

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Thai Asset Fund Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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THE THAI ASSET FUND LIMITED

(Incorporated in Guernsey with limited liability)

(Stock code : 543)

PROPOSAL FOR RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at 12/F., Three Exchange Square, 8 Connaught Place, Hong Kong, on Friday, 10 June 2005 at 2:45 p.m. is set out on pages 6 to 7 of this circular. A form of proxy is also enclosed. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the form of proxy to the Company's registrars, HSBC Institutional Trust Services (Asia) Limited at 39/F, Dorset House, Taikoo Place, 979 King's Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. The completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting if you so wish.

18 May 2005

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at 12th Floor, Three Exchange Square, 8 Connaught Place, Hong Kong on Friday, 10 June 2005 at 2:45 p.m.
“Board”	the board of Directors from time to time
“Company”	The Thai Asset Fund Limited, a company incorporated in Guernsey and whose shares are listed and traded on the Stock Exchange
“Directors”	the directors, including independent non-executive directors and non-executive director, of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 May 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	The shareholders of the Company



THE THAI ASSET FUND LIMITED

(Incorporated in Guernsey with limited liability)

Directors:

Narong Chulajata*
Andrew Lo Tak Shing
Heng Kwo Seng*
Dominic Kwok Chung Kwong
Thomas Ng Tung Ming*
Pichit Akrathit
John Yang Chung Hsiung#

* *Independent non-executive directors*

Non-executive director

Registered office:

HSBC Securities Services (Guernsey) Limited
(formerly named as Management International
(Guernsey) Limited)
P.O. Box 208, Arnold House
St. Julian's Avenue, St. Peter Port
Guernsey

Principal place of business:

12th Floor, Three Exchange Square
8 Connaught Place
Hong Kong

18 May 2005

To the Shareholders

Dear Sir or Madam,

PROPOSAL FOR RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

1. RE-ELECTION OF DIRECTORS

In accordance with Articles 114 and 115 of the Articles of Association, Messrs. Andrew Lo Tak Shing, Thomas Ng Tung Ming and Pichit Akrathit shall retire by rotation at the AGM and, being eligible, offer themselves for re-election. Details of the above directors who are required to be disclosed by the Listing Rules are set out in Appendix I to this circular.

LETTER FROM THE BOARD

2. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

3. ANNUAL GENERAL MEETING

Set out on pages 6 to 7 of this circular is a notice convening the AGM at which resolutions will be proposed to consider and, if thought fit, to approve, among other things, the re-election of Directors. The procedures by which the Shareholders may demand a poll at a general meeting pursuant to the Articles of Association are set out in Appendix II to this circular.

A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the form of proxy to the Company's registrars, HSBC Institutional Trust Services (Asia) Limited at 39/F, Dorset House, Taikoo Place, 979 King's Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. The completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

4. RECOMMENDATION

The Board is of the opinion that the re-election of Directors is in the best interests of the Company and the Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of each of the ordinary resolutions to be proposed at the AGM.

For and on behalf of the Board

Andrew T S Lo

Director

The following are the particulars, as at the Latest Practicable Date, of the directors to be re-elected at the AGM:

Mr. Andrew Lo Tak Shing, aged 43, is the Chief Executive Officer of INVESCO Asia Pacific, Hong Kong. Mr. Lo became a member of the Executive Board of AMVESCAP PLC and Chief Executive Officer of INVESCO Asia Pacific in 2001. He joined the INVESCO Group as Managing Director for INVESCO Asia Limited in 1994. Mr. Lo began his career as Credit Analyst at Chase Manhattan Bank in 1984. He became Vice President of the Investment Management Group at Citicorp in 1988 and was Managing Director of Capital House Asia from 1990 to early 1994. Mr. Lo was Chairman of the Hong Kong Investment Funds Association from 1996 to 1997, a member of the Council to the Stock Exchange of Hong Kong from 1997 to 2000, and a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong from 1997 to 2001. He received a BS and an MBA from Babson College in the U.S.A.. He was a director of the Company from October 1992 to February 1994 and was re-appointed in February 1995.

