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If you have sold or transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy (or Form of Direction as applicable) to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ AND IN PARTICULAR YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" SET OUT IN PART 2 OF THIS DOCUMENT.

The Directors and Proposed Directors, whose names appear on page 7 of this document, accept responsibility, individually and collectively for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been any change in the affairs of the Company since the date of this document or that the information in it is correct at any time subsequent to its date.

This document does not comprise a prospectus for the purposes of the Financial Services and Markets Act 2000 and has not been filed with the Financial Services Authority, but comprises an AIM admission document and has been prepared in accordance with the AIM Rules. Application will be made in accordance with the AIM Rules for the Existing Ordinary Shares of the Company already in issue to be re-admitted to trading on AIM and for the New Ordinary Shares of the Company to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Share Capital will commence on 16 October 2006.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to trading on the Official List. The London Stock Exchange has not itself examined or approved the contents of this document. The Ordinary Shares are not dealt in on any recognised investment exchange and, apart from the application for Admission, no other such applications have been or are intended to be made.

RAVEN CAPITAL INC

(incorporated in the Cayman Islands with registered number 141920)

PROPOSED ACQUISITION OF UPSTREAM ASIA LIMITED

PROPOSED PLACING OF 2,500,000 ORDINARY SHARES OF 0.25p EACH AT 20p PER SHARE

PROPOSED CHANGE OF NAME

NOTICE OF EXTRAORDINARY GENERAL MEETING AND APPLICATION FOR ADMISSION TO TRADING ON AIM

Nominated Adviser

STRAND PARTNERS LIMITED

Broker

WALKER CRIPS STOCKBROKERS LIMITED

The New Ordinary Shares will rank equally in all respects with the Existing Ordinary Shares and will rank in full for all dividends or other distributions declared, made or paid on the ordinary share capital of the Company after the date of issue.

Strand Partners, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser to the Company in connection with the proposed admission of the Enlarged Share Capital to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. Walker Crips, which is authorised and regulated in the United Kingdom by the Financial Services Authority and is a member of the London Stock Exchange, is acting as broker to the Company in connection with the proposed admission of the Enlarged Share Capital to trading on AIM. Strand Partners and Walker Crips are not acting for anyone else and will not be responsible to anyone other than the Company for providing the protections afforded to their clients or for providing advice in relation to the contents of this document or the Placing or the Admission of the Enlarged Share Capital to trading on AIM. No representation or warranty, express or implied, is made by either Strand Partners or Walker Crips as to the contents of this document, without limiting the statutory rights of any person to whom this document is issued. Neither Strand Partners nor Walker Crips will be offering advice, nor will they otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

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Notice of an extraordinary general meeting of the Company to be held at Quai Gustave – Ador 30, 1207 Geneva, Switzerland at 11 a.m. GMT (noon CET) on 13 October 2006 is set out on page 66 of this document. Whether or not you intend to attend the meeting, it is important that you complete and return the Form of Proxy (or Form of Direction as applicable) accompanying this document as soon as possible and in any event so as to be received by the UK Transfer Agents, Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 11 a.m. GMT on 11 October 2006 in the case of Forms of Proxy and 11 a.m. GMT on 10 October 2006 for Forms of Direction.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	19 September 2006
Latest time and date for receipt of Forms of Direction	11 a.m. GMT on 10 October 2006
Latest time and date for receipt of Forms of Proxy	11 a.m. GMT on 11 October 2006
Payment to be received from the investors	Noon GMT on 11 October 2006
Extraordinary General Meeting	11 a.m. GMT on 13 October 2006
Admission effective and dealings expected to commence in the Enlarged Share Capital on AIM	16 October 2006
Completion of the Acquisition	16 October 2006
CREST accounts expected to be credited with Depository Interests in respect of New Ordinary Shares (where applicable)	16 October 2006
Definitive share certificates for the New Ordinary Shares expected to be despatched (where applicable) by	30 October 2006

ACQUISITION AND PLACING STATISTICS

Number of Existing Ordinary Shares	44,366,668
Number of Acquisition Shares	79,675,002
Placing Price	20p
Number of Placing Shares	2,500,000
Number of Fee Shares	7,000,000
Number of Ordinary Shares in issue on Admission	133,541,670
Percentage of the Enlarged Share Capital represented by the Acquisition Shares*	29.33%
Percentage of the Enlarged Share Capital represented by the Placing Shares	1.87%
Percentage of the Enlarged Share Capital held by the Directors and Proposed Directors at Admission	30.74%
Gross proceeds of the Placing	£500,000
Estimated proceeds of the Placing net of expenses	£175,000

*excluding the interests of the Proposed Directors whose holdings are included in the percentage represented by the Directors

DEFINITIONS

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

Acquisition	the proposed acquisition by the Company of the entire issued share capital of Upstream pursuant to the Acquisition Agreement
Acquisition Agreement	the conditional agreement dated 19 September 2006 between the Company and the Vendors relating to the Acquisition, details of which are set out in paragraph 14.1.15 of Part 6 of this document
Acquisition Shares	the 79,675,002 new Ordinary Shares in the Company to be allotted and issued to the Vendors pursuant to the Acquisition Agreement
Admission	the effective admission of the Enlarged Share Capital of the Company to trading on AIM in accordance with the AIM Rules
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the rules applicable to companies whose shares are traded on AIM published by the London Stock Exchange from time to time
CA 1985	the Companies Act 1985, as amended
Combined Code	the corporate governance code issued by the Financial Reporting Council
Commitment	the obligation, made at the time of the Original Placing, of certain persons to subscribe for further Ordinary Shares, further details of which are set out on page 16 of this document
Company	Raven Capital Inc, incorporated and registered in the Cayman Islands with number 141920
Completion	completion of the Proposals
CREST	the system for paperless settlement of trades and the holding of uncertificated securities administered by CRESTCo Limited
Deed Poll	the deed poll dated 1 December 2004 made by Capita IRG Trustees Limited dealing with the creation and issue of Depositary Interests
Depositary Interests	interests in uncertificated form, representing Ordinary Shares, that can be settled electronically through and held in CREST, details of which are set out on page 17 of this document
Directors or Board	the existing directors of the Company as at the date of this document whose names are listed on page 7 of this document
EGM or Extraordinary General Meeting	the extraordinary general meeting of the Company, notice of which is set out at the end of this document
Enlarged Board	the Directors and the Proposed Directors
Enlarged Group	the Company as enlarged by the Acquisition
Enlarged Share Capital	the issued ordinary share capital of the Company on Admission as enlarged by the issue of the New Ordinary Shares

EP	EP (Singapore) Pte Limited
Existing Ordinary Shares	the 44,366,668 Ordinary Shares in issue at the date of this document
Fee Shares	the 7,000,000 new Ordinary Shares in the Company to be allotted and issued to Strand Partners and Silk Route Investments for services provided in relation to the Proposals, further details of which are set out in Part 1 of this document
Form of Direction	a Form of Direction for use by holders of Depositary Interests to direct how Capita IRG Trustees Limited votes at the EGM
Form of Proxy	a Form of Proxy for use by Shareholders in relation to the EGM
HKD	Hong Kong dollar
Hong Kong	the Hong Kong Special Administrative Region of the PRC
London Stock Exchange	London Stock Exchange plc
New Ordinary Shares	together the Acquisition Shares, the Fee Shares and the Placing Shares
Official List	the official list of the United Kingdom Listing Authority
Option Scheme	the Company's share option scheme described in paragraph 13 of Part 6 of this document
Ordinary Shares	ordinary shares of 0.25p each in the capital of the Company
Original Placing	the placing of 8,000,000 Ordinary Shares at a placing price of 5p per share which was effected at the time of the Company's admission to AIM on 15 December 2004
Penkenna	Penkenna Limited of Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands
Placees	subscribers for Placing Shares
Placing	the proposed conditional placing by the Company of the Placing Shares at the Placing Price
Placing Price	20p per Placing Share
Placing Shares	the 2,500,000 new Ordinary Shares which are proposed to be issued pursuant to the Placing
PRC	the Peoples' Republic of China
Proposals	together the Acquisition, the allotment and issue of the New Ordinary Shares, the appointment of the Proposed Directors, the change of the Company's name, the Placing and Admission, each as described in the letter from the Chairman in Part 1 of this document
Proposed Directors	Shahed Mahmood, David Ketchum and Jane McGuire Ketchum
Registrar	Capital IRG (Offshore) Limited of Victoria Chambers, Liberation Square, 1/3 The Esplanade, St Helier, Jersey JE4 0FF
Re-Introduction Agreement	the conditional agreement dated 19 September 2006 between the Company (1), the Directors (2), the Proposed Directors (3), Strand Partners (4) and Walker Crips (5), further details of which are set out in paragraph 14.1.16 of Part 6 of this document

Resolutions	the resolutions to be proposed at the EGM as set out in the notice of EGM at the end of this document and reference to a “Resolution” is to the relevant resolution set out in the notice of EGM
RMB	Yuan Renminbi, the official currency of the PRC
SGD	Singaporean dollar
Share Dealing Code	the code on dealings in the Company’s securities adopted by the Company, that complies with the AIM Rules
Shareholders	holders of Ordinary Shares
Strand Partners	Strand Partners Limited, the Company’s nominated adviser
Strand Warrant	the warrant certificate dated 1 December 2004 in favour of Strand Partners for the right to subscribe for new Ordinary Shares as described in paragraph 14.1.4 of Part 6 of this document
subsidiary and subsidiary undertaking	have the meanings given to them by CA 1985
Takeover Code	the Takeover Code published by the Takeover Panel
Takeover Panel	the Panel on Takeovers and Mergers
Techpacific	techpacific.com (BVI) Investments Limited
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Transfer Agents	Capita Registrars of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
United Kingdom Listing Authority	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, as amended
Upstream	Upstream Asia Limited, a company incorporated in the British Virgin Islands with registered number 422581 whose registered office is at Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands
Upstream Group or Group	Upstream and its subsidiary undertakings
US or United States	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction
US person	a citizen or permanent resident of the United States, as defined in Regulation S promulgated under the Securities Act 1933
Vendors	the shareholders in Upstream at the date of this document, details of whom are set in Part 1 of this document
Walker Crips	Walker Crips Stockbrokers Limited, the Company’s broker

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Graham Butt (<i>current Chairman</i>) Joanna Barrett
Proposed Directors	David Ketchum (<i>Proposed Chief Executive Officer</i>) Jane McGuire Ketchum (<i>Proposed Non-Executive Director</i>) Shahed Mahmood (<i>Proposed Non-Executive Chairman</i>)
Registered office	Walker House Mary Street PO Box 908GT George Town Grand Cayman, Cayman Islands
Company Secretary	Kitwell Consultants Limited Kitwell House The Warren Radlett Hertfordshire WD7 7DU
Nominated Adviser	Strand Partners Limited 26 Mount Row London W1K 3SQ
Broker	Walker Crips Stockbrokers Limited Sophia House 76/80 City Road London EC1Y 2EQ
Solicitors to the Company in the UK	Fladgate Fielder 25 North Row London W1K 6DJ
Solicitors to the Company in Hong Kong	Iu, Lai & Li 20th Floor, Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Solicitors to the Company in Singapore	Ramdas & Wong 36 Robinson Road #10-01 City House Singapore 068877
Solicitors to the Nominated Adviser and Broker	Bircham Dyson Bell 50 Broadway London SW1H 0BL
Auditors and Reporting Accountants	Grant Thornton UK LLP Enterprise House 115 Edmund Street Birmingham B3 2HJ
Registrar	Capita IRG (Offshore) Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey JE4 0FF
UK Transfer Agents	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART 1

CHAIRMAN'S LETTER

RAVEN CAPITAL INC.

(incorporated in the Cayman Islands with registered number 141920)

Directors:

Graham Butt (*Chairman*)

Joanna Barrett

19 September 2006

To the holders of Existing Ordinary Shares and Depository Interests and, for information purposes only, to the holders of warrants over Ordinary Shares.

Dear Shareholder,

Introduction

The Company today announced that it has conditionally agreed to acquire the entire issued share capital of Upstream through the issue of 79,675,002 new Ordinary Shares. At the placing price of 20p per share, the Acquisition Shares value Upstream at approximately £15.94 million. The Company also proposes to raise £500,000 before expenses (approximately £175,000 net of expenses) by way of a placing of 2,500,000 new Ordinary Shares at the Placing Price, the net proceeds of which will be used to provide working capital for the Enlarged Group. Following completion of the Proposals, the Vendors will own approximately 59.66% of the Enlarged Share Capital.

The Company's Existing Ordinary Shares were suspended from trading on AIM on 3 April 2006 at a mid market price of 20.25p as a consequence of the Company not having completed a reverse takeover or substantially implemented its investing strategy in accordance with the timetable specified under AIM Rule 8 relating to investing companies. This suspension has now been lifted following the publication of this document.

The Acquisition constitutes a reverse takeover of the Company under the AIM Rules by virtue of its size and because it also results in a fundamental change in the business of the Company from that of an investment company specialising in the hedge fund sector to a company providing international corporate and marketing communications services. As such, completion of the Acquisition is conditional on receiving the approval of Shareholders. Such approval is to be sought at the EGM, notice of which is set out at the end of this document.

Shareholders should note that the Proposals are inter-conditional. It is expected that Admission will take place and dealings in the Enlarged Share Capital will commence on 16 October 2006.

The purpose of this document is to provide you with information on the Proposals and to explain why the Directors consider the Proposals to be in the best interests of the Company and the Shareholders as a whole and to convene the Extraordinary General Meeting at which your approval for the Proposals will be sought. If the Resolutions are duly passed at the EGM, the Company's existing trading facility on AIM will be cancelled and the Company will apply for the Enlarged Share Capital to be admitted to trading on AIM.

