Technology	Mobility	14 878	385.90	CNY	4.1%	8 511
SUM					9.5%	19 922
H World Group	Entertainment	13 426	45.04	USD	3.0%	6 199
China Tourism Duty Free	Entertainment	27 784	161.95	CNY	3.2%	6 670
Meituan	Entertainment	62 580	131.60	HKD	5.1%	10 756
Tencent	Entertainment	14 200	338.40	HKD	3.0%	6 276
Trip.com	Entertainment	25 600	274.00	HKD	4.4%	9 161
JD.COM (HK)	Entertainment	38 740	132.70	HKD	3.2%	6 714
SUM					21.9%	45 775
Anta Sports	Fashion	115 800	96.00	HKD	6.9%	14 519
Chow Tai Fook Jewellery Group	Fashion	451 600	15.18	HKD	4.3%	8 953
SUM					11.2%	23 472
Angel Yeast	Food & Beverage	148 908	39.19	CNY	4.1%	8 651
Jiumaojiu	Food & Beverage	324 000	16.72	HKD	3.4%	7 075
TH International	Food & Beverage	129 246	4.33	USD	2.7%	5 737
Anjoy Foods	Food & Beverage	39 078	166.58	CNY	4.6%	9 650
Chacha Food	Food & Beverage	131 900	43.45	CNY	4.1%	8 496
Jue Wei Food	Food & Beverage	145 115	39.80	CNY	4.1%	8 562
SUM					23.0%	48 170
East Money Information	Finance	270 726	16.08	CNY	3.1%	6 453
SUM					3.1%	6 453
Hygeia	Health	90 800	54.55	HKD	3.1%	6 469
SUM					3.1%	6 469
KE Holding	Durable goods	41 575	16.46	USD	3.4%	7 015
Hangzhou Robam Appliances	Durable goods	201 457	26.93	CNY	3.8%	8 042
Jiangshan Oupai	Durable goods	139 211	52.99	CNY	5.2%	10 935
SUM					12.4%	25 993

For portfolio composition as of the balance sheet date December 31, 2022, please refer to note 8.

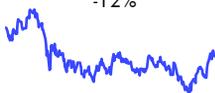
THE PORTFOLIO COMPANIES

Mobility

2022

	<p><i>Contemporary Amperex Technology (CATL) is a global supplier of lithium batteries and energy storage solutions for electric vehicles.</i></p> <ul style="list-style-type: none"> • Key supplier to, among others, Tesla, BMW, Toyota, NIO, Xpeng, Geely, and more. • CATL has expanded its production capacity, captured significant market share in the battery industry, and built competitive advantages. 	<p>-33%</p>  <ul style="list-style-type: none"> • Revenue: 329 billion CNY • Growth: +152% • EBIT%: 11%
	<p><i>NIU is a leading provider of smart electric urban mobility solutions, including scooters and electric bicycles.</i></p> <ul style="list-style-type: none"> • NIU's focus on design and functionality has successfully attracted young urban residents. • NIU continuously expands its product range and is growing both domestically and globally. • NIU provides a solution to around 20 operators renting out electric scooters in 13 countries, including the USA, Germany, and France. 	<p>-68%</p>  <ul style="list-style-type: none"> • Revenue: 3 billion USD • Growth: -14% • EBIT%: -3%
	<p><i>SF Holding is one of China's leading logistics providers with a focus on integrated and intelligent delivery solutions.</i></p> <ul style="list-style-type: none"> • The logistics solutions include scheduled deliveries within China and internationally, with a presence in 62 countries. • Strong platform and an innovation-driven organization focusing on technological development and achieving economies of scale. • Controls the entire delivery chain through its network and operates its own cargo airline. 	<p>-16%</p>  <ul style="list-style-type: none"> • Revenue: 267 billion CNY • Growth: +29% • EBIT%: 5%

Fashion

	<p><i>Anta is a leading sportswear company focusing on development, manufacturing, and marketing of sportswear, shoes, and accessories.</i></p> <ul style="list-style-type: none"> • Has successfully expanded its operations by acquiring international brands such as FILA, Arcteryx, and others. • In 2020, Anta Sports initiated a transformation of its sales model to DTC (direct to customer), resulting in 7 200 out of a total of 9 603 stores (as of 2022) being under the company's direct control. 	<p>-12%</p>  <ul style="list-style-type: none"> • Revenue: 54 billion CNY • Growth: +9% • EBIT%: 21%
	<p><i>Chow Tai Fook Jewelry Group (CTF) is among the most well-known jewelry retailers in China.</i></p> <ul style="list-style-type: none"> • The company currently has a total of 7 151 retail locations across both major and medium-sized cities. • CTF is known for its strong product quality, trend-setting design, and successful store management in China. • Since 2016, CTF has consolidated significant portions of the market through its successful franchise model. 	<p>+14%</p>  <ul style="list-style-type: none"> • Revenue: 99 billion CNY • Growth: +41% • EBIT%: 9%

The presented companies refer to Nordic Asia's portfolio holdings as of April 25, 2023.

THE PORTFOLIO COMPANIES

Entertainment

2022

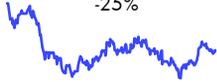
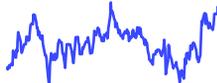
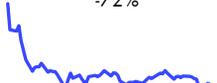
	<p><i>China Tourism Duty Free Group is the largest duty-free group in China. The strong growth is driven by China's luxury goods consumption and the expanding Hainan duty-free market.</i></p> <ul style="list-style-type: none"> • Extensive store network at airports including Shanghai, Beijing, and Guangzhou. Operates the world's largest duty-free shopping center with a total area of over 100 000 square meters in Hainan. • Exposure to rising luxury consumption and increased domestic tourism. 	<p>-2%</p>  <ul style="list-style-type: none"> • Revenue: 54 billion CNY • Growth: -20% • EBIT%: 14%
	<p><i>H World Group is a leading hotel group in China with domestic and global hotels.</i></p> <ul style="list-style-type: none"> • At the end of 2022, H World Group operates 8,543 hotels with 809 478 hotel rooms. • The brands include Ji, Han Ting, Steigenberger, IBIS, and others, ranging from budget to premium. • The company has successfully developed a membership program, which has created a loyal customer base. 	<p>+14%</p>  <ul style="list-style-type: none"> • Revenue: 14 billion CNY • Growth: +8% • EBIT%: -10%
	<p><i>JD.com is the second-largest e-commerce company in China based on market value.</i></p> <ul style="list-style-type: none"> • JD.com offers a wide range of quality products with virtually next-day delivery and has 600 million active customers per year. • The company has established a robust organization in both logistics and supply chain. • Potential margin improvements are possible through the continued expansion of its platform model and new product categories. 	<p>-20%</p>  <ul style="list-style-type: none"> • Revenue: 1,000 billion CNY • Growth: +10% • EBIT%: 1%
	<p><i>Meituan operates a leading e-commerce platform in segments including food delivery, shopping, hotels, travel, and more.</i></p> <ul style="list-style-type: none"> • The company has the largest platform for local services in China with 678 million users. • In 2022, Meituan achieved 1 CNY in operating profit per food delivery order based on 15.9 billion food deliveries, resulting in a 13.5% operating margin (6.4% in 2021), while its major competitor Ele.me still operates at a loss. 	<p>-22%</p>  <ul style="list-style-type: none"> • Revenue: 220 billion CNY • Growth: +23% • EBIT%: -3%
	<p><i>Tencent is the largest internet company in China and operates the social media platform Weixin/WeChat. Additionally, it is China's largest video game developer.</i></p> <ul style="list-style-type: none"> • Tencent's lead as the largest internet platform in China will persist and continue to benefit from the development of China's digital economy. 	<p>-27%</p>  <ul style="list-style-type: none"> • Revenue: 555 billion CNY • Growth: -1% • EBIT%: 38%
	<p><i>Trip.com is a leading online platform that offers tourist services from a single integrated place.</i></p> <ul style="list-style-type: none"> • Trip.com is the largest in China with 80 million active users every month. • The company has secured its leading position with strong supply chains and superior flight booking systems. • It is expanding into the global tourism market with Skyscanner and Trip.com in SEA. 	<p>+43%</p>  <ul style="list-style-type: none"> • Revenue: 20 billion CNY • Growth: +0% • EBIT%: 8%

