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## **THE THAI ASSET FUND LIMITED**

*(incorporated with limited liability in Guernsey)*  
(Stock Code: 543)

### **ANNOUNCEMENT OF FINAL REDEMPTION OF PARTICIPATING REDEEMABLE PREFERENCE SHARES**

- **The Company is pleased to announce that on 9 January 2006, the Board resolved to redeem all outstanding Shares on the Redemption Date.**
- **The redemption price will be paid to all Shareholders recorded on the register of members as at the close of business on 26 January 2006. The Company will apply for a suspension of trading of the Shares with effect from 9:30 a.m. on 24 January 2006. The redemption price, which is in USD, will be paid by cheque, which is expected to be sent to eligible Shareholders on or about 17 February 2006, provided that the relevant Share certificates and/or other documents of title have been delivered to the Company for cancellation.**
- **The Company gives notice that its register of members will be closed from 24 January 2006 to 26 January 2006, both dates inclusive. During this period, no transfers of Shares may be registered.**
- **The redemption of Shares is made pursuant to the Proposal relating to the implementation of the open-ending of the Company's Investment Plan, namely Thai Asset Open-end Fund (formerly known as The Thai Asset Fund). The Proposal was unanimously approved by Shareholders present at the EGM held on 22 July 2003.**
- **Following the redemption of all the outstanding Shares, no shares of the Company will remain listed on the Stock Exchange and the Company will cease to be an issuer, as that term is defined in the Listing Rules. Notwithstanding this, the Company has applied (i) for a waiver from strict compliance with Rules 6.12, 6.13 and 6.14 of the Listing Rules (to the extent that such Rules are applicable to the Company) on the basis that all issuers whose primary listing is on the Stock Exchange and which have no alternative listing are required to comply with Rules 6.12, 6.13 and 6.14 of the Listing Rules when seeking to withdraw its listing on the Stock Exchange and (ii) for permission (to the extent that such permission is necessary) to withdraw the listing of the Company on the Stock Exchange with effect from the Redemption Date. No trading of shares of the Company on the Stock Exchange will be possible after the Redemption Date. In accordance with the Proposal, the Company will then convene an extra-ordinary general meeting to seek the approval from the Company's remaining shareholders to wind up the Company voluntarily. The Company is unlikely to have any surplus assets available for distribution upon its liquidation. A further announcement will be made at the appropriate time.**

Reference is made to the Company's announcements dated 28 May and 22 July 2003 and the Circular dated 19 June 2003.

The Company, which is incorporated in Guernsey, is a closed-end investment company. The Shares are presently, and have been, listed on the Stock Exchange since 29 November 1989. The Company has been investing in Thai securities through the Fund, established under the laws of Thailand and regulated by Thai SEC.

The Company had, in its placing memorandum dated 3 November 1989, foreshadowed that it might become 'open ended' after ten years of the Company's establishment. On 10 June 1999, the Shareholders passed a special resolution at the Company's annual general meeting to 'open end' the Company, subject to obtaining all necessary regulatory consents.

On 1 February 2002, the Company announced that it had obtained in principle approval from the Thai SEC to the phased open ending of the Investment Plan over a period of three years. The Fund was formally converted to an open-end fund upon receiving the Thai SEC's formal approval to the open ending of the Investment Plan on 9 June 2003.

On 22 July 2003, an extraordinary general meeting of the Company was convened to consider, among others, the Proposal. On the same day, the Company announced that all the resolutions necessary for approving the Proposal were unanimously passed by the Shareholders present at the extraordinary general meeting. Under the Proposal (as approved by the Shareholders), the Company would commence redeeming its Investment Units and then, following such redemptions, the Directors would effectively cause the Company to return the net proceeds of such redemptions to Shareholders through a phased redemption of the Shares, thereby allowing Shareholders to realize their investment in the Company. It was also stated in the Circular that following the redemption of all remaining Shares, the remaining Shareholders would resolve to wind up the Company and the Company would be delisted. The timeframe and parameters according to which the Company was authorised by the Thai SEC to effect redemptions of its Investment Units in the Investment Plan were as follows:—

- Year 1        A maximum of 20% of the Initial Investment Units – redeemable within the first 12 months following 9 June 2003, the date of the formal Thai SEC approval to the open ending of the Investment Plan;
- Year 2        A maximum of 30% of the Initial Investment Units – redeemable within the 12-month period following Year 1, plus any entitlement not used from the previous year; and
- Year 3        The remaining Investment Units – redeemable after Year 2.

