

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about its contents or as to the action which you should take, you should immediately consult your stockbroker, bank, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your Shares in Advance AIM Value Realisation Company Limited, please forward this document together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for delivery to the purchaser or transferee.

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# **Advance AIM Value Realisation Company Limited**

*(Incorporated in Guernsey under the Companies (Guernsey) Laws 1994 to 1996, as amended, with registered number 45899)*

## **Recommended Proposal for Voluntary Winding Up**

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Notice of an Extraordinary General Meeting of the Company to be held at the offices of Legis Corporate Services Limited, Valley House, Hirzel Street, St Peter Port, Guernsey GY1 4HP on 14 December 2009 at 12.00 noon is set out at the end of this document. The accompanying Form of Proxy, for use at the Extraordinary General Meeting, should be completed and returned in accordance with the instructions thereon, so as to be received by the UK Registration Agent, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 48 hours before the time appointed for holding the Extraordinary General Meeting.

## CONTENTS

	<i>Page</i>
<b>Expected timetable</b>	2
<b>Definitions</b>	3
<b>Letter from the Chairman</b>	4
Background	4
Amendment of Articles of Association	5
Voluntary winding up	5
Estimated net proceeds of the liquidation	5
Dealings and settlement	5
Taxation	6
Extraordinary General Meeting	6
Action to be taken	6
Recommendation	6
<b>Notice of Extraordinary General Meeting</b>	

## EXPECTED TIMETABLE

	<i>2009</i>
Last day for dealings on the London Stock Exchange on a normal settlement basis	8 December
Last time and date for receipt of Forms of Proxy	12.00 noon on 12 December
Dealings in Shares suspended pending the result of the Extraordinary General Meeting	7.30 a.m. on 14 December
Register closes	Start of business on 14 December
Extraordinary General Meeting of the Company	12.00 noon on 14 December
Cancellation of admission to trading on AIM	15 December
Initial distribution to Shareholders	By 31 December

*Note: If any of the proposed times or dates outlined above change materially an announcement will be made through a Regulatory Information Service.*

## DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“AIM”	AIM, the London Stock Exchange’s market for smaller and growing companies
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Articles” or “Articles of Association”	the Articles of Association of the Company
“the Board”	the board of the Company
“Certificated” or “Certificated Form”	not in Uncertificated Form
“Company”	Advance AIM Value Realisation Company Limited
“CREST”	the system of paperless settlement of trades and the holding of Uncertificated securities administered by Euroclear UK & Ireland Limited
“Directors”	the directors of the Company being at the date of this document the persons whose names are set out on page 4 of this document
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 12.00 noon on 14 December 2009 (or any adjournment thereof) notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the Extraordinary General Meeting
“Guernsey Law”	the Companies (Guernsey) Law 2008,as amended
“Investment Manager”	Progressive AIM Realisation Limited
“Liquidator”	Legis (MRL) Limited of 1 Le Marchant Street, St Peter Port Guernsey GY1 4HP
“London Stock Exchange”	London Stock Exchange plc
“Proposal”	the proposal to wind up the Company as set out in this document, including the amendment of the Articles of Association
“Regulations”	the Uncertificated Securities Regulations 2001 of the United Kingdom as modified from time to time.
“Regulatory Information Service”	a regulatory information service which is on the list of regulatory information services maintained by the UK Listing Authority
“Resolutions”	the resolutions set out in the notice of the Extraordinary General Meeting
“Shares”	participating redeemable preference shares of no par value in the Company
“Shareholders”	holders of Shares
“UK Registration Agent”	Capita Registrars of 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Uncertificated” or “Uncertificated Form”	recorded on the Company’s share register as being held in uncertificated form, title to which, by virtue of the Regulations, is to be transferred by means of CREST

## LETTER FROM THE CHAIRMAN

### **Advance AIM Value Realisation Company Limited**

*(Incorporated in Guernsey under the Companies (Guernsey) Laws 1994 to 1996, as amended, with registered number 45899)*

*Directors:*

A J Fleming (Chairman)  
D S Copperwaite (non-executive)  
H F Green (non-executive)  
T J Henderson (non-executive)  
D L Kempton (non-executive)

*Registered office:*

1 Le Marchant Street  
St Peter Port  
Guernsey  
GY1 4HP

25 November 2009

*To the holders of Shares*

Dear Sir or Madam,

#### **Recommended proposal for voluntary winding up**

On 6 November 2009 the Board announced that the Company had sold the last significant investment and that it expected to send a circular to Shareholders convening a meeting to appoint a liquidator to commence the liquidation of the Company. I am writing to you to convene an Extraordinary General Meeting of the Company, to be held at 12.00 noon on 14 December 2009, at which Shareholders will be asked to approve a resolution to wind up the Company and to appoint Legis (MRL) Limited, as the Liquidator to liquidate the Company and settle the Company's liabilities. If the Liquidator is appointed, the Company's admission to trading on AIM will be cancelled with effect from 15 December 2009. This document contains information relating to the Proposal and seeks your approval for its implementation. Notice of the Extraordinary General Meeting is set out at the end of this document.