The presented companies refer to Nordic Asia's portfolio holdings as of April 25, 2023.

THE PORTFOLIO COMPANIES

Food & Beverage

2022

	<p><i>Angel Yeast is the leading yeast manufacturer in China and the second largest in the world in terms of production capacity.</i></p> <ul style="list-style-type: none"> • It holds over 60% market share in China and is expanding internationally. • Growth is expected to continue driven by the substitution of salt with yeast extract as a healthier ingredient alternative. 	<p>-25%</p>  <ul style="list-style-type: none"> • Revenue: 13 billion CNY • Growth: +20% • EBIT%: 13%
	<p><i>Anjoy Foods is a leading manufacturer of frozen foods with a well-known brand.</i></p> <ul style="list-style-type: none"> • The increasing demand for efficient and consistent products has led to the widespread use of frozen foods. • Strong consumer brand, well-established sales channels, a wide product range, and a nationwide production facility in a growing yet still fragmented market. 	<p>-5%</p>  <ul style="list-style-type: none"> • Revenue: 12 billion CNY • Growth: +31% • EBIT%: 11%
	<p><i>Chacha Food is a leading snack company in China with a dominant position in the Chinese sunflower seed industry.</i></p> <ul style="list-style-type: none"> • The company has a strong brand, high product quality, and an extensive sales network. • Chacha is proactively expanding through new products such as nuts, which are underdeveloped in China, by leveraging its extensive sunflower seed network to reach more cities. 	<p>-19%</p>  <ul style="list-style-type: none"> • Revenue: 7 billion CNY • Growth: +15% • EBIT%: 18%
	<p><i>Juewei Food offers convenient meals and snacks through a well-established franchise network.</i></p> <ul style="list-style-type: none"> • Juewei has expanded to over 13 000 stores in China, covering most major cities. • It continues to gain market share and also has the opportunity to expand into other types of food through its established network. 	<p>-11%</p>  <ul style="list-style-type: none"> • Revenue: 7 billion CNY* • Growth: +9% • EBIT%: 27% <small>*2021 Q3 - 2022 Q3</small>
	<p><i>Jiumaojiu International is a leading brand and operator of Chinese restaurants.</i></p> <ul style="list-style-type: none"> • The core brand Tai Er is the first sauerkraut chain in China with 450 stores by the end of 2022. • Tai Er has the most efficient store model among competitors and is comparable to fast-food restaurants. • Jiumaojiu expands its brand portfolio and has an experienced management team with a background from McDonald's. 	<p>+52%</p>  <ul style="list-style-type: none"> • Revenue: 4 billion CNY • Growth: -4% • EBIT%: 4%
	<p><i>Tims China is the exclusive master franchisee of Tim Hortons cafes for Restaurant Brands International.</i></p> <ul style="list-style-type: none"> • Tims China has 617 stores and 11.3 million loyalty club members (2022) with the goal of reaching 2 753 stores by 2026. • It has successfully differentiated itself from the major competitors by adopting the "coffee + hot food" strategy. • The experienced management team has developed Burger Chinas from 60 to over 1 200 stores. 	<p>-72%</p>  <ul style="list-style-type: none"> • Revenue: 1 billion USD • Growth: +57% • EBIT%: -72%

The presented companies refer to Nordic Asia's portfolio holdings as of April 25, 2023.

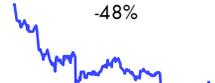
THE PORTFOLIO COMPANIES

Durable goods

2022

	<p><i>Robam Appliance is China's leading brand for kitchen appliances with nationwide exposure.</i></p> <ul style="list-style-type: none"> • One of the foremost brands for kitchen appliances in China, offering range hoods, gas stoves, sterilizers, steam and bake ovens, dishwashers, and integrated stoves. • Robam outperforms its competitors through premium products and a strong distribution model. 	<p>-23%</p>  <ul style="list-style-type: none"> • Revenue: 10 billion CNY • Growth: +1% • EBIT%: 16%
	<p><i>Jiangshan Oupai is a leading provider of interior door solutions in China. The strategy to consolidate a fragmented market establishes a strong brand presence in the retail market.</i></p> <ul style="list-style-type: none"> • Increased demand for interior decoration and renovations of real estate portfolios, both for new constructions and existing properties. Fragmented market with significant consolidation opportunities. • Strong market position in new constructions as well as expansion of sales network in the renovation market. 	<p>-3%</p>  <ul style="list-style-type: none"> • Revenue: 3 billion CNY* • Growth: -6% • EBIT%: 19% <small>*2021 Q3 - 2022 Q3</small>
	<p><i>KE Holding operates China's largest real estate brokerage platform under the brand name Beike.</i></p> <ul style="list-style-type: none"> • Beike owns and develops the most comprehensive housing database in China for both residential transactions and nearby services. • The company facilitates various housing transactions, including the sale of existing and new homes, home rentals, home renovation and decoration, and other related services. 	<p>-31%</p>  <ul style="list-style-type: none"> • Revenue: 61 billion USD • Growth: -25% • EBIT%: 1%

Finance

	<p><i>East Money is a leading domestic financial platform that provides online financial services.</i></p> <ul style="list-style-type: none"> • The company is an integrated online broker with easily accessible services for stocks, funds, and other securities brokerage. • It is the third-largest platform gaining market share due to low commissions and high convenience. • East Money benefits from the increasing wealth and investment needs of China's middle class. 	<p>-48%</p>  <ul style="list-style-type: none"> • Revenue: 12 billion CNY • Growth: -5% • EBIT%: 77%
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Health

	<p><i>Hygeia is a leading privately-owned hospital chain with a focus on radiation-based cancer treatments.</i></p> <ul style="list-style-type: none"> • An increasing number of cancer patients in China lack high-quality care, particularly with low penetration of radiation treatment services. • Hygeia currently operates 7 private hospitals and provides its radiation treatment services to an additional 15 partner hospitals. • The focus is on treating cancer patients in less developed cities where the penetration of radiation treatment services is very low. 	<p>+15%</p>  <ul style="list-style-type: none"> • Revenue: 3 billion CNY • Growth: +38% • EBIT%: 21%
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The presented companies refer to Nordic Asia's portfolio holdings as of April 25, 2023.

