
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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THE THAI-ASIA FUND LIMITED

(incorporated with limited liability in the Cayman Islands)

(Stock Code: 540)

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

**Independent Financial Adviser to
Independent Board Committee and Shareholders**

CIMB

CIMB-GK Securities (HK) Limited

A notice convening an extraordinary general meeting of The Thai-Asia Fund Limited to be held at 11:30 a.m. on 10 March 2006 at 32nd Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong is set out at the end of this circular. Whether or not you propose to attend the extraordinary general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's registrar in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than the time appointed for holding the extraordinary general meeting.

10 February 2006

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DEFINITIONS

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

“Board”	Board of Directors
“Company”	The Thai-Asia Fund Limited
“Companies Law”	The Companies Law (2004 Revision) of the Cayman Islands
“Directors”	directors of the Company
“Extraordinary General Meeting”	extraordinary general meeting to be held at 11:30 a.m. on 10 March 2006 at 32nd Floor, Three Pacific Place, 1 Queen’s Road East, Hong Kong to consider and, if thought fit, to approve, among others, the withdrawal of the listing, the voluntary winding-up of the Company and the appointment of liquidators
“Fund”	Thai-Asia Open-end Fund, formerly known as The Thai-Asia Fund, established in 1989, all of whose Investment Units were held by the Company
“Independent Board Committee”	independent committee of the Board comprising Messrs. Narong Chulajata, Heng Kwo Seng and Thomas Ng Tung Ming, all being independent non-executive Directors
“Independent Financial Adviser”	CIMB-GK Securities (HK) Limited, a corporation licensed to carry out types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Shareholders
“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
“Latest Practicable Date”	9 February 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“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 paying dividends to Shareholders, as more particularly described in the Company’s circular dated 19 June 2003
“Shares”	the ordinary shares of USD0.01 each in the capital of the Company
“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 of America

EXPECTED TIMETABLE

Suspension of trading of the Shares on the Stock Exchange	9:30 a.m. on 27 January 2006
Latest time for lodging proxy forms for the Extraordinary General Meeting	11:30 a.m. on 10 March 2006
Extraordinary General Meeting	11:30 a.m. on 10 March 2006
Announcement of the results of the Extraordinary General Meeting	13 March 2006
Withdrawal of listing of the Company	4:00 p.m. on 13 March 2006

LETTER FROM THE BOARD OF DIRECTORS



THE THAI-ASIA FUND LIMITED

(incorporated with limited liability in the Cayman Islands)

(Stock Code: 540)

Directors:—

Andrew Lo Tak Shing
Chaibhondh Osataphan
Dominic Kwok Chung Kwong
Pichit Akrathit
Yod Jin Uahwatanasakul*
Narong Chulajata*
Heng Kwo Seng*
Thomas Ng Tung Ming*

Registered office:—

The Harbour Trust Co., Ltd.
P.O. Box 1787
One Captial Place
George Tower, Grand Cayman
Cayman Islands
British West Indies

* *Independent non-executive Directors*

10 February 2006

To all shareholders of the Company

Dear Sir or Madam,

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

INTRODUCTION

As announced on 16 January 2006, the Directors have proposed to withdraw the listing of the Shares from the Stock Exchange, followed by the proposed voluntary winding-up of the Company. The purpose of this circular is to provide Shareholders with further details of the proposed withdrawal of the Company's listing on the Stock Exchange and the proposed voluntary winding-up of the Company.

BACKGROUND

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 since 15 November 1989, listed on the Stock Exchange. 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.

LETTER FROM THE BOARD OF DIRECTORS

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. The implementation of the Proposal was to enable Shareholders to realise a return on their investment that closely reflects the value of the Company's net assets which would not have been possible without the open ending of the Investment Plan. 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 to the shareholders of dividends, from time to time. This would allow Shareholders to realize their investment in the Company. It was also stated in the Company's circular dated 19 June 2003 that, following the distribution of all amounts distributable to the Shareholders under the Proposal, the Company would be wound up and follow the procedures for withdrawing the listing of the Company. 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.

