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Subject: Management Discussion and Analysis of Siam Wellness Group Public Company Limited for the three months period ended 31 March 2016 and to explain the causes of performance that is changed more than 20% from the same period last year.

To: President,

The Stock Exchange of Thailand

SIAM WELLNESS GROUP PUBLIC COMPANY LIMITED ("The Company") would like to give details of the Management Discussion and Analysis of the financial statements of the Company and subsidiaries for the three months period ended 31 March 2016 and to explicate the causes of performance that has changed more than 20% from the same period last year. The Company and subsidiaries have the total revenue of 176.02 million baht, an increase of 58.42 million baht from the same period last year (or an increase of 49.67%). The net profit is 35.24 million baht, an increase of 11.57 million baht from the same period last year (or an increase of 48.88%). Net profit is accounted as 20.57% of sales and services' revenue. The expansion of the Thai tourism industry, as a result of the increase in the number of tourists especially from the East Asia Market (i.e. China, Hong Kong, Korea, Taiwan, Japan) whom are the company's key tourist market, is the main factor that result in a great operating performance in the 1Q16 compared to the same period last year. The details are explained below.

Revenue

In the 1Q16, The Company and subsidiaries had the total revenue of 176.02 million baht, an increase of 58.42 million baht from the same period last year (or an increase of 49.67%). The main source of revenue is still from the Spa Business, which contributes 82% of total revenue. The revenue growth is mainly from both the same store sales growth and the expansion stores sales

growth. There are total of 10 expansion stores which are 5 Let's Relax outlets and 5 Baan Suan Massage outlets. As of 31 December 2015, there are a total of 23 spa outlets. In terms of brand, Let's Relax Spa, our flagship brand, contributes around 45% sales growth from the total of 49.67% total sales growth. The revenue from the Hotel and F&B Business contributes 3% of the total sales growth. This reflects the increasing trends of the rising of Thai tourism industry and the number of inbound tourists.

Cost of Sales and Services

In the 1Q16, the Company and subsidiaries had the cost of sales and services of 109.49 million baht, accounting for to 63.92% of sales and services' revenue. This is an increase of 39.53 million baht from the same quarter of the previous year (or an increase of 56.50%). The increase is mainly from the increase in the wage of the therapist and the increase in costs related to the increasing number of staffs. The fixed cost such as rental cost and the depreciation cost coincides with the branch expansion.

Selling and Administrative Expenses

In the 1Q16, the Company and subsidiaries had the selling and administrative expenses of 22.88 million baht, accounted to 13.35 % of the revenue from sales and services. This is an increase of 5.36 million baht from the same period last year (or an increase of 30.59%). The increase is mainly from the increase in the salary of the staff and the appraisal costs of the new projects. However, the Company able to reduce some costs by switching to In House, thus able to maintain the ratio of Selling and Administrative Expenses compared to Sales.

Net Profit

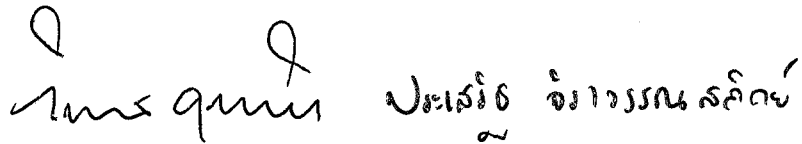
In the 1Q16, the Company and subsidiaries had the net profit of 35.24 million baht or accounted 20.57% of the revenue from sales and services. The net profit of the Company and subsidiaries increased 11.57 million baht (or an increase of 48.88%) compared to the same period last year. This is the result from the increase in revenue from sales and services of the same store sales growth and the expansion store sales growth. The overall revenue increases significantly compared to the same period last year as a result of rising of Thai tourism industry and the number of inbound tourists. Although, the cost of sales and services and selling and administrative

expenses increased, the increase is partly from the increase in variable costs related to the increase in sales and from other expenses related to the branch expansion and staff. Thus, costs increased by less than the growth rate of revenue resulting in an increase in net profit of the Company and subsidiaries.

Please be informed accordingly,



Yours sincerely,



(Mr.Wiboon Utsahajit / Mr.Prasert Jiravanstit)

Authorized Directors

Siam Wellness Group Public Co.,Ltd