Mr. Thomas Ng Tung Ming, aged 56, is a member of The Hong Kong Institute of Certified Public Accountants (Hong Kong), The Chartered Association of Certified Accountants (United Kingdom) and Certified Management Accountant (Canada). He obtained his accountancy qualification through practice at Peat Marwick and Mitchell & Co. (Hong Kong), now known as KPMG. Since 1993, he has run his own firm of certified public accountants, Thomas T. M. Ng & Co. Before establishing his own practice, he had 20 years experience of senior management in the private sector in Hong Kong. He was appointed as a director of the Company in June 1999.

Mr. Pichit Akrathit, aged 50, is the President of MFC Asset Management Public Company Limited following his appointment on 17 December 2002. Since his appointment, Mr. Akrathit has also become a member of the Investment Advisory Council of the Thai Prime Fund, an investment company listed on the London Stock Exchange. Mr. Akrathit had been a director of the Office of Capital Market Research and Development at the Securities and Exchange Commission of Thailand from 1994 to 2002. Mr. Akrathit obtained his Ph.D in Economics from The University of Texas at Austin (U.S.A.) in 1992 and was appointed as a director of the Company in January 2003.

None of the foregoing directors has any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong.

Neither of these directors had or has any connection with the other directors, senior management or substantial shareholders of the Company.

The Directors are entitled to receive from the Company, as remuneration for their services, an aggregate amount of US\$35,000 per annum. Such remuneration shall be deemed to accrue from day to day and shall be allocated among all the existing directors of the Company as they see fit or equally.

APPENDIX II PROCEDURE BY WHICH SHAREHOLDERS MAY DEMAND A POLL

The following paragraph sets out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the AGM) pursuant to the Articles of Association.

According to Article 86 of the Articles of Association, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands, a poll is demanded by the Chairman or by at least five members of the Company having the right to vote at the meeting (or by less than five members of the Company provided they represent at least one-tenth of the subscribed capital of the Company having the right to vote at the meeting).

NOTICE OF ANNUAL GENERAL MEETING



THE THAI ASSET FUND LIMITED

(Incorporated in Guernsey with limited liability)

(Stock code : 543)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of The Thai Asset Fund Limited (the “Company”) will be held at 12/F., Three Exchange Square, 8 Connaught Place, Hong Kong on Friday, 10 June 2005 at 2:45 p.m. (Hong Kong time) for the following purposes:-

To consider and, if thought fit, pass the following Ordinary Resolutions:

1. **THAT**, the audited financial statements and the reports of the Directors and the auditors of the Company (the “Auditors”) for the year ended 31 December 2004 be received and adopted.
2. **THAT**, PricewaterhouseCoopers be re-appointed as Auditors until the next Annual General Meeting, and that the Directors be authorized to fix their remuneration.
3. **THAT**, Mr. Andrew Lo Tak Shing, who retires by rotation in accordance with the Articles of Association of the Company, being eligible, be re-elected as a Director.
4. **THAT**, Mr. Thomas Ng Tung Ming, who retires by rotation in accordance with the Articles of Association of the Company, being eligible, be re-elected as a Director.
5. **THAT**, Mr. Pichit Akrathit, who retires by rotation in accordance with the Articles of Association of the Company, being eligible, be re-elected as a Director.

By Order of the Board
Jeremy Charles Simpson
Company Secretary

Hong Kong, 18 May 2005

As at the date of this notice, the executive directors of the Company are Messrs. Andrew Lo Tak Shing, Dominic Kwok Chung Kwong and Pichit Akrathit, the independent non-executive directors of the Company are Messrs. Narong Chulajata, Heng Kwoo Seng and Thomas Ng Tung Ming and the non-executive director of the Company is Mr. John Yang Chung Hsiung.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint a proxy (or proxies) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting in person.
3. To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a notarially certified copy of such power of attorney or other authority), must be received by the Company's registrars (for the attention of shareholder services) not less than 48 hours before the time appointed for the meeting.