Irrevocable undertakings to vote in favour of the Resolutions have been received from the Directors and certain of the Shareholders in respect of 34,166,112 Existing Ordinary Shares, representing approximately 77 per cent. of the Company's existing issued share capital.

Shareholders should, however, be in no doubt as to the importance of the Proposals to the future of the Company since the Directors believe that the combination of the Acquisition and the Placing is an essential step towards restoring the Company to a secure financial position. The Acquisition and the Placing are each conditional upon the other proceeding. If the Acquisition and

the Placing do not proceed, for whatever reason, the Company would need to attempt to raise further funds or seek alternative methods of financing, on account of the fact that it will have incurred expenses in pursuit of the Acquisition and would not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this document. If such funds could not be raised or alternative methods of financing secured, the Board would urgently have to consider alternative courses of action, such as the initiation of insolvency procedures, in which event the Company would be delisted from trading on AIM.

In addition, pursuant to Rule 41 of the AIM Rules, the London Stock Exchange will cancel the admission to trading of a company's securities on AIM where they have been suspended from trading for six months. As the Existing Ordinary Shares have been suspended since 3 April 2006, if the Acquisition and Placing do not proceed the Company will be delisted from trading on AIM in any event.

Shareholders should read this entire document and your attention is drawn to this Part 1 and to Parts 2 to 6 of this document, which contain important information in relation to the Proposals.

The Company and its investment strategy

The Company was incorporated on 19 November 2004 in the Cayman Islands and was admitted to trading on the AIM market as a cash shell on 15 December 2004 when it raised £400,000 before expenses through a placing of its Ordinary Shares. At the time of the original AIM admission the Company stated that it was its intention to build, largely through acquisition and joint venture transactions, a group specialising in the hedge fund sector. Since then, the Directors have explored a number of potential opportunities of that type, although none were sufficiently attractive to merit being put before Shareholders.

In December 2005, the Board was approached by EP, an investment company based in Singapore, with a proposal to invest additional funds into the Company and to work with the Directors to source a suitable acquisition. On 13 January 2006, discussions with EP were successfully concluded and the Company raised an additional £150,000 gross through a placing of 13,300,000 Ordinary Shares with EP, representing approximately 29.99% of the enlarged share capital of the Company at that time.

Since the Ordinary Shares were suspended from trading on AIM, the Directors have continued to evaluate a number of potential transactions and believe that the Proposals are in the best interests of Shareholders.

Information on Upstream

Background

Upstream was founded in 2000 by David Ketchum. Since its establishment Upstream's network has grown to include full service offices and affiliates throughout the principal commercial markets in the Asia-Pacific region. Upstream provides a range of corporate and marketing communications services to multinational corporations and Asia-based clients throughout the Asia-Pacific region, with a focus on Greater China and in 2001 was named Asia's new PR consultancy of the year by Media Magazine.

Headquartered in Hong Kong, the Group has wholly owned offices in Beijing, Shanghai, Taipei and Singapore. Upstream-branded offices currently operate in Tokyo and Sydney. The Group also has cooperation agreements in place with affiliated agencies across the Asia Pacific region, as well as being a member of international networks.

The Group offers a full range of traditional and online communications solutions, including strategic public relations counselling, corporate and marketing communications, event management, digital marketing and web-based communications services and works with clients primarily in three sectors: technology/media/telecommunications; consumer/lifestyle/travel; and corporate and financial.

To date, the Upstream Group has provided selected services either on a retainer or project fee basis to a blue chip client base including Alcatel, eBay, EDS, 02, Towngas and Hong Kong Science & Technology Parks. Retainer fees are generally from clients that sign agreements contracting a certain amount of work to be completed over a certain period. Project fees arise from one-off assignments for a pre-agreed fee.

The Directors and the Proposed Directors consider that the Upstream Group is well positioned to capitalise on Asia's growing demand for branding and communications services, particularly in China where the next generation of global brands may be emerging and where the Directors and Proposed Directors consider it important for multinationals to secure their market positioning. The Directors and the Proposed Directors believe that new market sectors opened to multinational companies by the World Trade Organisation (WTO) and the upcoming 2008 Olympics in Beijing are among the factors driving investment and demand for marketing communications in China, as is the Chinese consumer's increasing spending levels on luxury and branded goods and travel.

Upstream's 49 employees include an experienced management team based around the Asia-Pacific region and a team of consulting staff with extensive experience in the communications industry.

Services

The scope of services offered by the Upstream Group includes:

- ***Strategic branding and public relations consultancy***
The Upstream Group provides strategic advice to senior client executives at the CEO, managing director, marketing director and public affairs level on branding and on marketing and corporate communications campaign planning. The scope of services offered includes research, advice on how to best position the client companies or their products in the marketplace, messaging to build awareness and differentiation, creative development, media selection and budgeting.
- ***Corporate and marketing communications services***
The Upstream Group offers a range of public relations services including campaign development, advertising services, media relations, crisis and issues communications, and media training. Particular activities undertaken by the Upstream Group in respect of each of these services include creative services, media buying, sponsorship arrangement, staging news conferences, preparing and distributing news releases, arranging executive interviews, placing feature stories, writing by-lined and editorial articles and media monitoring.
- ***Event management***
Upstream aims to create innovative solutions for clients that help develop brand awareness and sales. Specific services include arranging marketing partnerships, organising special events and exhibitions, arranging speaking opportunities, recommending sponsorships, creating brochures and other associated marketing material and executing promotions and competitions.
- ***Web presence/digital marketing and e-distribution***
Asia-Pacific now has the largest percentage of internet users worldwide (36% of the global total), greater than each of the US and Europe. China's internet population is already over 111 million and is forecast to increase significantly, and approximately 65% of the world's broadband users are in the Asia-Pacific region. Upstream advises clients on their web presence, digital marketing campaigns, search and use of streaming video/webcasts in order to take advantage of this marketing opportunity.

Market

The market for public relations and marketing and corporate communications services in the Asia-Pacific region is already large and currently is fragmented.

The Directors and Proposed Directors believe that China offers the Upstream Group the greatest opportunity for growth driven primarily by the following two factors:

- the internationalisation of large sectors of China's economy, leading to vastly increased competitiveness, an environment in which marketing communications can provide opportunities for competitive advantage; and

- the modernisation of business administration, leading to increased focus on public relations and associated concepts.

The Directors and Proposed Directors believe that both of these factors will drive increased demand for the multinational-standard communications consultancy services in which the Upstream Group has proven capabilities which will provide Upstream with a considerable opportunity to increase its market share in this region.

China market entry support

Upstream has, since 2003 from its Hong Kong office, been providing services to multinational companies seeking to expand their business into China, such as messaging and branding consultancy, national and local market communications, vertical trade market communications, promotions, media relations, preparation of associated marketing materials and event management.

In early 2006, Upstream completed the establishment of its Wholly Foreign Owned Enterprise (WFOE) in China, affording the Upstream Group legal status to provide consulting services and issue invoices in China. This arrangement builds on Upstream's previous presence in China via two representative offices and the Directors and the Proposed Directors believe is an important step in capitalising on the China opportunity.

Current Trading and Prospects

A financial summary for the Upstream Group for the three years ended 31 December 2005, which has been extracted without material adjustment from and should be read in conjunction with the financial information set out in Part 4 of this document, is set out below:

	Year ended 31 December 2003 £'000	Year ended 31 December 2004 £'000	Year ended 31 December 2005 £'000
Revenue	736	820	1,104
(Loss)/profit from operations and before taxation	(38)	8	20
Net assets	21	29	48

It is important that you do not rely solely on the key or summary financial information shown above or elsewhere in this document and the document should be read as a whole.

Since it was established in 2000 Upstream has achieved steady growth of the business throughout the Asia-Pacific region, focusing on investing a considerable proportion of profits generated into building the business, employing additional professional staff, and creating new practices and lines of business such as corporate and financial and travel, that offer significant growth opportunities for the business. This investment in infrastructure has resulted in the Upstream Group recording only minimal profits to date.

The Directors and Proposed Directors believe that the investment made to date has enabled Upstream to establish a robust presence in China, which is expected to account for a significant amount of the Enlarged Group's revenue growth in both percentage and monetary terms. In addition the Directors and Proposed Directors believe that the underlying growth in demand for public relations, communications and marketing services, particularly in China, represents a significant opportunity for the Enlarged Group.

Strategy

The Directors and Proposed Directors are confident that the Enlarged Group will achieve significant revenue growth through the pursuit of four broad strategies:

- Capitalise on investments made to date
- Develop current relationships
- Drive new business development
- Expand through selective acquisitions

Capitalise on investments made to date

Since its establishment the directors of Upstream have focused on developing the Upstream Group's network of offices and has now set up offices and teams in place in each of its identified strategic markets. In addition, it has recruited the requisite senior consulting and business development staff, as well as establishing the necessary "footprint" of network offices to take advantage of the market opportunity, particularly in China. The Directors and Proposed Directors believe that the platform is now in place to drive profitable growth and that Upstream has the senior talent and resources to win and retain a range of assignments that were previously inaccessible to the business.

Develop current relationships

The Upstream Group has an existing blue chip client list that the Directors and Proposed Directors intend to develop in the following two ways:

- Increase share of client budgets: Current client budgets in China and elsewhere indicate that Upstream is currently taking just a portion of its client's total marketing and communications expenditure. The Directors and Proposed Directors intend to focus on cross-selling supplementary campaigns and services that will generate additional revenue for the business from its existing client base. This effort will be complementary with the Enlarged Group's strategy of making selective acquisitions, which should yield further opportunities to cross-sell services.
- Extend existing relationships with Upstream clients into new markets, such as China: Relationships with certain existing clients have already been successfully expanded to China, and the Directors and Proposed Directors believe that there remain numerous additional opportunities to do this throughout the remainder of the region.

Business development in strategic sectors

The Upstream Group offers marketing and communications services primarily in the following three sectors:

- Technology/Media/Telecoms;
- Corporate and Financial; and
- Consumer and travel.

The Directors and Proposed Directors will seek to continue to develop its client base and service offering within these key sectors in order to drive additional revenue growth for the business. In addition, the Group offers services such as electronic news release distribution, which the Enlarged Group expects to be able to drive accelerated growth.

Expand through selective acquisitions

The Proposed Directors are in the preliminary stages of seeking and evaluating opportunities to consolidate and/or cooperate with small to medium sized independent communications firms that are expected to add long term value and service offerings to the Enlarged Group. The acquisition initiative may provide economies of scale and improve operational efficiency.

Reasons for the Acquisition

The Directors and Proposed Directors believe that the Acquisition and associated Admission will provide the Enlarged Group with a number of benefits which include:

- exposure to the growing demand for public relations and event management services in Hong Kong, China and the rest of Asia;
- the opportunity to raise new equity capital for the Enlarged Group through AIM in the future; and
- the creation of a currency, in the form of publicly listed shares, that can be used by the Enlarged Group in acquiring high value targets in the marketing and public relations sectors.

Current trading and prospects for the Enlarged Group

Since its incorporation in November 2004, the Company's only significant activities have been to obtain admission to trading on AIM, raising £400,000 before expenses, to place 13,300,000 Ordinary Shares with EP, raising £150,000, and to enter into conditional agreements relating to the Acquisition.

The Directors and the Proposed Directors believe that the strategy that the Enlarged Group intends to follow on completion of the Acquisition, focused on profiting from the rising demand for branding and communications services in China and throughout the Asia-Pacific region, gives the Board reason to be optimistic as to the Enlarged Group's prospects.

The major shareholders of Upstream

As at the date of this document, the major shareholders of Upstream are David Ketchum, Jane McGuire Ketchum and Techpacific who between them own approximately 76 per cent. of Upstream. David Ketchum is married to Jane McGuire Ketchum, who is a financial editor with extensive experience working with investment banks in Asia Pacific.

David Ketchum is the founder of Upstream which he established in 2000. David has worked in the corporate and marketing communications industry for 23 years, and has vast experience in building brands and companies, including international experience with major multinational agency networks and with Calvin Klein in Asia Pacific.

Techpacific is a wholly owned subsidiary of Techpacific Capital Limited which is an independent merchant banking and asset management group listed on the Hong Kong Stock Exchange's Growth Enterprise Market.

Directors, Proposed Directors and senior management

At the EGM, a Resolution will be proposed to appoint David Ketchum, Jane McGuire Ketchum and Shahed Mahmood as directors of the Company. Graham Butt will continue in his capacity as a director but will resign as Chairman of the Board. It is intended that Shahed Mahmood will be appointed as a non-executive Chairman and David Ketchum and Jane McGuire Ketchum will be appointed as executive director and non-executive director, respectively. Assuming the Resolutions to appoint the Proposed Directors are passed at the EGM, immediately following Completion the Enlarged Board will comprise:

Directors

Graham Butt (Non-Executive Director)

Graham Butt, aged 45, is a director of Fulcrum Administration LLC and a member of the Society of Estate and Trust Practitioners. Graham previously acted as an administrator, trustee and director of The Castle Trust Co. Limited group of companies for over 20 years, during which time he was actively investing in structured funds and hedge funds to maximise returns for high net worth clients. Graham is a director of Corvus Capital Inc., a company whose shares are traded on AIM.

Joanna Barrett (Non-Executive Director)

Joanna Barrett, aged 40, has some 23 years' experience in the finance industry, both in the money markets and metal exchanges. For the last ten years Joanna has worked in the offshore financial services industry specialising in the establishment and running of trust and fiduciary structures. This role involves acting on behalf on high net worth clients in both equity and structured finance investments. Joanna is also a director of Corvus Capital Inc.