Under the AIM Rules the Company is required to obtain the approval of at least 75 per cent. of Shareholders voting at a general meeting for the cancellation of trading on AIM which will follow the appointment of the Liquidator.

#### **Background**

The Company was launched in December 2006 with the objective of providing value and liquidity for shareholders from a portfolio of investments which were acquired in exchange for 37,836,344 Shares issued at £1 per Share. The Company acquired 86 investments with a market value at bid price at acquisition of £37.8 million. Since its launch the Company has realised all but two of its investments and progressively returned the proceeds to Shareholders through redemptions of Shares. In aggregate the Company has returned £16.8 million to Shareholders since launch.

On 6 November 2009 the Company announced that it had two remaining investments and intended to bring forward proposals for the appointment of a liquidator. At 20 November 2009 (the latest practicable date prior to the publication of this document) the Company had net assets of £4.0 million, comprising two remaining investments with a book value of £ 0.04 million, cash and cash equivalents of £4.0 million before setting aside an amount to cover the remaining expenses of the Company and liquidation costs of approximately £0.05 million. This is equivalent to 33.59p per Share.

The aggregate of the amount returned to Shareholders and the latest net asset value is £20.8 million. This is equivalent to 55.0 per cent. of the initial gross assets of the Company. The Directors consider that, in the context of the markets prevailing over the life of the Company and the nature of the investments accepted into the portfolio, this is a very satisfactory outcome for Shareholders.

At the time of the Company's launch the Directors stated that, at an extraordinary general meeting to be held in the first quarter of 2010, Shareholders would be invited to consider the future of the

Company. Now that the Company has realised all but two of its equity investments, the Directors consider that the most effective way of returning the remaining net assets to Shareholders is for the Company to be wound up. Accordingly, as set out below, the Directors recommend that Shareholders vote in favour of the Proposal to put the Company into liquidation.

#### **Amendment of Articles of Association**

The Articles of Association provide in Articles 241 to 244 for a two stage process to wind up the Company requiring the passing of an ordinary resolution at an extraordinary general meeting to be held in the first quarter of 2010 (and if applicable at each subsequent annual general meeting of the Company) to request the directors to wind up the Company and the passing at a subsequent meeting a special resolution for the voluntary winding up of the Company. Given that the Company has realised all of its investments and to avoid unnecessary delay and expense the Board proposes to replace Articles 241 to 244 to enable the Company to be wound up voluntarily upon the passing of a special resolution in accordance with section 391 of the Guernsey (Companies) Law, 2008. The full text of the proposed amended Article is set out in the Notice of Extraordinary General Meeting at the end of this document.

#### **Voluntary winding up**

The liquidation of the Company, which will be a solvent liquidation in which all creditors will be paid in full, will involve the passing of the Resolution to approve the liquidation of the Company and to appoint the Liquidator. The appointment of the Liquidator will become effective immediately upon the passing of the Resolutions. At this point, the powers of the Directors would cease and the Liquidator would assume responsibility for the liquidation of the Company, including the payment of fees, costs and expenses, the discharging of the liabilities of the Company and the distribution of the remaining assets.

The Directors have served notice to terminate all material contracts. The net asset value of £4.0 million as at 20 November 2009 (the latest practicable date prior to the publication of this document) is stated after provision for costs (including the fees due to the Investment Manager) arising under such contracts and in respect of their termination.

The Directors propose that Legis (MRL) Limited be appointed as Liquidator. Legis (MRL) Limited has agreed to accept the appointment in the event that the Resolution is passed.

#### **Estimated net proceeds of the liquidation**

As stated above, the net asset value per Share on 20 November 2009 (the latest practicable date prior to the publication of this document) was 33.59p. This is calculated after providing for the estimated net expenses to be incurred by the Company prior to liquidation and for the estimated costs of the liquidation. The total costs of the Proposal (including the Liquidators costs, tax, advisory and regulatory fees and printing) are estimated to be approximately £50,000. If the Company had been wound up on that day, a Shareholder could have expected to receive a distribution of 33.59p per Share, subject to any adjustments made by the Liquidator in confirming the assets and liabilities of the Company.

The Liquidator will begin the process of settling the Company's liabilities as soon as practicable after the Resolution has been passed. Subject to the passing of the Resolution, it is expected that the Liquidator will make an initial distribution equal to 90 per cent. of the Company's net assets. It is expected that the initial distribution will be made by 31 December 2009. A subsequent final distribution will be made once all the Company's affairs have been settled and all its liabilities paid.

Under the terms of appointment the Liquidator will be paid at their normal rates until all surplus funds have been realised and distributed to Shareholders. The Liquidator's fixed fee is £16,000.