BOARD OF DIRECTORS



JOHAN ROSLUND

Chairman since 2022. Born in 1987.
 Education: MSc in Finance & Accounting from the Stockholm School of Economics.
 Other roles: Board member of Media and Games Invest (MGI) and Skyon.
 Previous positions: Fund Manager at GP Bullhound. Investment Manager at NFT Ventures. Chairman of Unga Aktiesparare, ZealiD. Board member of Paydrive, etc.
 Ownership in the company: 17 068 Class B shares.



YINING WANG

Board member since 2019. Born in 1987.
 Education: MSc in Finance & Accounting from the Stockholm School of Economics.
 Other roles: Chairman of Nordic & Asia Advisory Group since 1987.
 Previous positions: Business Area Manager at Assa Abloy APAC (Hong Kong). Analyst at Procuritas. Etc.
 Ownership in the company: 330 831 Class B shares.



GABRIELLA KROOK ERIKSSON

Board member since 2019. Born in 1971.
 Education: Economics from the Företagsekonomiska Institutet.
 Other roles: CFO in the Curitas group, Board member of Curitas Ventures, Board member of Enskedegruppen, Team Workwear Kedjan, This is Deploy, Nordic & Asia Advisory Group 1987 AB.
 Previous positions: Chief Accountant at Söderberg & Partners. Management at PrimeQ Financial Service. Etc.
 Ownership in the company: 5 068 Class B shares.



JONAS OLAVI

Board member since 2021. Born in 1967.
 Education: MSc in Financial Economics from Lund University.
 Other roles: Allocation Manager & Fund Manager, Alpcot. Board member of Traction, Rydgruppen Sverige, Sprengporten 4.
 Previous positions: Head of Asset Allocation at Alfred Berg. Chief Equity Strategist at Nordea. Head of Asset Management at Delphi Capital. Etc.
 Ownership in the company: 12 423 Class B shares.

GROUP EXECUTIVE MANAGEMENT



YINING WANG, CEO

Employed since 2021. Born in 1987.
 Education: MSc in Finance & Accounting from Stockholm School of Economics.
 Other roles: Chairman of Nordic & Asia Advisory Group 1987 ("NAAG").
 Ownership in the company: 330 831 Class B shares / Owns ~33% of the shares in NAAG¹, which controls around 18% of the votes in the company.



HENRIK HEDENCRONA, CFO

Employed since 2021. Born in 1993
 Education: MSc in Finance from the Gothenburg School of Business, Economics, and Law
 Other roles: Board member of Certico, Deputy board member of Nordic & Asia Advisory Group 1987
 Previous positions: Investment Banking at Nordea, Financing at SEB, Trainee at Handelsbanken, etc.
 Ownership in the company: - / Holds 2 644 subscription options in NAAG¹, which controls ~18% of the votes.



YU ZHANG, Head of Analysis

Employed by group company Ruihua Business Consulting (Shanghai) since 2020. Born in 1985
 Education: MSc in Finance from the KTH Royal Institute of Technology, Stockholm
 Other roles: -
 Previous positions: Chief Analyst at Haitong Securities, Sealand Securities, and Central China Securities, etc.
 Ownership in the company: - / Owns ~13% of the shares in NAAG¹, which controls ~18% of the votes.

¹ Nordic & Asia Advisory Group 1987 AB ("NAAG") owns 1 000 000 high-voting preference shares in the company with special dividend rights.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Nordic Asia Investment Group 1987 AB, corporate registration number 559226-8352, hereby present the annual financial statements and consolidated financial statements for the fiscal year 2022-01-01 to 2022-12-31.

BUSINESS OVERVIEW

Nordic Asia Investment Group 1987 AB ("Nordic Asia" or the "Company") is a Swedish investment company that focuses on long-term investments in leading Chinese companies with exposure to the growing domestic consumer market in China. The investments are centered around the shift towards 5G technology and renewable energy, trading platforms, and local brands. Nordic Asia has a portfolio of around twenty companies and exclusively invests in publicly listed firms.

NET INCOME

The Company's net income for 2022 amounted to -36 810 KSEK (-23 800). The largest item related to the result is the valuation change of listed securities, which mainly consists of realized and unrealized losses from securities valued at market value. All portfolio companies are based in China, where the MSCI China index declined by 24% in 2022. This can be compared to Nordic Asia's net asset value development per ordinary share, which decreased by 14%. The year 2022 has been marked by turbulent market conditions, with globally unfavorable macroeconomic development, high inflationary pressure, and increased geopolitical concerns due to the conflict in Ukraine. Covid-19 and China's (dynamic) zero-tolerance strategy have negatively impacted China's economy, especially the domestic market to which Nordic Asia's portfolio companies are exposed. In the latter part of the year, a positive market development was observed due to China's adjustment of its Covid strategy, leading to an imminent reopening of the country after nearly three years of strict restrictions.

OPERATING EXPENSES

Operating expenses refer to costs related to investment work and administrative functions. For the full year 2022, operating expenses as a percentage of net asset value amounted to 2.36% (1.49), equivalent to -5 496 KSEK (-4 346). Nordic Asia has a cost target where operating expenses should not exceed 1.5% of net asset value at the end of a financial year. The cost base has developed according to the 2022 budget, but the cost ratio has been affected by the negative valuation change in the securities portfolio and share buybacks.

Nordic Asia as a company maintains an extensive cost awareness and continuously works on cost efficiency improvements. However, costs as a percentage of net asset value may fluctuate over time due to valuation changes in the securities portfolio, which can impact the cost ratio in both directions.

NET ASSET VALUE

The net asset value amounted to 233 054 KSEK compared to 290 732 KSEK at the beginning of the year, representing a decrease of 57 678 KSEK. The net asset value per ordinary share was SEK 6.78 compared to SEK 7.87 at the end of 2021. For more information, refer to Note 14.

INVESTMENT ACTIVITIES

The cash flow from investment activities primarily pertains to the net of acquisitions and divestments of listed securities. For 2022, the cash flow from investment activities amounted to -87 003 KSEK (-151 574) and primarily relates to the allocation of the proceeds from the Company's listing issuance at the end of December 2021. During the latter half of 2022, a reallocation within the portfolio occurred by reducing exposure to holdings with a higher proportion of exports.

PERSONNEL

At the end of 2022, the parent company had 4 (4) full-time employees, and the group had 7 (0). The employees are divided among various functions, which simplified can be divided into: investment activities (5 individuals), constituting the core operations, and the support functions of Finance & Administration (2 individuals).

MANAGEMENT REPORT

SHARES & OWNERSHIP

The total number of shares in the company at the end of the period amounted to 35 383 230 (37 939 981), divided into three classes of shares, all with a nominal value of SEK 0.10. The company's B-shares are listed for trading on the Nasdaq First North Growth Market under the symbol NAIG B. The preference shares (class C shares) are only entitled to dividends if the highest measured net asset value per common share at the end of the year is exceeded, and they are entitled to a dividend of 10% on the excess portion. The highest measured net asset value per common share is SEK 10.15 and represents a high-water mark.

