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Subject: Management Discussion and Analysis of Siam Wellness Group Public Company Limited for the third quarter and 9 months period ended 30 September 2019 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 third quarter ("3Q19") and 9 months period ("9M19") ended 30 September 2019 and to explicate the causes of performance that has changed more than 20% from the same period last year. Moreover, it includes the result from the decision to jointly invest and later decision to cancel the jointly investment in Chaba Elegance Co.,Ltd (The Financial Statement ended 30 September 2019 does not include the operating result of Chaba Elegance Co.,Ltd but only disclose the net earnings resulting from the cancellation of joint investment. Details are enclosed in the Notes). The Company and subsidiaries have the total revenue of 388.32 million baht, an increase of 97.28 million baht from the same period last year (or an increase of 33.42%). The net profit is 70.03 million baht, an increase of 18.07 million baht from the same period last year (or an increase of 34.78%). Net profit is accounted as 18.24% of sales and services' revenue. This is the result from the recovery of Chinese Tourist Numbers which are one of our main customer segment as well as the growth in revenue in SSG and Expansion Stores and New Business. Details as followed:

Revenue

The Company and subsidiaries had total revenue in the 3Q19 of 388.32 million baht, an increase of 97.28 million baht from the same period last year (or an increase of 33.42%). The big proportion of revenue comes from the spa business, which accounted to 91% of the total revenue. Factors contributed to revenue growth are:

Selling and Administrative Expenses

In the 3Q19, the Company and subsidiaries had the selling and administrative expenses of 45.03 million baht, accounted to 11.73% of the revenue from sales and services. This is an increase of 8.15 million baht from the same period last year (or an increase of 22.11%). This is mainly from the adjustment of salary and increasing headcount of the Head Office staff to support branches expansion, however the Company has managed its cost of selling and administrative quite efficiently approximately 12-14% of Revenue.

Net Profit

In the 3Q19, the Company and subsidiaries had the net profit of 70.03 million baht or accounted 18.24% of the revenue from sales and services. The net profit of the Company and subsidiaries increase 18.07 million baht from the same period last year (or an increase of 34.77%). compared to the same period last year. This is the result from the recovery of Chinese Tourists, the main customer segment, increase in sales of SSG and Expansion branches and the positive growth in Spa Operating in Hotel Model and new business model, Stretch me by Let's Relax, yet the variable and fixed costs of sales and services as well as selling and administrative also increase which results from increase in number of branches. However, the cost of sales and services grow slightly less than the revenue from sales and services. Thus, results in the increase of 18.07 million baht in Net Profit. The Net profit accounted of the revenue from sales and services is similar compared to the same period of last year.

Please be informed accordingly,

Yours sincerely,

(Mr.Wiboon Utsahajit / Mr.Prasert Jiravanstit)

Siam Wellness Group Public Company Limited