



THE THAI-ASIA FUND LIMITED

(Incorporated with limited liability in the Cayman Islands)

**INTERIM REPORT (UNAUDITED)
JUNE 30, 2002**

DISCUSSION AND ANALYSIS OF PERFORMANCE

RESULTS

During the first half of 2002, the Company achieved a profit after tax of US\$3,028,974 (compared with a profit of US\$1,228,713 during the previous corresponding period), attributable largely to the unrealised appreciation from revaluation of investments in securities and to dividends from such investments.

The net asset value of the Company, as at June 30, 2002, was US\$12,258,046. The net asset value per share was US\$0.24, compared with US\$0.17 as at December 31, 2001, an increase over the period of 41.18% in US\$ terms. Over the same period, the SET Index increased by 35.56% in US\$ terms (and by 28.06% in Baht terms), making the Thai stock market relatively strong when compared with the other markets in Southeast Asia. The Company, in turn, outperformed the market by 5.62%.

During the period under review, the Thai market's outperformance relative to elsewhere in Southeast Asia is attributable to (i) improved domestic market sentiment towards equity investment; (ii) high domestic liquidity; (iii) low interest rate policy; and (iv) favourable low market valuations in both absolute and relative terms. The Company's outperformance of the SET Index is attributable to the exposures in the finance and securities sectors, property sector and building material sector which benefited from the increased domestic demand.

As at June 30, 2002, the Company was 98.78% invested in Thai equities, with the balance being held in the form of bank deposits.

The Company's underlying investments are denominated in Baht and the Company is therefore exposed to fluctuations in Baht/US\$ exchange rates. During the period under review, the Baht appreciated by 5.86% against the US dollar, which supported the performance.

OUTLOOK

Economic and Market Outlook

The low interest rate environment, which has been the underlying driver of economic recovery in Thailand, is likely to remain. The Thai stock market should be supported by continued improvement in corporate earnings, particularly those corporates benefiting from strong domestic demand, and by attractive market valuations relative to other markets. External developments would be risk factors, such as the impact of declining confidence in U.S. corporate governance on U.S. stock markets and the flow on effect on global equity markets.

Company

Further to the Company's February 2002 announcement regarding the possible open ending of The Thai-Asia Fund (the "Fund") over a three year period, the Company is making progress in the matter and is also considering options for returning value of the Fund to shareholders. Shareholders will be notified of developments.

CURRENT INVESTMENTS AND ACTIVITIES REPORT

For the six months ended June 30, 2002

1. ACTIVITIES

The Company's principal activity is investment in Thai securities through a special investment vehicle, The Thai-Asia Fund (the "Fund"). The Fund was established in 1989, under the terms of an investment plan authorised by the Bank of Thailand and the Company is the sole unitholder in the Fund.

As at June 30, 2002, the total net asset value of the Company was US\$12,258,046 with a net asset value of US\$0.24 per share.

No interim dividend was declared or paid for the six months ended June 30, 2002 (2001: NIL).

2. CURRENT INVESTMENTS

The Company is the sole unitholder in the Fund. All investments comprising the Fund are considered as investments held by the Company.

As at June 30, 2002, the Company was 98.78% invested in Thai equities, with the remaining balance being held in the form of bank deposits.

As at June 30, 2002, the ten largest investments held by the Company through its investment in the Fund were:

	Stock Weighting (%)	
	Company	SET Index
1. Bangkok Bank	9.15	4.13
2. Thai Farmers Bank	8.39	3.34
3. Advanced Info Service	7.51	5.80
4. PTT Exploration & Production	7.29	3.84
5. Siam City Cement	6.02	2.82
6. Land & Houses	5.81	2.38
7. Siam Cement	5.56	5.74
8. Shin Corporation	5.00	2.07
9. BEC World	4.11	2.42
10. Electricity Generating	2.60	1.09
	<hr/>	<hr/>
TOTAL	<u>61.44</u>	<u>33.63</u>

An analysis by industry of the equity investments held by the Company as at June 30, 2002, together with a comparison with the composition of the SET Index, is as follows:

