



THE THAI-ASIA FUND LIMITED

(Incorporated with limited liability in the Cayman Islands)

**INTERIM REPORT (UNAUDITED)
JUNE 30, 2003**

DISCUSSION AND ANALYSIS OF PERFORMANCE

RESULTS

During the first half of 2003, the Company achieved a profit after tax of US\$2,868,798 (compared with a profit of US\$3,028,974 during the previous corresponding period), attributable largely to the decreased unrealised appreciation from revaluation of investments in securities, netted off by increased dividend income and decreased realised loss on listed investments.

The net asset value of the Company, as at June 30, 2003, was US\$14,311,790. The net asset value per share was US\$0.28, compared with US\$0.22 as at December 31, 2002, an increase over the period of 27.27% in US\$ terms. Over the same period, the SET Index increased by 33.66% in US\$ terms (and by 29.55% in Baht terms), making the Thai stock market relatively strong when compared with the other markets in Southeast Asia. The Company, in turn, underperformed the market by 6.39%.

During the period under review, the Thai market's strong performance relative to elsewhere in Southeast Asia is attributable to (i) improved domestic market sentiment towards equity investment; (ii) high domestic liquidity; (iii) the low interest rate policy; and (iv) foreign capital inflow owing to the outlook for a stronger Baht against the US dollar. The Company's underperformance of the SET Index is attributable to the energy sector's outperformance, in which, The Thai-Asia Fund had taken an underweight position during the reporting period.

As at June 30, 2003, the Company was 94.10% invested in Thai equities with reference to net asset value while the balance was 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 3.22% against the US dollar, which supported the performance.

OUTLOOK

Economic and Market Outlook

We continue to be optimistic for recovery of the Thai economy. The low interest rate environment, which has been the underlying driver of the Thai economy, is likely to remain. Besides private consumption, the outlook on the investment front is also promising. We have seen a steady increase in capacity utilization over the past ten months from the data released by the Bank of Thailand. In addition, the external environment should become more stable than the first half of 2003, with the end of the US-Iraq war and SARS epidemic. For the stock market, supportive factors remain the strong growth in corporate earnings and attractive market valuations.

Company

Following the Company's Announcement of July 22, 2003 announcing shareholders' unanimous approval of the opening-up of The Thai-Asia Fund (the "Investment Plan") over a 3-year period, the Board advises that the redemption of 20% of the Initial Investment Units* of the Investment Plan has been completed.

After the Company has effected redemption of Investment Units* of the Investment Plan and received the net proceeds of such redemptions, the Company will commence declaring and paying dividends corresponding broadly to the Company's redemption of underlying Investment Units* in the Investment Plan.

* corresponding to the terms defined in the Circular of June 19, 2003.

CURRENT INVESTMENTS AND ACTIVITIES REPORT

For the six months ended June 30, 2003

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, 2003, the total net asset value of the Company was US\$14,311,790 with a net asset value of US\$0.28 per share.

No interim dividend was declared or paid for the six months ended June 30, 2003 (2002: 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, 2003, the Company was 94.10% invested in Thai equities with reference to net asset value while the remaining balance was held in the form of bank deposits.

As at June 30, 2003, the ten largest investments held by the Company through its investment in the Fund were:

	Stock Weighting (%)	
	Company	SET Index
1. Siam Cement	12.92	7.27
2. Kasikorn Bank	9.17	3.23
3. Advanced Info Service	8.72	7.29
4. Siam Commercial Bank	6.93	1.85
5. Land & Houses	6.72	2.35
6. PTT	6.65	7.51
7. Bangkok Bank	6.10	3.32
8. Shin Corporation	4.49	2.28
9. PTT Exploration & Production	3.28	4.24
10. Siam City Cement	3.22	2.16
TOTAL	68.20	41.50

