

FLOREAT FUND LTD.

(the “Floreat Fund”)

(An International Business Company Incorporated under the laws of the Commonwealth of the Bahamas Registration No. 11,101B)

16 November 2007

Directors:

David Crichton Watt
Humphrey Carey
Simpson Investments Limited (Represented by E. K. Simpson)

Registered Office:

Goodman’s Bay Corporate Centre,
West Bay Street, First Floor,
N-9058, Nassau, Bahamas

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are advised to consult your financial adviser.

To all holders of Investor Shares

Dear Shareholder

Proposed Restructuring of the Floreat Fund

The purpose of this letter is to inform Shareholders in the Floreat Fund of the terms of a proposed restructuring comprising:

- (A) the transfer by the Floreat Fund to AIMS Absolute Asia Fund Ltd. (“AAA Fund”), an open ended investment company incorporated in the British Virgin Islands, of its entire portfolio of securities (the “Floreat Portfolio”) in consideration for the issue of new Investor Shares by the AAA Fund;
- (B) the compulsory redemption by Floreat of all shares held by its shareholders;
- (C) the distribution by Floreat of such newly issued AAA Fund shares to its existing shareholders in satisfaction for redemption proceeds;
- (D) changes to the fees, administrator and custodian as well as certain other terms;
- (E) the change of name of the AAA Fund to Floreat Fund Ltd.
- (F) the winding up of the `old` Floreat Fund in the Bahamas.

While the Board is not seeking the prior approval of Shareholders, the Board wishes to give Shareholders advance notice of the changes and to advise Shareholders of the options available to them. It is proposed that the restructuring will commence on or around December 2007 and be completed no later than March 2008.

Background

Asset Management Sdn Bhd in Malaysia acts as investment manager to the Floreat Fund and as investment advisor to the AAA Fund. Both funds are faced with an increase in their operating costs; the Floreat Fund faces an increase in the custodian charge, whilst the AAA Fund faces an increase in its administration charge. Hence there is a commercial logic for the assets of the two funds to be combined in order to keep the total expense ratio at as low a level as possible.

The AAA Fund was launched in March 2003 and had approximately USD 10m of assets as at 30 September 2007. The Floreat Fund has approximately USD 42m of assets as at 30 September 2007. The restructured fund will have assets in excess of USD 50m, a level at which the fixed operating costs can be absorbed without the expense ratio becoming unattractive.

The mechanism for combining the two funds is described below.

Transfer and Compulsory Redemption

The Transfer of the Floreat Portfolio to the AAA Fund (“the transfer”) will be effected through a subscription-in-kind whereby Floreat Fund will be issued Investor Shares of the AAA Fund based on the AAA Fund’s Net Asset Value as at 31 December 2007. The Floreat Portfolio to be transferred will be valued as at 31 December 2007 by Genesis, the present administrator of the Floreat Fund and will be confirmed by Citco, the present administrator of the AAA Fund, all subject to the approval of the Board of Directors of Floreat Fund and AAA Fund.

The shareholders of Floreat as at 31 December 2007 (the “Floreat Shareholders”) will become shareholders of the AAA Fund by way of a compulsory redemption (the “Redemption”) by the Floreat Fund. The satisfaction of the redemption proceeds payable by Floreat to its shareholders will be in the form of an in-specie distribution of the AAA Fund’s Investor Shares acquired by Floreat through the subscription-in-kind as described above. The board of directors has approved the subscription-in-kind by Floreat Fund and the subsequent transfer of such Investor Shares of the AAA Fund to the Floreat Shareholders. Based on valuations as at 30 September 2007, it is anticipated that immediately following the Transfer and the Redemption, the Floreat Shareholders will hold approximately 83% per cent of the Investor Shares of the AAA Fund.

Maintenance of Investment Objective and Strategy ; changes to some other terms

Following the Transfer, the AAA Fund will adopt the investment objective and strategy of the Floreat Fund. So for the existing shareholders of the Floreat Fund there will be no change to the current investment objective and strategy. At the same time the current manager of the Fund, Humphrey Carey, will become the manager of the AAA Fund.