Proposed Directors

David Ketchum (Chief Executive Officer)

David Ketchum, aged 45, has 23 years' experience in branding, marketing and communications as vice president with global agency networks Hill and Knowlton, Burson-Marsteller and Calvin Klein, where he served as senior vice president, Marketing and Communications. He is chairman of the Asia Digital Marketing Association; chairman of the Council of Public Relations Firms in Hong Kong; and author of Big M, Little m Marketing New strategies for a New Asia.

Shahed Mahmood (Non-Executive Chairman)

Shahed Mahmood, aged 36, is a business consultant based on the Isle of Man, with over 14 years of wide ranging experience in the economic development field. He has previously given consultancy advice in both the business and human resource sectors to numerous governmental organisations in the UK and the Isle of Man. Shahed's past employment includes director of AIM listed Crosby Capital Partners Inc. (formerly known as Skiddaw Capital Inc.), a leading independent, deal focused, Asia-oriented merchant banking and asset management firm.

Jane McGuire Ketchum (Non-Executive Director)

Jane McGuire Ketchum, aged 43, is a financial editor with extensive experience working with investment banks in Asia Pacific. Currently based in Hong Kong with a Japanese securities firm, she has worked in Hong Kong and Japan with firms such as Schroders, Barings and Deutsche Bank.

The Enlarged Board intends to make further appointments at executive level, as the Enlarged Group's business progresses and suitable candidates are identified, and will appoint a finance director following Completion.

Senior management

In addition to the Directors and Proposed Directors, details of key senior management personnel within the Enlarged Group are set out below:

Paul Mottram, aged 38, has served as Chief Operating Officer (COO) of Upstream for five years and will continue to hold this position in the Enlarged Group. He has over 16 years of marketing and communications experience, and has lived and worked in Asia for 14 years. He has broad experience in regional corporate, technological, consumer and financial communications.

Peter Kingsbury, aged 54, will be appointed as a senior strategic business and client adviser to the Enlarged Group. He has over 26 years experience managing large-scale corporate and financial, consumer marketing and public education programs in Europe and Asia-Pacific and has counselled a wide variety of private and public sector clients in both regions. He was previously President and Chief Executive Officer of Burson-Marsteller Asia-Pacific, a leading public relations network, during which time he was responsible for that company's operations in 16 markets.

Paul Adams, aged 59, will be appointed as a senior strategic business and client adviser to the Enlarged Group. He has more than 35 years' experience counselling clients on public affairs and corporate and marketing communication issues. He is a leading expert on public relations in Japan, where he has lived and worked since 1970.

Shufen Tan, aged 39, is a director & general manager based in China. She has over 16 years' communications experience in China and Asia, including over nine years focusing on the PR industry in Greater China. Previously, she spent five years as Leader for Digital Business and Media Services at Ketchum Public Relations where she developed online communications strategies and media management services.

Ong Seow Chong, aged 34, is a general manager based in Singapore. Seow Chong has over ten years of PR experience, in both Singapore and Hong Kong. Previously, as Account Manager in Weber Shandwick's technology practice group, Seow Chong was responsible for the strategic counsel and account management of a number of high profile technology clients prior to which she was a senior marketing specialist at Portal Software.

Katherine Wang, aged 41, is a director based in Taipei. Katherine has over 12 years' experience in public relations in Taiwan. Her areas of expertise cover the full range of communications disciplines from corporate and marketing communications, sponsorship, integrated marketing communications, event marketing and management, issues management and media relations management.

Mike Liew, aged 42, is a managing director based in Singapore & Southeast Asia. Mike has nearly 20 years experience specialising in corporate, financial and technology communications. Mike has lived and worked in several countries in Asia Pacific where he has built a deep knowledge and understanding of the region's communications industry.

Janet Au Yeong, aged 34, is a director based in Hong Kong. Janet has over ten years marketing and corporate communications experience. Janet spent a number of years with Fleishman-Hillard Singapore as Managing Supervisor of their Information and Technology Group. Prior to that, Janet spent six years working for a number of large IT companies, including 3Com Inc.'s Asia South Consumer & Commercial Business, Cisco Systems Inc. and CSA Automated PTE Ltd.

Ajay Kejriwal will be appointed as the finance director of Upstream Asia Limited. Ajay has over 15 years experience in commercial and financial sectors. He qualified as a chartered accountant with Price Waterhouse and he subsequently worked in finance with Morgan Stanley, Cazenove & Co., and Nomura International, with focus in the Asia Pacific region. He is a director of ePlay Limited, a private business in the United Kingdom.

Principal terms of the Acquisition

Pursuant to the Acquisition Agreement, the Company has conditionally agreed to purchase the entire issued share capital of Upstream from the Vendors in consideration for the allotment and issue to the Vendors of 79,675,002 new Ordinary Shares equating to a value of £15,935,000 at the Placing Price.

The interests of each of the Vendors in Upstream prior to Completion and as they are expected to be in the Company on Completion are set out in the table below:

Holder	Shares in Upstream	Acquisition Shares	Enlarged Share Capital %
David Ketchum	477,217	20,425,935	15.30
Jane McGuire Ketchum	469,130	20,079,794	15.04
techpacific.com (BVI) Investments Limited	473,723	20,276,384	15.18
Jonathan Hakim	166,700	7,135,126	5.34
Peter Kingsbury	95,300	4,079,049	3.05
Paul Adams	95,300	4,079,049	3.05
Paul Mottram	48,200	2,063,066	1.54
Sato Emi	12,100	517,907	0.39
Huang Lu Hsiuo-Feng	6,100	261,093	0.20
North Rock Holdings Limited	6,100	261,093	0.20
Christopher Giacomelli	4,900	209,731	0.16
Thomas Frick	2,500	107,005	0.08
Jay Chang	2,500	107,005	0.08
Andrew Work	1,700	72,764	0.05
Total	1,861,470	79,675,002	59.66

On Completion, assuming that the Strand Warrant remains outstanding, the Vendors will own 79,675,002 Ordinary Shares, representing approximately 59.66% of the Enlarged Share Capital.

Under the Acquisition Agreement all the Vendors have given warranties as to title and authority. David Ketchum, Jane McGuire Ketchum and Techpacific have given warranties and indemnities, subject to certain limitations, relating to the business and assets of Upstream, including its tax affairs. The Company has given warranties and indemnities, subject to certain limitations, relating to the Company's history. The Company has agreed to pay the Vendors' legal costs in connection with the Acquisition up to a maximum of £59,000.

In addition to restrictive covenants contained in his service agreement which will be renewed on Completion, the terms for which are set out in paragraph 12.5 of Part 6 of this document, David Ketchum has, under the Acquisition Agreement, given non-compete and non-solicitation undertakings in respect of the activities currently carried on by Upstream for periods of one and two years respectively from Completion.

The Acquisition Agreement is conditional, inter alia, on:

1. the passing of those of the Resolutions at the EGM necessary to approve the purchase of the shares in Upstream and to authorise the Company to issue the Acquisition Shares, Placing Shares and Fee Shares;
2. the Company having cash resources of not less than £240,000 after payment of transaction expenses; and
3. Admission.

Details of the Placing

The Company has conditionally placed 2,500,000 new Ordinary Shares at 20p per share to raise £500,000 before expenses (approximately £175,000 net of expenses). At the Placing Price, the Company would have a market capitalisation of approximately £26.7 million based on the Enlarged Share Capital. The Placing is conditional, amongst other things, upon the Re-Introduction Agreement becoming effective on or before 16 October 2006, or such later time and date as the Company, Strand Partners and Walker Crips may agree, but in any event not later than 31 October 2006.

The net proceeds of the Placing will be used to provide the Enlarged Group with additional funding for its ongoing working capital requirements. On completion of the Placing the Company will pay to Penkenna a commission of five per cent. of the gross proceeds of the Placing in consideration of introducing subscribers for the Placing Shares.

The Placing Shares will represent approximately 1.87% of the Enlarged Share Capital of the Company following Admission, will be fully paid upon issue and will rank equally in all respects with the Existing Ordinary Shares, the Acquisition Shares and the Fee Shares. On Completion, the Directors and Proposed Directors will hold 30.74%, in aggregate, of the Enlarged Share Capital.

Further details of the Re-Introduction Agreement are set out in paragraph 14.1.16 of Part 6 of this document.

Fee Shares

On Completion, Silk Route Investments will receive 6,750,000 Ordinary Shares in consideration of Silk Route Investments having introduced the Company to Upstream and Strand Partners will receive 250,000 Ordinary Shares as part of its fee arrangements with the Company.

The Commitment

At the time of the Company's admission to trading on AIM on 1 December 2004, Shareholders who subscribed at 5p per Ordinary Share under the Original Placing also committed to subscribe for an aggregate of 2,666,666 further Ordinary Shares at a price of 15p per share, upon completion of the Company's first acquisition within the hedge fund sector. The Acquisition is not in line with the stated investment strategy and accordingly Original Placees will not be called upon to meet the obligations under the Commitment.

Change of company name

To reflect the proposed changes to the Company, its management and operations as a result of the Acquisition, it is proposed that conditional on Completion and the passing of Resolution 7 at the EGM, the Company will change its name to "Upstream Marketing and Communications Inc."

Corporate governance

Although the Company is registered in the Cayman Islands and is, therefore, not automatically subject to UK legislation or regulation, the Enlarged Board is committed to maintaining high standards of corporate governance and, in so far as is practicable and appropriate given the Company's size and nature, ensuring that the Company is in compliance with the Combined Code. Paragraph 10 of Part 6 of this document sets out a brief summary of the laws of the Cayman Islands applicable to the Company.

The Company has adopted the Share Dealing Code for the Directors, Proposed Directors and future employees and will take steps to ensure compliance by the Enlarged Board and any relevant employees with the terms of the Share Dealing Code.

The Directors have implemented such corporate governance procedures and established such committees of the Board, including audit and remuneration committees, as they believe are required for the Enlarged Board to comply with the terms of the Combined Code upon completion of the Acquisition, in so far as is appropriate for a company of its size. Further details of these committees are set out in paragraphs 21.5 and 21.6 of Part 6 of this document.

The Directors have established financial controls and reporting procedures which are considered appropriate given the size and structure of the Enlarged Group. It is the intention of the Directors and Proposed Directors that these controls will be reviewed in light of future significant acquisitions and adjusted accordingly.

Dividend policy

The Ordinary Shares rank equally for all dividends and other distributions declared, paid or made in respect of the ordinary share capital of the Company. The Company has not paid any dividends since incorporation.

The Directors and Proposed Directors expect that, in the short term, the anticipated revenues generated by the business will be utilised by the Enlarged Group for the development and growth of the Enlarged Group. The Directors and Proposed Directors will review the dividend policy in light of the profits generated by the Upstream business.

The declaration and payment by the Company of dividends will be dependent upon the Company's financial condition, future prospects and other factors deemed to be relevant at the time. This will take into account both the requirements of the business and the expectations of the Shareholders.

Taxation

Information regarding certain taxation considerations in the United Kingdom and the Cayman Islands is set out in paragraphs 9 and 10 of Part 6 of this document. These details are, however, intended only as a general guide to the current position under UK and Cayman Islands taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

Settlement, dealings and CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. CRESTCo Limited is unable to take responsibility for the electronic settlement of shares issued by companies in certain non-UK jurisdictions.

Depository Interests allow paper stock in such non-UK jurisdictions to be dematerialised and settled electronically. The paper-based stock is transferred to a nominee company that then issues the Depository Interests to the individual shareholder's CREST account on a one-for-one basis and provides the necessary custodial service. The Depository Interest can then be traded and settlement will be within the CREST system in the same way as any other CREST security.

The Company has adopted the Depositary Interest facility operated by its registrar so that Shareholders have the choice of whether they want to hold their Ordinary Shares in certificated or uncertificated form. Shareholders of the Company who elect to hold their Ordinary Shares in uncertificated form through the Depositary Interest facility will be bound by the terms of the Deed Poll which is available for inspection as set out in paragraph 22 of Part 6 of this document.

The Company's share register will show the nominee company, Capita IRG Trustees Limited, as the holder of the Ordinary Shares but the beneficial interest will remain with the Shareholders who will continue to receive all the rights attaching to the Ordinary Shares as they would have if they had themselves been entered on the register. The Depositary Interests will be traded and settled via the CREST system. Shareholders can withdraw their Ordinary Shares back into certificated form at any time using standard CREST messages.

Conversion into and transfers of Depositary Interests are subject to stamp duty or stamp duty reserve tax, as appropriate, in the normal way.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Placees that have asked to hold their Ordinary Shares in uncertificated form will have their CREST accounts credited with Depositary Interests on the day of Admission. Where Placees have requested to receive their Ordinary Shares in certificated form, share certificates will be despatched by first-class post within 14 days of the date of Admission. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Placing Shares (other than in respect of those shares settled via Depositary Interests through CREST), transfers will be certified against the register.

Application will be made for the Enlarged Share Capital to be admitted to AIM. It is expected that Admission will take place and dealings in the Enlarged Share Capital will commence on 16 October 2006.

Share Option Scheme

The Company has adopted the Share Option Scheme, details of which are set out in paragraph 13 of Part 6 of this document. On Completion, the Company intends to grant options over 6,750,000 Ordinary Shares, at 20p per share, to David Ketchum representing 5.05 per cent of the Enlarged Share Capital. Under the rules of the Share Option Scheme, the number of shares under option is limited to 15 per cent of the Company's issued share capital. The options to be granted to Mr Ketchum vest three years after grant and are not subject to performance conditions.

