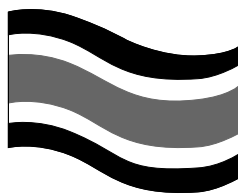


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THE THAI-ASIA FUND LIMITED

(incorporated with limited liability in the Cayman Islands)

(Stock Code: 540)

ANNOUNCEMENT OF DECLARATION OF SPECIAL DIVIDEND

- **The Company is pleased to announce that on 9 January 2006, the Board resolved to declare a special dividend of USD0.2296 (the equivalent of approximately HKD1.7794) per Share.**
- **The dividend will be paid in USD to all Shareholders recorded on the register of members as at the close of business on 26 January 2006. The Company will then apply for a suspension of trading of its Shares, with effect from 9:30 a.m. on 27 January 2006. Payment of the dividend will be made by cheque, which is expected to be sent to eligible Shareholders on or about 27 January 2006.**
- **The Company gives notice that its register of members will be closed from 24 January 2006 to 26 January 2006, both dates inclusive, for the purpose of determining dividend entitlements. During this period, no transfers of Shares may be registered.**
- **The declaration and impending payment of the dividend are made pursuant to the Proposal relating to the implementation of the open-ending of the Company's Investment Plan, namely Thai-Asia Open-end Fund (formerly known as The Thai-Asia Fund). The Proposal was unanimously approved by Shareholders present at the EGM held on 22 July 2003.**
- **Following the distribution of the special dividend declared on 9 January 2006, the Company is unlikely to have any surplus assets available for further distribution. In accordance with the Proposal, the Company will then convene an extra-ordinary general meeting to seek the Shareholders' approval to wind up the Company voluntarily and seek a withdrawal of the listing of its shares. 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 the Cayman Islands as an exempted company, was until June 2003 a closed-end investment company. The Shares are presently, and have been, listed on the Stock Exchange since 15 November 1989. The Company has been investing in Thai securities through the Fund, established under the laws of Thailand and regulated by the Thai SEC.

The Company had, in its placing memorandum dated 2 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 the Shareholders through the declaration and payment of dividends from time to time to the Shareholders thereby allowing Shareholders to realize their investment in the Company. It was also stated in the Circular that following the distribution of all amounts distributable to the Shareholders under the Proposal, the Company would be wound up and 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 declared special dividends 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. 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 9 December 2005. The liquidation of the Fund is expected to be completed before the end of January 2006.

As at 31 December 2004, the audited net asset value per Share was USD0.23 and the audited net asset value of the Company, as at that date, was USD11,725,493. As at 30 December 2005, the unaudited net asset value per Share, determined by the Board in accordance with the Articles of Association, was USD0.2308. As a result, the Company is pleased to announce that on 9 January 2006, the Board resolved to declare a special dividend of USD0.2296 (the equivalent of approximately HK\$1.7794) per Share. As at 9 January 2006, the Company had 50,340,800 Shares outstanding. The aggregate dividend declared equals USD11,558,247.68. The dividend will be paid in USD to all Shareholders recorded on the register of members as at the close of business on 26 January 2006. The Company will then apply for a suspension of trading of its Shares, with effect from 9:30 a.m. on 27 January 2006. Payment of the dividend will be made by cheque, which is expected to be sent to all eligible Shareholders, at the risk of those entitled thereto, on or about 27 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 HKD1.75.

The Company gives notice that its register of members will be closed from 24 January 2006 to 26 January 2006, both dates inclusive, for the purpose of determining dividend entitlements. During this period, no transfers of Shares may be registered. **In order for transferees of Shares to qualify for the dividend, all transfers, accompanied by relevant Share certificates, must be lodged with the Company's registrars in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, no later than 4:00 p.m. on 23 January 2006.**

The declaration and impending payment of the special dividend is 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. The net proceeds received by the Company following the redemption of all the remaining Investment Units equal USD11,637,835.52. The calculation of the amount of the dividend was determined in accordance with the formula contained in the Circular and the declaration and payment of the dividend complies with the laws of the Cayman Islands and the Articles of Association.

In accordance with the Proposal, the Company declared special dividends on 19 September 2003 and 22 December 2004, at which time approximately 50% of the Company's Initial Investment Units in the Fund had been redeemed. Following the distribution of the special dividend declared on 9 January 2006, the Company is unlikely to have any surplus assets available for further distribution, since the dividend distribution will have occurred prior to the liquidation of the Company. In accordance with the Proposal, after the distribution of all remaining net proceeds of the Investment Plan to the Shareholders, the Company will convene an extra-ordinary general meeting to seek the Shareholders' approval to wind up the Company voluntarily. The Company will also seek a withdrawal of its listing from the Stock Exchange. 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.

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-Asia Fund Limited, a company incorporated with limited liability in Cayman Islands, the Shares of which are listed on the Stock Exchange
“EGM”	the extraordinary general meeting of the Company held on Tuesday, 22 July 2003
“Fund”	Thai-Asia Open-end Fund, formerly known as The Thai-Asia 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 5,000,000 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
“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 paying dividends to Shareholders, as more particularly described in the Circular
“Shares”	the ordinary shares of USD0.01 each in the capital of the Company
“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

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-Asia Fund Limited (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 Messrs. Yod Jin Uahwatanasakul, Narong Chulajata, Heng Kwo Seng and Thomas Ng Tung Ming.

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