An analysis by industry of the equity investments held by the Company as at June 30, 2003, 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	0	20	0.00	2.01
2. Banking	4	14	24.28	15.84
3. Building & Furnishing	4	17	17.74	11.43
4. Chemicals & Plastics	1	11	2.07	2.76
5. Commerce	0	14	0.00	2.28
6. Communication	3	12	13.21	11.97
7. Electrical Products	0	11	0.00	0.89
8. Electronics Components	3	8	2.56	2.64
9. Energy	4	9	11.20	15.42
10. Entertainment	2	13	2.67	4.40
11. Finance & Securities	4	27	7.47	4.15
12. Food & Beverages	0	23	0.00	2.37
13. Health Care Services	0	10	0.00	0.43
14. Hotel & Travel Services	0	10	0.00	1.13
15. Household Goods	0	7	0.00	0.43
16. Insurance	0	21	0.00	1.28
17. Jewelry & Ornaments	0	2	0.00	0.07
18. Machinery & Equipment	0	2	0.00	0.05
19. Mining	0	1	0.00	0.10
20. Packaging	0	13	0.00	0.54
21. Pharmaceutical Products	0	2	0.00	0.05
22. Printing & Publishing	0	8	0.00	0.38
23. Professional Services	0	2	0.00	0.05
24. Property Development	6	29	11.36	7.20
25. Pulp & Paper	0	4	0.00	2.08
26. Textiles	0	24	0.00	1.25
27. Transportation	1	8	1.54	3.32
28. Vehicles & Parts	0	9	0.00	1.01
29. Warehouse & Silo	0	4	0.00	0.07
30. Others*	0	5	0.00	0.09
31. Companies under Rehabilitation	0	54	0.00	4.31
32. Unlisted Securities	1	0	0.00	0.00
33. Debentures & Convertibles	0	0	0.00	0.00
	<u>33</u>	<u>394</u>	<u>94.10</u>	<u>100.00</u>

Notes: * Stocks not classified under sectors listed above.

** Warrants, covered warrants and preferred shares are included in relevant sectors.

3. TRANSACTIONS

For the six months ended June 30, 2003, total listed investments purchased by the Company amounted to US\$3.36 million, while total sales amounted to US\$3.94 million. The net realised losses for the period amounted to US\$0.21 million.

A summary of purchases and sales of listed investments by the Company over the six months ended June 30, 2003, is as follows:

Month	(Million US\$)		
	Purchases	Sales	Realised Gains/Losses
January	0.74	0.88	0.02
February	0.87	0.82	- 0.40
March	0.53	0.65	- 0.05
April	0.85	1.03	0.15
May	0.27	0.28	0.07
June	0.10	0.28	0.00
TOTAL	<u>3.36</u>	<u>3.94</u>	<u>- 0.21</u>

* Using an averaged exchange rate US\$1=Baht 42.413

4. PERFORMANCE

	June 30, 2003	December 31, 2002	% Change
NAV/Share (US\$)	0.28	0.22	+27.27%
Baht/US\$ Exchange rate	41.674	43.014	+3.22%
SET Index (Baht)	461.82	356.48	+29.55%
(US\$)	11.08	8.29	+33.66%
Performance to SET index			-6.39%

During the six months ended June 30, 2003, the net asset value per share of the Company increased by 27.27% in US\$ terms. Over the same period the SET Index increased by 33.66% in US\$ terms. The Company underperformed the market by 6.39%.

	June 30, 2003	November 15, 1989	% Change since inception
NAV/Share (US\$)	1.08 ^{*1}	1.00 ^{*2}	+8.00%
Baht/US\$ Exchange rate	41.674	25.825	-38.03%
SET Index (Baht)	461.82	746.22	-38.11%
(US\$)	11.08	28.90	-61.66%
Performance to SET index			+69.66%

*1 After adjusting for the dividend of US\$0.80 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 8.00% in US\$ terms. Over the same period the SET Index decreased by 61.66% in US\$ terms. The Company has outperformed the market by 69.66%.

5. REVIEW OF THE THAI ECONOMY AND STOCK MARKET

After the 5.3% growth for the year 2002, robustness in the Thai economy continues to be seen in the year 2003. For the first quarter of 2003 Thailand recorded a GDP growth of 6.7% year-on-year, beating consensus expectation for 6.1% growth. This impressive economic performance was again based on resilient private consumption and strong exports, the latter in spite of escalating risks to the global economy during the period. For the first quarter of 2003, the private consumption index recorded a growth of 6.9% and exports 21.3%. As we entered the second quarter of 2003, some slowdown was noted due to the spread of SARS, which has caused a blow to the tourism industry. SARS also caused a dent in consumer confidence, resulting in private consumption growing at a reduced pace, rising 4.9% and 5.2% in April 2003 and May 2003 respectively.

Domestic interest rates edged down in the first half of 2003. The Bank of Thailand (“BoT”) cut its policy interest rate (14-day repurchase rate) by a bold 50 basis points to 1.25% on June 27. This was an attempt to narrow the US and Thai interest rate differential which would lead to a sharp strengthening of the Baht and adding downward pressure on already low core inflation growth. Thai commercial banks, in the same period, cut both lending and deposit rates, causing the large amount of excess liquidity.