Lock-in agreements and orderly market arrangements

Subject to Admission, each of the Directors, David Ketchum and Jane McGuire Ketchum have undertaken to the Company, Strand Partners and Walker Crips that, except in certain limited circumstances, they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the following 12 months, that they will only dispose of their holdings with the consent of the Company's broker and nominated adviser from time to time.

Techpacific and Corvus Capital Inc. have each similarly undertaken for a period of 12 months from Admission that they will only dispose of their holdings with the consent of the Company's broker and nominated adviser from time to time.

Jonathan Hakim, Peter Kingsbury and Paul Adams have each undertaken for a period of six months from Admission that they will only dispose of their holdings with the consent of the Company's broker and nominated adviser from time to time.

Further details of the lock-ins agreements and orderly market arrangements are set out in paragraph 14.1.18 of Part 6 of this document.

Non-applicability of the Takeover Code

As the Company is not resident in the UK, the Channel Islands or the Isle of Man it is not subject to the Takeover Code. The Company has, however, endeavoured, where appropriate, to prepare this document substantially in compliance with the spirit of the Takeover Code. While the Company will seek to comply with the provisions of the Takeover Code, third parties will not be obliged, and the Company will not be able to compel them, to comply with the Takeover Code. As such, investors should note, in particular, the paragraph below on Rule 9 of the Takeover Code.

Rule 9 of the Takeover Code normally requires any person (or group of persons acting in concert) that acquires shares which, taken together with shares already held, carry 30% or more of the voting rights of a company to offer to acquire the balance of the equity share capital. Rule 9 of the Takeover Code also normally requires any person who, together with persons acting in concert with him, holds between 30% and 50% of a company's voting rights and who acquires additional shares which increases his holding of voting rights to make such a mandatory offer. As the Company is not a company to which the Takeover Code applies, investors should be aware that Shareholders are and will be entitled to increase their holding of voting rights in the Company above 30% without incurring any obligation to make a mandatory offer under the Takeover Code as would normally arise were the Company subject to the provisions of the Takeover Code.

If the Takeover Code did apply to the Company, then, by virtue of the percentage of the Enlarged Share Capital represented by the Acquisition Shares, it would have been required to seek competent independent advice that the Acquisition was in the best interests of the Company and of its shareholders as a whole, as the Directors believe it to be.

The terms of the Acquisition mean that the Vendors will, in aggregate, hold in excess of 30% of the issued share capital of the Company. Under the terms of the Takeover Code, such a holding would have obliged the Vendors to make a general offer to the shareholders of the Company for the entire issued share capital of the Company. The Takeover Code does, however, provide for the waiver of that obligation by the Panel on Takeovers and Mergers, subject to the approval of the Acquisition by a vote of independent shareholders on a poll at an extraordinary general meeting. As the Takeover Code does not apply, there is no obligation on the Vendors to make a general offer.

Under the AIM Rules, the Acquisition is, however, subject to shareholder approval at the EGM.

Extraordinary general meeting

A notice of EGM is set out at the end of this document convening an extraordinary general meeting of the Company to be held at 11 a.m. GMT (noon CET) on 13 October 2006 at Quai Gustave – Ador 30, 1207 Geneva, Switzerland at which resolutions will be proposed to:

1. approve the Acquisition;
2. appoint David Ketchum as a director of the Company;
3. appoint Jane McGuire Ketchum as a director of the Company;
4. appoint Shahed Mahmood as a director of the Company;
5. disapply Shareholders' pre-emption rights over Ordinary Shares to allow the allotment of the Acquisition Shares, Placing Shares and Fee Shares;
6. amend the articles of association of the Company as set out in the notice of EGM; and
7. change the name of the Company to "Upstream Marketing and Communications Inc."

Resolutions 2, 3, 4, 5 and 7 are conditional on obtaining Shareholders' approval of the Acquisition

Under the AIM Rules, if Shareholders approve the Acquisition at the EGM, the Company will be admitted to AIM as a new applicant on the first business day after the EGM.

Irrevocable undertakings

The Company has received irrevocable undertakings from the Directors and certain significant Shareholders to vote in favour of the Acquisition and the other Resolutions in respect of, in aggregate, 34,166,112 Ordinary Shares representing approximately 77 per cent. of the Company's existing issued ordinary share capital. Further details of these irrevocable undertakings are set out in paragraph 14.1.20 of Part 6 to this document.

Action to be taken

A Form of Proxy and, in respect of those Shareholders who hold their Ordinary Shares through Depositary Interests, a Form of Direction is enclosed for use at the EGM. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy or Form of Direction to the Company's UK Transfer Agents, Capita Registrars as soon as possible and in any event so as to arrive not later than 11 a.m. GMT on 11 October 2006 for Forms of Proxy and 11 a.m. GMT on 10 October 2006 for Forms of Direction. The completion and return of a Form of Proxy or Form of Direction will not preclude you from attending the meeting and voting in person should you subsequently wish to do so.

Further information

Your attention is drawn to the further information set out in:

1. Part 2 of this document relating to risk factors;
2. Part 3 of this document setting out financial information on the Company and an accountants' report on the financial information;
3. Part 4 of this document setting out financial information on the Upstream Group and an accountants' report on the financial information;
4. Part 5 of this document setting out certain unaudited pro forma financial information for the Enlarged Group;
5. Part 6 of this document summarising statutory and general information on the Company and Upstream; and
6. the notice of EGM.

Recommendation

The Directors believe that the Proposals are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings which amount, in aggregate, to 554,448 Ordinary Shares representing approximately 1.23% of the Existing Ordinary Shares.

Yours faithfully,

Graham Butt
Chairman

PART 2

RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher than normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Enlarged Group is suitable for them in the light of their personal circumstances and the financial resources available to them.

In addition to the other relevant information set out in this document, the Directors and Proposed Directors consider that the following specific risk factors, which are not set out in any particular order of priority, should be taken into account when evaluating whether to make an investment in the Enlarged Group:

Limited operating history and uncertainty of future revenues

Both the Company and Upstream have a limited operating history and trading record and it is therefore difficult to evaluate the Enlarged Group's business and future prospects. In particular, Upstream is at an early stage of development.

The future success of the Enlarged Group is dependent on the Directors' and Proposed Directors' ability to implement its strategy. Whilst the Directors and Proposed Directors are optimistic about the Enlarged Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

The Enlarged Group faces risks frequently encountered by developing companies. In particular, its future growth and prospects will depend on its ability to manage growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Enlarged Group's growth could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Customers

No one customer dominates Upstream's revenue at its primary trading locations. Given the profile and spend by Upstream's most high profile and largest customers, Upstream must only account for a small proportion of their total marketing and PR spend. Key retainer contracts with Upstream's customers expire within 12 months. The expectation is that these contracts will be renewed but this is not assured. Typically, most customers do not renew their retainer contracts after three or four years so the Group constantly requires new customers.

Dependence on key executives and personnel

The future performance of the Enlarged Group will depend heavily on its ability to retain the services and personal connections/contacts of key directors and executives and to recruit, motivate and retain further suitably skilled, qualified and experienced personnel. Although certain key Proposed Directors and executives have entered or will at the time of Admission enter into service agreements with the Enlarged Group, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Enlarged Group.

Competition

The Enlarged Group will be subject to vigorous competition in the marketing and communication services industry. Its competitors will include both global competitors with large capital resources and domestic specialist firms. There is no assurance that the Enlarged Group will be able to compete successfully in such a market place.

There has been a proliferation of small local agencies which, whilst they do not directly compete with Upstream, their presence is expected to provide a downward pressure on fee levels.

Regulations on advertising businesses operating in the Peoples' Republic of China (PRC)

There are currently various restrictions imposed on foreign participation in advertising business in the PRC. There is no assurance that administrative decrees relating to interpretation of the existing laws and regulations governing advertising or new laws and regulations imposing broader and more stringent restrictions on foreign participation in advertising with retrospective effect may not be issued or promulgated by the PRC authorities. If such administrative decrees or new laws and regulations are introduced, the current business model of the Enlarged Group may be found to be in violation of the relevant PRC laws and regulations, and the Enlarged Group may be subject to a broad range of penalties at the discretion of the relevant authorities in accordance with the then laws and regulations. Although it is not currently possible to ascertain the type or seriousness of such penalties, it is likely that the business and operation of the Enlarged Group would be materially disrupted or even liable to suspension. In the event of such penalty being imposed by the relevant authorities, the financial condition and results of the Enlarged Group may be materially adversely affected.

Share price volatility and liquidity

Although the Company is applying for the Enlarged Share Capital to be admitted to trading on AIM, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. AIM is the market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other stock exchanges. The Ordinary Shares may therefore be difficult to sell compared to the shares of companies listed on the Official List and the share price may be subject to greater fluctuations than might otherwise be the case. Assuming the Strand Warrant is not exercised, following the Acquisition, the Placing and the issue of Fee Shares, approximately 34% of the Ordinary Shares will be free from any form of lock-up agreement and upon expiry of the relevant lock-up periods all of the Ordinary Shares will be eligible for sale. The share prices of publicly quoted companies can fluctuate and be volatile and it is possible that investors may realise less than their original investment. The price of shares is dependent upon a number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Company. There can be no guarantee that the price of the Placing Shares will reflect their actual or potential market value.

Lack of dividends in the foreseeable future

The Company intends to retain any future earnings to invest into growth and development and therefore the Company does not anticipate paying dividends in the foreseeable future.

Management of growth

The implementation of any strategic growth plans will place additional demands on the Enlarged Group's management, customer support, marketing, technological resources and administration. If the Enlarged Group is unable to manage its growth effectively, its business, operations or financial condition may deteriorate.

As a consequence of growth, the Enlarged Group may need to raise additional funds. Any equity offerings to new investors could result in earnings dilution for existing shareholders and investors in the Placing.

Volatility of revenues and expenses

The contracts from which the majority of the Enlarged Group's revenue will be derived are subject to one month's notice. The Enlarged Group is therefore vulnerable to short term volatility in its revenue stream and expenses.

General economic climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on demand, business costs and stock market prices. The Enlarged Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Enlarged Group.

Conflicts of interest and influence of principal shareholders

On Completion, the Vendors will own approximately 59.66% in aggregate of the Enlarged Share Capital, assuming the Strand Warrant is not exercised. Accordingly, these shareholders may be in a position to exert significant influence over the outcome of matters relating to the Enlarged Group, including the appointment of the Enlarged Group's board of directors and the approval of significant change-of-control transactions. In addition, this control may have the effect of making certain transactions more difficult without the support of the Vendors and may have the effect of delaying or preventing an acquisition or other change in control of the Enlarged Group.

Exchange rate fluctuations

To the extent that the Enlarged Group's revenues and costs are denominated in more than one currency, there is a risk from foreign exchange fluctuations.

Forward-looking statements

This document contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts contained in this document, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this document use words like "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and similar terms. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which are described in this Part 2 and elsewhere in this document. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the beliefs and assumptions of the Directors and Proposed Directors and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law, the Directors and Proposed Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings, or otherwise.

Non-applicability of the Takeover Code

The Company, by virtue of its residence, is not subject to the provisions of the Takeover Code and as such Shareholders will not be afforded the various protections conferred by the rules of the Takeover Code.

Taxation

It should be noted that the information contained in paragraph 9 Part 6 of this document relating to taxation may be subject to legislative change.

The risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors and Proposed Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to in this Part 2 crystallise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

PART 3

FINANCIAL INFORMATION ON THE COMPANY

Grant Thornton 

Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham B3 2HJ

The Directors and Proposed Directors
Raven Capital Inc
Walkers SPV Limited
Walker House
Mary Street
PO Box 908GT
George Town
Grand Cayman
Cayman Islands

19 September 2006

Dear Sirs

RAVEN CAPITAL INC.
(the Company)

We report on the financial information of the Company set out in Part 3. This financial information has been prepared for inclusion in the AIM admission document dated 19 September 2006 of Raven Capital Inc. (the Admission Document) on the basis of the accounting policies set out in Paragraph 5.1 of Part 3.

RESPONSIBILITIES

This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules consenting to its inclusion in the Admission Document.

As described in Part 3, the directors of Raven Capital Inc. are responsible for preparing the financial information on the basis of preparation set out in Paragraph 5.1 to the financial information and in accordance with International Financial Reporting Standards (IFRS).

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

OPINION

In our opinion, the financial information gives, for the purposes of the Admission Document dated 19 September 2006, a true and fair view of the state of affairs of Raven Capital Inc. as at the dates stated and of its profits and cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Paragraph 5.1 of Part 3 and in accordance with IFRS as described in Paragraph 5.1 of Part 3 and has been prepared in a form that will be consistent with the accounting policies to be adopted in Raven Capital Inc.'s next annual accounts.

DECLARATION

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM admission document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

The Directors have prepared the following financial information on the Company for the period from incorporation on 19 November 2004 to 31 March 2006. The financial information on the Company, which has been prepared solely for the purposes of the AIM Admission Document, does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act 1985.

1. INCOME STATEMENTS

	Note	19 November 2004 to 30 September 2005 £'000	6 months ended 31 March 2006 £'000
Continuing operations			
Administrative expenses		(362)	(68)
Operating loss		(362)	(68)
Finance income	5.3	4	2
Loss for the period before taxation		(358)	(66)
Tax income	5.5	–	–
Net loss for the period		(358)	(66)
Loss per ordinary share			
– Basic	5.6	(1.20p)	(0.19p)

The notes in section 5 form an integral part of this financial information.

