



Tanayong Announces Plan to Acquire Bangkok Mass Transit System (BTSC)

Bangkok, March 23, 2010 – Tanayong Public Company Limited (“TYONG” or the “Company”) announced the acquisition plan of Bangkok Mass Transit System (“BTSC”) and to negotiate and enter into agreements to acquire shares of BTSC from its existing shareholders. The announced transaction is aimed at enhancing the Company’s competitiveness in the real estate development business, increasing the attractiveness of the Company’s shares through increased market capitalization and liquidity as well as reaping benefits from the strong performance and high growth potential of BTSC’s skytrain business.

Mr. Keeree Kanjanapas, Chairman of the Board of Directors of TYONG, today announced that TYONG’s Board of Directors has approved the BTSC acquisition plan, in which the Company will negotiate and enter into agreements to acquire 15,022.3 million shares or 94.60% of total paid-up shares in BTSC for total consideration value of Baht 40,034.53 million. Under the plan, the Company will acquire BTSC shares from Siam Capital Developments (Hong Kong) Limited, Keen Leader Investments Limited and Mr. Keeree, and carry out the entire business transfer from Siam Rail Transport and Infrastructure Limited. Out of the total consideration value, Baht 20,655.71 million (approximately 51.59% of the total consideration) will be paid in cash while the remainder will be paid with 28,166.88 million newly-issued shares of TYONG at Baht 0.688 per share or equivalent to Baht 19,378.81 million (approximately 48.81% of the total consideration) instead of cash. The Company will borrow Baht 22,000 million from a financial institution to finance the amount of cash consideration and use the remainder as working capital.

After the acquisition of BTSC shares, the Company plans to do a Rights Offerings of Baht 12,000 million to partially repay the loan. In case there are unsubscribed rights, the Company will offer the remaining portion through a Private Placement. To make the offering more attractive and to encourage shareholders to subscribe to the Rights Offering, the Company will also issue warrants at no charge to those who subscribe to the Rights Offering or Private Placement. These warrants will have a maturity of 3 years, exercisable from the end second year with the exercise price of Baht 0.70. The share acquisition and the entire business transfer are expected to be completed within early May 2010, subject to the approval from the Extraordinary General Meeting of Shareholders to be held on 29 April 2010 (the “EGM”) and related authorities and the fulfillment of other conditions precedent.

Mr. Keeree further added, "The acquisition of BTSC shares will broaden the Company's scope of business and greatly increase its asset size. Currently, BTSC has the total asset of Baht 55,401.50 million or approximately 7.3 times the size of TYONG's total assets. The decision to acquire BTSC shares is made on the basis that the acquisition will enhance both companies' competitiveness in the real estate business by leveraging TYONG's experience in developing and managing real estate projects to BTS properties, increase the attractiveness of its shares with the increased market capitalization and liquidity, as well as reap benefits from the strong performance and high growth potential of BTSC's skytrain business. The Company believes that this acquisition will strengthen the Company's operating performance, and hence, greatly benefits its shareholders."

"The Company's management believes that BTSC's skytrain business is a great business with high growth potential. Since the commencement of its operation in 1999, BTSC's revenue and the number of passengers has continued to grow over the years. Presently, BTS provides service to over 450,000 passengers per weekday. And to support the increasing demand of its skytrain service, BTS has a plan to increase its capacity by almost 50%, allowing it to serve more passengers, especially during the rush hour. In addition, BTS will directly benefit from the future government mass transit projects as these projects will feed more passengers into the skytrain system currently operated by BTS under the concession with BMA. Furthermore, BTS, as a single operator, has an advantage in operating these extension routes as it will be able to operate more efficiently and provide better service to the passengers. Therefore, we believe that BTSC will be able to strengthen the operating performance of the Company and generate stable return to the Company's shareholders."

As for the cooperation in real estate development business between TYONG and BTSC, Mr. Keeree further added, "The Company could also leverage its extensive experience and expertise in real estate development, ranging from project feasibility study and planning, project management, construction to post-construction operation, to BTSC's property projects, all of which are situated in high-potential locations in central Bangkok, along the BTS route."

