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11 May 2023

Subject: Discussion and Analysis of the Company's Performance for the Quarter 1/2023 (Revised)

To: President
The Stock Exchange of Thailand

Chase Asia Public Company Limited ("**Company**") would like to submit the quarter 1/2023 financial statements for the three-month period ended 31 March 2023 which were reviewed by certified public accountants to the Stock Exchange of Thailand.

For the Company's performance for the quarter 1/2023 financial statements, it had a net profit of Baht 12.25 million. In this connection, the Company would like to explain the reasons for its performance in the quarter 1/2023, details which appear as attached.

Management Discussion and Analysis of the Company's Performance for the quarter 1/2023

1. Business Performance Analysis

Chase Asia Public Company Limited and subsidiaries ("the Group") operate two main businesses as follows:

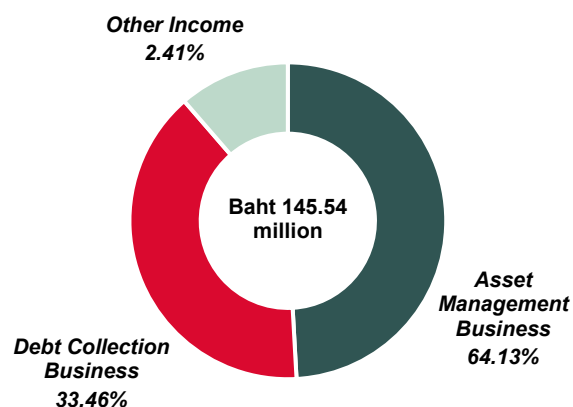
- For the debt collection service business, the Group provides comprehensive collection service including litigation service to the employers, the Group's service fee will be based on the agreed rates with the employers which are the percentage to total collected amounts. The rate is subject to the level of complexity in debt collection.
- For the asset management business, the Group manages the non-performing assets for both secured and unsecured portfolio transferred from financial and non-financial institutions. The Group will perform debt collection to get the debt repayment.

	For 3 months period		For 3 months period		Change	
	31 March 2022		31 March 2023			
Unit : Million Baht	Amount	Percent	Amount	Percent	Amount	Percent
Total revenue	199.47	100.00	145.54	100.00	(53.93)	(27.04)
Asset Management Business	112.34	56.32	93.33	64.13	(19.01)	(16.92)
Debt Collection Business	69.04	34.61	48.70	33.46	(20.34)	(29.46)
Other income	18.09	9.07	3.51	2.41	(14.58)	(80.60)
Cost of service and professional fee	(51.24)	(25.69)	(67.00)	(46.04)	(15.76)	30.76
Gross profit	148.23	74.31	78.54	53.96	(69.69)	(47.01)
Administrative expenses	(23.62)	(11.84)	(32.43)	(22.28)	(8.81)	37.30
Profit from operation	124.61	62.47	46.11	31.68	(78.50)	(63.00)
Expected credit loss	(26.63)	(13.35)	(21.80)	(14.98)	4.83	(18.14)
Finance costs	(3.34)	(1.67)	(6.71)	(4.61)	(3.37)	100.90
Income tax expense	(17.69)	(8.87)	(5.35)	(3.68)	12.34	(69.76)
Net profit (loss)	76.95	38.58	12.25	8.42	(64.70)	(84.08)

Revenue

Total revenue of the quarter 1/2023 were at Baht 145.54 million which decreased by 27.04% from the same period of last year at Baht 199.47 million, causing from decrement from cash collection.

Revenue structure



Asset management business

Non-performing loans (NPL) values as of the quarter 1/2023 were Baht 25,075 million or 5.06% increasing from last year which came from the acquisition of non-performing loans of Baht 138.77 million, while cash flow received from NPLs were Baht 99.54 million or 6.02% decreasing from the same period of last year.

Particulars	31 Dec 22 (Mil Baht)	31 Mar 23 (Mil Baht)	Change (%)
Rights to claim based on NPL value (as at period-end)	23,866	25,075	5.06

Particulars	For 3 months period ended 31 March		
	2022 (Mil Baht)	2023 (Mil Baht)	Change (%)
Cash flow received from debtors (for the period)	105.91	99.54	(6.02)

In the quarter 1/2023, main revenue of asset management business is interest income from loans to NPLs amounting to Baht 93.33 million or 16.92% decreasing from the same period of last year, in the quarter 1/2022, there was one-off transaction from a repayment of one customer which recognized interest income amounting to Baht 17.68 million.

Debt collection business

In the quarter 1/2023, the amount of loan that the Group provided debt collection service is Baht 14,977.79 million which is 20.45% decreasing from the same period of last year. The Group was able to collect at Baht 176.23 million or 33.27% decreasing from the same period of last year. The decrement caused by the number of assignments of financial institutions, in accordance with the change in assignment policy of financial institutions. Commission rate is still significantly higher than industry. The average commission rate is 24.41% which slightly increased from 1/2022, at 20.69%. However, commission rate is based on the agreed rate with the employer which is subject to the level of complexity in debt collection.