2. STATEMENTS OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Profit and loss account £'000	Total £'000
At 19 November 2004	–	–	–	–	–
Issue of new shares	78	399	–	–	477
Cost of issue of new shares	–	(166)	–	–	(166)
Net loss for the period	–	–	–	(358)	(358)
Share based payment	–	–	20	–	20
At 30 September 2005	78	233	20	(358)	(27)
Issue of new shares	33	117	–	–	150
Net loss for the period	–	–	–	(66)	(66)
At 31 March 2006	111	350	20	(424)	57

The notes in section 5 form an integral part of this financial information.

3. BALANCE SHEETS

	Note	At 30 September 2005 £'000	At 31 March 2006 £'000
Assets			
Current			
Trade and other receivables	5.7	4	3
Cash and cash equivalents		43	137
Total assets		47	140
Liabilities			
Current			
Trade and other payables	5.8	74	83
Total liabilities		74	83
Equity			
Share capital	5.10	78	111
Share premium		233	350
Share based payment reserve		20	20
Profit and loss account		(358)	(424)
Total equity		(27)	57
Total equity and liabilities		47	140

The notes in section 5 form an integral part of this financial information.

4. CASH FLOW STATEMENT

	19 November 2004 to 30 September 2005 Unaudited £'000	6 months ended 31 March 2006 Unaudited £'000
Operating activities		
Operating loss	(362)	(68)
Interest received	4	2
Change in trade and other receivables	(4)	1
Change in trade and other payables	74	9
Net cash outflow from operating activities	(288)	(56)
Financing activities		
Issue of shares	477	150
Share issue costs	(146)	–
Net cash inflow from financing activities	331	150
Net increase in cash and cash equivalents	43	94
Cash and cash equivalents at beginning of period	–	43
Cash and cash equivalents at end of period	43	137

The notes in section 5 form an integral part of this financial information.

5. NOTES TO THE FINANCIAL INFORMATION

5.1 Accounting policies

Basis of preparation

The Company was incorporated as a Corporation in the Cayman Islands which does not prescribe the adoption of any particular accounting framework. The Board had previously resolved that the Company would follow UK Accounting Standards and apply the Companies Act 1985 when preparing its financial information.

The Board have now resolved that Raven Capital Inc. will adopt IFRS for the first time in its financial statements for the year ending 30 September 2006. This financial information has therefore been prepared under the historical cost convention and in accordance with the requirements of International Financial Reporting Standards.

The principal accounting policies of the Company are set out below.

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Financial assets

The Company's financial assets include cash and trade and other receivables.

All financial assets are recognised on their settlement date. All financial assets are initially recognised at fair value, plus transaction costs.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in the income statement when received, regardless of how the related carrying amount of financial assets is measured.

Trade and other receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the income statement.

5.1 Accounting policies (continued)

Share based payments

All share-based payment arrangements are recognised in the financial statements. The Company does not currently operate equity-settled share-based remuneration plans for remuneration of its employees but has issued a share warrant.

All services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options/warrants awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Share-based payments are ultimately recognised as an expense in profit or loss or included as part of the cost of share issues with a corresponding credit to the share based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options/warrants expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options/warrants expected to vest differs from previous estimates. No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options/warrants ultimately are exercised than originally estimated.

Upon exercise of share options/warrants, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Financial liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in "finance cost" in the income statement.

Trade payables are recognised initially at their nominal value and subsequently measured at amortised cost less settlement payments.

Dividend distributions to shareholders are included in 'other short term financial liabilities' when the dividends are approved by the shareholders' meeting.

Other provisions, contingent liabilities and contingent assets

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the balance sheet.

Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

5.2 Segmental reporting

(a) By business segment (primary segment):

As defined under International Accounting Standard 14 (IAS14), the only material business segment the Company has is that of an investment company.

(b) By geographical segment (secondary segment):

Under the definitions contained in IAS 14, the only material geographic segment that the Company operates in is currently Switzerland.

5.3 Finance income

	19 November 2004 to 30 September 2005 Unaudited £'000	6 months ended 31 March 2006 Unaudited £'000
Interest on bank deposits	4	2

5.4 Employees remuneration

Employee benefits expense

Expense recognised for employee benefits is analysed below:

	19 November 2004 to 30 September 2005 Unaudited £'000	6 months ended 31 March 2006 Unaudited £'000
Directors fees	25	12

The average number of persons (including directors) employed by the Company during the period was:

3	2
---	---

5.5 Tax income

There is no tax charge for either period. The Company does not operate in the United Kingdom and there is no tax arising on its operations. The relationship between the expected tax expense at 30% and the tax expense actually recognised in the income statement can be reconciled as follows:

	19 November 2004 to 30 September 2005 Unaudited £'000	6 months ended 31 March 2006 Unaudited £'000
Loss for the period before taxation	(358)	(66)
Tax rate	30%	30%
Expected tax expense	(107)	(20)
Losses not recognised as deferred tax asset	107	20
Actual tax income	–	–

5.6 Loss per share

The calculation of the basic loss per share is based on the net loss for the period of £66,000 (period ended 30 September 2005: £358,000) divided by the weighted average number of shares in issue during the period of 35,085,899 (period ended 30 September 2005: 29,941,589).

The impact of the warrants on the loss per share is anti-dilutive.

5.7 Trade and other receivables	30 September 2005 £'000	31 March 2006 £'000
Trade and other receivables, gross	4	3
Impairment of trade and other receivables	–	–
Trade and other receivables, net	4	3

Trade and other receivables are usually due within 30-60 days and do not bear any effective interest rate.

The fair value of these short term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

5.8 Trade and other payables	30 September 2005 £'000	31 March 2006 £'000
Trade and other payables	74	83

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

5.9 Deferred tax assets and liabilities

There are no deferred taxes arising from temporary differences at 31 March 2006 or 30 September 2005.

5.10 Share capital	30 September 2005 £'000	31 March 2006 £'000
<i>Authorised</i>		
4,000,000,000 ordinary shares of 0.25p	10,000	10,000
<i>Allotted, issued and fully paid</i>		
44,366,668 (31,066,668) ordinary shares of 0.25p	78	111

On 25 November 2004 a warrant was issued to Strand Partners Limited, the Company's Nominated Advisor, in connection with their role in the admission of the Company to the AIM market. The warrant entitles Strand Partners Limited to subscribe, at a price of 10p per share, for such number of ordinary shares as are equivalent (on a fully diluted basis) to one per cent. of the issued ordinary share capital of the Company at that time. The issued warrant may be exercised at any time during the period from 15 December 2004 to 14 December 2009.

The fair value of warrants granted was determined using the Black-Scholes valuation model. Significant inputs into the calculations were:

- share price of 5p per share at date of grant of warrant
- exercise price of 10p per warrant as detailed above
- 50% volatility based on expected share price
- a risk free interest rate of 5.0%.

In total £20,000 of share based expense has been included in the share premium account as a cost of the admission to AIM which gave rise to share based payment reserve. No liabilities were recognised due to share based payment transactions.

5.11 Related party transactions

In the period ended 31 March 2006 Corvus Capital Inc., a shareholder in the Company, settled expenses on behalf of the Company amounting to £10,000 (period ended 30 September 2005: £40,000).

5.12 Risk management objectives and policies

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is closely monitored by the board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

Raven Capital Inc. does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below:

Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Company's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

Cash flow risk

The Company seeks to manage financial risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by the raising of equity and the use of current accounts.

PART 4

FINANCIAL INFORMATION ON THE UPSTREAM GROUP

Grant Thornton 

Grant Thornton UK LLP
Enterprise House
115 Edmund Street
Birmingham B3 2HJ

The Directors and Proposed Directors
Raven Capital Inc
Walkers SPV Limited
Walker House
Mary Street
PO Box 908GT
George Town
Grand Cayman
Cayman Islands

19 September 2006

Dear Sirs

UPSTREAM ASIA LIMITED
(the Company)
AND ITS SUBSIDIARY UNDERTAKINGS
(together Upstream)

We report on the financial information of Upstream set out Part 4. This financial information has been prepared for inclusion in the AIM admission document dated 19 September 2006 of Raven Capital Inc. (the Admission Document) on the basis of the accounting policies set out in Paragraph 5.3 of Part 4.

RESPONSIBILITIES

This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules consenting to its inclusion in the Admission Document.

As described in Part 4 the Directors and Proposed Directors of Raven Capital Inc. are responsible for preparing the financial information on the basis of preparation set out in Paragraph 5.3 to the financial information and in accordance with International Financial Reporting Standards (IFRS).

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

OPINION

In our opinion, the financial information gives, for the purposes of the Admission Document dated 19 September 2006, a true and fair view of the state of affairs of Upstream as at the dates stated and of its profits and cash flows and changes in equity for the periods then ended, in accordance with the basis of preparation set out in Paragraph 5.3 of Part 4 and in accordance with IFRS as described in Paragraph 5.3 of Part 4 and has been prepared in a form that will be consistent with the accounting policies to be adopted in Raven Capital Inc.'s next annual accounts.

DECLARATION

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

The Directors and Proposed Directors have prepared the following consolidated financial information on Upstream Asia Limited and its subsidiary undertakings for the three years ended 31 December 2005. The financial information on Upstream Asia Limited and its subsidiary undertakings, which has been prepared solely for the purposes of the AIM Admission Document of Raven Capital Inc, does not constitute audited statutory accounts within the meaning of Section 40 of the Companies Act 1985.

1. CONSOLIDATED INCOME STATEMENTS

	Note	2003 £	2004 £	2005 £
Revenue	5.4	736,224	819,596	1,103,504
Other income	5.4	13,368	14,627	16,409
Operating expenses		(787,804)	(826,352)	(1,099,441)
(Loss)/profit from operations	5.5	(38,212)	7,871	20,472
Taxation	5.6	–	(1,733)	(5,136)
(Loss)/profit for the year		(38,212)	6,138	15,336

The income statements have been prepared on the basis that all operations are continuing operations. The notes in section 5 form an integral part of the financial information.

2. CONSOLIDATED BALANCE SHEETS

	Note	2003 £	2004 £	2005 £
Non-current assets				
Goodwill	5.7	–	–	–
Property, plant and equipment	5.8	17,827	13,990	20,178
		17,827	13,990	20,178
Current assets				
Trade receivables	5.9	185,295	176,895	276,856
Deposits and prepayments		19,420	25,411	42,018
Other receivables		4,553	9,804	7,848
Amount due from a director	5.13	2,183	–	–
Cash and cash equivalents	5.10	63,193	64,904	60,476
		274,644	277,014	387,198
Total assets		292,471	291,004	407,376
Current liabilities				
Trade payables	5.12	51,153	65,135	126,217
Other payables and accruals		218,026	154,377	202,570
Amount due to directors	5.13	2,496	40,894	25,121
Provision of income tax		–	1,648	5,512
		271,675	262,054	359,420
Net assets		20,796	28,950	47,956
Equity				
Share capital	5.11	9,988	9,988	9,988
Share premium		84,701	84,701	84,701
Reserve		(73,893)	(65,739)	(46,733)
Total equity		20,796	28,950	47,956

The notes in section 5 form an integral part of this financial information.

3. CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

	Share Capital £	Share premium £	Translation reserve £	Accumulated losses £	Total £
Year ended 31 December 2003					
At 1 January 2003	9,988	84,701	–	(27,490)	67,199
Net loss for the year	–	–	–	(38,212)	(38,212)
Translation adjustment	–	–	(8,191)	–	(8,191)
At 31 December 2003	9,988	84,701	(8,191)	(65,702)	20,796
Year ended 31 December 2004					
At 1 January 2004	9,988	84,701	(8,191)	(65,702)	20,796
Net profit for the year	–	–	–	6,138	6,138
Translation adjustment	–	–	2,016	–	2,016
At 31 December 2004	9,988	84,701	(6,175)	(59,564)	28,950
Year ended 31 December 2005					
At 1 January 2005	9,988	84,701	(6,175)	(59,564)	28,950
Net profit for the year	–	–	–	15,336	15,336
Translation adjustment	–	–	3,670	–	3,670
At 31 December 2005	9,988	84,701	(2,505)	(44,228)	47,956

The notes in section 5 form an integral part of this financial information.

4. CONSOLIDATED CASH FLOW STATEMENT

	2003 £	2004 £	2005 £
(Loss/profit) from operations before tax	(38,212)	6,138	15,336
Adjustments for:			
Depreciation	23,162	13,476	13,968
Impairment losses	14,061	–	–
Operating cash flow before working capital changes	(989)	19,614	29,304
(Increase)/decrease in amount due from a director	(2,183)	2,183	–
(Increase)/decrease in trade receivables	(46,857)	8,400	(99,961)
Increase in deposits and prepayments	(6,066)	(5,991)	(16,607)
Decrease/(increase) in other receivables	7,122	(5,251)	1,956
(Decrease)/increase in trade payables	(25,345)	13,982	61,082
Increase/(decrease) in other payables and accruals	179,443	(63,649)	48,193
(Decrease)/increase in advance payment from client	(206,912)	–	(15,773)
(Decrease)/increase in amount due to directors	(16)	38,398	–
Taxation paid	–	–	(5,136)
Cash flow from operating activities	(101,803)	7,686	3,058
Cash flow from investing activity			
Purchase of property, plant and equipment	(18,159)	(10,747)	(18,181)
Proceeds from sale of property, plant and equipment	1,463	–	–
Net cash used by investing activity	(16,696)	(10,747)	(18,181)
Decrease in cash and cash equivalents	(118,499)	(3,061)	(15,123)
Effects of changes in exchange rates	8,657	4,772	10,695
Cash and cash equivalents at beginning of the year	173,035	63,193	64,904
Cash and cash equivalents at end of the year	63,193	64,904	60,476
Analysis of cash and cash equivalents			
Bank and cash	63,193	64,904	60,476

The notes in section 5 form an integral part of this financial information.

