

DISCUSSION AND ANALYSIS OF PERFORMANCE

RESULTS

During 2004, the Company recorded a net profit after tax of US\$2,596,630 (compared with a profit of US\$1,081,878 during the previous corresponding year), attributable largely to the realised gain on disposal of investments.

The net asset value of the Company, as at December 31, 2004, was US\$14,052,148. The net asset value per share was US\$3.47, compared with US\$3.86 as at December 31, 2003, a decrease over the year of 10.10% in US\$ terms. Over the same period, the SET Index decreased by 12.30% in US\$ terms. The Company, in turn, outperformed the market by 2.20%.

During the year under review, the Thai economy was under the pressures of high oil prices, Thailand southern unrest and the December 26 tsunami disaster. Despite these risks, the Thai domestic consumption and private investments helped drive a moderate growth in the Thai economy with a growth rate of 6.4% in the first three quarters of 2004.

The Thai stock market recovered with a short rally when oil prices declined in November 2004 and there was the expectation of stronger Asian currencies against US dollar. The strengthening of the Baht stimulated investors' appetite for Thai stocks but such a rally was attacked by the tsunami disaster in late December 2004 which had dragged down the performance as a whole.

The Company's outperformance of the SET Index is attributable to the strong performance of the energy stocks, banking sector and telecom stocks in which Thai Asset Open-end Fund has taken a relative overweight position during the year, though a high cash position which was held as a result of the payment of the redemption of the Company's Participating Shares had reduced stock holding proportionately.

As at December 31, 2004, the Company was 62.76% 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 year, the Baht slightly appreciated by 1.38% against the US dollar, which supported the performance.

OUTLOOK

Economic and Market Outlook

We view 2005 with cautious optimism. The Thai economy should be able to be recovered following the reconstruction activity in the affected areas by the tsunami incident. The possibility of further US dollar weakness against the Baht is expected to induce fund inflows in the Thai stock market where there is a forecast of Thai corporate earnings growth and attractive dividend yield.

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Company

In December 2004, the Company had approved to redeem a total of 1,463,497 Participating Shares* on January 12, 2005. The Shares were redeemed pro-rata among the holders of all the Shares and the total number of Shares being redeemed corresponded as closely as possible to the proportion that the net proceeds received by the Company from the redemption of Initial Investment Units* bears to the net asset value of the Company.

The redemption price of US\$3.46 per share was paid to all Shareholders recorded on the register of members as at the close of business on January 11, 2005.

The Company will commence its third tranche of unit redemption of the Initial Investment Units* in August 2005, the proceeds of which will return to Shareholders.

* *corresponding to the terms defined in the Announcement of December 22, 2004.*

On behalf of the Board

Pichit Akkrathit

Director

Andrew Lo Tak Shing

Director

April 22, 2005