Particulars	31 Mar 22 (Mil Baht)	31 Mar 23 (Mil Baht)	Change (%)
Amount of loan that the Group provided debt collection service (as at period-end) (Million Baht)	18,828.69	14,977.79	(20.45)

Particulars	For 3 months period ended 31 March		
	2022 (Mil Baht)	2023 (Mil Baht)	Change (%)
Amount of loan that the Group was able to collect (for the period) (Million Baht)	264.09	176.23	(33.27)
Average commission rate (%)	20.69	24.41	17.94
Success rate (%)	5.54	4.64	(16.24)

Revenue from debt collection business is service revenue which employers paid for the debts collection and professional fee arising from litigation service. In the quarter 1/2023, the revenues were Baht 48.7 million or 29.46% decreasing from the same period of last year, due to the decrease in the number of assignment of financial institutions in accordance with the change in assignment policy of financial institutions.

However, the Group expects that the success rate will be increased following the recovery of the economic situation, resulting in better debt collection. Moreover, the Group has planned to engage new customers which are non-bank and/or in other industries to expand the debt collection business.

Cost of service and professional fee

In the quarter 1/2023, the cost of service and professional fee were Baht 67.00 million or 30.76% increasing from the same period of last year which was mainly from the increase in cost relating to the litigation.

Administrative expenses

In the quarter 1/2023, the administrative expenses were Baht 32.43 million or 37.30% increasing from the same period of last year, from public relation consultant fee of an initial public offering (IPO) and expanding the management team to support the business development. The portion of administrative expense to total revenue in the quarter 1/2023 is 22.28% increasing from the rate 11.84% from the same period of last year. However, the portion of administrative expense to total revenue in the future will be tentatively decreased from the economy of scale.

Expected credit loss (ECL)

In the quarter 1/2023, the expected credit loss was Baht 21.80 million or 18.14% decreasing from the same period of last year, due to the reversal of expected credit loss (ECL) from the repayment of customers classified as stage 3 from loan service business.

Finance costs

In the quarter 1/2023, the finance costs were Baht 6.71 million or 100.90% increasing from the same period of last year due to increasing of interest rate announced by the financial institutions and additional borrowing for investing in non-performing assets.

Net profit

In the quarter 1/2023, the net profit was Baht 12.25 million or 84.08% decreasing from the same period of last year, causing from decrease of debt collection, increase of litigation cost, public relation consultant fee from initial public offering (IPO), increase of finance cost and the expansion of management team to support the business development. The net profit decrement resulted in a decrease in the net profit margin of 8.42% compared to 38.58% in the same period of last year.

2. Financial position

Unit : Million Baht	31 Dec 22		31 Mar 23		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Total assets	2,931.37	100.00	3,730.20	100.00	798.83	27.25
Cash and cash equivalents	115.21	3.93	791.72	21.22	676.51	587.20
Loans to non-performing assets, net	1,780.76	60.75	1,882.43	50.46	101.67	5.71
Loans to customers, net	351.85	12.00	343.11	9.20	(8.74)	(2.48)
Property, plant and equipment, net	408.36	13.93	425.30	11.40	16.94	4.15
Other assets	275.19	9.39	287.64	7.72	12.45	4.52
Total liabilities	871.63	29.73	471.29	12.63	(400.34)	(45.93)
Payables from financial institution	46.72	1.59	121.84	3.27	75.12	160.79
Short-term borrowings from financial institutions	461.95	15.76	-	-	(461.95)	(100.00)
Current portion of long-term borrowings from financial institutions	109.72	3.74	114.21	3.06	4.49	4.09
Long-term borrowings from financial institutions	172.30	5.88	146.18	3.92	(26.12)	(15.16)
Other liabilities	80.94	2.76	89.06	2.38	8.12	10.03
Total shareholder's equity	2,059.74	70.27	3,258.91	87.37	1,199.17	58.22

Total assets

As at 31 March 2023, the Group had total assets of Baht 3,730.20 million which increased from last year around Baht 2,931.37 million or 27.25% increasing as the following reasons:

- The increment of cash and cash equivalents around Baht 676.51 million from an initial public offering (IPO).
- The increment of loans to non-performing assets, net around Baht 101.67 million.
- The decrement of loans to customers, net around Baht 8.74 million.
- The increment of property, plant, and equipment, net around Baht 16.94 million from the construction of new office.

Total liabilities

As at 31 March 2023, the Group had total liabilities of Baht 471.29 million which decreased from last year around Baht 871.63 million or 45.93% decreasing as the following reasons:

- The increment of payable from financial institutions around Baht 75.12 million by purchasing loans to non-performing assets.
- The decrement of short-term borrowings (Bridging Loan) from financial institutions around Baht 461.95 million by repayment of loans.
- The decrement of long-term borrowings from financial institutions around Baht 21.63 million which were used in the business operations.

Total shareholder's equity

As at 31 March 2023, the Group had total shareholder's equity of Baht 3,258.91 million which increased from last year around Baht 2,059.74 million or 58.22% increasing. The reasons for increment mainly arose from the proceeds from issuance of ordinary shares.

Debt to Equity ratio

As at 31 March 2023, the Debt-to-Equity ratio of the Group was at 0.14x.

Please be informed accordingly,

Respectfully yours,
Chase Asia Public Company Limited

Ms. Waraluck Chaisuwan
Chief Financial Officer