REASONS FOR WITHDRAWAL OF LISTING AND VOLUNTARY WINDING-UP

In accordance with the Proposal, special dividends were distributed to the Shareholders on or about 14 October 2003 and 14 January 2005 following the Company's 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 distribute the remaining net proceeds of the Investment Plan to the Shareholders by way of a special dividend of USD0.2296 per Share on or about 27 January 2006.

After the third and final redemption of all remaining Investment Units and the distribution of the related special dividend to the Shareholders, the Company, being an investment company, is no longer carrying on any investment activity and, as such, it no longer has any commercial business.

In accordance with the Proposal, the Board has resolved to convene the Extraordinary General Meeting to propose, for consideration by the Shareholders, resolutions (i) to withdraw the listing of the Company on the Stock Exchange, (ii) to wind up the Company voluntarily, and (iii) to appoint joint and several liquidators in accordance with Part V of the Companies Law. This will ensure that the existence of the Company can be legally terminated.

LETTER FROM THE BOARD OF DIRECTORS

PROPOSED WITHDRAWAL OF LISTING

Under the Listing Rules, the proposed withdrawal of listing must be approved by the Shareholders. Such approval must be given by at least 75% of the votes held by the Shareholders voting either in person or by proxy at the meeting and the number of votes cast against the resolution must not be more than 10% of the votes held by the voting Shareholders. The Directors, controlling Shareholders and their respective associates must abstain from voting on the resolution concerning the proposed withdrawal of listing. As at the Latest Practicable Date, Mr. Heung Chit Kau (deceased) is the only controlling Shareholder, who is interested in 66.44% of the entire issued capital of the Company. In accordance with the requirements of the Listing Rules, the Company has established the Independent Board Committee and appointed the Independent Financial Adviser to, amongst others, advise the Shareholders on how to vote at the Extraordinary General Meeting in relation to the withdrawal of listing of the Shares on the Stock Exchange.

In accordance with Rule 13.39(4) of the Listing Rules, the proposed resolution to approve the withdrawal of listing of the Company on the Stock Exchange must be decided by way of a poll.

Application for the withdrawal of the listing of the Company from the Stock Exchange has been made to the Stock Exchange.

PROPOSED VOLUNTARY WINDING-UP

Section 132(b) of the Companies Law stipulates that a company may be wound up voluntarily if it passes a special resolution authorizing its voluntary winding up. Accordingly, resolutions relating to the proposed winding-up of the Company will also be tabled at the Extraordinary General Meeting. Under the Companies Law and the articles of association of the Company, the proposed winding-up of the Company must be approved by the Shareholders by way of a special resolution, which would be passed if a majority of not less than two-thirds of Shareholders present and voting either in person or, where proxies are allowed, by proxy at the Extraordinary General Meeting, vote in favour of the special resolution. In computing the two-thirds majority when a poll is demanded, regard is given to the number of votes to which each Shareholder is entitled in accordance with the provisions of the Company's articles of association. An ordinary resolution for the purpose of appointing Mr. Darach Haughey and Mr. Lai Kar Yan (Derek) as the joint and several liquidators will also be tabled at the Extraordinary General Meeting.

The Company will be placed into voluntary liquidation if the resolutions relating to the proposed winding-up of the Company are passed. Upon being placed into liquidation, the liquidators of the Company will wind up the affairs of the Company including realizing the Company's assets, settling liabilities and distributing any surplus assets to those with an economic interest in the liquidation. Prior to any distribution being made, the liquidators will determine the amount of cash and other assets which they consider sufficient to provide for all outstanding liabilities of the Company, including the expenses of the Company in relation to the voluntary winding-up and any other contingencies or liabilities of the Company. After settling all such outstanding liabilities, the balance, if any, will be distributed in cash by the liquidators of the Company to the Shareholders in accordance with the respective rights of the Shareholders and in accordance with the articles of association of the Company. The precise timing of any distribution will depend upon the progress of the winding-up (including the obtaining of any tax clearance, if necessary) and will be subject to any unforeseen circumstances but is expected to take place no later than the end of December 2006. Shareholders should be