Industry	No. of Stocks in		Sector Weighting(%)	
	Company	SET	Company	SET Index
1. Agribusiness	1	20	0.60	2.09
2. Banking	4	14	19.23	20.51
3. Building & Furnishing	3	20	12.28	10.79
4. Chemicals & Plastics	1	12	1.82	2.18
5. Commerce	1	13	1.13	2.55
6. Communication	4	12	13.87	10.47
7. Electrical Products & Computers	0	10	0.00	0.96
8. Electronics Components	3	8	1.59	2.86
9. Energy	5	11	16.73	13.18
10. Entertainment & Recreation	2	9	4.20	4.31
11. Finance & Securities	7	22	10.41	5.09
12. Food & Beverages	1	22	1.58	2.18
13. Health Care Services	0	10	0.00	0.25
14. Hotel & Travel Services	0	11	0.00	1.49
15. Household Goods	0	7	0.00	0.53
16. Insurance	0	21	0.00	1.27
17. Jewellery & Ornaments	0	2	0.00	0.07
18. Machinery & Equipment	0	3	0.00	0.07
19. Mining	0	1	0.00	0.15
20. Packaging	0	13	0.00	0.66
21. Pharmaceutical Products	0	2	0.00	0.03
22. Printing & Publishing	0	8	0.00	0.44
23. Professional Services	0	2	0.00	0.04
24. Property Development	6	26	10.34	6.60
25. Pulp & Paper	0	4	0.00	2.57
26. Textiles, Clothing & Footwear	0	24	0.00	1.17
27. Transportation	1	8	2.21	3.88
28. Vehicles & Parts	0	8	0.00	0.74
29. Warehouse & Silo	0	4	0.00	0.09
30. Others	2	5	0.74	0.25
31. Unit Trusts	0	12	0.00	0.00
32. Warrants	4	46	1.98	0.00
33. Cover Warrants	0	2	0.00	0.00
34. Preferred Shares	0	7	0.00	0.00
35. Co. under Rehabilitation	0	52	0.00	2.53
36. Unlisted Securities	3	0	0.07	0.00
TOTAL	<u>48</u>	<u>451</u>	<u>98.78</u>	<u>100.00</u>

3. TRANSACTIONS

For the six months ended June 30, 2002, total listed investments purchased by the Company amounted to US\$1.54 million, while total sales amounted to US\$1.50 million. The net realised losses for the period amounted to US\$0.59 million.

A summary of purchases and sales of listed investments by the Company over the six months ended June 30, 2002, is as follows:

Month	(Million US\$)		
	Purchases	Sales	Realised Gains/Losses
January	0.27	0.65	- 0.26
February	0.18	0.09	- 0.09
March	0.30	0.22	- 0.01
April	0.09	0.02	- 0.05
May	0.19	0.14	- 0.21
June	0.51	0.38	0.03
TOTAL	<u>1.54</u>	<u>1.50</u>	<u>- 0.59</u>

* Using an averaged exchange rate US\$1=Baht 43.057

4. PERFORMANCE

	June 30, 2002	December 31, 2001	% Change
NAV/Share (US\$)	0.24	0.17	+41.18%
Baht/US\$ Exchange rate	41.652	44.092	+5.86%
SET Index (<i>Baht</i>)	389.10	303.85	+28.06%
(<i>US\$</i>)	9.34	6.89	+35.56%
Performance to SET index			+5.62%

During the six months ended June 30, 2002, the net asset value per share of the Company increased by 41.18% in US\$ terms. Over the same period the SET Index increased by 35.56% in US\$ terms. The Company outperformed the market by 5.62%.

	June 30, 2002	November 15, 1989	%Change since inception
NAV/Share (US\$)	1.04^{*1}	1.00^{*2}	+4.00%
Baht/US\$ Exchange rate	41.652	25.825	-38.00%
SET Index (<i>Baht</i>)	389.10	746.22	-47.86%
(<i>US\$</i>)	9.34	28.90	-67.68%
Performance to SET index			+71.68%

^{*1} After adjusting for the dividend of US\$0.8 per share paid to the shareholders since inception.