Share class	Type	Votes per share	Number of shares	
			31 Dec 2022	31 Dec 2021
A	Common	10	1 300 000	1 300 000
B (listed)	Common	1	33 083 230	35 639 981
C	Pref.	10	1 000 000	1 000 000
Total number of shares			35 383 230	37 939 981

Ownership	31 Dec 2022	Share class	Shares	Votes
Curitas AB		A, B	5.8%	19.7%
Nordic & Asia Advisory Group 1987 AB		B, C	2.8%	17.8%
Kari Stadigh via company and private		A, B	7.9%	9.8%
Peter Lindell via company and private		B	7.2%	4.5%
Carl Westerstad via company and private		B	5.7%	3.6%
Other		B	70.6%	44.6%

REDEMPTION OF SHARES

Nordic Asia aims to eliminate any potential discount to net asset value in the Company. This is to be achieved, among other things, by offering to redeem shares once a year at a redemption price based on the net asset value. All common shareholders have the right to exercise the redemption option. In certain cases, approval from the Swedish Companies Registration Office may be required for redemption. For further information, refer to note 18.

SIGNIFICANT EVENTS DURING THE PERIOD

Global market conditions

The year 2022 has been characterized by turbulent global market conditions, with unfavorable macroeconomic development, high inflationary pressure, and increased geopolitical concerns due to the war in Ukraine.

Covid-19

Covid-19 and China's (dynamic) zero-tolerance strategy have had a negative impact on China's economy throughout the year, particularly affecting the domestic market that Nordic Asia's portfolio companies are

exposed to. Towards the latter part of the year, we witnessed a positive market development due to China's shift in Covid strategy, with an impending reopening of the country after nearly three years of stringent restrictions.

Redemption

Notification of voluntary redemption of shares in accordance with Article 11 of the Articles of Association resulted in the redemption of 2 556 751 Class B shares (0) during the second quarter of 2022 at a redemption price of SEK 6.39 per share. The quota value remains unchanged after allocation to the reserve fund.

Changes in the board of directors

At the ordinary Annual General Meeting held on May 2, 2022, the then Chairman of the Board, Michael Thurow, declined re-election to transition to a role as Senior Advisor, supporting the management and the company's operations in China and Asia. Johan Roslund, a previously serving board member, was elected as the new Chairman.

Acquisitions

In late 2022, Nordic Asia completed the acquisition of the Chinese company Ruihua Business Consulting ("Ruihua"), which had previously provided investment analysis exclusively to the Company indirectly. Through the acquisition, Ruihua, with its three locally employed analysts, will be integrated and work on behalf of Nordic Asia within the scope of investment activities, thereby streamlining the corporate structure and enhancing transparency in accordance with previously communicated board decisions. The acquisition does not impact the company's ongoing operations and does not have a significant effect on Nordic Asia's result and financial position in 2022. As a result of the acquisition, a goodwill item of 924 KSEK (0) and an intangible asset amounting to 643 KSEK (0) arise at the group level, leading to a deferred tax liability of 161 KSEK (0). In the parent company, the shares in group companies amount to 1 963 KSEK (0).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Reopening of China after Covid-19

After nearly three years of significant Covid restrictions, there is now a pent-up demand in China's domestic market. As early as January 2023, we observed positive signals, including an increase in travel and public transportation, while the Purchasing Managers' Index showed a clear improvement compared to the previous month.

MANAGEMENT REPORT

EXPECTED FUTURE DEVELOPMENT

After facing challenges on two fronts in China's economy – with an export sector affected by the global situation and a domestic economy burdened by Covid-19 – China's domestic market is on the path of recovery after reopening post-Covid. For 2023, a recovery is expected in several portfolio companies through increasing sales and higher operating margins. As economic activity rebounds in China, Asia and our portfolio companies, we see new opportunities through an increase in demand from Nordic investors looking to allocate more towards the region, as well as from Asian investors looking towards the Nordics.

RISK FACTORS

The Company is exposed to various financial risks through its operations: market risk, currency risk, financing, and liquidity risk.

MARKET RISK

Nordic Asia trades listed securities, thus facing market-related risks. These can be categorized into three types: i) Share price risks, ii) Macroeconomic risks, and iii) Regulatory market risks associated with investments in China.

Share price risk

Share price risks related to Nordic Asia's listed portfolio companies can impact Nordic Asia's net asset value negatively. Nordic Asia owns shares where price can fluctuate over time, thus being exposed to portfolio companies' share prices. Given that the long-term commitment forms the basis of the company's strategic actions, there might be substantial share price risk exposure in one or more of Nordic Asia's investments. The long-term ownership philosophy means that no specific target for share price risks, influenced by short-term fluctuations, is defined. Furthermore, the share price risk of listed portfolio companies is not hedged.

Macroeconomic risks

The general economic climate and prevailing market conditions, including a globally high level of inflation and interest rates, can affect Nordic Asia and its investment activities.

Regulatory risks

The political, economic, and regulatory environment in which Nordic Asia invests is subject to unforeseen changes. Changes in economic development or in local, regional, or political bodies resulting from elections or changes in governing personnel can also lead to changes in applicable laws and regulations or changes in the application of current laws and regulations. Such changes might restrict or hinder portfolio companies' opportunities to conduct profitable activities or enter new markets or sectors.

CURRENCY RISK

The Company's currency-related risks arise from purchases and sales in different currencies and when translating balance sheet items in foreign currency into Swedish kronor, as well as holding liquid assets in other currencies in currency accounts.

The company is exposed to CNY, HKD, and USD. Nordic Asia normally does not use financial instruments to hedge against currency risks.

FINANCING AND LIQUIDITY RISK

Financing and liquidity risk refer to the risk of increasing costs and limited financing opportunities when loans need to be refinanced, and payment obligations cannot be fulfilled due to insufficient liquidity or difficulties in obtaining financing.

Thanks to Nordic Asia's operational focus, the company's ongoing payment obligations are limited. If shareholders of Nordic Asia wish to utilize the company's annual redemption program, the company intends to primarily finance this with liquid funds. Should the need exceed what is available, Nordic Asia has the option to sell shares in portfolio companies to cover the redemption amount. All holdings are listed on markets with good liquidity.

CONSOLIDATED BALANCE SHEET
THE GROUP

KSEK	Note	31 Dec 2022
ASSETS		
<i>Financial fixed assets</i>		
Securities holdings	8	208 198
<i>Tangible fixed assets</i>		
Material fixed assets		34
<i>Intangible fixed assets</i>		
Other intangible assets	10	643
Goodwill	10	924
Total fixed assets		209 799
<i>Current assets</i>		
Tax receivables		30
Prepaid expenses and accrued income		215
Cash and cash equivalents	11	24 179
Total current assets		24 424
TOTAL ASSETS		234 223
EQUITY AND LIABILITIES		
Share capital	12	3 538
Reserve fund		256
Restricted equity		3 794
Share premium fund	13	292 622
Retained earnings		-26 553
Profit/loss for the year		-36 810
Unrestricted equity		229 260
Total equity	14	233 054
Long-term liabilities		
Deferred tax liabilities	7	161
Total long-term liabilities		161
Current liabilities		
Accounts payable		61
Accrued expenses and prepaid income		861
Other liabilities		86
Total current liabilities		1 008
Total liabilities		1 169
TOTAL EQUITY AND LIABILITIES		234 223

As the group relationship arose only at the end of the financial year, only the parent company's reporting is included, except for the balance sheet. In future reporting, all reports at the group level will be included.