For the stock market, by the end of June 2003, the SET index closed at 461.82, a 29.55% increase from 356.48 at the end of the year 2002.

In the first quarter, the SET index moved within the 350 and 380 range. Sustainable domestic economic expansion remained the influential positive factor supporting buying interests. This included 1) announcement of favorable GDP growth for the year 2002 at 5.3% vs 1.9% in 2001, 2) improved exports and strong consumer confidence. There was also a new round of interest rate cuts from commercial banks of 25-75 basis points. In addition, favorable corporate earnings results and the expectation that international credit rating agencies would soon raise Thailand sovereign ratings also boosted sentiment. Negative influences were externally driven, which included 1) the geopolitical jitters over the U.S.- Iraq war and looming North Korea tensions, 2) high oil prices and 3) ongoing unfavorable global stock market performances.

The SET index performed very well in the second quarter. The closing 461.82 was the highest for the first half of 2003. Early in the quarter, positives from the prospect for the US-Iraq war ending in a short time period were countered by the spread of the SARS epidemic. Later on, strong first quarter 2003 results from both financial and non-financial companies buoyed market sentiment. Foreign capital inflow was also seen due to the outlook for a stronger Baht against the US dollar. Domestically, low interest rates also caused investors to seek better return prospects from investment in the equity market. Lastly, the economic data continued to show strong growth, with GDP in the first quarter growing by 6.7%.

With regard to the Company, during the period under review equity exposure declined from 98.89% at the end of 2002 to 94.10% at the end of June 2003. The major shift in the portfolio was the reduction in the energy sector in favor of the banking sector. Other sector allocation remained mostly unchanged. Our sector shift did not yield positive results during this reporting period, as the energy sector outperformed the benchmark SET index.

6. OUTLOOK FOR THE THAI ECONOMY AND STOCK MARKET

We have been optimistic for continued recovery for the Thai economy. Economic figures coming out during the first half of 2003 also demonstrated strong economic growth. The low interest rate environment, which has been the underlying driver of the Thai economy, is likely to remain. Inflation remains low and liquidity in the banking system remains abundant. Besides private consumption, the outlook on the investment front has also become promising. We have seen a steady increase in capacity utilization over the past 10 months from the data released by the Bank of Thailand. In addition, the external environment should become more stable than the first half of 2003, with the ending of the US-Iraq war and SARS epidemic.

We remain optimistic for favorable stock market return for the year. Recent earning announcements confirmed our expectation for growth in corporate earnings. The forecast for 2004 earnings growth is also above the mid-teen level. Other reasons to be positive about the market are 1) the possibility for rating agencies, such as S&P and Moody's, to upgrade Thailand's sovereign credit rating, 2) the low interest rate environment has made equity investment a more attractive alternative for local investors.

7. ARRANGEMENTS AFFECTING DIRECTORS

- (a) The Honourable Michael D' Arcy Benson was and Mr. Andrew Lo Tak Shing is a director 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 was and Mr. Pichit Akrathit 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 in the Investment Contract.

- (b) None of the directors has a service contract with the Company.

Except as disclosed above, 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. DISCLOSURE OF INTERESTS

(a) Interests of the Directors

As at June 30, 2003, none of the directors, including the chief executive of the Company had any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap.571) ("SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders

As at June 30, 2003, the following interests in shares were recorded in the register of interests and short positions required to be kept by the Company pursuant to section 336 of the SFO:

Name	Personal interest	Family interest	Corporate interest	Total interest	% of issued Share Capital
Heung Chit Kau	10,324,600	—	23,123,075	33,447,675	66.44
Chan Wan Han	—	25,795,075	7,652,600	33,447,675	66.44
Swiss Reinsurance Limited	—	—	6,027,600	6,027,600	11.97

Notes:

- (i) 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 his 100% beneficial interest in Acetop Investment Limited and his 50% beneficial interest in Tai Tsuen Enterprises Limited respectively.
- (ii) Chan Wan Han (the spouse of Heung Chit Kau) 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 her 50% beneficial interest in Tai Tsuen Enterprises Limited and 25,795,075 shares through Heung Chit Kau as family interest.

According to the register of interests in shares and short positions kept by the Company under section 336 of the SFO and so far as was known to the directors, other than the interests disclosed above, there were no persons who, as at June 30, 2003, had notified to the Company of any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or in any options in respect of such 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, 2003.

10. AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the unaudited interim financial statements for the six months ended June 30, 2003.

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, 2003.

12. RESIGNATION OF DIRECTOR

The Honourable Michael D'Arcy Benson had resigned as an executive director of the Company with effect from July 22, 2003.

13. CHANGE OF SECRETARY

Following the approval by the Board on July 23, 2003, Mr. Jeremy Simpson was appointed as the Company Secretary in place of Mr. Anton Allen effective July 23, 2003.

On behalf of the Board
Andrew Lo Tak Shing
Director

Hong Kong, September 19, 2003

**CONDENSED
INCOME STATEMENT (UNAUDITED)**

For the six months ended June 30

		<u>Six months ended June 30,</u>	
		<u>2003</u>	<u>2002</u>
	<i>Notes</i>	<i>US\$</i>	<i>US\$</i>
TURNOVER	3	4,246,220	1,705,745
Cost of investment sold		(4,149,943)	(2,091,197)
		<u>96,277</u>	<u>(385,452)</u>
Unrealised appreciation from revaluation of investments in securities		<u>2,959,481</u>	<u>3,585,531</u>
		<u>3,055,758</u>	<u>3,200,079</u>
OPERATING EXPENSES			
Administration fee to Investment Manager	4	(6,470)	(6,052)
Administration fee to Administrator	4	(11,702)	(14,559)
Advisory fee to Investment Adviser	4	(23,404)	(29,119)
Management fee to Investment Manager	4	(32,350)	(30,259)
Auditors' remuneration		(4,290)	(4,290)
Supervisory fee		(5,176)	(4,841)
Directors' emoluments		(7,500)	(7,500)
Others		(60,399)	(67,333)
		<u>(151,291)</u>	<u>(163,953)</u>
PROFIT BEFORE TAXATION		2,904,467	3,036,126
Taxation	5	(35,669)	(7,152)
PROFIT AFTER TAXATION		<u>2,868,798</u>	<u>3,028,974</u>
EARNINGS PER SHARE	6	<u>0.06</u>	<u>0.06</u>

CONDENSED BALANCE SHEET

As at

	(UNAUDITED)	(AUDITED)
	June 30, 2003	Dec 31, 2002
<i>Note</i>	<i>US\$</i>	<i>US\$</i>
CURRENT ASSETS		
Investments in securities	13,467,481	10,910,324
Interest and dividends receivable	2,036	1,993
Bank balances and cash	1,031,486	364,193
	14,501,003	11,276,510
CURRENT LIABILITIES		
Accrued charges	189,213	243,300
NET ASSETS	14,311,790	11,033,210
CAPITAL AND RESERVES		
SHARE CAPITAL	503,408	503,408
RESERVES	13,808,382	10,529,802
TOTAL CAPITAL AND RESERVES	14,311,790	11,033,210
NET ASSET VALUE PER SHARE	7 0.28	0.22

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

	Share capital	Share premium	Exchange reserve	Capital redemption reserve	Accumulated deficit	Total
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
At January 1, 2002	503,408	46,723,484	(14,574,681)	31,592	(24,065,907)	8,617,896
Exchange gain arising on translation of overseas operations not recognised in the condensed income statement	—	—	611,176	—	—	611,176
Profit for the period	—	—	—	—	3,028,974	3,028,974
At June 30, 2002	503,408	46,723,484	(13,963,505)	31,592	(21,036,933)	12,258,046
Exchange loss arising on translation of overseas operations not recognised in the condensed income statement	—	—	(397,571)	—	—	(397,571)
Loss for the period	—	—	—	—	(827,265)	(827,265)
At December 31, 2002	<u>503,408</u>	<u>46,723,484</u>	<u>(14,361,076)</u>	<u>31,592</u>	<u>(21,864,198)</u>	<u>11,033,210</u>
At January 1, 2003	503,408	46,723,484	(14,361,076)	31,592	(21,864,198)	11,033,210
Exchange gain arising on translation of overseas operations not recognised in the condensed income statement	—	—	409,782	—	—	409,782
Profit for the period	—	—	—	—	2,868,798	2,868,798
At June 30, 2003	<u>503,408</u>	<u>46,723,484</u>	<u>(13,951,294)</u>	<u>31,592</u>	<u>(18,995,400)</u>	<u>14,311,790</u>

