

(F 53-4)

Capital Increase Report Form
The Erawan Group Public Company Limited
21 December 2010

We, The Erawan Group Public Company Limited hereby report the resolution of the Board of Directors' Meeting No.9/2010, held on 21 December 2010 from 14.00 hours to 16.30 hours in respect of a capital increase and share allotment as follows:

1. Capital increase:

The meeting of the Board of Directors passed a resolution approving the increase of a registered capital of the Company from 2,244,779,001 Baht to 2,505,000,000 Baht by means of the issuance of 260,220,999 new ordinary shares at a par value of 1 Baht each, totaling 260,220,999 Baht.

2. Allotment of new shares:

2.1 The meeting of the Board of Directors passed a resolution approving the allotment of 260,220,999 ordinary shares at par value of 1 Baht each, totaling 260,220,999 Baht, the details of which are as follows:

Allotted to	Number (shares)	Ratio (old : new)	Price per share	Subscription and payment period	Note
1. Allotment of new shares to accommodate the exercise of the company warrant (ERW-W2) which has right to purchase the new shares of the company. The warrant will be allotted to existing company's shareholders.	224,477,900	10 existing shares to 1 warrant and 1 unit of warrant represent the right to purchase 1 unit of the company ordinary share	1 unit of warrant represent the right to purchase 1 unit of the company ordinary share at 2.80 Baht/share	*1	-
2. Allotment of new shares to accommodate the exercise of the ordinary shares of the company which will be allotted to the employees of the company and subsidiaries under ESOP#3.	35,743,099	*2	*2	*2	-

Remarks

*1: The details of warrant allotment program (ERW-W2) of The Erawan Group Public Company Limited to be offered to existing shareholders in proportion of shareholding are specified in Attachment 7 of the invitation letter to the Annual General Meeting of Shareholders for the year 2011.

*2: The details of program for the offering of newly increased ordinary shares to employees of the Company and its subsidiaries (ESOP#3) are specified in Attachment 8 of the invitation letter to the Annual General Meeting of Shareholders for the year 2011.

2.2 A fraction of shares remaining as resulted from the said ratio will be eliminated.

2.3 The number of shares remaining from the previous allotment

- None.

3. Schedule for Shareholders' Meeting to approve the capital increase and the allotment

The Company schedules the Shareholders' meeting on Tuesday 26th April 2011 at 14.00 hours at Salon A,B room, JW Marriott Hotel Bangkok, No. 4 Sukhumvit Road, Klongtoey, Bangkok 10110. The Company has fixed the Record Date on which shareholders have the right to attend the Shareholders' meeting on 9th March, 2011 and fixed the share registration book closing date on 10th March, 2011 in order to assemble the names of shareholders by closing the shareholders' registration as stipulated in the Securities and Exchange Act B.E. 2535, Section 225 (as amended) and fixed the record date to determine the right of shareholders who will be entitled to receive the warrants (ERW-W2) on 9th May, 2011 and fixed the share registration book closing date on 10th May, 2011 in order to assemble the names of shareholders by closing the shareholders' registration as stipulated in the Securities and Exchange Act B.E. 2535, Section 225 (as amended).

4. Approval of the capital increase and share allotment by relevant governmental agency and conditions thereto (if any)

4.1 The Company will register the capital increase with the Commercial Business Development Department, Ministry of Commerce;

4.2 The Company will apply for an approval from the Stock Exchange of Thailand for listing of warrants (ERW-W2) which will be given to the existing shareholders.

4.3 The Company will apply for an approval from the Stock Exchange of Thailand for listing of ordinary shares issued due to the exercise of the conversion right of warrants (ERW-W2) and the exercise of ESOP#3.

5. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase

The Company intends to use the proceeds for hotel development projects as set forth in the Company's strategy during 2011-2015 which the Company has set the target to expand number of owned hotels in its hotel investment portfolio from existing 13 hotels and 3,347 rooms to be more than 20 owned hotels and more than 5,000 rooms within 2015 in order to enhance revenues and profit. In addition to the capital increase, the Board of Directors also considered and approved for other capital raising scheme including the asset sale to third party or into a property fund with the best benefit to shareholders. The remaining funding requirement will be supported by internally generated cash flow and debt financing.

6. Benefits which the Company will receive from the capital increase and share allotment

The Company currently own 13 hotels across Thailand's major destinations such as Bangkok, Pattaya, Phuket and Samui. The hotels in its portfolio include 4 luxury hotels, 2 midscale hotels and 7 economy hotels as stipulated in its strategic planning set out for project developments during 2005-2010. The expansion for the next 5 years (2011-2015) which targets to increase both hotels and rooms and locations in the high growth potential markets will not only enhance the Company's future income and earnings potentials but also will further increase the benefits from diversification in term of products, services, brands to fulfill diverse customers' needs.

This capital injection together with other fund raising scheme as aforementioned will allow the Company to maintain its capital structure at appropriate level at an optimal Debt-to-Equity ratio and a manageable Net Debt to EBITDA during the expansion stage.

The objectives of the ESOP#3 are to motivate the employees of the Company and its Subsidiaries to dedicate themselves to bring about the best interest for the Company and its Subsidiaries, and to drive their performance towards the success of the Company's strategic objectives.

7. Benefits which the shareholders will receive from the capital increase and share allotment:

The expansion plan is intended to increase shareholder's wealth with future income and earnings from the projects development under the Company's strategic plan for 2011 – 2015 which will increase the Company's ability to pay dividend. The warrant holders who exercise their right to purchase the capital increase shares ,the details of which are specified in Attachment 7, will be entitled to receive dividends from 2013 operation onwards.



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The ESOP#3 is intended to motivate the employees of the Company and its Subsidiaries to dedicate themselves to bring about the best interest for the Company and its Subsidiaries, and to drive their performance towards the success of the Company's strategic objectives. The newly issued shares will have the same rights as that of the previously issued shares, and be entitled to receive dividends from the date that their name are listed in the share register book submitted to the Ministry of Commerce.

8. Other details necessary for shareholders to approve the capital increase/share allotment:

The capital increase and share allotment for the ordinary shares to be issued for accommodating the conversion and exercise of warrants (ERW-W2) and for the ordinary shares to be issued due to the exercise of ESOP#3 will have dilution effect to the shareholders of the Company, the details of which are specified in Attachment 7 and Attachment 8 of the notification of resolutions of Board of Directors' Meeting No. 9/2010.

9. Schedule of actions where the Board of Directors of the Company passes a resolution approving the capital increase and allotment of new shares:

1. The Board of Directors approved the capital increase and share allotment	21 December 2010
2. The resolutions of the Board of Directors' Meeting was reported to the SET	21 December 2010 22 February 2011
3. The date fixed to determine shareholders entitled to attend AGM for the year 2011	9 March 2011
4. The closing date of share register book for the right to attend AGM for the year 2011	10 March 2011
5. The date of Annual General Meeting of Shareholders for the year 2011	26 April 2011
6. The resolutions of AGM for the year 2011 was reported to SET	26 April 2011
7. The registration of the capital increase at Ministry of Commerce	Within 14 days from the date of the AGM
8. The date fixed to determine shareholders entitled to receive allocation of the company's warrants	9 May 2011
9. The closing date of share register book for the right to receive the allotment of the company's warrants	10 May 2011

The Company hereby certifies that the information contained in this report form is true and complete in all respects.

Signed.....Kasama Punyagupta.....

(Mr. Kasama Punyagupta)

President & CEO