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THE THAI ASSET FUND LIMITED

(incorporated with limited liability in Guernsey)

(Stock Code: 543)

PROPOSED VOLUNTARY WINDING-UP OF THE COMPANY AND WITHDRAWAL OF LISTING FROM THE STOCK EXCHANGE

On 9 January 2006, the Company announced that all remaining Investment Units had been redeemed and that it would redeem all outstanding Shares on the Redemption Date. As the Company has now ceased to carry on any investment activity and has no commercial business, the Board has resolved, in accordance with the Proposal, to convene the EGM on 10 March 2006 to consider a resolution to wind up the Company and to appoint a liquidator in accordance with the laws of Guernsey. Since the net proceeds realized from the redemption of the remaining Investment Units will have been distributed to the Shareholders through the redemption of the remaining Shares prior to the liquidation, there is unlikely to be any surplus assets available for distribution upon the liquidation of the Company.

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 for and obtained (i) 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 are 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 their listing on the Stock Exchange and (ii) the 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.

The Company will apply for a suspension of trading of the Shares on the Stock Exchange from 9:30 a.m. on 24 January 2006, pending the redemption of the Shares on 27 January 2006.

Reference is made to the Circular issued by the Company on 19 June 2003 and the Announcement issued by the Company on 9 January 2006.

Background

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 Investment Plan, 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 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 the Circular it was explained that, after the third and final redemption of all remaining Investment Units takes place and all remaining Shares are redeemed, the Company would be wound up. This is because the Company, being an investment company, will no longer carry on any investment activity and, as such, it will no longer have any commercial business. Moreover, the Company will cease to have any of its shares listed on the Stock Exchange.

In accordance with the Proposal, the Company redeemed in aggregate approximately 50% of its issued Shares on 10 October 2003 and 12 January 2005 following its announcements made on 19 September 2003 and 22 December 2004. On 9 January 2006, the Company announced that all remaining Investment Units had been redeemed and that it would redeem all outstanding Shares on the Redemption Date. The Shares will be redeemed at USD3.38 per Share and the aggregate redemption amount will be USD8,750,914.64.

Withdrawal of listing and waiver application

Following the redemption of all remaining Shares on the Redemption Date, 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 thereafter. Therefore, the Company proposes, to the extent that this is necessary, to withdraw its listing on the Stock Exchange with effect from 4:00 p.m. on 27 January 2006.

Rule 6.12 of the Listing Rules sets out the procedures with which an issuer must comply in order to successfully seek a withdrawal of its listing from the Stock Exchange. One of the requirements is that the issuer must have obtained the prior approval of its shareholders holding at least 75% of the votes attaching to any class of listed securities voting either in person or by proxy at a duly convened meeting of shareholders.

Rule 6.13 of the Listing Rules sets out the right of the Stock Exchange to require certain parties mentioned in the rule to abstain from voting in favour of the resolution of the shareholders to approve the withdrawal of listing of the issuer. Rule 6.14 of the Listing Rules requires that in relation to any withdrawal of listing under Rule 6.12, the issuer must comply with the requirements under Rules 13.39(4), (5), (6) and (7), 13.40, 13.41 and 13.42, which, amongst others, require the establishment of independent board committee and the appointment of independent financial adviser to make recommendations to the independent board committee and shareholders in relation to the withdrawal of listing of shares on the Stock Exchange.

The Proposal expressly contemplated that the Company would follow any applicable procedure to withdraw its listing following the redemption of all Redeemable Shares. The redemption of the Shares is not conditional on the withdrawal of the Company's listing on the Stock Exchange. The Company is obliged to redeem all the Shares under the Proposal, whether or not the Company withdraws its listing on the Stock Exchange. Therefore, the Company proposes to redeem all the Shares before seeking to withdraw its listing on the Stock Exchange.

Furthermore, the Company completed the realization of all remaining Investment Units in December 2005. As such, the Company believes that it would be in the best interests of the Shareholders to distribute the net proceeds from the realization of the Investment Units to the Shareholders at the earliest possible time.

After the redemption of all Shares on the Redemption Date, the share capital of the Company shall be comprised of only the Founder Shares and the Nominal Shares, which are not listed securities. As the Company will cease to have any listed securities after all the Shares are redeemed and thus cease from that date to be an “issuer” under the Listing Rules, Rules 6.12, 6.13 and 6.14, which apply to “issuers”, will not be applicable to the Company. Therefore, the Company applied for (i) 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 are 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 their listing on the Stock Exchange and (ii) the 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.

