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Subject: Management Discussion and Analysis of Siam Wellness Group Public Company Limited of 2015, ended 31 December 2015 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 year 2015, ended of 31 December 2015 and to explain 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 543.50 million baht, an increase of 200.15 million baht from the same period last year (or an increase of 58.29%). The net profit is 106.49 million baht, an increase of 73.25 million baht from the same period last year (or an increase of 220.31%). Net profit is accounted as 19.97% of sales and services’ revenue. The main factor that contributes to the growth of the Company’s operation results are (a) Increase of staff utilization rate as a result of increase of the number of customers. 75% of Company’s customer are foreigners, in which 2015 Thailand has welcomed total of 29.88 million foreign tourists (b) Company’s branch

expansion under Let's Relax in Bangkok and upcountry total 4 branches (c) Company's branch expansion under M&A by acquiring Baan Suan Massage, a 3-stars Spa, which targets local customers. (d) The Sale of Let's Relax Spa Franchise Agreement to People's Republic of China. This is explained in details below.

Revenue

The Company and subsidiaries have the total revenue of 543.50 million baht, an increase of 200.15 million baht from the same period last year (or an increase of 58.29%). The main source of revenue is from the spa business, which contributes 84% of total revenue. The revenue growth is mainly from (i) The increase of same store sales growth such as Let's Relax Siam Square One and Let's Relax Patong 3rd Street (ii) Company's branch expansion under Let's Relax in Bangkok and upcountry total 4 branches which are Let's Relax Ekkamai, Let's Relax Thapae, Let's Relax Suanplu and Let's Relax The Street Ratchada (iii) Company's branch expansion under M&A by acquiring Baan Suan Massage, a 3-stars Spa, which is located in Nonthaburi, Charoennakorn, Ramintra and Ramkamhaeng since 1 August 2015 (iv) The Sale of Let's Relax Spa Franchise Agreement to People's Republic of China

In terms of the hotel and restaurant business, the Company expanded one branch in Chiang Mai under the name "D Bistro" in Chiang Mai Walking Street. The overall growth of revenue of hotel and restaurant business is mainly from the increase in the occupancy rate as a result of increasing numbers of Chinese Tourists and an increase in direct flight to Chiang Mai.

Cost of Sales and Services

In 2015, the Company and subsidiaries had the cost of sales and services of 334.97 million baht, accounting for to 62.82% of sales and services' revenue. This is an increase of 109.62 million baht from the same quarter of the previous year (or an increase of 48.65%). The increase is a reflection of the increase in revenue. The main variable cost of sales and services are therapist cost and the main fixed cost of sales and services are the rental and service cost and the depreciation cost.

Selling and Administrative Expenses

In 2015, the Company and subsidiaries had the selling and administrative expenses of 73.77 million baht, accounted to 13.83% of the revenue from sales and services. This is an increase of 1.07 million baht from the same period last year (or an increase of 1.47%). The main selling and administrative expense is the labor cost and cost associated with sales (Credit Card Fees). Moreover, the Company has extra expenses related to the M&A such as appraisal fees and legal fees.

Net Profit

In 2015, the Company and subsidiaries had the net profit of 106.50 million baht or accounted 19.97% of the revenue from sales and services. The net profit of the Company and subsidiaries increased 73.25 million baht (or an increase of 220.31%) compared to the same period last year. This is the result from the increase in revenue from sales and services of the new branches located in Bangkok and the upcountry as well as from the new Baan Suan Massage branches (M&A in August 2015). The overall tourism situation in 2015 is better than in 2014,

which were affected by the political unrest. The overall revenue increases significantly compared to the same period last year.

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,



Wiboon Utsahajit
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(Mr.Wiboon Utsahajit / Mr.Prasert Jiravanstit)

Siam Wellness Group Public Co.,Ltd