**CONDENSED
CASH FLOW STATEMENT (UNAUDITED)**

For the six months ended June 30

	Six months ended June 30,	
	2003	2002
	<i>US\$</i>	<i>US\$</i>
OPERATING ACTIVITIES		
Profit for the period	2,868,798	3,028,974
Realised losses on listed and unlisted investments	212,319	593,913
Unrealised appreciation from revaluation of investments in securities	(2,959,481)	(3,585,531)
Decrease/(increase) in investments in securities	579,263	(45,100)
Increase in interest and dividends receivable	(43)	(335)
Decrease in accrued charges	(54,087)	(9,649)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	646,769	(17,728)
CASH AND CASH EQUIVALENTS AT JANUARY 1		
	364,193	367,233
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		
	20,524	12,399
CASH AND CASH EQUIVALENTS AT JUNE 30		
	1,031,486	361,904
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	1,031,486	361,904

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 and Chapter 21 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 2002 annual audited financial statements, except as described below.

In the current period, the Company has adopted, for the first time, a revised SSAP issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following revised accounting policies. The adoption of this SSAP has had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

Income Taxes

In the current interim period, the Company has adopted SSAP 12 (Revised) Income Taxes. The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

3. Segment information

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.

Turnover is analysed as follows:

	Six months ended June 30,	
	2003	2002
	<i>US\$</i>	<i>US\$</i>
Proceeds from sale of investments	3,937,624	1,497,296
Dividend income	306,319	205,395
Interest income	2,277	3,054
	<u>4,246,220</u>	<u>1,705,745</u>

4. Connected party transactions

Except for the fee paid to Investment Manager, Investment Adviser and Administrator as disclosed on page 12 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,	
	2003	2002
	<i>US\$</i>	<i>US\$</i>
Thai withholding tax on distributions made by the Fund in Thailand to the Company in Hong Kong	<u>35,669</u>	<u>7,152</u>
Taxation for the period	<u><u>35,669</u></u>	<u><u>7,152</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\$2,868,798 (2002: profit of US\$3,028,974) and on 50,340,800 (2002: 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\$14,311,790 (December 31, 2002: US\$11,033,210) and 50,340,800 (December 31, 2002: 50,340,800) ordinary shares in issue as at June 30, 2003.

8. Post Balance Sheet Event

Subsequent to June 30, 2003, the Company has redeemed 20% of its units in The Thai-Asia Fund (the "Fund") pursuant to the shareholders' approval of the proposal for the opening up of the Fund over a 3-year period on July 22, 2003.

STATEMENT OF CHANGES IN INVESTMENTS

(For the six months ended June 30, 2003)

LISTED SECURITIES	Number of shares				As at June 30, 2003	
	Holding			Holding	Fair	Percentage of
	at 1/1/03	Purchases	Sales	at 30/06/03	Value	Net Assets
					<i>US\$</i>	<i>%</i>
BANKING						
Bank of Ayudhya	—	1,367,800	—	1,367,800	297,034	2.08
Bangkok Bank	823,300	68,300	242,200	649,400	872,640	6.10
Krung Thai Bank	1,100	—	1,100	—	—	—
Siam Commercial Bank	367,700	773,000	—	1,140,700	992,234	6.93
Kasikorn Bank	1,517,100	211,600	119,200	1,609,500	1,313,121	9.17
Kasikorn Bank - F	81,000	—	81,000	—	—	—
					3,475,029	24.28
BUILDING AND FURNISHING						
Dynasty Ceramic	—	382,900	—	382,900	121,281	0.85
Siam Cement	389,500	157,900	33,700	513,700	1,848,995	12.92
Siam City Cement	132,032	—	42,200	89,832	461,296	3.22
Tipco Asphalt	119,900	—	119,900	—	—	—
Thai Gypsum Product	—	1,072,900	—	1,072,900	107,614	0.75
					2,539,186	17.74
CHEMICALS AND PLASTICS						
Aromatics (Thailand)	—	393,000	393,000	—	—	—
National Petrochemical	178,300	19,100	—	197,400	296,048	2.07
					296,048	2.07