LETTER FROM THE BOARD OF DIRECTORS

aware that the net proceeds realized from the redemption of the Investment Units under the Proposal have already been distributed to Shareholders by way of dividend distributions. Under the Proposal, dividends of USD3,302,356.48, USD6,639,951.52 and USD11,558,247.68 were distributed on or about 14 October 2003, 14 January 2005 and 27 January 2006 respectively. In accordance with the Company's articles of association, the Company made provision for the estimated winding-up expenses and all other outstanding liabilities of the Company before it distributed the net assets of the Company to the Shareholders as part of the third and final dividend distribution on 27 January 2006. Therefore, at the time of the liquidation and after the settlement of the winding-up expenses and all other outstanding liabilities, there will be no or minimal remaining assets of the Company and, as such, there are unlikely to be any surplus assets available for distribution in the liquidation of the Company. The estimated liquidation and related expenses are estimated to be approximately USD182,200.

The liquidation process will continue for as long as it takes for the liquidators to fulfill their duties and distribute the proceeds of the realization of the Company's assets in the manner described above. The process will end with the dissolution of the Company, its removal from the Register of Companies in the Cayman Islands and it ceasing to exist as a legal entity. The Company is expected to be dissolved by the end of December 2006.

The results of the Extraordinary General Meeting will be announced on the next business day following the day on which the Extraordinary General Meeting is held.

If the resolution relating to the withdrawal of the listing is not passed, the Stock Exchange may follow the procedures set out in Practice Note 17 of the Listing Rules to cancel the listing of the Company on the ground that the Company does not carry on a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a sufficient potential value can be demonstrated to warrant the continued listing of the Shares on the Stock Exchange. The entire procedure for cancelling the listing of a company in such circumstances usually takes about 18 months.

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.

EXTRAORDINARY GENERAL MEETING

Set out on pages 15 to 16 of this circular is a notice convening the Extraordinary General Meeting at which resolutions will be proposed to consider and, if thought fit, to approve, among others, (i) the withdrawal of listing of the Company on the Stock Exchange, (ii) the liquidation of the Company, and (iii) the appointment of liquidators. The procedure by which the Shareholder may demand a poll at a general meeting pursuant to the Company's articles of association is set out on page 14 of this circular. A form of proxy relating to the Extraordinary General Meeting is enclosed. Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with

LETTER FROM THE BOARD OF DIRECTORS

the instructions printed thereon so as to arrive as soon as possible, and in any event no later than the time appointed for holding the Extraordinary General Meeting, at Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of a form of proxy will not affect your right to attend and vote at the meeting.

RECOMMENDATION

The Directors believe the withdrawal of listing and the voluntary winding-up of the Company are in the best interests of the Company and the Shareholders as a whole and the arrangement to effect the withdrawal of listing and winding-up of the Company is fair and reasonable. The Directors recommend that you vote in favour of the relevant resolutions whether in person or by proxy at the Extraordinary General Meeting.

FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 9 of this circular which contains the recommendation of the Independent Board Committee to the Shareholders and the letter from the Independent Financial Adviser set out on pages 10 to 13 of this circular which contains the recommendation of the Independent Financial Adviser to the Independent Board Committee and the Shareholders.

For and on behalf of the Board

Andrew T S Lo

Director



THE THAI-ASIA FUND LIMITED

(incorporated with limited liability in the Cayman Islands)

(Stock Code: 540)

10 February 2006

To the Shareholders,

Dear Sir or Madam,

We refer to the circular dated 10 February 2006 issued by the Company (the “Circular”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Independent Board Committee has been established by the Board for the purpose of advising the Shareholders in connection with the proposed withdrawal of listing of the Company on the Stock Exchange, details of which are contained in the letter from the Board set out in the Circular. The Independent Board Committee comprises three independent non-executive Directors. CIMB-GK Securities (HK) Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Shareholders regarding the proposed withdrawal of listing. Details of the advice from the Independent Financial Adviser are set out on pages 10 to 13 of the Circular.