5. NOTES TO THE FINANCIAL INFORMATION

5.1 General information

Upstream Asia Limited is a limited liability company incorporated in the British Virgin Islands. The address of its registered office is P.O, Box 146, Road Town, Tortola, the British Virgin Islands.

The principal activities of the Group are providing communications solutions, marketing consultations, public relations, management and other related services.

5.2 Adoption of new and revised International Financial Reporting Standards

In 2005, the International Accounting Standards Board issued a number of new and revised, International Financial Reporting Standards and International Accounting Standards ("IAS") (collectively the "IFRSs") that are applicable to companies with accounting periods beginning on or after 1 January 2005. The Group has adopted the new and revised IFRSs as they are relevant to its operations for the year ended 31 December 2005 and early adopted the new and revised IFRSs for the years ended 31 December 2003 and 2004. The applicable IFRSs are set out below:

IAS 1	Presentation of Financial Statements
IAS 7	Cash Flow Statements
IAS 8	Accounting Policies, Changes in Accounting Estimates, and Errors
IAS 16	Property, Plant and Equipment
IAS 18	Revenues
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 27	Consolidated and Separate Financial Statements
IAS 32	Financial Instruments : Disclosures and Presentation
IAS 36	Impairment of Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments : Recognition and Measurement
IFRS 3	Business Combinations

The adoption of new/revised IAS 1, 7, 8, 16, 18, 21, 24, 27, 32 and 39 do not result in substantial changes to the Group's accounting policies. In summary:

- IAS 1 has affected the presentation of the financial information and other disclosures.
- IAS 7, 8, 16, 18, 21, 27, 32, and 39 have no material effect on the Group's policies.
- IAS 24 has affected the identification of related parties and some other related party disclosures.

The adoption of revised of IAS 36, IAS 38 and IFRS 3 has the following impact on the consolidated financial information:

Until 31 December 2002, goodwill was amortised on a straight line basis over a period of five years and it was fully impaired in the year ended 31 December 2003. In accordance with IFRS 3, IAS 36, and IAS 38, the accumulated amortisation as at 31 December 2004 amounting to £16,051 has been eliminated with a corresponding decrease in the cost of goodwill.

5.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of this consolidated financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) ***Basis of preparation of financial statements***

The consolidated financial information has been prepared under the historical cost convention and in accordance with IFRSs.

The financial information is presented in Great British Pounds.

(b) ***Basis of consolidation***

The Group financial statements consolidate those of the company and all of its subsidiary undertakings drawn up to 31 December 2003, 2004 and 2005. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Full details of subsidiary undertakings are provided in note 5.18.

(c) ***Property, plant and equipment***

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Office equipment	3-4 years
Computer software, web development costs and logo development costs	1-4 years
Furniture and fittings and office equipment	3-4 years
Renovation	Over the lease period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

5.3 Summary of significant accounting policies (continued)

(d) *Foreign currencies*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial information is presented in Great British Pounds, which is the Group's presentation currency.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the income statement in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of a business at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(f) *Impairment of assets*

Assets that have an indefinite useful life are not subject to amortisation but are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(g) *Financial instruments*

Financial assets

The Group's principal financial assets are bank balances and cash, trade and other receivables, and amounts due from a director.

Bank balances and cash are stated at their fair values. Trade and other receivables and amounts due from a director are stated at their fair values as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities

Significant financial liabilities include trade and other payables and amounts due to a director.

Trade and other payables, advance payment from client, and amounts due to a director are stated at their fair values.

5.3 Summary of significant accounting policies (continued)

(h) *Cash and cash equivalents*

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which are within three months of maturity when acquired. Cash and cash equivalents comprise fixed deposits, cash at bank and on hand and short term investments at bank.

(i) *Related parties*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or vice versa. Parties are also considered to be related if they are subject to common control or common significant influence.

Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals and post-employment benefit plans which are for the benefit of employees of the Group or any entity that is a related party of the Group.

(j) *Taxation*

Income tax expense represents the sum of the current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(k) *Revenue recognition*

Revenue is recognised when it is probable that economic benefits will flow to the Group and when the revenue can be measured reliably on the following basis:

Revenue for project and retainer work is recognised when the Group delivers its services.

Rental income is recognised on an accrual basis.

(l) *Employee benefits*

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up the balance sheet date.

(ii) *Pension obligations*

The Group participates in defined contribution plans and pays contributions to publicly or privately administered pension plans on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

5.3 Summary of significant accounting policies (continued)

(m) **Operating leases**

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Annual rentals applicable to such operating leases are charged to the income statement on a straight line basis over the lease terms.

(n) **Segmental reporting**

A segment is a distinguishable component of the Group that is engaged either in a particular business (business segment), or conducting business in a particular geographical area (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group concludes it has only one business segment, marketing services and one geographical segment, Asia Pacific.

(o) **Equity**

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period results as disclosed in the income statement.

(p) **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of these consolidated financial statements in conformity with IFRSs requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

5.4 Revenue

An analysis of the Group's revenue is as follows:

	2003 £	2004 £	2005 £
Revenue from retainer and project work	736,224	819,596	1,103,504
Other income			
Exchange gain	459	25	429
Sundry income	12,909	14,602	15,980
	13,368	14,627	16,409
Total revenues	749,592	834,223	1,119,913

5.5 (Loss)/profit from operations

(Loss)/profit from operations is arrived at after charging:

	2003 £	2004 £	2005 £
Auditors' remuneration	1,910	1,709	1,933
Directors' remuneration – other emoluments	189,987	168,579	177,414
Staff costs	373,257	421,549	374,463
Depreciation	23,162	13,476	13,968
Loss on foreign exchange	22	129	1,198
Impairment losses	14,061	–	–

5.6 Taxation

	2003 £	2004 £	2005 £
Charge for the year	–	(1,733)	(5,136)

Apart from the above, the directors are of the view that the Group did not have tax liabilities during each year.

No provision for deferred taxation has been made in view of immaterial effect.

Reconciliation between tax expenses and accounting profit at applicable tax rates:

	2003 £	2004 £	2005 £
(Loss)/profit before taxation	(38,212)	7,871	20,472
Tax at the applicable rates	(2,037)	12,953	13,129
Tax effect of non-taxable income	(4,915)	(1,248)	(3,959)
Tax effect of non-deductible expenses	7,087	916	3,409
Tax effect of tax losses not recognised	(135)	(10,888)	(7,443)
	–	1,733	5,136

Deferred tax assets have not been recognised in respect of the following items:

	2003 £	2004 £	2005 £
Estimated unused tax losses	38,239	32,693	34,508

Deferred tax assets have not been recognised in respect of this item because the availability of future taxable profit is still uncertain against which the Group can utilise the benefits.

5.7 Goodwill

	2003 £	2004 £	2005 £
Cost			
At beginning of year as previously reported	19,069	19,069	16,051
Exchange adjustment	–	(3,018)	–
Effect of adopting revised IAS 36, 38 and IFRS 3 (accumulated amortisation and impairment)	–	–	(16,051)
At beginning of year as restated and at end of year	19,069	16,051	–
Accumulated amortisation/impairment losses			
At beginning of year as previously reported	5,008	19,069	16,051
Effect of adopting revised IAS 36, 38 and IFRS 3 (accumulated amortisation)	–	–	(16,051)
At beginning of year as restated	5,008	19,069	–
Exchange adjustment	–	(3,018)	–
Impairment losses recognised	14,061	–	–
At end of year	19,069	16,051	–
Net book value			
At end of year	–	–	–

The goodwill was fully impaired in the year ended 31 December 2003 as the business to which that goodwill related had been lost to the Group.

5.8 Property, plant and equipment

	Computer equipment £	Computer software £	Furniture and fittings £	Office development equipment £	Web development costs £	Renovation £	Logo design cost £	Total £
2005								
Cost								
At 31 December 2004	24,861	5,414	4,384	8,399	40,432	9,486	1,165	94,141
Exchange difference	3,540	730	754	1,134	4,836	1,478	139	12,611
Additions	8,187	614	3,497	1,939	–	3,944	–	18,181
At 31 December 2005	36,588	6,758	8,635	11,472	45,268	14,908	1,304	124,933
Accumulated depreciation								
At 31 December 2004	18,487	4,662	2,634	6,178	40,432	6,593	1,165	80,151
Exchange difference	2,651	644	418	827	4,836	1,121	139	10,636
Charge for the year	6,280	711	1,345	1,196	–	4,436	–	13,968
At 31 December 2005	27,418	6,017	4,397	8,201	45,268	12,150	1,304	104,755
Net book value								
At 31 December 2005	9,170	741	4,238	3,271	–	2,758	–	20,178
2004								
Cost								
At 31 December 2003	19,371	4,954	3,928	7,193	44,007	10,114	1,268	90,835
Exchange difference	(1,824)	(372)	(313)	(626)	(3,575)	(628)	(103)	(7,441)
Additions	7,314	832	769	1,832	–	–	–	10,747
At 31 December 2004	24,861	5,414	4,384	8,399	40,432	9,486	1,165	94,141
Accumulated depreciation								
At 31 December 2003	15,054	3,927	1,622	5,154	44,007	1,976	1,268	73,008
Exchange difference	(1,356)	(308)	(163)	(457)	(3,575)	(371)	(103)	(6,333)
Charge for the year	4,789	1,043	1,175	1,481	–	4,988	–	13,476
At 31 December 2004	18,487	4,662	2,634	6,178	40,432	6,593	1,165	80,151
Net book value								
At 31 December 2004	6,374	752	1,750	2,221	–	2,893	–	13,990
2003								
Cost								
At 31 December 2002	19,449	4,327	2,248	6,144	48,779	6,095	1,405	88,447
Exchange difference	(2,064)	(516)	(387)	(747)	(4,772)	(1,006)	(137)	(9,629)
Additions	1,986	1,143	2,224	1,796	–	11,010	–	18,159
Disposals	–	–	(157)	–	–	(5,985)	–	(6,142)
At 31 December 2003	19,371	4,954	3,928	7,193	44,007	10,114	1,268	90,835
Accumulated depreciation								
At 31 December 2002	11,740	2,809	741	609	40,581	2,201	1,405	60,086
Exchange difference	(1,544)	(398)	(157)	(467)	(4,625)	(214)	(137)	(7,542)
Charge for the year	4,858	1,516	1,112	5,012	8,051	2,613	–	23,162
Written back on disposal	–	–	(74)	–	–	(2,624)	–	(2,698)
At 31 December 2003	15,054	3,927	1,622	5,154	44,007	1,976	1,268	73,008
Net book value								
At 31 December 2003	4,317	1,027	2,306	2,039	–	8,138	–	17,827

5.9 Trade receivables

	2003 £	2004 £	2005 £
Trade receivables – gross	185,295	186,299	282,366
Provision for bad and doubtful debts	–	(9,404)	(5,510)
	<hr/> 185,295	<hr/> 176,895	<hr/> 276,856

The trade receivables are non-interest bearing.

The directors consider that the carrying amount of trade receivables approximate to their fair value.

The Group's credit risk is primarily attributable to trade receivables and the amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the management based on prior experience and the current economic environment.

At the balance sheet date, trade receivables aged as follows:

	2003 £	2004 £	2005 £
Within 30 days	26,980	85,900	130,027
31-60 days	96,613	34,521	87,231
61-90 days	22,760	12,807	9,981
90 days or above	38,942	53,071	55,127
Total	<hr/> 185,295	<hr/> 186,299	<hr/> 282,366

5.10 Cash and cash equivalents

	2003 £	2004 £	2005 £
Bank balances and cash	63,193	64,904	60,476

Cash and cash equivalents represent bank balances with banks and cash in hand. The carrying amount of these assets approximate to their fair value.

5.11 Share capital

	2003 £	2004 £	2005 £
Authorised			
5,000,000 ordinary shares of US\$0.01 each	31,175	31,175	31,175
Issued and fully paid			
1,602,017 ordinary shares of US\$0.01 each	9,988	9,988	9,988

5.12 Trade payables

	2003 £	2004 £	2005 £
Trade payables	51,153	65,135	126,217

The trade payables are non-interest bearing.

The directors consider that the carrying amount of trade payables approximates to their fair value.

At the balance sheet date, trade payables aged as follows:

	2003 £	2004 £	2005 £
Within 30 days	5,769	25,698	43,524
31-60 days	9,527	20,669	54,450
61-90 days	7,603	6,945	6,673
90 days or above	28,254	11,823	21,570
Total	<hr/> 51,153	<hr/> 65,135	<hr/> 126,217

5.13 Amounts due from/to directors

The amounts due are unsecured, interest free and have no fixed terms of repayment.

5.14 Related party transactions

The Group had the following transactions in the normal course of business with techpacific.com (BVI) Investments Limited, a company related to its shareholders and directors during the year, by virtue of that company's shareholding in Upstream Asia Limited.

	2003	2004	2005
	£	£	£
Rental payment	704	–	–
Service fee received	2,000	6,439	18,079

5.15 Operating lease commitments

The Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2003	2004	2005
	£	£	£
Not later than one year	50,589	28,923	34,084
In the second to fifth years inclusive	26,665	16,828	17,160
	77,254	45,751	51,244

5.16 Pension schemes

The employees of the Singapore subsidiary are members of the Central Provident Funds (CPF) operated by the Government of Singapore. The subsidiary is required to make contributions to CPF. CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

The Hong Kong subsidiary contributes to a defined contribution retirement benefit scheme pursuant to the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") which is available to all employees. The retirement benefit scheme cost charged to the income statement represents contributions payable by the subsidiary to the scheme. The company's contributions to the MPF Scheme are expensed as incurred. The assets of the MPF Scheme are held separately from those of the company in an independently administered fund.