^{*2} After adjusting for the share capitalization issue on the basis of nine new shares for every one share conducted by the Company in September 1990.

After adjusting for dividend and share capitalization issue, the net asset value per share of the Company since inception increased by 4.00% in US\$ terms. Over the same period the SET Index decreased by 67.68% in US\$ terms. The Company has outperformed the market by 71.68%.

5. REVIEW OF THE THAI ECONOMY AND STOCK MARKET

As we entered 2002, the Thai economy continued to improve from the previous year. The major driver remained the strong domestic demand, with private consumption rising 3.1% in the first half of the year compared to the same period last year. Low interest rates and availability of consumer credit have played important roles. Private investment also showed significant growth, rising 15.9% year-on-year for the first half of 2002. Besides a notable contribution from commercial vehicle sales, cement sales were also strong, thanks to brisk demand in residential property. On the external demand side, exports recorded negative growth for the first quarter of 2002, but turned around from April 2002 onwards. Consequently, the manufacturing production index grew 7.8% for second quarter 2002 against the 4.4% growth recorded for first quarter 2002. All in all, the Thai economy recorded a 3.9% year-on-year growth for the first quarter 2002, while the official second quarter 2002 figure has not yet been announced. The first quarter 2002 figure was ahead of consensus expectations. Subsequently, we have seen forecast upgrades, including one from the National Economic and Social Development Board (NESDB). The NESDB revised up its GDP forecast for the year 2002 from 2.0-3.0% to 3.5-4.0%.

Looking at the stock market, the SET index outperformed the regional bourses with impressive rallies. The index rose from 303.85 points at the end of 2001 to end the first half of the year at 389.10, a 28.1% gain. The index posted a strong rally in the first quarter and entered a consolidation phase up until mid-May. Then the market had another sharp run-up to touch the year-to-date high of 426.45 on June 13 before ending the period with a correction to 389.10.

The sharp run-up in first quarter 2002 was supported by:

- (1) Improved market sentiment towards equity investment due to signs of a faster and stronger economy in the US;
- (2) High excess liquidity both domestically and overseas;
- (3) Low interest rate policy as witnessed in the Bank of Thailand lowering the repurchase rate by 50 basis points within a span of 30 days;
- (4) Favorably low market valuations in both absolute and relative terms.

The reintroduction of a minimum stock brokerage commission, promising to restore profitability of the broking industry, also spurred interest towards the high beta sector. Another leg of run-up of the SET was propelled by the marked improvement in first quarter 2002 results of listed companies as well as the upward revision of 2002 GDP forecast after the better-than-expected first quarter 2002 GDP announcement. Expectations of another 25 basis point cut in interest rates by local commercial banks also supported the market.

However, later on, the Thai stock market also followed negative movements in global equity markets, given rising tension in the Middle East, a series of negative news from US corporates as well as fear of another terrorist attack. Domestically, the plan for FIDF's bond issuance dampened expectation for another interest rate cut and negative market sentiment set in.

At the end of this reporting period, the Company's equity exposure was 98.78%, mostly unchanged from the 98.32% at the end of 2001. Some changes in sector allocation were implemented to position the Fund for domestic demand driven economic recovery. Exposures in the finance & securities sector and property sector were increased. To fund those increases, exposure in the telecommunication sector was reduced due to uncertainties over the industry's liberalization as well as expectation for increased competition within the industry. Within the banking sector, while maintaining overall weighting, some holdings of Bangkok Bank and Krung Thai Bank were reduced in favor of Thai Farmers Bank. Thai Farmers Bank is preferred for its pro-active management track record as well as less concern on the need for capital raising.

Over this reporting period, in US\$ terms, the total net assets of the Company rose 41.18% outperforming the 35.56% rise in SET index by 5.62%. Exposures in the finance & securities sector, property sector and building material sector contributed positively to this outperformance.