Having considered the advice of the Independent Financial Adviser and the interests of the Shareholders, we consider that the arrangement in relation to the withdrawal of listing of the Company on the Stock Exchange is fair and reasonable and that such arrangement is in the interests of the Company and the Shareholders as a whole.

Therefore, we recommend the Shareholders to vote in favour of the resolution to approve the withdrawal of listing of the Company.

Independent Board Committee

Narong Chulajata Heng Kwoo Seng Thomas Ng Tung Ming

Independent non-executive Directors

CIMB

CIMB-GK Securities (HK) Limited

25/F Central Tower
28 Queen's Road Central
Hong Kong

10 February 2006

*To the independent board committee and shareholders of
The Thai-Asia Fund Limited*

Dear Sirs,

**PROPOSED WITHDRAWAL OF LISTING
FROM THE STOCK EXCHANGE**

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Shareholders in relation to the withdrawal of the listing of the Company on the Stock Exchange (the "Withdrawal"), the details of which are contained in the circular dated 10 February 2006 (the "Circular") to the Shareholders, of which this letter forms part. Expressions used herein shall have the same meaning as defined in the Circular.

Under the Listing Rules, the proposed Withdrawal must be approved by the Shareholders by way of a poll. Such approval must be given by at least 75% of the votes held by the Shareholders voting either in person or by proxy at the meeting and the number of votes cast against the resolution must not be more than 10% of the votes held by the voting Shareholders. The Directors, the controlling Shareholder and their respective associates must abstain from voting in relation to the resolution approving the Withdrawal. The Company has established the Independent Board Committee and we have been appointed to advise the Independent Board Committee and the Shareholders as to whether or not the Withdrawal arrangement is fair and reasonable and is in the interests of the Company and the Shareholders as a whole and to give our opinion in relation to the Withdrawal for the consideration of the Independent Board Committee in making its recommendation to the Shareholders and to advise the Shareholders on how to vote at the Extraordinary General Meeting.

In formulating our advice, we have relied solely on the statements, information and facts contained or referred to in the Circular or otherwise provided to us by the Company. We have assumed that information contained and representations made or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular. The Directors have declared in a responsibility statement set out in the Letter from the Board of Directors in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the 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 therein misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information, facts and representations contained, referred to or made in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company or any of its respective subsidiaries or associates, if any.

PRINCIPAL FACTORS AND REASONS

In assessing the merits of the Withdrawal, we have taken into consideration the following factors and reasons:

1. Background and rationale

The Company, which is incorporated in the Cayman Islands as an exempted company, was until June 2003 a closed-end investment company and the Shares 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.

As stated in the Company's placing memorandum dated 2 November 1989, the Company foreshadowed that it might become 'open ended' after ten years of its establishment. We note that 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. The Fund was formally converted to an open-end fund after receiving the Thai SEC's formal approval to the open ending of the Investment Plan on 9 June 2003. At the extraordinary general meeting of the Company held on 22 July 2003, the Proposal were unanimously passed by the Shareholders, thereby authorizing the Company to commence redeeming its Investment Units and, following such redemptions, authorizing the Directors to 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 the Shareholders to realize their investment in the Company. Hence, the implementation of the Proposal was to enable the Shareholders to realize a return on their investment that reflects the asset value of the Company.