INCOME STATEMENT
PARENT COMPANY

KSEK	Note	2022	2021
Dividend from shares		1 892	324
Changes in value, securities holdings	2	-33 332	-19 876
Operating expenses	3, 4, 6	-5 496	-4 311
Operating profit		-36 936	-23 863
Financial income	5	185	1
Financial expenses	5	-59	-35
Profit after financial items		-36 810	-23 897
Income taxes	7	-	98
Profit/loss after tax		-36 810	-23 800
Earnings per common share (A+B), SEK*		-1,04	-2,60

*Earnings per ordinary share refer to the period's earnings divided by the average number of ordinary shares. The ordinary shares consist of share classes A and B, amounting to 1 300 000 and 33 083 230 as of December 31, 2022, respectively, totaling 34 383 230. The company's preference shares are only entitled to dividend if a specific threshold is exceeded and have therefore been excluded from the above calculation. See note 15 for more information.

BALANCE SHEET
PARENT COMPANY

KSEK	Note	31 Dec 2022	31 Dec 2021
ASSETS			
<i>Financial fixed assets</i>			
Securities holdings	8	208 198	157 802
Investments in group companies	9	1 963	-
Financial fixed assets		210 162	157 802
Tangible fixed assets		34	-
Total fixed assets		210 196	157 802
<i>Current assets</i>			
Tax receivables		30	330
Prepaid expenses and accrued income		185	118
Cash and cash equivalents	11	23 529	139 161
Total current assets		23 744	139 609
TOTAL ASSETS		233 939	297 412
EQUITY AND LIABILITIES			
Share capital	12, 13	3 538	3 794
Reserve fund		256	-
Restricted equity		3 794	3 794
Share premium fund	13	292 622	310 280
Retained earnings		-26 553	458
Profit/loss for the year		-36 810	-23 800
Unrestricted equity		229 260	286 938
Total equity	14	233 054	290 732
Current liabilities			
Accounts payable		59	2 790
Accrued expenses and prepaid income		755	3 635
Other liabilities		71	254
Total current liabilities		886	6 680
Total liabilities		886	6 680
TOTAL EQUITY AND LIABILITIES		233 939	297 412

CHANGES IN EQUITY
PARENT COMPANY

2022						
Changes in equity	Share capital	Reserve fund	Share premium fund	Retained earnings	Profit (loss) for the year	Total
Opening balance, beginning of year	3 794	-	310 280	458	-23 800	290 732
Transfer of net income, last year	-	-	-	-23 800	23 800	-
Redemption	-256	256	-16 091	-256	-	-16 346
Dividend	-	-	-	-2 955	-	-2 955
Issuance costs	-	-	-1 568	-	-	-1 568
Net income for the year	-	-	-	-	-36 810	-36 810
Closing balance, end of year	3 538	256	292 621	-26 553	-36 810	233 053

CASH FLOW STATEMENT
PARENT COMPANY

KSEK	Note	2022	2021
<i>Operating activities</i>			
Profit/loss after financial items		-36 810	-23 897
<i>Adjustments for items not affecting cash flow</i>			
Depreciation		7	-
Foreign currency translation differences		-1 827	495
Changes in fair value, securities holdings	2, 8	8 267	13 572
Capital gain/loss on divestments of shares	8	26 336	5 522
Income tax paid		-	-
Cash flow from operating activities before changes in working capital		-4 027	-4 309
Increase/decrease in working capital assets		233	-448
Increase/decrease in working capital liabilities		-5 794	6 499
Cash flow from operating activities		-9 587	1 741
<i>Investment activities</i>			
Acquisition of tangible fixed assets		-41	-
Investments in group companies		-1 963	-
Acquisitions / divestments of securities holdings	8	-84 999	-151 574
Cash flow from investment activities		-87 003	-151 574
<i>Financing activities</i>			
Dividend paid		-2 955	-
New share issue	13	-	287 614
Issuance costs	13	-1 568	-5 640
Redemptions		-16 346	-
Cash flow from financing activities		-20 869	281 974
Cash flow for the year		-117 459	132 141
Cash and cash equivalents at beginning of year		139 161	7 515
Translation differences on cash and cash equivalents		1 827	-495
Cash and cash equivalents at end of year	11	23 529	139 161

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING AND VALUATION PRINCIPLES

The financial reports of the Group and the parent company have been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). Compared to the most recently submitted annual report for the fiscal year ending on December 31, 2021, the items financial income and expenses have been added to the income statement due to the assessment to reclassify interest income and expenses that were previously included under value changes related to investment activities. As a result, the operating result in the cash flow analysis has been replaced with the result after financial items. The comparative figures for 2021 have been adjusted. At the end of the fiscal year 2022, the acquisition of the group company was completed, and a group relationship was established. As the acquisition was completed at the end of the fiscal year, only the reporting of the parent company is included, except for the balance sheet. In future reporting, all reports at the group level will be included.

CURRENCY OF PRESENTATION

The annual report is prepared in Swedish Krona (SEK), and the amounts are stated in KSEK (thousands of Swedish Krona) unless otherwise stated.

CONSOLIDATION PRINCIPLES

Group companies are entities over which the parent company exercises control. Control is generally deemed to exist when the parent company directly or indirectly holds more than 50% of the voting rights.

BUSINESS COMBINATIONS

Group companies are accounted for using the acquisition method, meaning that the acquisition of a company is recognized as a transaction through which the group indirectly acquires the assets of the group company and assumes its liabilities. The parent company prepares an acquisition analysis at the acquisition date to determine the group's acquisition cost, i.e., the fair value at the acquisition date of the shares and the acquired group company's assets and liabilities. The acquisition cost for the acquired unit is calculated as the sum of the purchase price and expenses directly attributable to the business combination. The acquisition is recognized from the acquisition date. Group companies are presented as investments in group companies under financial fixed assets.

FINANCIAL FIXED ASSETS

Securities holdings

The value of the company's financial investments is determined based on the market value, which is the price of the listed shares. As the company only invests in companies whose shares are listed on an active market, this is the basis for valuing all financial investments. The company's financial investments are traded in foreign currencies (USD, HKD, CNY) and are converted to SEK at the exchange rate on the balance sheet date.

Investments in group companies

Shares in subsidiaries are recognized at cost less any impairment. The cost includes the consideration paid for the shares and acquisition costs. At each balance sheet date, an assessment is made as to whether there is any indication of impairment in any of the investments in subsidiaries. Impairment is recognized if the decline in value is deemed to be permanent. Additional contributions made by shareholders are recognized as an increase in the value of the investment. Dividends from subsidiaries are recognized as income.

INTANGIBLE FIXED ASSETS

Goodwill

Goodwill is valued at acquisition cost and represents the amount by which the acquisition cost exceeds the fair value of the group's share of the acquired group company's identifiable net assets at the acquisition date. Goodwill is amortized on a straight-line basis over a period of five years.

Other intangible assets

Other intangible fixed assets acquired by the Group are recognized at acquisition cost and are amortized on a straight-line basis over a period of five years.

Depreciations

Depreciations are recorded in the income statement linearly over the estimated useful lives of intangible assets unless such useful lives are indeterminable. The estimated useful lives are reviewed annually or as needed. Depreciable intangible assets are depreciated from the date they are available for use. The estimated useful life for goodwill and other intangible assets is five years.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING AND VALUATION PRINCIPLES (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank accounts in different currencies with banks and corresponding institutions.

CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method, with adjustments made for transactions that have not resulted in cash inflows or outflows. Cash and bank deposits are classified as cash and cash equivalents.