5.17 Financial instruments

(a) *Financial risk factors*

The main risks arising from the Group's financial instruments are credit risk, foreign exchange risk and liquidity risk. The directors of the Group meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The directors review and agree policies for managing each of these risks and they are summarised as follows:

(i) *Credit risk*

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that provision of services of products are made to customers with an appropriate credit history.

(ii) *Foreign exchange risk*

The Group's exposure to foreign currency was limited to its investments in foreign subsidiaries.

The Group currently does not have a foreign currency hedging policy.

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of funds and credit facilities.

Management has assessed the abovementioned risks on its financial instruments and has determined that there are no substantial market, foreign exchange and liquidity risks associated with them because of the short maturity and nature of such accounts.

(b) *Fair value estimation*

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate to their fair values.

5.18 Particulars of subsidiary undertakings

Details of the Company's subsidiary undertakings as at 31 December 2005 are as follows:

Name of Company	Place of Incorporation	Issued and Fully paid Share Capital	Percentage Holding	Nature of Business
Upstream Asia (Singapore) Pte Ltd	Singapore	SGD\$95,000	100% (directly)	Provision of marketing consultancy
Upstream Ltd	Hong Kong	HK\$10,000	100% (directly)	Provision of communication solutions
Gorilla Asia Ltd	BVI	US\$10,000	100% (indirectly)	Inactive
GCG Asia Ltd	BVI	US\$13,867	100% (directly)	Inactive

PART 5

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of net assets of the Enlarged Group, prepared on the basis of the notes set out below, to illustrate how the acquisition of Upstream Asia and the Placing might have affected the balance sheet of the Company if they had occurred on 31 March 2006, the date to which the latest financial information relating to the Company set out in Part 3 of this document was prepared. This statement has been prepared for illustrative purposes only and, because of its nature, may not give a true and fair picture of the financial position of the Enlarged Group.

	The Company as at 31 March 2006 Note (1) £'000	Upstream Group as at 31 December 2005 Note (2) £'000	Placing net proceeds Note (3) £'000	Adjustments: Acquisition Shares Note (4) £'000	Unaudited pro forma net assets of the Enlarged Group £'000
Fixed assets					
Intangible assets	–	–	–	15,887	15,887
Tangible assets	–	20	–	–	20
	–	20	–	15,887	15,907
Current assets					
Trade and other receivables	3	327	–	–	330
Cash and cash equivalents	137	60	175	–	372
	140	387	175	–	702
Creditors:					
amounts falling due within one year	(83)	(359)	–	–	(442)
Net current assets	57	28	175	–	260
Net assets	57	48	175	15,887	16,167

Notes:

- The financial information relating to the Company has been extracted, without material adjustment, from the financial information on the Company as at 31 March 2006, which is included in Part 3 of this document.
- The consolidated financial information relating to the Upstream Group has been extracted, without material adjustment, from the financial information for the year ended 31 December 2005, which is included in Part 4 of this document.
- The adjustment reflects the gross proceeds of the Placing of £500,000, less estimated expenses of approximately £325,000.
- The adjustment reflects the issue of 79,675,002 shares at an issue price of 20 pence each in consideration for the entire issued share capital of Upstream and the consequent goodwill arising on the Acquisition.
- The pro-forma financial information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.
- Other than the matters set out in notes (3) and (4) no adjustment has been made to take account of trading, capital or other movements subsequent to the latest balance sheets and profit and loss accounts included in the financial information of the Company and the financial information of the Upstream Group set out in Part 3 and Part 4 respectively of this document.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

The Directors and the Proposed Directors whose names and functions are set out in paragraph 2 of this Part 6, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors and Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. The Directors

2.1 Assuming the Resolutions to appoint the Proposed Directors is passed at the EGM, upon Completion, the Directors and Proposed Directors and their respective functions will be as follows:

Graham Mark Butt (*Non-Executive Director*)

Joanna Rebecca Andre Barrett (surname on marriage: Uden) (*Non-Executive Director*)

David Pattison Ketchum (*Proposed Chief Executive Officer*)

Jane Frances McGuire Ketchum (*Proposed Non-Executive Director*)

Shahed Mahmood (*Proposed Non-Executive Director Chairman*)

2.2 The business address of each of Graham Butt and Joanna Barrett is Quai Gustave – Ador 30, 1207 Geneva, Switzerland and of David Ketchum and Jane McGuire Ketchum is 26th Floor, Oriental Crystal Commercial Buildings, No 46 Lyndhurst Terrace, Hong Kong and Shahed Mahmood is c/o 2701 Citibank Plaza, 3 Garden Road, Central, Hong Kong.

3. The Company

3.1 The Company was incorporated in the Cayman Islands as an exempted company on 19 November 2004 under the Companies Law (2004 Revision), with registered number 141920, with the name Raven Capital Inc.

3.2 The Company does not have a place of business in the UK. The Company's principal place of business is at Quai Gustave – Ador 30, 1207 Geneva, Switzerland, telephone (00 41 22 308 6999).

3.3 The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.

3.4 The business of the Company and its principal activity is that of an investment and holding company.

4. Subsidiaries and investments of the Company

4.1 Prior to Completion, the Company has no wholly owned subsidiaries.

4.2 Other than as contemplated in the Proposals, the Company does not have, nor has it taken any action to acquire, any significant investments.

5. Upstream

5.1 Upstream was incorporated in the British Virgin Islands under the International Business Companies Act (Cap. 291) on 28 December 2000 with company number 422581. Upstream's registered office is at Trident Trust Company (BVI) Limited, Trident Chambers, PO Box 146, Road Town, Tortola, British Virgin Islands. The liability of its members is limited.

5.2 The business of the Upstream Group and its principal activity is that of a corporate and marketing communications services company and Upstream acts as the holding company to the subsidiaries set out in paragraph 5.5 below.

5.3 As at 19 September 2006, Upstream's directors are: David Ketchum (Chief Executive Officer), Paul Mottram, Techpacific, Jonathan Hakim and Kingsbury-Adams Pty Limited.

5.4 Upstream has an issued share capital of 1,861,470 ordinary shares of US\$0.01 each.

5.5 Prior to Completion, Upstream has five wholly owned subsidiaries as follows:

Name	Country of incorporation/ registration (registered number)	Date of incorporation/ Grant of Licence	Authorised share capital/ registered capital
Upstream Asia (Singapore) Pte Limited	Singapore, 200100790W	7 February 2001	100,000 shares of SG\$ 1 each
Upstream Limited	Hong Kong, 690918	11 October 1999	10,000 shares of HK\$ 1 each
Gorilla Asia Limited (inactive)	British Virgin islands, 361959	6 January 2000	50,000 shares of US\$ 1 each
GCG Asia Limited (inactive)	British Virgin Islands, 339604	18 August 1999	50,000 shares of US\$ 1 each
Upstream Asia (China) Consulting Co., Limited*	Peoples' Republic of China	5 February 2006	US\$ 40,000 registered capital

*the name of the company shown here is for identification purposes only as the name under which it was incorporated was in Chinese language.

In addition, Upstream currently has a branch office in Taiwan, a representative office in Shanghai and a representative office in Beijing which is in the process of being closed down as the Group has established the WFOE, namely Upstream Asia (China) Co., Limited.

5.6 Other than as set out in this paragraph 5, Upstream holds no investments.

6. Share capital of the Company

6.1 The Company was incorporated with an authorised share capital of £10,000,000 divided into 4,000,000,000 shares of 0.25p each, of which one was issued as a subscriber share.

6.2 On 25 November 2004 the Company allotted 22,666,658 Ordinary Shares at par to its founder shareholders.

6.3 On 15 December 2004 the Company allotted 8,000,000 Ordinary Shares at 5p in connection with the original AIM admission.

6.4 On 15 December 2004 the Company allotted 400,000 Ordinary Shares at 5p per share to Strand Partners.

6.5 On 13 January 2006 the Company allotted 13,300,000 Ordinary Shares at £0.0112782 per share to EP.

6.6 The authorised and issued share capital of the Company at the date of this document and following completion of the Proposals, assuming the Strand Warrant is not exercised, will be as follows:

	Authorised £	Number of Ordinary Shares	
		Shares	Allotted and fully paid £ Shares
Current	10,000,000	4,000,000,000	£110,916 44,366,668
On Completion	10,000,000	4,000,000,000	£333,854 133,541,670

6.7 Pursuant to the articles of association of the Company, the Directors are authorised to allot Ordinary Shares up to the maximum authorised but unissued capital of £10,000,000, unless revoked or varied by the Company in a general meeting.

6.8 Pursuant to an ordinary resolution of the Company dated 26 April 2006, the Directors are authorised to allot equity securities in the Company without first offering them to existing shareholders in proportion to their holdings, such authority expiring on the conclusion of the next annual general meeting of the Company. The Directors may also allot equity securities following an offer or agreement made before the expiry of the authority and provided that the authority is limited to the allotment of equity securities, otherwise than in accordance with paragraph 6.7, up to an aggregate nominal amount of £22,183 and the exercise of the Strand Warrant.

6.9 Except as disclosed in this document, the Company does not have in issue any securities not representing share capital and there are no outstanding convertible securities issued by the Company.

6.10 The provisions of article 17 of the Company's articles of association confer on Shareholders rights of pre-emption in respect of the allotment of equity securities and apply to the authorised but unissued share capital except to the extent disapplied by the resolution referred to in paragraph 6.8.

6.11 On Completion, on the basis that existing Shareholders do not participate in the Placing, they will suffer a dilution of approximately 67% in their interests in the Company.

- 6.12 The Ordinary Shares may be held in either certificated form or, through Depository Interests, under the CREST system.
- 6.13 Except as disclosed in this document, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.
- 6.14 To the best of the Directors' and Proposed Directors' knowledge, only the Vendors, directly or indirectly, acting jointly, exercise or could exercise control over the Enlarged Group immediately after Completion.
- 6.15 Except for the Strand Warrant and the option to be granted to David Ketchum referred to in Part 1 of this document and as stated elsewhere in this Part 6, no share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.

7. Memorandum of association of the Company

The principal objects of the Company are set out in clauses 3 to 6 of its memorandum of association. The Company has unrestricted power and authority to carry out any object not prohibited by law, subject to the following:

- 7.1 the Company is not permitted to carry on, without first acquiring the relevant licence, the business of a bank or trust company; the business of an insurance company or broker; or the business of company management; and
- 7.2 the Company may not trade in the Cayman Islands.

8. Articles of association of the Company

The rights attaching to the Ordinary Shares, as set out in the articles of association of the Company, contain, amongst others, the following provisions:

Votes of members

- (a) Subject to any special terms as to voting or to which any shares may have been issued, or no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.
- (b) A member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of at least three-fourths of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of that class by at least a three-fourths majority. The quorum at any such meeting is at least one person holding, or representing by proxy, at least one-third of the issued shares in question and any holder of shares of the class present in person or by proxy may demand a poll.

Transfers of shares

- (a) The instrument of transfer of any share shall be in any usual form or such other form as the directors may, in their absolute discretion, approve and be signed by or on behalf of the transferor and, in the case of a nil or partly paid share, or if so required by the directors, by or on behalf of the transferee, and shall be accompanied by the certificate (if any) of the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- (b) The directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped. In exceptional circumstances approved by the London Stock Exchange, the directors may refuse to register any such transfer, provided that their refusal does not disturb the market.
- (c) The articles of association contain no restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the articles of association, if any, relating to registration of transfers have been complied with.

Payment of dividends

Subject to any rights and restrictions attaching to any shares, the shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in excess of the amount recommended by the directors. Interim dividends may be paid if profits are available for distribution and if the directors so resolve. The Company or its directors may fix a date as the record date for a dividend provided that the record date is not later than the date on which the dividend is paid or made.

Unclaimed dividends

Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

Return of capital

On a winding-up of the Company, the balance of the assets available for distribution will, subject to any relevant restrictions, be divided amongst the members.

Borrowing powers

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part if it, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the company or of any third party.

Directors

- (a) No shareholding qualification is required by a director unless determined otherwise by ordinary resolution.
- (b) The directors are entitled to remuneration at the rate decided by them or by the Company by ordinary resolution.
- (c) At every annual general meeting, one third of the directors who are subject to retirement by rotation, or as near to it as may be, will retire from office. A retiring director is eligible for re-appointment.
- (d) The directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- (e) Provided that a director has declared the nature of his interest at a meeting of the directors, he may vote and be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him.

General meetings

- (a) All general meetings of the Company, which may be convened by the directors of the Company whenever they think fit, shall be extraordinary general meetings, other than the annual general meeting of the Company, which shall be held at such time and place as the directors of the Company may determine.
- (b) General meetings may also be convened by the written requisition of members entitled to attend and vote at such a meeting who hold not less than 10 per cent. of the paid up voting shares of the Company for a date no later than 21 days from the date of deposit of the requisition. If the meeting is not convened by the directors of the Company within 45 days of the date of deposit of the requisition then those members calling the meeting may convene it themselves in the same manner as nearly as possible as it would be convened by the directors of the Company.
- (c) If there are no directors of the Company then any two members, or the sole member, of the Company may convene a general meeting in the same manner as nearly as possible as it would be convened by the directors.