In accordance with the Proposal, we understand that the Company has distributed the net proceeds of the Investment Plan to the Shareholders through the declaration and payment of special dividends of USD3,302,356.48 on 14 October 2003, USD6,639,951.52 on 14 January 2005 and the third and final dividend distribution (the "Last Dividend") of an amount of USD11,558,247.68 was made on or about 27 January 2006 following the full redemption of all outstanding Investment Units. As stated in the Company's circular dated 19 June 2003, following the distribution of all amounts distributable to the Shareholders under the Proposal, the Company would be wound up and follow the procedures to effect the Withdrawal. In addition, given the details disclosed in such circular and the Company's extraordinary general meeting held on 22 July 2003 for approving the Proposal, the Company believes that the Shareholders should be aware of the Company's intention and the fact that the Withdrawal would be effected following redemption of all the Investment Units and payment of the aforesaid special dividends. We note from the Letter from the Board of Directors in the Circular and have been confirmed by the Company that the Fund was the only investment held by the Company. Following the distribution of the Last Dividend on or about 27 January 2006, the Company, being an investment company, having ceased to carry on any investment activity, is no longer engaged in any commercial business. Given this, and notwithstanding the Withdrawal, the Company has ceased to remain qualified for listing under the Listing Rules, and the Stock Exchange may follow the procedures set out in Practice Note 17 of the Listing Rules to cancel the listing of the Company on the ground that the Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

does not carry out a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a sufficient potential value can be demonstrated to warrant the continued listing of the Shares on the Stock Exchange.

Accordingly, in accordance with the Proposal and as stated in the announcement of the Company dated 16 January 2006, the Board has resolved to convene the Extraordinary General Meeting on 10 March 2006 (subject to changes) to seek the Shareholders' approval to (i) the Withdrawal; (ii) wind up the Company voluntarily; and (iii) to appoint joint and several liquidators in accordance with Part V of the Companies Law so as to legally terminate the existence of the Company.

2. Current status

As of 30 December 2005, the unaudited net asset value per Share, determined by the Board in accordance with the Company's articles of association, was USD0.2308. We note that on or about 27 January 2006, the Last Dividend of USD0.2296 (the equivalent of approximately HK\$1.7794) per Share was paid to the Shareholders. The Last Dividend was determined based on the then net assets of the Company after deducting the estimated winding-up expenses and all other outstanding liabilities of the Company and the total number of the Shares in issue at that time. On this basis, following the payment of the Last Dividend, the unaudited net asset value per Share would have amounted to approximately USD0.0012 (based on 50,340,800 Shares outstanding as at the Latest Practicable Date).

We understand from the Company that prior to the written approval for the dissolution of the Fund was given by the Thai SEC on 9 December 2005 and the liquidation of the Fund is expected to be completed before the end of December 2006. Trading in the Shares was suspended with effect from 9:30 a.m. on 27 January 2006 following the payment of the Last Dividend. The closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on 26 January 2006 is HK\$1.73. We also note from the Letter from the Board of Directors in the Circular that application for the Withdrawal has been made to the Stock Exchange.

3. Future intentions

As stated in the Letter from the Board of Directors in the Circular, in addition to the first and second special dividends made on 14 October 2003 and 14 January 2005 respectively, most of net proceeds realized from the redemption of the remaining Investment Units amounting to approximately USD11,558,247.68 (which was determined after deducting the estimated winding-up expenses and all other outstanding liabilities of the Company) have been distributed to the Shareholders as the Last Dividend on or about 27 January 2006. We note from the Letter from the Board of Directors in the Circular and have been confirmed by the Company that the Fund was the only investment held by the Company. Given this and the fact that the Last Dividend of an amount of USD11,558,247.68 (i.e. USD0.2296 per Share) had already been distributed to the Shareholders on or about 27 January 2006, and taking into account the business nature of the Company being an open-ended investment company, the Company is not engaged in any investment activity or has any commercial business following the distribution of the Last Dividend. Trading in the Shares was suspended on 27 January 2006, following the payment of the Last Dividend.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Apart from the Withdrawal, the Board has also resolved to effect a voluntary winding-up of the Company and to appoint liquidators that will ultimately result in the legal termination of the Company. We note that notwithstanding the possible delisting by the Stock Exchange pursuant to Practice Note 17 of the Listing Rules, separate resolutions will be proposed to approve the Withdrawal and the voluntary winding-up of the Company which is in line with the Company's intention as stated in the Company's circular dated 19 June 2003. We have been advised by the Directors that the remaining balance of the assets of the Company is the provision set aside for meeting the estimated winding-up expenses and all other outstanding liabilities of the Company. As noted in the Letter from the Board of Directors in the Circular, the estimated liquidation and related expenses are estimated to be approximately USD182,200. We note that after settling all of the aforesaid outstanding liabilities, the balance, if any, will be distributed in cash by the liquidators of the Company to the Shareholders in accordance with the respective rights of the Shareholders and the Company's articles of association. The Company has advised that should the resolution relating to the Withdrawal not be passed whilst the resolution for the winding-up of the Company is passed, the voluntary winding-up of the Company will still proceed. We also note that if the resolution relating to the Withdrawal is not passed, the Stock Exchange may follow the procedures set out in Practice Note 17 of the Listing Rules to cancel the listing of the Company on the ground that the Company does not carry out a sufficient level of operations or have tangible assets of sufficient value or intangible assets for which a sufficient potential value can be demonstrated to warrant the continued listing of the Shares on the Stock Exchange.