#### **Dealings and settlement**

It is expected that the register of Shareholders will close for transfers of Shares at the start of business on 14 December 2009. Transfers lodged with the UK Registration Agent before this time, accompanied by documents of title, will be registered in the normal way. Transfers received after that time will be returned to the person lodging them and, if the Proposal is sanctioned by Shareholders, the original holder will receive any proceeds from distributions made by the Liquidator.

The Company has made an application to the London Stock Exchange for the admission of the Shares to trading on AIM to be cancelled on 15 December 2009, subject to the Resolutions being

passed. It is expected that dealings in Shares on AIM will be suspended at the start of business on 14 December 2009 and, provided the Resolutions are passed, will be cancelled with effect from the start of business on 15 December 2009. The last date for dealings on the London Stock Exchange on a normal settlement basis is expected to be 8 December 2009.

Shareholders wishing to receive distributions by BACS should complete the enclosed form and return it to Legis (MRL) Limited, P.O. Box 186, 1 Le Marchant Street, St. Peter Port, Guernsey GY1 4HP so as to arrive no later than 12 December 2009.

If any of the proposed times or dates outlined above change materially an announcement will be made through a Regulatory Information Service.

#### **Taxation**

Shareholders who are in any doubt as to their tax position should consult their own independent professional tax adviser.

#### **Extraordinary General Meeting**

The Resolutions, which will both be proposed as special resolutions, are set out in the Notice of Extraordinary General Meeting at the end of this document. The Proposal is conditional, *inter alia*, on the passing of the Resolutions by Shareholders.

The first resolution will, if passed, approve the amendment to the Articles described above. The second resolution will, if passed, approve the voluntary winding up of the Company and the cancellation of the admission to trading on AIM of the Shares, appoint and empower Legis (MRL) Limited, as Liquidator, order the retention of the Company's books and records by Legis Corporate Services Limited and approve the basis for the Liquidator's remuneration. The second resolution is conditional on the passing of the first resolution.

#### **Action to be taken**

Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting to be held at the offices of Legis Corporate Services Limited, Valley House, Hirzel Street, St Peter Port, Guernsey GY1 4HP on 14 December 2009 at 12.00 noon. Whether or not you propose to attend the Extraordinary General Meeting the Form of Proxy should be completed and returned to the UK Registration Agent, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received as soon as possible and in any event not later than 48 hours before the time appointed for holding the Extraordinary General Meeting. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting, should they wish so to do.

#### **Recommendation**

The Board believes that the Proposal is in the best interests of Shareholders as a whole and recommends that all Shareholders vote in favour of the Resolutions.

Yours faithfully,

Alexander Fleming  
*Chairman*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### Advance AIM Value Realisation Company Limited

(Incorporated in Guernsey under the Companies (Guernsey) Laws 1994 to 1996, as amended, with registered number 45899)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Advance AIM Value Realisation Company Limited (the "Company") will be held at the offices of Legis Corporate Services Limited, Valley House, Hirzel Street, St Peter Port, Guernsey GY1 4HP at 12.00 noon on 14 December 2009 for the purpose of considering and, if thought fit, passing the resolutions set out below which will be proposed as a Special Resolutions:

#### SPECIAL RESOLUTIONS

- 1 THAT articles 241 to 244 of the existing Articles of Association of the Company be deleted and replaced by the following:  
"241. The Company may be wound up voluntarily on the passing of a special resolution in accordance with section 391 of the Companies (Guernsey) Law, 2008."
- 2 THAT, conditional on the passing of resolution 1:
  - (a) the Company be wound up voluntarily and Legis (MRL) Limited of 1 Le Marchant Street, St Peter Port, Guernsey GY1 be appointed as liquidator of the Company and is hereby authorised to divide amongst the shareholders of the Company in cash, *in specie* or kind the whole or any part of the assets of the Company;
  - (b) the remuneration of the liquidator be fixed at £16,000; and
  - (c) the admission to trading on AIM of the Company's participating redeemable preference shares of no par value be cancelled.

Registered Office  
1 Le Marchant Street  
St Peter Port  
Guernsey GY1 4HP

By order of the Board  
Legis Corporate Services Limited  
Secretary

25 November 2009

#### Notes:

1. A form of proxy is enclosed. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the Meeting in person. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.
2. To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must (failing previous registration with the Company) be deposited at the office of the Company's UK Registration Agent, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time for holding the Meeting or adjourned meeting or (in the case of a poll taken otherwise than at the Meeting or adjourned meeting) for the taking of the poll at which it is to be used.
3. CREST members may utilise the CREST proxy appointment service by following the directions set out on the form of proxy. Completion and return of the form of proxy will not prevent a Shareholder from subsequently attending the meeting and voting in person if he so wishes.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company as at 4.30 p.m. on 12 December 2009 shall be entitled to attend and vote at the meeting in respect of the number of shares in the Company registered in their name at that time. Changes to entries on the register of members after 4.30 p.m. on 12 December 2009 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