RECEIVABLES

Provisions for loss risks are made after individual assessment.

SEGMENT REPORTING

Nordic Asia is an investment company with a securities portfolio consisting of listed foreign stocks. The operations are conducted from a single operating segment, and the securities portfolio is reported as a segment. The securities portfolio is monitored on a daily basis, and the net asset value is updated on the company's website.

ITEMS IN FOREIGN CURRENCIES

Transactions in foreign currencies are converted into SEK using the exchange rate on the transaction date. Securities holdings, cash and cash equivalents, and liabilities in foreign currencies are converted into the functional currency using the exchange rate on the balance sheet date. Exchange rate differences arising from these conversions are recognized in the income statement.

REVENUE RECOGNITION

Dividend income from shares is recognized when the right to receive payment is established. For shares held both at the beginning and end of the year, the change in value is the difference in fair value between these points. For shares acquired during the year, the change in value is the difference between the acquisition cost and the fair value at the end of the year. For shares held at the beginning of the year and sold during the year, the change in value is the difference between the value at the beginning of the year and the cash received. For shares acquired and sold during the same

period, the change in value is the difference between the acquisition cost and the cash received.

INCOME TAXES

Current tax is calculated on the taxable income for the period, along with adjustments related to prior periods. Deferred tax pertains to taxable temporary differences that will be paid in the future, as well as tax that represents a reduction of future tax related to deductible temporary differences, tax loss carryforwards, and other tax deductions.

Nordic Asia meets the criteria for taxation as an investment company for the fiscal year 2022. For investment companies, capital gains on shares are not taxable, and capital losses are not deductible. Dividends distributed by an investment company to its shareholders are deductible. No taxable income arises if distributed dividends amount to at least the sum of dividend income and other financial income, a deemed income corresponding to 1.5% of the market value of shares and equity-related instruments in the securities portfolio at the beginning of the year, reduced by financial expenses and other costs. The basis for the deemed income does not include unlisted shares or listed shares where the holding represents at least 10% of the voting rights and has been held for at least one year at the beginning of the tax year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CHANGES IN VALUE

KSEK

Changes in value	2022	2021
Realized profit	-24 606	-6 030
Unrealized profit	-8 267	-13 572
Brokerage fees	-459	-273
SUM	-33 332	-19 875

Unrealized profit includes currency gains/losses related to currency accounts used in placing securities orders.

NOTE 3. OPERATING EXPENSES

KSEK

Management costs	2022	2021
Other operating costs	-1 942	-972
Analysis costs	-537	-2 071
Personnel and board of director costs	-3 018	-1 303
SUM	-5 496	-4 346

Operating expenses refer to costs related to conducting investment work, administrative functions, and salaries.

NOTE 4. SALARIES, COMPENSATIONS, AND EMPLOYEES

KSEK

Salaries and compensation	2022		2021	
	Salaries and compensations	Social costs	Salaries and compensations	Social costs
Board members and CEO	-695	-204	-192	-60
Other employees	-1 677	-442	-799	-251
SUMMA	-2 372	-647	-991	-311

	2022			2021		
	Number of board members	Men	Women	Number of board members	Men	Women
The board - Number & gender distribution	4	3	1	5	4	1
Management - Number & gender distribution	Number in management	Men	Women	Number in management	Men	Women
	2	2	-	3	3	-
Total number of employees & gender distribution	Number	Men	Women	Amount	Men	Women
	End of the period	4	3	1	4	4
Average number of employees	5	4	1	2	2	-

A group relationship emerged at the end of 2022 and is not reflected in the average number of employees in the above presentation. At the end of the period, the total number of employees in the group amounted to 7, including 3 employees from group companies.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. FINANCIAL ITEMS

KSEK

Financial income	2022	2021
Interest income	185	1
financial expenses	2022	2021
Interest expenses (negative interest rates)	-59	-35

NOTE 6. RENUMERATION TO AUDITORS

KSEK

Remuneration to auditors	2022	2021
Grant Thornton	-257	-181

NOTE 7. TAXES

KSEK

	2022	2021
Profit before tax	-36 810	-23 897
Tax rate, % (Sverige)	20.6%	20.6%
Tax at applicable tax rate	7 583	4 923
Tax effect related to non-deductible costs	-6 746	-
Tax effect related to non-taxable income	-	-
Tax effect related to deduction for paid dividends	609	-
Tax on standard income	-488	-
Undisclosed deferred tax assets on losses	-958	-4 923
Reported effective tax	-	-

Deferred tax is reported as a liability in the balance sheet, but the net amount of deferred tax assets, including loss carryforwards, is not reported due to uncertainty regarding their utilization. Therefore, no deferred tax assets have been recognized in 2022. Nordic Asia meets the criteria for taxation as an investment company for the year 2022. Historically, Nordic Asia has been taxed on profits and dividends from the securities owned by the company. The transition to investment company taxation will not result in any financial impact in the sense that the company does not achieve a positive tax result for the year 2022.

For investment companies, capital gains on shares are not subject to tax, and capital losses are not deductible. Dividends distributed by an investment company to its shareholders are deductible. There is no taxable income if the distributed dividends amount to at least the sum of dividend income and other financial income, a presumed income equivalent to 1.5% of the market value of shares and share-related instruments in the securities portfolio at the beginning of the year, reduced by financial expenses and other costs. The basis for presumed income does not include unlisted shares, nor listed shares where the ownership corresponds to at least 10% of the voting rights and have been held for at least one year at the beginning of the taxation year.

KSEK

	The group	
Deferred tax liabilities	2022	2021
Deferred tax liability related to acquisition of group company	161	-

Due to the group company acquisition completed at the end of 2022, the intangible assets generated give rise to a deferred tax liability amounting to 161 KSEK.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. SECURITIES HOLDINGS

The company's securities are listed for trading in foreign currencies (USD, HKD, CNY) and are converted to SEK at the exchange rate prevailing on the balance sheet date. The company's portfolio of securities at the beginning of the year 2022 consisted of 27 publicly traded stocks, listed for trading on the stock exchanges in Shanghai, Shenzhen, Hong Kong, and the USA.

KSEK	31 Dec 2022	31 Dec 2021
Initial recorded value	157 802	25 322
Yearly revaluations	-8 268	-13 572
Investments	182 348	172 114
Sales	-123 684	-26 062
FINAL RECORDED VALUE	208 198	157 802

