



THE THAI-ASIA FUND LIMITED

(Incorporated with limited liability in the Cayman Islands)

(Stock Code: 540)

ANNOUNCEMENT OF 2004 AUDITED RESULTS

FINANCIAL RESULTS

The Board of Directors of The Thai-Asia Fund Limited (the “Company”) announces that the audited results of the Company for the year ended December 31, 2004 are as follows:

	<i>Notes</i>	2004 <i>US\$</i>	2003 <i>US\$</i>
Turnover	<i>b</i>	9,132,530	10,540,375
Cost of investments sold		(5,277,588)	(8,399,286)
		3,854,942	2,141,089
Unrealised (depreciation)/appreciation from revaluation of investments in securities		(5,373,043)	9,447,715
		(1,518,101)	11,588,804
OPERATING EXPENSES			
Administration fee to Investment Manager		(18,021)	(14,823)
Administration fee to Administrator		(44,063)	(31,158)
Advisory fee to Investment Adviser		(88,126)	(62,317)
Management fee to Investment Manager		(90,103)	(74,113)
Auditors’ remuneration		(16,000)	(16,500)
Supervisory fee		(14,416)	(11,858)
Directors’ emoluments		(21,875)	(20,460)
Others		(85,757)	(100,307)
		(378,361)	(331,536)
(LOSS)/PROFIT BEFORE TAXATION		(1,896,462)	11,257,268
Taxation	<i>c</i>	(28,235)	(54,706)
(LOSS)/PROFIT FOR THE YEAR		(1,924,697)	11,202,562
(LOSS)/EARNINGS PER SHARE	<i>d</i>	(0.04)	0.22
NET ASSET VALUE PER SHARE	<i>e</i>	0.23	0.40

Notes:

a. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Hong Kong Institute of Certified Public Accountants has issued a number of new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after January 1, 2005. The Company has not early adopted these new HKFRSs in the financial statements for the year ended December 31, 2004. The new HKFRSs may result in changes in the future as to how the Company’s financial performance and financial position are prepared and presented.

b. SEGMENT INFORMATION

Since the principal activity of the Company is investing in Thai securities with over 90% of its turnover and contribution to results derived from such activity in Thailand, no separate disclosure of geographical nor business segment information is presented.

Turnover is analysed as follows:

	2004 US\$	2003 US\$
Proceeds from sale of investments	8,538,424	10,053,282
Dividend income	582,735	481,855
Interest income	11,371	5,238
	<u>9,132,530</u>	<u>10,540,375</u>

c. TAXATION

	2004 US\$	2003 US\$
Thai withholding tax on distributions made by Thai-Asia Open-end Fund (the “Fund”)* in Thailand to the Company in Hong Kong	<u>28,235</u>	<u>54,706</u>
Taxation for the year	<u>28,235</u>	<u>54,706</u>

Withholding tax is payable in Thailand at the rate of 15% on distributions made by the Fund to the Company.

The Fund is not liable for any other form of taxation in Thailand.

No provision for Hong Kong profits tax has been made as interest, dividend and realised gains on disposal of investments of the Company are excluded from charge to profits tax under either section 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

There was no material unprovided deferred taxation at the balance sheet date.

d. (LOSS)/EARNINGS PER SHARE

The calculation was based on the loss after taxation for the year of US\$1,924,697 (2003: profit US\$11,202,562) and 50,340,800 (2003: 50,340,800) ordinary shares in issue during the year.

e. NET ASSET VALUE PER SHARE

The calculation of the net asset value (the “NAV”) per share is based on the NAV as at December 31, 2004 of US\$11,725,493 (2003: US\$20,288,957) and the 50,340,800 (2003: 50,340,800) ordinary shares in issue at that date.

DISCUSSION AND ANALYSIS OF PERFORMANCE

RESULTS

During 2004, the Company recorded a loss after tax of US\$1,924,697 (compared with a profit of US\$11,202,562 during the previous corresponding year), attributable largely to the increase of unrealised depreciation from revaluation of investments in securities.

The net asset value of the Company, as at December 31, 2004, was US\$11,725,493. As at December 31, 2004, the net asset value per share of the Company, after adjusting for special dividend declared and approved in December 2004, decreased by 22.68% in US\$ terms. Over the same period, the SET Index decreased by 12.30% in US\$ terms. The Company, in turn, underperformed the market by 10.38%.

During the year under review, the Thai economy was under the pressures of high oil prices, Thailand southern unrest and the December 26 tsunami disaster. Despite these risks, the Thai domestic consumption and private investments helped drive a moderate growth in the Thai economy with a growth rate of 6.4% in the first three quarters of 2004.

The Thai stock market recovered with a short rally when oil prices declined in November 2004 and there was the expectation of stronger Asian currencies against US dollar. The strengthening of the Baht stimulated investors' appetite for Thai stocks but such a rally was attacked by the tsunami disaster in late December 2004 which had dragged down the performance as a whole.

The Company's underperformance of the SET Index is attributable to the high cash position, held as a result of the declaration of the special dividend approved by the Board in December 2004.

As at December 31, 2004, the Company was 98.58% invested in Thai equities, with the balance being held in the form of bank deposits.

The Company's underlying investments are denominated in Baht and the Company is therefore exposed to fluctuations in Baht/US\$ exchange rates. During the year, the Baht slightly appreciated by 1.38% against the US dollar, which supported the performance.

OUTLOOK

Economic and Market Outlook

We view 2005 with cautious optimism. The Thai economy should be able to be recovered following the reconstruction activity in the affected areas by the tsunami incident. The possibility of further US dollar weakness against the Baht is expected to induce fund inflows in the Thai stock market where there is a forecast of Thai corporate earnings growth and attractive dividend yield.

Company

In December 2004, the Company declared the payment of a special dividend of USD\$0.1319 (the equivalent of approximately HK\$1.0288) per share to all shareholders recorded on the register of members as at the close of business on January 11, 2005.

The Company will commence its third tranche of unit redemption of the Initial Investment Units* in August 2005, the proceeds of which will return to shareholders by way of further dividend payment.

* *corresponding to the terms defined in the Announcement of December 22, 2004.*

DIVIDEND

The Directors of the Company do not recommend the payment of a final dividend for the year ended December 31, 2004 (2003: NIL).

ARRANGEMENTS TO PURCHASE, SELL OR REDEEM SHARES

The Company did not purchase, sell, redeem or cancel any of its shares during the year ended December 31, 2004.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“STOCK EXCHANGE”)

All information required by paragraphs 45(1) to 45(3) inclusive of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange in force prior to March 31, 2004, which remain applicable to this results announcements, will be published on the website of the Stock Exchange by end of April 2005.

By order of the Board
Jeremy Charles Simpson
Secretary

Hong Kong, April 22, 2005

As at the date of this announcement, the executive directors of the Company are Messrs. Andrew Lo Tak Shing, Chaibhondh Osataphan, Dominic Kwok Chung Kwong and Pichit Akrathit, and the independent non-executive directors of the Company are Yod Jin Uahwatanasakul, Narong Chulajata, Heng Kwoong Seng and Thomas Ng Tung Ming.

Please also refer to the published version of this announcement in The Standard.