6. OUTLOOK FOR THE THAI ECONOMY AND STOCK MARKET

Looking forward, we remain hopeful for a continued economic recovery. The low interest rate environment, which has been the underlying driver of economic recovery, is likely to remain. For the stock market, 1) continued improvement in corporate earnings, particularly those corporates benefiting from strong domestic demand, and 2) attractive market valuations relative to other markets, should be key supportive factors. Risk factors would be external developments, including declining confidence in US corporate governance and the subsequent weakening of its stock markets and the US dollar, which would inevitably affect equity markets around the globe. While we believe that these external risks should have limited impact on the real operation of Thai companies, we will keep a close watch on developments. Amidst these expectations, we intend to maintain our investment stance with sector allocation in favor of a domestic demand recovery story. Sector allocation is likely to remain similar to the first half of this year.

7. DIRECTORS' INTERESTS

- (a) None of the Directors or their associates had any interest or right in the share capital of the Company as at June 30, 2002.
- (b) At no time during the period under review was the Company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or warrants or debentures of, the Company or any other body corporate and none of the Directors, or their spouses and children under the age of 18, had any right to subscribe for the shares of the Company, or had exercised any such right.
- (c) The Honourable Michael D' Arcy Benson and Mr. Andrew Lo Tak Shing are Directors of INVESCO Asia Limited, the Company's Investment Adviser and Administrator, to which fees are payable by the Company for acting in that capacity in accordance with the Investment Contract and the Administration Agreement respectively.

Dr. Chesada Loha-unchit is a Director of MFC Asset Management Public Company Limited, the Fund's Investment Manager, to which fees are payable by the Fund for acting in that capacity, described under the Investment Contract.

- (d) None of the Directors has a service contract with the Company.

Except as disclosed in this report, no contract of significance to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the period or at any time during the period.

8. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at June 30, 2002, the register of substantial shareholders maintained under Section 16(1) of the Hong Kong Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”) showed that the following shareholders had an interest of 10% or more in the issued share capital of the Company:

	Number of Shares	% of issued Share Capital
Acetop Investment Ltd.	15,470,475	30.73
Chan Wan Han	33,447,675	66.44
Heung Chit Kau	33,447,675	66.44
Swiss Reinsurance Company	6,027,600	11.97
Tai Tsuen Enterprises Ltd.	7,652,600	15.20

Heung Chit Kau is deemed to be interested in a total of 33,447,675 shares, representing 66.44% of the issued share capital of the Company, of which 15,470,475 shares and 7,652,600 shares are held through Acetop Investment Ltd. and Tai Tsuen Enterprises Ltd., respectively, and 10,324,600 shares are held personally. Chan Wan Han is deemed to be interested in the same 33,447,675 shares as Heung Chit Kau, of which 7,652,600 shares are held through Tai Tsuen Enterprises Ltd. and 25,795,075 shares through Heung Chit Kau.

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more in the Company’s issued share capital.

9. ARRANGEMENTS TO PURCHASE, SELL OR REDEEM SHARES

The Company did not purchase, sell, redeem or cancel any of its shares during the six months ended June 30, 2002.

10. AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the unaudited interim financial statements for the six months ended June 30, 2002.

11. CODE OF BEST PRACTICE

With the exception that independent non-executive Directors are not appointed for a fixed term, none of the Directors of the Company is aware of any information which would indicate that the Company is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited at any time during the six months ended June 30, 2002.