SECURITIES HOLDINGS AS OF DEC 31 2022

Holdings	Number of shares	Currency	Acquisition value (KSEK)	Market value (KSEK)
AIA	54 000	HKD	5 435	6 274
Alibaba Group (HK)	49 300	HKD	8 006	5 691
Angel Yeast	113 908	CNY	7 683	7 735
Anjoy Foods	34 578	CNY	7 705	8 406
Anta Sports	118 600	HKD	16 475	16 240
Chacha Food	115 800	CNY	8 457	8 695
China Merchants Bank	167 500	HKD	11 277	9 786
China Tourism Duty Free	13 963	CNY	4 333	4 530
Chow Tai Fook Jewellery Group	416 000	HKD	8 850	8 865
Contemporary Amperex Technology	5 778	CNY	4 638	3 414
East Money Information	334 985	CNY	10 595	9 759
Eoptolink	142 749	CNY	6 656	5 091
Hangzhou Robam Appliances	217 200	CNY	9 561	9 054
Hong Kong Exchanges and Clearing	10 900	HKD	4 281	4 920
Hygeia	131 000	HKD	8 192	9 819
JD.COM (HK)	30 940	HKD	9 557	9 119
Jiangshan Oupai	147 133	CNY	11 468	13 566
Jue Wei Food	102 615	CNY	7 091	9 414
Meituan	30 800	HKD	7 460	7 202
NIU Technologies	81 511	USD	11 743	4 449
Semcorp (Yunnan Energy)	31 236	CNY	11 044	6 158
SF Holding	104 171	CNY	9 690	9 036
Shenzhen Inovance Technology	75 500	CNY	6 769	7 880
Tencent	20 800	HKD	11 472	9 299
Trip.com	12 950	HKD	5 388	4 742
Will Semiconductor	29 030	CNY	6 669	3 361
Xiaomi Corp	388 800	HKD	8 304	5 693
TOTAL VALUE OF SECURITIES HOLDINGS			228 799	208 198

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. SHARES IN SUBSIDIARIES

Shares in subsidiaries	31 Dec 2022	31 Dec 2021
Initial acquisition value	-	-
Acquisition during the year	1 963	-
Sales during the year	-	-
Acquisition value at the end of the period	1 963	-

Consolidated subsidiaries	CRN	Registered office	Shares, %	Votes, %	Book value 31 Dec 2022	Book value 31 Dec 2021
Ruihua Business Consulting Co., Ltd.	91310000MA1GD0NR1W	Shanghai	100%	100%	1 963	-

* The acquisition of Ruihua Business Consulting was completed at the end of 2022. Since the group relationship arose only at the end of the financial year, only the parent company's reporting is included, except for the balance sheet. In future reporting, all reports at the group level will be included.

NOTE 10. INTANGIBLE ASSETS

KSEK	The group	
Goodwill	31 Dec 2022	31 Dec 2021
Initial acquisition value	-	-
Acquisition during the year	924	-
Sales during the year	-	-
Accumulated acquisition values at the end of the period	924	-
Initial depreciation	-	-
Planned depreciation during the year	-	-
Planned residual value at the end of the period	924	-

KSEK	The group	
Other intangible assets	31 Dec 2022	31 Dec 2021
Initial acquisition value	-	-
Acquisition during the year	643	-
Sales during the year	-	-
Accumulated acquisition values at the end of the period	643	-
Initial depreciation	-	-
Planned depreciation during the year	-	-
Planned residual value at the end of the period	643	-

Other intangible assets originate from acquisitions of subsidiaries and consist of developed financial databases, models, and investment analysis.

NOTE 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank accounts in various currencies. The company has currency exposure to CNY, HKD, and USD through ownership of foreign securities and cash on currency accounts, which are converted to SEK at the exchange rate on the balance sheet date. For December 31, 2022, this refers to the consolidated group.

KSEK	The group	
Currency	31 Dec 2022	31 Dec 2021
SEK	852	132 672
USD	1 681	2 764
HKD	1 123	1 799
CNY	20 523	1 926
SUM	24 179	139 161

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. SHARE CAPITAL

		Change quantity Class A shares	Change quantity Class B shares	Change quantity Class C shares	Quantity Class A shares	Quantity Class B shares	Quantity Class C shares	Total number of shares	Change share capital SEK	Total share capital SEK	Quota value
2019	Formation	-	50 000	-	-	50 000	-	50 000	50 000	50 000	1
2020	Stock split 1:10 ⁽¹⁾	-	-50 000	500 000	-	-	500 000	500 000	-	50 000	0.1
2020	New issue ⁽²⁾	1 300 000	1 100 000	500 000	1 300 000	1 100 000	1 000 000	3 400 000	290 000	340 000	0.1
2020	New issue ⁽³⁾	-	808 163	-	1 300 000	1 908 163	1 000 000	4 208 163	80 816	420 816	0.1
2021	New issue ⁽⁴⁾	-	1 122 900	-	1 300 000	3 031 063	1 000 000	5 331 063	112 290	533 106	0.1
2021	New issue ⁽⁵⁾	-	544 228	-	1 300 000	3 575 291	1 000 000	5 875 291	54 423	587 529	0.1
2021	New issue ⁽⁶⁾	-	7 627 212	-	1 300 000	11 202 503	1 000 000	13 502 503	762 721	1 350 250	0.1
2021	New issue ⁽⁷⁾	-	150 000	-	1 300 000	11 352 503	1 000 000	13 652 503	15 000	1 365 250	0.1
2021	New issue ⁽⁸⁾	-	50 000	-	1 300 000	11 402 503	1 000 000	13 702 503	5 000	1 370 250	0.1
2021	IPO ⁽⁹⁾	-	24 237 478	-	1 300 000	35 639 981	1 000 000	37 939 981	2 423 748	3 793 998	0.1
2022	Redemption ⁽¹⁰⁾	-	-2 556 751	-	1 300 000	33 083 230	1 000 000	35 383 230	-255 675	3 538 323	0.1

1): In connection with a 1:10 stock split, a conversion of class B shares to class C shares was carried out

2): A new issue was conducted at a subscription price of 10.00 SEK per share for class A and B shares, and 10 SEK per share for class C shares

3): A new issue was carried out at a subscription price of 9.90 SEK per share

4): A new issue was carried out at a subscription price of 9.35 SEK per share

5): A new issue was carried out at a subscription price of 9.19 SEK per share

6): A new issue was carried out at a subscription price of 9.87 SEK per share

7): A new issue was carried out at a subscription price of 8.84 SEK per share

8): A new issue was carried out at a subscription price of 8.52 SEK per share

9): A new issue was carried out at a subscription price of 8.05 SEK per share

10): A redemption was carried out at a price of 6.39 SEK per share

NOTE 13. REDEMPTION, NEW ISSUES, AND ISSUE COSTS

During 2022, 2 556 751 B-shares were redeemed, amounting to 16 346 KSEK based on a redemption price of 6.39 SEK per share, which was determined through a net asset value calculation as regulated in the articles of association. Issue-related costs related to legal advisory and market research for the period amounted to 1 568 KSEK and have been directly recorded against equity.

	2022	2021
Change in shares, quantity	-2 556 751	33 731 818
Change in share capital, KSEK	-256	3 373
Amount contributed / deducted company, KSEK	-16 346	287 614
Issuance costs (booked against equity)	-1 568	-5 640
Amount contributed / deducted company after issuance costs, KSEK	-17 914	281 974

NOTE 14. NET ASSET VALUE

Net Asset Value (NAV) is Nordic Asia's key metric as it reflects the value of the group's assets. NAV is comprised of the net value of assets at the end of the period, which includes the market value of the company's equity portfolio, cash and cash equivalents, and other assets, minus liabilities. NAV per ordinary share is calculated by dividing the NAV by the total number of outstanding ordinary shares (A and B shares) at the end of the period.

	2022-12-31	2021-12-31
Net asset value, KSEK	233 054	290 732
Net asset value per common share (A+B), SEK	6.78	7.87

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. PREFERENCE SHARES

The preference shares consist of class C shares and entitle the holder to 10 votes per share and the right to receive 10% of the annual dividend from the excess return that occurs when the net asset value per common share as of December 31 exceeds the highest recorded net asset value. The number of C shares amounts to 1 000 000 and all C shares are owned and controlled by Nordic & Asia Advisory Group 1987 AB ("NAAG"), which is owned, among others, by the company's management.