However the fees charged by the AAA Fund will be maintained. This means that the fees charged to existing Floreat shareholders will change. The management fee will increase from 0.5% per annum to 1.0% per annum. The current incentive fee of 15% of increase in NAV above High Water Mark with 5% hurdle rate will become an incentive fee of 20% of increase in NAV above High Water Mark.

Other significant changes will be a new administrator, Citco Fund Services (BVI) Ltd, and a new prime broker, UBS Hong Kong.

The AAA Fund has updated its Confidential Explanatory Memorandum to reflect the changes in the investment objective and strategy and various other changes including a change of administrator to Citco Fund Services (BVI) Ltd and changes to Subscription Charge, Redemption Charge and Early Redemption Charge. (Existing shareholders of the Floreat Fund will not have to incur the 1% Redemption Charge and Early Redemption Charge when they redeem in future.)

A copy of the updated Memorandum is enclosed.

Change of Name

The board of directors of the AAA Fund has resolved to change the name of the AAA Fund in the BVI to Floreat Fund Ltd as soon as the Transfer has been effected. Upon completion of the Transfer and Redemption, the existing Floreat Fund Ltd will be wound up. The cost of winding up will be borne by AIMS Asset Management Sdn. Bhd.

Action to be taken

Your Board believes that the Transfer of the Floreat Portfolio into the AAA Fund and the subsequent changes to the AAA Fund are in the best interests of the Floreat Fund and its Shareholders as a whole. Shareholders are not requested to take any action.

However, any Shareholder who wishes to redeem its shares prior to the implementation of the Transfer will have the opportunity to do so at the end of November 2007 by serving a redemption notice (as enclosed) in respect of all (but not part only) of its shares on or before **28 November 2007**. The Redemption Notice should be completed and faxed to the following parties as soon as possible and in any event the fax should be received no later than 5 p.m. on **28 November 2007**.

1) Genesis Fund Services Limited,
Goodman`s Bay Corporate Centre,
West Bay Street,
P.O. Box N-9058,
Nassau, Bahamas,
Tel: 242 502 7020
Fax: 242 326 2976

2) Aims Asset Management Sdn Bhd
10.3, Rohas Perkasa, West Wing,
8 Jalan Perak,
50450 Kuala Lumpur,
Malaysia

Fax: 603-23811 770 / 603-2161 8730
Attention: Jeffrey Yee / Denise Lee

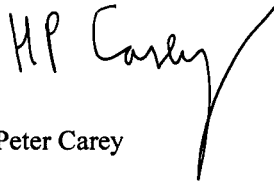
The original Redemption Notice should be sent by courier to:

Genesis Fund Services Limited,
Goodman`s Bay Corporate Centre,
West Bay Street,
P.O. Box N-9058,
Nassau, Bahamas.
Tel: 242 502 7020
Fax: 242 326 2976

Further information

If you would like further information, please contact Mr. Humphrey Carey / Ms. Hue See Leng / Mr. Jeffrey Yee at tel: 603-23811 660 , fax: 603-23811 770 , email to either: Humphrey.carey@aimskl.com or seeleng@aimskl.com or Jeffrey.yee@aimskl.com or denise.lee@aimskl.com.

Yours faithfully

A handwritten signature in black ink that reads "HP Carey". The signature is written in a cursive style with a long, sweeping flourish at the end.

Humphrey Peter Carey

Director

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REDEMPTION NOTICE

I / We wish to redeem my total holdings in the Floreat Fund Ltd. of _____ units
(*number of shares*) based on the Fund’s Net Asset Value as at 30th November 2007.

Please transfer the redemption proceeds to the following bank account*:

* Redemption proceeds will only be paid into the original account in the name of the investor from which the subscription proceeds derived or, upon approval of the Board of Directors, into another account in the name of the investor.

Name of registered holder: _____

Authorised Signatory _____