On behalf of the Board
Andrew Lo Tak Shing
Director

Hong Kong, September 20, 2002

**CONDENSED
INCOME STATEMENT (UNAUDITED)**

For the six months ended June 30

		<u>Six months ended June 30,</u>	
		<u>2002</u>	<u>2001</u>
	<i>Notes</i>	<i>US\$</i>	<i>US\$</i>
TURNOVER	3	1,705,745	1,308,718
Cost of investment sold		<u>(2,091,197)</u>	<u>(1,371,003)</u>
		(385,452)	(62,285)
Unrealised appreciation from revaluation of investments in securities		<u>3,585,531</u>	<u>1,438,751</u>
		<u>3,200,079</u>	<u>1,376,466</u>
OPERATING EXPENSES			
Administration fee to Investment Manager	4	(6,052)	(4,286)
Administration fee to Administrator	4	(14,559)	(10,987)
Advisory fee to Investment Adviser	4	(29,119)	(21,974)
Management fee to Investment Manager	4	(30,259)	(21,430)
Auditors' remuneration		(4,290)	(9,783)
Custodian fee		—	(3,647)
Supervisory fee		(4,841)	(187)
Directors' emoluments		(7,500)	(7,500)
Others		<u>(67,333)</u>	<u>(62,602)</u>
		(163,953)	(142,396)
PROFIT BEFORE TAXATION		3,036,126	1,234,070
Taxation	5	<u>(7,152)</u>	<u>(5,357)</u>
PROFIT AFTER TAXATION		<u>3,028,974</u>	<u>1,228,713</u>
EARNINGS PER SHARE	6	<u>0.06</u>	<u>0.02</u>

CONDENSED BALANCE SHEET

As at

	(UNAUDITED)	(AUDITED)
	June 30, 2002	Dec 31, 2001
<i>Note</i>	<i>US\$</i>	<i>US\$</i>
CURRENT ASSETS		
Investments in securities	12,108,322	8,472,827
Interest and dividends receivable	2,886	2,551
Bank balances and cash	361,904	367,233
	12,473,112	8,842,611
CURRENT LIABILITIES		
Accrued charges	215,066	224,715
NET ASSETS	12,258,046	8,617,896
CAPITAL AND RESERVES		
SHARE CAPITAL	503,408	503,408
RESERVES	11,754,638	8,114,488
TOTAL CAPITAL AND RESERVES	12,258,046	8,617,896
NET ASSET VALUE PER SHARE	0.24	0.17

**CONDENSED
STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)**

	Share Capital	Share premium	Exchange reserve	Capital redemption reserve	Accumulated deficit	Total
	US\$	US\$	US\$	US\$	US\$	US\$
At January 1, 2001	503,408	46,723,484	(14,354,487)	31,592	(24,891,335)	8,012,662
Exchange losses arising on translation of overseas operations	—	—	(412,717)	—	—	(412,717)
Profit for the period	—	—	—	—	1,228,713	1,228,713
At June 30, 2001	503,408	46,723,484	(14,767,204)	31,592	(23,662,622)	8,828,658
Exchange gains arising on translation of overseas operations	—	—	192,523	—	—	192,523
Loss for the period	—	—	—	—	(403,285)	(403,285)
At December 31, 2001	<u>503,408</u>	<u>46,723,484</u>	<u>(14,574,681)</u>	<u>31,592</u>	<u>(24,065,907)</u>	<u>8,617,896</u>
At January 1, 2002	503,408	46,723,484	(14,574,681)	31,592	(24,065,907)	8,617,896
Exchange gains arising on translation of overseas operations	—	—	611,176	—	—	611,176
Profit for the period	—	—	—	—	3,028,974	3,028,974
At June 30, 2002	<u>503,408</u>	<u>46,723,484</u>	<u>(13,963,505)</u>	<u>31,592</u>	<u>(21,036,933)</u>	<u>12,258,046</u>

**CONDENSED
CASH FLOW STATEMENT (UNAUDITED)**

For the six months ended June 30

		Six months ended June 30,	
		2002	2001
	<i>Note</i>	<i>US\$</i>	<i>US\$</i>
NET CASH INFLOW/(OUTFLOW)			
FROM OPERATING ACTIVITIES	8	27,372	(12,848)
INVESTING ACTIVITIES			
Purchase of investments		(1,542,396)	(1,442,130)
Sales of investments		1,497,296	1,165,361
NET CASH OUTFLOW			
FROM INVESTING ACTIVITIES		(45,100)	(276,769)
DECREASE IN CASH			
AND CASH EQUIVALENTS		(17,728)	(289,617)
CASH AND CASH EQUIVALENTS			
AT JANUARY 1		367,233	1,117,524
EFFECT OF FOREIGN			
EXCHANGE RATE CHANGES		12,399	(44,631)
CASH AND CASH EQUIVALENTS			
AT JUNE 30		361,904	783,276
ANALYSIS OF THE BALANCES OF			
CASH AND CASH EQUIVALENTS			
Bank balances and cash		361,904	783,276

Notes to the condensed interim financial statements:

1. Basis of Preparation

The condensed interim financial statements have been prepared in accordance with the Statement of Standard Accounting Practice (SSAP) No. 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants and the disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Significant accounting policies

The condensed interim financial statements have been prepared under the historical cost convention as modified for the revaluation of investments in securities.