RECOMMENDATION

Having considered the above principal factors and reasons, in particular the nature of an investment company, the approval of the Proposal by the Shareholders in July 2003, the distribution of the Last Dividend on or about 27 January 2006, the future intentions of the Company and the Stock Exchange's discretion to undertake the procedures set out in Practice Note 17 of the Listing Rules as mentioned above, we consider that the Withdrawal is in the interests of the Company and the Shareholders as a whole and that the Withdrawal arrangement is fair and reasonable so far as the Company and the Shareholders as a whole are concerned. Accordingly, we advise the Independent Board Committee to recommend the Shareholders to vote in favour of the resolution to be proposed at the Extraordinary General Meeting to approve the Withdrawal.

Yours faithfully,

For and on behalf of

CIMB-GK Securities (HK) Limited

Alex Lau

Flavia Hung

Executive Vice President

Senior Vice President

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 Extraordinary General Meeting) under the Articles of Association.

According to Article 47 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or any other member present in person or by proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING



THE THAI-ASIA FUND LIMITED

(incorporated with limited liability in the Cayman Islands)

(Stock Code: 540)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of the Company will be held at 11:30 a.m. on 10 March 2006 at 32nd Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong for the purpose of considering and voting upon the following resolutions:

RESOLUTION NO. 1

“**THAT**, the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited be and is hereby withdrawn.” *(Note 1)*

SPECIAL RESOLUTION NO. 2

“**THAT**, the Company be and is placed into voluntary liquidation with immediate effect in accordance with the Companies Law (2004 Revision) of the Cayman Islands.” *(Note 2)*

ORDINARY RESOLUTION NO. 3

“**THAT**, Mr. Darach Haughey and Mr. Lai Kar Yan (Derek) of Deloitte Touche Tohmatsu of 26th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong be and are hereby appointed joint and several liquidators of the Company with the power to act jointly and severally for the purpose of such voluntary winding-up and be empowered to charge for their services during the winding-up of the Company at the agreed fees for professional services rendered.” *(Note 3)*

By Order of the Board
Jeremy Charles Simpson
Company Secretary

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Resolution No. 1 will be decided by way of a poll. On voting by poll, each shareholder of the Company will have one vote for each share held in the Company. Resolution No. 1 will be passed if it is passed by at least 75% of the votes cast by the shareholders voting either in person or by proxy and the number of votes cast against the resolution must not be more than 10% of the votes held by the voting shareholders.
2. Special Resolution No. 2 will be passed if a majority of not less than two-thirds of shareholders present and voting in person or by proxy vote in favour of the resolution.
3. Ordinary Resolution No. 3 will be proposed to Shareholders for approval provided that Special Resolution No. 2 is passed by the Shareholders. Ordinary Resolution No. 3 will be passed if a simple majority of shareholders present and voting in person or by proxy vote in favour of the resolution.
4. A member of the Company entitled to attend and vote at the above mentioned meeting may appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the Company. The instrument appointing a proxy should be deposited at the office of the Company's registrar in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than the time for holding the meeting or adjourned meeting.
5. In the case of joint holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of joint holding.
6. A form of proxy for use at the meeting is enclosed.