LISTED SECURITIES	Number of shares				As at June 30, 2003	
	Holding	Purchases	Sales	Holding	Fair	Percentage of
	at 1/1/03			at 30/06/03	Value	Net Assets
					US\$	%
COMMERCE						
Big C Supercentre	276,400	—	276,400	—	—	—
COMMUNICATION						
Advanced Info Service - F	—	173,900	173,900	—	—	—
Advanced Info Service	700,500	173,900	28,200	846,200	1,248,772	8.72
Shin Satellite	255,493	—	255,493	—	—	—
Shin Corporation	1,519,000	137,400	262,800	1,393,600	642,058	4.49
Telecom Asia Corporation	2,200	—	—	2,200	364	—
					<u>1,891,194</u>	<u>13.21</u>
ELECTRONICS COMPONENTS						
Cal - Comp Electronics (Thailand)	166,800	—	—	166,800	128,080	0.90
Delta Electronic	1,800	163,100	—	164,900	113,761	0.79
Hana Microelectronics	43,300	—	43,300	—	—	—
Kce Electronics	—	68,400	—	68,400	123,919	0.87
					<u>365,760</u>	<u>2.56</u>
ENERGY						
Banpu	266,100	—	266,100	—	—	—
Electricity Generating	323,700	—	258,900	64,800	86,298	0.60
PTT	489,000	310,500	203,600	595,900	950,890	6.65
PTT Exploration & Production	290,600	—	169,200	121,400	469,007	3.28
Ratchaburi Electricity Generating	491,900	—	345,900	146,000	96,343	0.67
					<u>1,602,538</u>	<u>11.20</u>
ENTERTAINMENT & RECREATION						
BEC World	85,000	—	33,100	51,900	298,892	2.09
Major Cineplex Group	230,000	—	—	230,000	83,337	0.58
					<u>382,229</u>	<u>2.67</u>

LISTED SECURITIES	Number of shares				As at June 30, 2003	
	Holding	Purchases	Sales	Holding	Fair	Percentage of
	at 1/1/03			at 30/06/03	Value	Net Assets
					US\$	%
FINANCE & SECURITIES						
ABN Amro Asia	85,800	—	85,800	—	—	—
Capital Nomura	61,600	—	61,600	—	—	—
Kiatnakin Finance	235,797	226,400	—	462,197	368,768	2.58
Krungthai Card	176,200	—	176,200	—	—	—
National Finance	670,900	451,500	—	1,122,400	371,674	2.60
Siam Sanwa Industrial Credit	1,165,600	—	665,500	500,100	94,802	0.66
Siam Panich Leasing	215,700	—	215,700	—	—	—
Tisco Finance	436,200	95,900	124,800	407,300	233,586	1.63
					<u>1,068,830</u>	<u>7.47</u>
FOOD & BEVERAGES						
Thai Union Frozen Products	219,900	—	219,900	—	—	—
PROPERTY DEVELOPMENT						
Amata Corp.	1,780,000	—	—	1,780,000	205,874	1.44
Asian Property Development	1,700,000	—	—	1,700,000	185,199	1.29
Central Patana	48,000	—	48,000	—	—	—
Land and Houses	3,715,000	836,800	—	4,551,800	961,171	6.72
L.P.N. Development	—	293,700	—	293,700	209,665	1.46
Noble Development	188,800	—	188,800	—	—	—
Quality Houses	712,700	1,300	714,000	—	—	—
					<u>1,561,909</u>	<u>10.91</u>
TRANSPORTATION						
Bangkok Expressway	700,900	—	241,800	459,100	220,329	1.54

LISTED SECURITIES	Number of shares				As at June 30, 2003	
	Holding	Purchases	Sales	Holding	Fair	Percentage of
	at 1/1/03			at 30/06/03	Value	Net Assets
					US\$	%
WARRANTS						
Asian Property Development - W1	360,000	—	—	360,000	28,161	0.20
LH - W2	923,500	—	671,600	251,900	36,267	0.25
					64,428	0.45
TOTAL LISTED SECURITIES					13,467,480	94.10
UNLISTED SECURITIES						
HEALTH CARE SERVICES						
Piyavate Hospital	330,000	—	—	330,000	1	—
WARRANTS						
KfW - TA	237,821	—	—	237,821	—	—
TOTAL UNLISTED SECURITIES					1	—
TOTAL LISTED AND UNLISTED SECURITIES					13,467,481	94.10
NET CURRENT ASSETS					844,309	5.90
TOTAL NET ASSETS					14,311,790	100.00

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
Heng Kwo Seng
Chaibhondh Osataphan
Dominic Kwok Chung Kwong
Thomas Ng Tung Ming
Pichit Akraithit
The Honourable
Michael D'Arcy Benson
(Resigned on July 22, 2003)

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SECRETARY OF THE COMPANY

Anton Allen
(Resigned on July 23, 2003)
Jeremy Simpson
(Appointed on July 23, 2003)

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