The principal accounting policies which have been adopted in preparing these interim financial statements, and which conform with accounting principles generally accepted in Hong Kong, are the same as the policies disclosed on page 22 of the Company’s 2001 annual audited financial statements.

In the current period, the Company has adopted, for the first time a number of new and revised SSAPs issued by the Hong Kong Society of Accountants which has resulted in a change in the format of presentation as follows:

(i) Statement of changes in equity

In accordance with SSAP 1 (Revised) “Presentation of Financial Statements”, the requirement for presenting a statement of recognised gains and losses has changed to presenting a statement of changes in equity.

Accordingly, the presentation in the current period’s statement of changes in equity has been modified in order to conform with the requirements of the revised SSAP. Comparative disclosures have been restated in order to achieve a consistent presentation.

(ii) Foreign currency translation

In accordance with SSAP11 (Revised) “Foreign Currency Translation”, income statement of overseas operations is required to be translated at an average rate as opposed to a closing rate. Accordingly, the assets and liabilities of the overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Company’s translation reserve. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

(iii) Cash flow statement

In accordance with SSAP 15 (Revised) “Cash Flow Statements”, cash flows are classified under three headings only - operating, investing and financing.

This revised SSAP does not result in any change in the format of presentation of the Company’s cash flow statement in the current or prior accounting periods.

3. Since the principal activity of the Company is investing in Thai Securities with over 90% of its turnover and contribution to results derived from such activity in Thailand, no separate disclosure of geographical nor business segment information is presented.

4. Connected party transactions

Except for the fee paid to Investment Manager, Investment Adviser and Administrator as disclosed on page 13 of the interim report, during the six months the Company has not entered into transactions between the Investment Manager, the Investment Adviser, the Fund or any entity in which those parties or their connected persons have a material interest.

5. Taxation

	Six months ended June 30,	
	2002	2001
	<i>US\$</i>	<i>US\$</i>
Thai withholding tax on distributions made by the Fund in Thailand to the Company in Hong Kong	<u>7,152</u>	<u>5,357</u>
Taxation for the period	<u><u>7,152</u></u>	<u><u>5,357</u></u>

Withholding tax is payable in Thailand at the rate of 15% on distributions made by the Fund to the Company. No provision for Hong Kong profits tax has been made as interest, dividend and realised gains on disposal of investments of the Company are excluded from charge to profits tax under either section 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

6. Earnings per share

The calculation was based on the profit after taxation for the six months of US\$3,028,974 (2001: profit of US\$1,228,713) and on 50,340,800 (2001: 50,340,800) ordinary shares in issue during the six months.

7. Net asset value per share

The calculation of net asset value per share is based on the net assets of US\$12,258,046 (December 31, 2001: US\$8,617,896) and 50,340,800 (December 31, 2001: 50,340,800) ordinary shares in issue as at June 30, 2002.

8. Reconciliation of profit for the six months ended June 30, 2002 to net cash inflow/(outflow) from operating activities

	Six months ended June 30,	
	2002	2001
	<i>US\$</i>	<i>US\$</i>
Profit for the period	3,028,974	1,228,713
Realised losses on listed and unlisted investments	593,913	205,642
Unrealised gains on listed investments	(3,585,531)	(1,438,751)
(Increase)/decrease in interest and dividends receivable	(335)	2,381
Decrease in accrued charges	(9,649)	(10,833)
NET CASH INFLOW/(OUTFLOW) FROM		
OPERATING ACTIVITIES	27,372	(12,848)

STATEMENT OF CHANGES IN INVESTMENTS

(For the six months ended June 30, 2002)