After the acquisition of BTSC shares, TYONG's shareholding structure will change. While Khun Keeree and Mr. Kavin Kanjanapas will still be the major shareholding group with 41.46% of total paid up shares of TYONG, there will be two new groups of major shareholders, namely funds managed by Ashmore Investment Management Limited and Funds managed by Farallon Capital Management, L.L.C., both of which are the existing shareholders of BTSC.

At a later stage, the Company also plans to acquire the remaining 5.4% of BTSC shares held by the minorities by issuing newly issued shares as payment consideration at the price not less than Baht 0.60.

About Tanayong Public Company Limited

Tanayong Public Company Limited is a Thai property development company with over 30 years of experience. The Company launched its first property development project "Thana City" which consists of single-detached houses, townhouses, condominiums and empty land plots. Presently, the Company has undergone business reorganization in terms of shareholding structure and management team as well as entered into business alliances with partners from Dubai, Hong Kong and China. At the same time, the Company has expanded into other businesses, such as hotel, property management, hospitality, and project management.

In 1991, the Company was listed on the Stock Exchange of Thailand in property development category, under the real estate development and construction sector, and with trading ticker "TYONG". Currently, the Company's majority stake is held by Mr. Keeree.

At present, the main projects under the Company operation include Thana City Bangna, U Chiangmai Hotel (managed by Absolute Hotel which has signed agreements to manage 38 more hotels under the brand "U Hotel"), The Royal Place and The Grand serviced apartment. Furthermore, the Company also manages Baan Aur-Arthorn Project as well as Four Points by Sheraton Hotel (a 4-star, 32-storey hotel with 437 rooms) on a turnkey basis including designing, construction and selection of hotel management. The Four Points by Sheraton Hotel is located in Bangkok's Central Business District on Sathorn Road, adjacent to Surasak BTS skytrain station. The project is valued approximately at 2,200 million baht and will expectedly be completed in 2011.

About Bangkok Mass Transit System Public Company Limited

Bangkok Mass Transit System Public Company Limited (BTSC) is the sole concessionaire of the BTS SkyTrain System under the Bangkok Mass Transit System Concession Agreement with the Bangkok Metropolitan Administration ("BMA"). Having commenced its operation in December 1999, the BTS SkyTrain System is the first electric railway system in Thailand. Its paths extend across Bangkok's key trade and business districts. At present, the BTS SkyTrain System operates a fleet of 35 trains, which service the 23 stations on two separate lines (Sukhumvit Line and Silom Line) with a combined track length of 23.5 km. Furthermore, BTSC is engaged by the BMA to operate the 2.2 km Silom Line Extension under the Operating and Maintenance Agreement. In the fiscal year ended 31 March 2009, BTSC provided service to more than 136 million passenger trips, representing a compound annual growth rate of 11.0% since the start of its full-year operation. Since operation commencement of Silom extension on 15 May 2009, the average daily ridership has increased to 448,362 per weekday (during the period of June-December 2009) from 424,661 per weekday during the same period of 2008, an increase of 5.6%. Furthermore, BTSC has provided service to over 1,155 million passenger trips since the start of its operation.

In addition to the skytrain business, BTSC is also engaged in advertising space management and real estate business. The advertising business is managed by BTSC's wholly-owned subsidiary, VGI Global Media Company Limited and its subsidiaries ("VGI Group"). Presently, the VGI Group manages the advertising space for internal and external areas of the train body and the merchandising and advertising space on the BTS stations. Furthermore, the VGI Group has expanded beyond managing the advertising space on trains and BTS stations to the leading superstores such as Tesco Lotus, Tesco Express, Big C Supercentre and Carrefour.

As for the real estate business, BTSC has purchased 5 plots of land. Out of these 5 plots, one plot is being developed into a four-star hotel, one plot is being reviewed for potential development into a condominium, 2 plots are in process of study to be developed into hotels, and the remaining plot is still under the feasibility study.

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