The Listing Committee granted to the Company the abovementioned waiver and permission to withdraw the listing for the following reasons: (a) The Company will no longer have any shareholders holding any listed securities on and after the Redemption Date, and therefore, the Company is unable to comply with the requirements under Rules 6.12, 6.13 and 6.14 of the Listing Rules; (b) The Circular has clearly stated that following the redemption of all Shares, the remaining shareholders of the Company would resolve to wind up the Company and at the same time the Company would follow the procedures for withdrawing the listing status of the Company. The Shareholders were fully aware that upon redemption of all the Shares, the Company would withdraw its listing from the Stock Exchange; (c) The Proposal was required by the Company’s board of directors to be approved by Shareholders present in person or by proxy at the extraordinary general meeting held on 22 July 2003 holding not less than 75% in nominal value of the Shares. Such voting requirement is in line with the requirement of Rule 6.12 of the Listing Rules on the withdrawal of listing on the Stock Exchange. The Listing Committee has indicated to the Company that the approval for the waiver in relation to Rules 6.12 to 6.14 of the Listing Rules is granted solely on the basis of the special circumstances of the case and would not be taken as a precedent for any future cases.

Liquidation and EGM

In accordance with the Proposal, the Board has resolved to convene the EGM to propose for consideration by the remaining shareholders a resolution to wind up the Company and to appoint a liquidator in accordance with the laws of Guernsey. This will ensure that the Company can be legally terminated. On and after the Redemption Date, the only outstanding shares of the Company will be the Founder Shares and the Nominal Shares and neither classes of shares is listed on the Stock Exchange. Therefore, at the time when the EGM is held, holders of the Founder Shares and the Nominal Shares will be the only shareholders of the Company, who will be requested to resolve to wind up the Company.

Under the Articles of Association, on a winding up of the Company, the assets available for distribution among the shareholders of the Company will be applied firstly in the payment to the holders of the Shares, secondly in payment to the holders of the Nominal Shares and thirdly in payment to the holders of the Founder Shares of sums up to the nominal amount paid on those respective shares. Thereafter any balance remaining will be paid to the holders of the Shares. Since no shares other than the Founder Shares and Nominal Shares will be outstanding at the time when the Company is placed in liquidation, it is only the holders of the Founder Shares and Nominal Shares who will participate in the liquidation. However, since the net proceeds realized from the redemption of the remaining Investment Units will have been distributed to the Shareholders through the redemption of the remaining Shares prior to the liquidation, there is unlikely to be any surplus assets available for distribution upon the liquidation of the Company. However, in the unlikely event that there are any surplus assets to be distributed upon the liquidation of the Company, the holders of the Founder Shares and the Nominal Shares have agreed to renounce all their rights to receive in the liquidation of the Company any distributions, in excess of the nominal amount paid on such shares, in favour of all the Shareholders recorded on the register of members of the Company immediately before the Redemption Date. In this way, if there are any surplus assets available for distribution on the liquidation of the Company, such proceeds will be paid to the former Shareholders.

A circular containing details of the winding-up and delisting proposal, together with a notice of the EGM to consider and approve such proposal, will be dispatched to the shareholders of the Company in advance of the EGM.

The Company will apply for a suspension of trading of the Shares on the Stock Exchange from 9:30 a.m. on 24 January 2006. This is to ensure that all trading transactions in respect of the Shares performed on the Stock Exchange will have been completed and the identity of each Shareholder will be ascertained before the Shares are redeemed on 27 January 2006.

ESTIMATED TIMETABLE FOR WINDING-UP AND WITHDRAWAL OF LISTING

The estimated timetable for the winding-up process and the withdrawal of the listing of the Company is set out below:

Book close period	24-26 January 2006
Suspension of trading of Shares on the Stock Exchange	9:30 a.m. on 24 January 2006
Redemption Date	9:00 a.m. on 27 January 2006
Withdrawal of listing of the Company	4:00 p.m. on 27 January 2006
EGM	12:00 p.m. on 10 March 2006
Appointment of Liquidator	10 March 2006

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:

"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 extraordinary general meeting of the Shareholders on 22 July 2003
"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 to be held at 12:00 p.m. on 10 March 2006 and any adjournment thereof
"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 were held by the Company
"Initial Investment Units"	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 Committee"	The listing sub-committee of the directors of the Stock Exchange
"Nominal Shares"	shares of US\$0.01 each in the capital of the Company, having the rights and obligations 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 Investment Units and the Shares, as more particularly described in the Circular
"Redemption Date"	9:00 a.m. on 27 January 2006
"Shares"	participating redeemable preference shares of USD0.01 each in the capital of the Company, which are listed securities on the Stock Exchange and have the rights and obligations attaching thereto as set out in the Articles of Association

“Shareholders”	holders of the 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

Hong Kong, 16 January 2006

By Order of the Board
Jeremy Charles Simpson
Company Secretary

As at the date of this announcement, 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 Kwo 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.