	Number of shares				As at June 30, 2002	
	Holding at 1/1/02	Purchases	Sales	Holding at 30/06/02	Fair Value US\$	Percentage of Net Assets %
LISTED SECURITIES						
AGRIBUSINESS						
Charoen Pokphand Food	575,000	—	—	575,000	73,166	0.60
BANKING						
Bangkok Bank	957,000	—	122,500	834,500	1,121,963	9.15
Krung Thai Bank	645,700	—	117,700	528,000	141,976	1.16
Thai Farmers Bank	1,358,800	158,300	—	1,517,100	1,028,956	8.39
Thai Farmers Bank - F	—	81,000	—	81,000	64,661	0.53
					2,357,556	19.23
BUILDING & FURNISHING						
Siam Cement	37,700	—	7,800	29,900	681,960	5.56
Siam City Cement	137,232	—	—	137,232	738,019	6.02
Tipco Asphalt	—	95,000	—	95,000	85,530	0.70
					1,505,509	12.28
CHEMICALS & PLASTICS						
National Petrochemical	178,300	—	—	178,300	222,597	1.82
COMMERCE						
Big C Supercentre	276,400	—	—	276,400	138,691	1.13
COMMUNCIATION						
Advanced Info Service	891,400	85,200	—	976,600	920,281	7.51
Shinawatra Satellite	278,793	—	—	278,793	167,335	1.36
Shin Corporation	2,007,600	—	184,600	1,823,000	612,744	5.00
Shin Corporation - F	120,000	—	120,000	—	—	—
Telecom Asia Corporation	510,500	—	508,300	2,200	354	—
					1,700,714	13.87

LISTED SECURITIES	Number of shares				As at June 30, 2002	
	Holding	Purchases	Sales	Holding	Fair	Percentage of
	at 1/1/02			at 30/06/02	Value	Net Assets
					US\$	%
ELECTRONICS COMPONENTS						
Cal - Comp Electronics (Thailand)	131,800	35,000	—	166,800	120,138	0.98
Delta Electronic	1,800	—	—	1,800	1,167	0.01
Hana Microelectronics	63,300	—	20,000	43,300	73,289	0.60
					<u>194,594</u>	<u>1.59</u>
ENERGY						
Banpu	421,400	—	102,200	319,200	306,540	2.50
Electricity Generating	323,700	—	—	323,700	318,633	2.60
PTT	80,800	243,900	—	324,700	280,640	2.29
PTT Exploration & Production	318,200	—	—	318,200	893,820	7.29
Ratchaburi Electricity Generating	609,600	—	—	609,600	251,731	2.05
					<u>2,051,364</u>	<u>16.73</u>
ENTERTAINMENT & RECREATION						
BEC World	87,400	—	—	87,400	503,601	4.11
Major Cineplex Group	—	7,100	—	7,100	10,569	0.09
					<u>514,170</u>	<u>4.20</u>
FINANCE & SECURITIES						
ABN Amro Asia	40,700	68,700	—	109,400	119,508	0.97
Capital Nomure	—	61,600	—	61,600	69,509	0.57
Kiatnakin Finance	334,680	69,717	151,700	252,697	238,124	1.94
National Finance	498,900	172,000	—	670,900	233,555	1.91
National Finance - F	170,000	—	170,000	—	—	—
Siam Sanwa Industrial Credit	—	1,215,800	50,200	1,165,600	285,439	2.33
Siam Panich Leasing	271,400	—	35,500	235,900	213,801	1.74
Thai Investment	—	195,800	—	195,800	116,581	0.95
					<u>1,276,517</u>	<u>10.41</u>
FOOD & BEVERAGES						
Thai Union Frozen Products	460,500	—	—	460,500	193,478	1.58