In accordance with the Proposal, the Company redeemed in aggregate approximately 50% of its issued Shares following announcements made on 19 September 2003 and 22 December 2004. In order to effect the third and final phase of the Proposal, all remaining Investment Units have been redeemed by the Company. As a result, the Directors resolved to approve, with effect from 16 December 2005, the liquidation or dissolution of the Fund. Prior written approval for the dissolution of the Fund was given by the Thai SEC on 7 December 2005. The liquidation of the Fund is expected to be completed before the end of January 2006. As a result, the Company is pleased to announce that on 9 January 2006, the Board resolved to redeem all remaining outstanding Shares, effective on the Redemption Date.

As at 31 December 2004, the audited net asset value per Share was USD3.47 and the audited net asset value of the Company, as at that date was, USD14,052,148. As at 9 January 2006, the Company had 2,589,028 Shares outstanding. The Shares will be redeemed at a price per Share equal to the Net Asset Value Per Share. The Net Asset Value Per Share as at the Valuation Date is USD3.38. The Company will apply for a suspension of trading of its Shares with effect from 9:30 a.m. on 24 January 2006. The redemption price, which is USD, will be paid to all Shareholders recorded on the register of members as at the close of business on 26 January 2006. The closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on 9 January 2006 is HKD24.9.

A notice of redemption will be sent to all eligible Shareholders on or about 27 January 2006, specifying (i) the number of Shares to be redeemed, (ii) the redemption price per Share and (iii) the Redemption Date. The notice of redemption will also describe the procedure for Shareholders to follow in order to submit their existing Share certificates for cancellation.

Payment will be made by cheque, which is expected to be sent to eligible Shareholders, at the risk of those entitled thereto, on or about 17 February 2006, provided that if any Shareholder has not delivered his/her relevant Share certificates and/or other documents of title in respect of his/her redeemed Shares by 10:00 a.m. on the twenty first day following the Redemption Date, the Company will hold the redemption monies on trust for such person and pay the redemption amount to such Shareholders upon delivery to the Company of the Share certificates and/or other documents of title (save that the Company may procure that such monies are otherwise held on trust and paid out, subject to due notice being given).

The Company gives notice that its register of members will be closed from 24 January 2006 to 26 January 2006, both dates inclusive. During this period, no transfers of Shares may be registered. **In order for transferees of Shares to qualify for the redemption and be entitled to the redemption payment, all transfers, accompanied by the relevant Share certificates, must be lodged with the Company's registrars, HSBC Institutional Trust Services (Asia) Limited at 39th Floor, Dorset House, Taikoo Place, 979 King's Road, Hong Kong, for the attention of Investor Services Department, no later than 4:00 p.m. on 23 January 2006.**

The final redemption of Shares will be made pursuant to the Proposal relating to the implementation of the open-ending of the Company's Investment Plan. The Proposal was unanimously approved by Shareholders present at the EGM held on 22 July 2003. Details of the Proposal are contained in the Circular dispatched to the Shareholders on 19 June 2003.