Highest recorded reference point for excess return	31 Dec 2020
Net asset value per common share (A+B), SEK	10.15

NOTE 16. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are conducted at market conditions. In June 2021, Nordic Asia entered into a service agreement with Nordic & Asia Advisory Group 1987 AB ("NAAG") for the provision of primarily company analysis. The company's CEO, who is also a board member, Yining Wang, owns 33.2% of the capital and 59.2% of the votes in NAAG through a separate company. During the full year 2022, NAAG invoiced 340 KSEK (2 624 KSEK). The agreement with NAAG was terminated in December 2021 with notice period, with the aim of directly taking over the analysts. The acquisition of the employees was executed by acquiring the existing Shanghai-based company, which was completed in December 2022. The purchase price amounted to 1 492 KSEK, and the purchase agreement was approved by the independent board members.

KSEK	2022	2021
Transactions with related parties (NAAG)	1 832	2 624

NOTE 17. SIGNIFICANT EVENTS AFTER THE PERIOD

Reopening of China after Covid-19

After almost three years of significant Covid-19 restrictions, there is now a pent-up demand in China's domestic market. As early as January 2023, we could observe positive signals through increased travel and public transportation, while the purchasing managers' index showed a clear improvement compared to the previous month.

NOTE 18. REDEMPTION OF SHARES

Nordic Asia aims to eliminate any potential discount to its net asset value in the company. This will be achieved, among other things, by offering to redeem shares once a year at a redemption price based on the net asset value. All common shareholders have the right to exercise this redemption option. In certain cases, approval from the Swedish Companies Registration Office may be required for the redemption. The conditions are summarized as follows:

- A request for redemption can only be made during the first ten (10) banking days of May in each year from 2021 to 2030.
- The decision on redemption shall be made on the day of the Annual General Meeting, and the redemption amount per share shall correspond to the share's portion of the company's total net asset value.
- The company's net asset value per share shall be calculated by the company and shall be based on the market value of the company's assets, net of liabilities and any minority interests, divided by the number of outstanding (common) shares before dilution as of the day before the Annual General Meeting.
- The market value of the company's holdings of shares and other securities traded on an exchange shall be calculated as the average market value during the ten (10) trading days immediately preceding the day of the Annual General Meeting.
- The calculation of the average market value shall be based on the respective share's average volume-weighted trading price during the entire calculation period.

For more information, please refer to §11 in the Articles of Association, available on the company's website www.nordicasiagroup.com. For the redemption in 2022, please refer to Note 13.

PROPOSAL FOR PROFIT DISTRIBUTION

BOARD'S STATEMENT REGARDING THE PROPOSED DIVIDEND

The company intends to distribute at least 50% of the dividends received from portfolio companies each year, with the remaining funds reinvested in the business. The Board proposes a dividend of 0.09 SEK per ordinary share, totaling 3 094 KSEK, which corresponds to the expected dividends from portfolio companies for the year 2023. Based on the above and other information available to the Board, it is the Board's assessment that the proposed dividend is justified considering the requirements that the nature, scope, and risks of the business impose on the size of the company's equity as well as its liquidity and financial position.

PROPOSAL FOR PROFIT DISTRIBUTION

The following funds, in SEK, are at the disposal of the Annual General Meeting:

Retained earnings	-26 552 694
Share premium reserve	292 621 802
Profit (loss) for the year	-36 809 502
	229 259 606
The Board proposes that the profit be allocated so that a dividend of SEK 0.09 per common share is distributed to the shareholders	3 094 491
The remainder is transferred to new account	226 165 116
	229 259 606

The Board of Directors and the Chief Executive Officer certify that the financial statements have been prepared in accordance with the Swedish Annual Accounts Act and BFNAR 2012:1 (K3). The annual report and consolidated financial statements have been prepared in accordance with generally accepted accounting principles and provide a true and fair view of the company's and the Group's financial position and results. The management report provides a true and fair overview of the company's and the Group's development, financial position, and results, and describes significant risks and uncertainties that the company is facing. The annual report and consolidated financial statements have been approved for issuance by the Board of Directors on May 2, 2023. The company's income statement and balance sheet will be subject to approval at the Annual General Meeting on May 23, 2023.

Stockholm, May 2, 2023

Johan Roslund
Chairman of the Board

Jonas Olavi
Member of the Board

Gabriella Krook Eriksson
Member of the Board

Yining Wang
Chief Executive Officer
Member of the Board

Our audit report has been provided on May 2, 2023
Grant Thornton Sweden AB

Nilla Rocknö
Principal responsible and certified auditor

AUDITOR'S REPORT

To the general meeting of the shareholders of Nordic Asia Investment Group 1987 AB
CRN 559226-8352

Report on the annual accounts and consolidated accounts
Opinions

We have audited the annual accounts and consolidated accounts of Nordic Asia Investment Group 1987 AB for the year 2022.

The annual accounts and consolidated accounts of the company are included on pages 18 - 34 of this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We, therefore, recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2 - 17 and 37. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also consider our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts, and they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of ac- counting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 based on these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors and the Managing Director's use of the going concern basis of ac- counting in preparing the annual accounts and consolidated ac- counts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual ac- counts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

AUDITOR'S REPORT

- Evaluate the overall presentation, structure, and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordic Asia Investment Group 1987 AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for profit distribution of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size, and risks place on the size of the parent company and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets, and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act, or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm, May 2, 2023
Grant Thornton Sweden AB

Nilla Rocknö
Certified auditor

INFORMATION SESSIONS, ANNUAL GENERAL MEETING 2023 AND CONTACT INFORMATION

INFORMATION SESSIONS

- Annual report 2022: May 2, 2023
- Interim report January–March 2023: May 19, 2023
- Annual general meeting: May 23, 2023
- Interim report April–June 2023: Aug 22, 2023
- Interim report July–September 2023: Nov 3, 2023

ANNUAL GENERAL MEETING 2023

- Tuesday, May 23, 2023
- The meeting will commence at 2:00 PM
- Voting registration starts at 1:30 PM and will be closed when the meeting begins
- Nybrogatan 11, 6th floor, 114 39, Stockholm

REGISTRATION

Shareholders who wish to participate in the meeting shall:

1. be registered in the share register maintained by Euroclear Sweden AB on the record date, Friday, May 12, 2023,
2. notify their intention to participate in the annual general meeting to the company. Notification can be made by email to anmalan@nordicasiagroup.com.

When giving notice of participation, the shareholder's name, personal or company registration number, telephone number, and any assistants should be provided. Information provided in connection with the notification will be processed and used only for the annual general meeting 2023. If participation is by proxy, a power of attorney should be submitted in connection with the notification, no later than May 16, 2023.

Shareholders who have their shares registered in the name of a nominee through a bank or other nominee must temporarily re-register the shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the annual general meeting. Such re-registration must be completed by May 16, 2023, which means that shareholders who wish to re-register their shares must notify the nominee well in advance of the aforementioned date.

Further information regarding the annual general meeting can be found on the company's website www.nordicasiagroup.com.

CONTACT INFORMATION

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ANNUAL REPORT 2022