	Number of shares				As at June 30, 2002	
	Holding at 1/1/02	Purchases	Sales	Holding at 30/06/02	Fair Value US\$	Percentage of Net Assets %
LISTED SECURITIES						
INSURANCE						
Ayudhya Jardine CMG Life Assurance	261,100	—	261,100	—	—	—
PROPERTY DEVELOPMENT						
Amata Corp.	—	263,200	—	263,200	117,534	0.96
Asian Property Development* ¹	170,000	—	—	170,000	184,685	1.51
Golden Land	382,000	174,000	291,800	264,200	89,437	0.73
Land & Houses	395,200	—	—	395,200	711,610	5.81
Quality Houses	—	712,700	—	712,700	159,131	1.30
Ticon Industrial Connection	—	14,400	4,300	10,100	3,928	0.03
					<u>1,266,325</u>	<u>10.34</u>
TRANSPORTATION						
Bangkok Expressway	910,600	—	209,700	700,900	270,923	2.21
Thai Airways International	134,400	—	134,400	—	—	—
					<u>270,923</u>	<u>2.21</u>
OTHERS						
Eastern Water Resources Devel. & Mgt.	124,500	—	30,000	94,500	68,631	0.56
General Environment Conservation	1,130,000	—	299,100	830,900	22,542	0.18
					<u>91,173</u>	<u>0.74</u>
WARRANTS						
Asian Property Development - W1	—	36,000	—	36,000	29,602	0.24
Kiatnakin - W3	—	61,500	61,500	—	—	—
Kiatnakin - W4	93,340	195,500	93,340	195,500	100,444	0.82
LH - W2	103,550	—	—	103,550	111,873	0.91
Ticon Industrial Connection - W1	—	3,600	1,300	2,300	652	0.01
					<u>242,571</u>	<u>1.98</u>
PREFERRED SHARES						
Siam Commercial Bank - P	252,600	—	252,600	—	—	—
TOTAL LISTED SECURITIES					<u>12,099,348</u>	<u>98.71</u>

	Number of shares				As at June 30, 2002	
	Holding at 1/1/02	Purchases	Sales	Holding at 30/06/02	Fair Value US\$	Percentage of Net Assets %
UNLISTED SECURITIES						
HEALTH CARE SERVICES						
Piyavate Hospital	330,000	—	—	330,000	1	—
WARRANTS						
Charoen Pokphand Foods - W2	—	57,500	—	57,500	8,973	0.07
KfW - TA	237,821	—	—	237,821	—	—
					8,973	0.07
TOTAL UNLISTED SECURITIES					8,974	0.07

TOTAL LISTED & UNLISTED SECURITIES	12,108,322	98.78
NET CURRENT ASSETS	149,724	1.22
TOTAL NET ASSETS	12,258,046	100.00

*1 Asian Property Development was reclassified from Building and Furnishing Sector to Property Development Sector on 25 February 2002 by SET Index.

CORPORATE INFORMATION

Stock Exchange Listing

The Stock Exchange of Hong Kong Limited

DIRECTORS OF THE COMPANY

Yod Jin Uahwatanasakul
Narong Chulajata
Andrew Lo Tak Shing
The Honourable Michael
D'Arcy Benson
Heng Kwoo Seng
Chaibhondh Osataphan
Chesada Loha-unchit
Dominic Kwok Chung Kwong
Thomas Ng Tung Ming

INVESTMENT MANAGER

MFC Asset Management Public
Company Limited
30th-32nd Floor
Lake Rajada Building
193-195 Ratchadaphisek Road
Khlong-Toey
Bangkok 10110
Thailand

INVESTMENT ADVISER AND ADMINISTRATOR

INVESCO Asia Limited
12/F, Three Exchange Square
8 Connaught Place, Hong Kong

SHARE REGISTRARS AND BRANCH REGISTER OFFICE

Secretaries Limited
5th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

SECRETARY OF THE COMPANY

Anton Allen

ASSISTANT SECRETARY AND REGISTERED OFFICE OF THE COMPANY

The Harbour Trust Co. Ltd.
P. O. Box 1787
One Capital Place
George Town
Grand Cayman
Cayman Islands
British West Indies

AUDITORS

To the Company
Deloitte Touche Tohmatsu
Certified Public Accountants
26th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

To the Fund

Deloitte Touche Tohmatsu Jaiyos Co.
Ltd.
Rajanakarn Building, 25th Floor
183 South Sathorn Road
Yannawa, Sathorn
Bangkok 10120
Thailand