In accordance with the Proposal, the Company announced on 19 September 2003 and 22 December 2004 that it would redeem certain proportions of the Shares. Following the redemption of all remaining Shares, no shares of the Company will remain listed on the Stock Exchange and, therefore, no trading of shares of the Company on the Stock Exchange will be possible after the Redemption Date. The Company will therefore, with effect from the Redemption Date, cease to be an issuer, as that term is defined in the Listing Rules. Notwithstanding this, the Company has applied (i) for a waiver from strict compliance with Rules 6.12, 6.13 and 6.14 of the Listing Rules (to the extent that such Rules are applicable to the Company) on the basis that all issuers whose primary listing is on the Stock Exchange and which have no alternative listing are required to comply with Rules 6.12, 6.13 and 6.14 of the Listing Rules when seeking to withdraw its listing on the Stock Exchange and (ii) for permission (to the extent that such permission is necessary) to withdraw the listing of the Company on the Stock Exchange with effect from the Redemption Date. A further announcement in relation to the waiver application will be made at the appropriate time. The outstanding issued shares of the Company will comprise of only the Founder Shares and the Nominal Shares. In accordance with the Proposal, the Company will then convene an extra-ordinary general meeting to seek the approval from the Company's remaining shareholders to wind up the Company voluntarily. The Company is unlikely to have any surplus assets available for distribution upon its liquidation, since the final Share redemptions will have occurred prior to the liquidation of the Company. A further announcement and circular describing, amongst others, details of the proposed liquidation and the withdrawal of listing of the Company will be made at the appropriate time.

Copies of the Circular can be inspected during normal business hours at 32/F, Three Pacific Place, 1 Queen's Road East, Hong Kong or by viewing a copy of the Circular on the Stock Exchange's website: [www.hkex.com.hk](http://www.hkex.com.hk).

## DEFINITIONS

In this Announcement, the following terms have the following meanings:

"Articles of Association"	the Memorandum and Articles of Association of the Company
"Board"	the board of directors of the Company
"Circular"	the circular dispatched by the Company on 19 June 2003 to the Shareholders for the purpose of, amongst others, convening the EGM
"Company"	The Thai Asset Fund Limited, a company incorporated with limited liability in Guernsey, the Shares of which are listed on the Stock Exchange
"EGM"	the extraordinary general meeting of the Company held on Tuesday, 22 July 2003
"Founder Shares"	the 10 Founder Shares of USD1.00 each in the capital of the Company, which were created at the time when the Company was established
"Fund"	Thai Asset Open-end Fund, formerly known as The Thai Asset Fund, established in 1989, all of whose Investment Units are held by the Company

“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Initial Investment Units”	the Investment Units, of which there were 4,900,000 in issue at the time when the Thai SEC granted formal approval for the conversion of the Investment Plan to an open-end structure
“Investment Plan”	the open-end plan for the investment of the Company through the Fund in securities in Thailand
“Investment Unit(s)”	investment unit(s) of the Investment Plan
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value of the Company”	the net asset value of the Company from time to time determined in accordance with the Articles of Association
“Net Asset Value Per Share”	the Net Asset Value of the Company divided by the total number of outstanding Shares in issue as at the end of the day of the Valuation Date
“Nominal Shares”	shares of USD0.01 each in the capital of the Company, having the rights and obligation attaching thereto as set out in the Articles of Association
“Proposal”	the proposal relating to the implementation of the amendment of the Investment Plan including the implementation of the proposal for redeeming the Company’s Investment Units in the Investment Plan and the Share Redemption Scheme, as more particularly described in the Circular
“Redemption Date”	9:00 a.m. on 27 January 2006
“Shares”	the participating redeemable preference shares of USD0.01 each in the capital of the Company, having the rights and obligations attaching thereto as set out in the Articles of Association
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thai SEC”	The Securities and Exchange Commission of Thailand
“USD”	United States dollars, the lawful currency of the United States
“Valuation Date”	6 January 2006, being the business day determined by the Board.

By Order of the Board  
**Jeremy Charles Simpson**  
*Company Secretary*

Hong Kong, 9 January 2006

*As at the date of this announcement, the executive directors of The Thai Asset Fund Limited (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 Kwoong Seng and Thomas Ng Tung Ming and the non-executive director of the Company is Mr. John Yang Chung Hsiung.*

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