Notice of general meetings

- (a) An annual general meeting and an extraordinary general meeting for the passing of a special resolution must be called by at least 21 days' notice and all other general meetings must be called by at least 14 days' notice.
- (b) The notice (which is to be in writing, specifying the place, day and time of the meeting, and where special business is proposed, the general nature of such business) is exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given.

- (c) A meeting of the Company called by shorter notice than required under paragraph (a) above will be deemed to be duly called if it is agreed, in the case of an annual general meeting, by a majority in numbers of the members having a right to attend and vote at the meeting and holding not less than 95 per cent. in nominal value of the shares giving that right.
- (d) The accidental omission to give notice of a meeting, or the non-receipt by a person entitled to receive it, will not invalidate the proceedings at that meeting.

Disclosure notice

The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:

- (a) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
- (b) where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

9. United Kingdom Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident, ordinarily resident and domiciled in the United Kingdom for tax purposes. The statements only apply to shareholders who are beneficial owners of Placing Shares but are not applicable to all categories of shareholders, and in particular, are not addressed to: (i) shareholders who do not hold their Placing Shares as capital assets; (ii) shareholders who own (directly or indirectly) 10% or more of the Company; (iii) special classes of shareholders such as dealers in securities or currencies, broker-dealers or investment companies. The statements do not purport to be comprehensive or to describe all potential relevant considerations. They are based on current legislation and UK HM Revenue & Customs' practice. Any shareholder or prospective purchaser of Placing Shares should consult their professional advisers on the possible tax consequences of acquisition, ownership and disposition under the laws of their particular citizenship, residence and/or domicile.

Paragraph 10 of this Part 6 of this document sets out certain tax considerations in relation to the Cayman Islands.

(a) *Stamp duty and stamp duty reserve tax*

No stamp duty or stamp duty reserve tax is payable on the issue of the Placing Shares.

Any subsequent disposal of the Placing Shares will generally give rise to payment of ad valorem stamp duty on the transfer document at the rate of 50p per £100, or part, on the amount or value of the consideration paid, subject to minimum duty of £5. Agreements for such transfers are generally subject to stamp duty reserve tax (unless, in general, the transfer of the relevant shares is duly stamped with ad valorem duty), generally at the rate of 0.5% of the amount or value of the consideration paid. Liability to pay any stamp duty reserve tax is generally that of the transferee or purchaser. Where a purchase or transfer is effected through a member of the London Stock Exchange or a qualified dealer, the member or dealer will normally account for the collection and payment of the tax, but in all other cases the transferee or purchaser must account for the tax to HM Revenue & Customs.

Persons operating clearance services or depositary receipt schemes may be required to account for stamp duty and stamp duty reserve tax at rates higher than those referred to above.

(b) *Taxation of chargeable gains*

A subsequent disposal of the Placing Shares by persons resident or ordinarily resident in the United Kingdom in a tax year which gives rise to gains may be liable to capital gains tax (individuals and trustees) or corporation tax (companies). Liability to tax and the rate of tax will depend on the shareholder's circumstances and the availability of exemption reliefs or allowable losses.

Indexation allowance, which increases the acquisition cost of an asset in line with the rise in the retail price index, is available for corporate shareholders during the period of ownership.

For individuals and trustees, taper relief may be available to reduce the amount of a chargeable gain according to how long the asset has been held.

Individuals and certain disabled persons trusts have an overall annual exemption from capital gains tax for the first £8,800 of chargeable gains in the current tax year. Other trusts have an equivalent exemption of up to £4,400 in the current tax year.

Generally, losses realised on the disposal of assets may be set against other gains made during the tax year or carried forward and set against gains in future tax years.

Different tax treatment applies to persons who trade in securities.

Persons who are neither resident nor ordinarily resident in the United Kingdom will not normally be liable to tax in the United Kingdom in respect of any gain accruing to them on a disposal of the Placing Shares. The terms of a relevant double taxation treaty may apply to persons with dual residence.

(c) **Taxation of dividends**

The Company is not resident in the UK and consequently is not required to withhold UK tax from dividends paid on shares. Any shareholder who is resident in the UK, or who carries on a trade, profession or vocation in the UK to which the shares are attributable, will generally be subject to UK tax on income in respect of any dividends paid on the shares.

Dividends paid to a UK resident corporate shareholder will be assessable income of the shareholder.

It should be noted however that the jurisdiction from which the Company will be controlled has yet to be resolved. As a consequence, the Company could be resident for tax purposes in a jurisdiction other than the Cayman Islands. This may lead to the Company being required to withhold tax from dividends. The existence of relevant Double Taxation Treaties could then affect this matter further.

Individuals ordinarily resident in the United Kingdom should note that sections 739 and 740 of the Income and Corporation Taxes Act 1988, which contain provisions for preventing the avoidance of income tax through transactions resulting in the transfer of income to persons (including companies) abroad, may render them liable to taxation in respect of any undistributed income and profits of the Company.

These comments are intended only as a general guide to the current tax position in the UK at the date of this document. The rates and basis of taxation can change and will be dependent on a shareholder's personal circumstances.

Neither the Directors, the Proposed Directors, the Company nor its advisers warrant in any way the tax position outlined above which, in any event, is subject to changes in the relevant legislation and its interpretation and application.

10. Summary of Cayman Islands law and taxation

10.1 Cayman Islands Mutual Funds Law

The Company falls outside the definition of a "Mutual Fund" in terms of the Mutual Funds Law (2003 Revision) of the Cayman Islands (as amended) and accordingly is not regulated in terms of that law.

10.2 Anti-Money Laundering Legislation

As part of the Company's responsibility for the prevention of money laundering, the Company will require a detailed verification of the applicant's identity and the source of payment. Depending on the circumstances of each application, a detailed verification might not be required where:

- 10.2.1 the applicant is a recognised financial institution which is regulated by a recognised regulatory authority and carries on business in a country listed in Schedule 3 of the Cayman Islands Money Laundering Regulations (a **Schedule 3 Country**);
- 10.2.2 the application is made through a recognised intermediary which is regulated by a recognised regulatory authority and carries on business in a country recognised in a Schedule 3 Country. In this situation the Company may rely on a written assurance from the intermediary that the requisite identification procedures on the applicant for business have been carried out;
- 10.2.3 the subscription payment is remitted from an account (or joint account) held in the applicant's name at a bank in the Cayman Islands or a bank regulated in a Schedule 3 Country. In this situation the Company may require evidence identifying the branch or office of the bank from which the monies have been transferred, to verify that the account is in the name of the applicant and to retain a written record of such details.

The Company reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company will refuse to accept the application and the relevant subscription monies.

If any person who is resident in the Cayman Islands has a suspicion that a payment to the Company (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to The Proceeds of Criminal Conduct Law (as amended).

By subscribing, applicants consent to the disclosure by the Company of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

10.3 Certain Cayman Islands Tax Considerations

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Company will be received free of all Cayman Islands taxes.

The Company is registered as an "exempted company" pursuant to the Companies Law (as amended). The Company has received an undertaking from the Governor in Council of the Cayman Islands to the effect that, for a period of 20 years from the date of incorporation, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Company, or to the shareholders of the Company, in respect of any such property or income. Accordingly, it is not envisaged that the Company will be subject to any taxation in the Cayman Islands other than in relation to incidental registry fees and stamp duties on certain instruments entered into by it.

There are currently no withholding taxes or exchange control regulations in the Cayman Islands applicable to the Company or its shareholders.

There are currently no estate duty, gifts or gains taxes in the Cayman Islands applicable to the Placing Shares or to any income or gains that a shareholder derives either from holding or pursuant to any transfers or redemptions of such shares.

11. Substantial Shareholders

11.1 Except for the interests of the Proposed Directors, which are set out in paragraph 12 of this Part 6 and those persons set out in this paragraph, the Directors and Proposed Directors are not aware, at the date of this document, of any interest which immediately following Completion would amount to 3% or more of the Company's issued share capital:

Name	Existing Ordinary Shares	Percentage of current share capital	Ordinary Shares on Admission	Percentage of share capital on Admission
techpacific.com (BVI) Investments Limited	0	0	20,276,384	15.18
Jonathan Aiman Hakim	0	0	7,135,126	5.34
Peter Kingsbury	0	0	4,079,049	3.05
Paul Adams	0	0	4,079,049	3.05
EP Singapore Pte Limited	13,300,000	29.98	13,300,000	9.96
W B Nominees Limited*	12,370,556	27.88	12,370,556	9.26
Pershing Keen Nominees Limited	4,956,611	11.17	4,956,611	3.71

*W B Nominees Limited holds 11,108,332 Ordinary Shares on behalf of Corvus Capital Inc.

11.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 12 of this Part, has voting rights different from other holders of Ordinary Shares.

12. Directors and Proposed Directors

12.1 The interests of the Directors and Proposed Directors, their immediate families, civil partners (as defined in the Civil Partnership Act 2004) (if any), and persons connected with them, within the meaning of sections 324 and 328 CA 1985, in the share capital of the Company at the date of this document, all of which are beneficial, and following completion of the Proposal, are:

Name	Existing Ordinary Shares	Percentage of current ordinary share capital	Ordinary Shares on Admission	Percentage of ordinary share capital on Admission
Graham Butt	222,224	0.50	222,224	0.17
Joanna Barrett	322,224	0.73	322,224	0.24
David Ketchum	0	0	20,425,935	15.30
Jane McGuire Ketchum	0	0	20,079,794	15.04
Shahed Mahmood	0	0	0	0

12.2 Except as disclosed in paragraph 12.1, none of the Directors or Proposed Directors, nor any member of their respective immediate families including, for this purpose, civil partners (as defined in the Civil Partnership Act 2004) (if any), nor any person connected with them within the meaning of section 346 CA 1985, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.

- 12.3 There are no outstanding loans granted by any member of the Enlarged Group to any Director or Proposed Director, nor has any guarantee been provided by any member of the Enlarged Group for their benefit.
- 12.4 The Company has entered into the following letters of appointment:
- 12.4.1 a letter of appointment with Graham Butt dated 25 November 2004 pursuant to which Mr Butt was appointed as executive chairman of the Company for an annual fee of £12,000, payable monthly in arrears. The appointment is terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if Mr Butt is, among other things, in material breach of the terms of the appointment; and
- 12.4.2 a letter of appointment with the service company of Joanna Barrett dated 25 November 2004 pursuant to which Ms Barrett was appointed as a non-executive director of the Company for an annual fee of £12,000, payable monthly in arrears. The appointment is for six months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if Ms Barrett is, among other things, in material breach of the terms of the appointment.
- 12.5 David Ketchum is employed by Upstream Limited under the terms of an executive service agreement dated 1 January 2006. This agreement will be varied on Completion. The main provisions of the agreement, as varied, are:
- 12.5.1 David Ketchum is appointed as Upstream Limited's Group Chief Executive Officer for an annual salary of US\$250,000 and a housing allowance of US\$48,000;
- 12.5.2 a fixed term of 12 months and thereafter there is a six month notice requirement (previously three months' notice);
- 12.5.3 confidentiality obligations continue following the termination of employment;
- 12.5.4 on termination of the employment David Ketchum must, if so required, resign without compensation from his office and/or director or any other office he holds of Upstream Limited, unless he holds more than five per cent. of the outstanding shares of Upstream Limited; and
- 12.5.5 non-compete and non-solicitation are binding on David Ketchum for the period of six months following termination of employment (previously the restrictions were for between four and 12 months).
- 12.6 The Company will on and conditional upon Admission enter into the following letters of appointment:
- 12.6.1 a letter of appointment with Jane McGuire Ketchum pursuant to which Jane McGuire Ketchum will be appointed as non-executive director of the Company for an annual fee of £12,000, payable monthly in arrears. The appointment is for an initial term of six months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if Jane McGuire Ketchum is, among other things, in material breach of the terms of the appointment; and
- 12.6.2 a letter of appointment with Shahed Mahmood pursuant to which Shahed Mahmood will be appointed as non-executive Chairman of the Company for an annual fee of £12,000, payable monthly in arrears. The appointment is for an initial term of six months and is then terminable on three months' notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if Shahed Mahmood is, among other things, in material breach of the terms of the appointment.
- 12.7 The aggregate remuneration paid and benefits in kind granted to the Directors and the Proposed Directors in the period from 1 April 2006 to 31 March 2007 is expected to be £149,583.
- 12.8 Except as set out above and in David Ketchum's service agreement referred to in paragraph 12.5, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors or Proposed Directors. None of the Directors or Proposed Directors has any commission or profit sharing arrangements with the Company.
- 12.9 Except as provided for in this paragraph 12, the total emoluments of the Directors and Proposed Directors will not be varied as a result of the Proposals.
- 12.10 Except as disclosed in this paragraph 12, there are no existing or proposed service contracts between the Company and any of the Directors or Proposed Directors which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this document.

12.11 In addition to their directorships of the Company and any subsidiaries of the companies listed in the table below, the Directors and Proposed Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships within the five years prior to the publication of this document:

Graham Butt

Current

Corvus Capital Inc	Wellto Properties Limited
Gardino Holdings Limited	Apelcraig Limited
Raven Global Venture Limited	Beckston Investments Limited
Swanson Limited	Boltane Limited
Carbon Technologies Inc	Emiquip Plant Co Limited
Commoditrade Inc	Solara Limited
Raven Capital Inc	Spear Enterprises Limited
Metal Source LLC	Tabamo Investments Limited
Fulcrum Administration LLC	Snowdown Properties Limited
Futuras Limited	Consulting Twenty Nime S.L.
Rodio Geotechnics (SA) Limited	SOL de Dubai SL
Southdown Investments Limited	Darrell Investments (Jersey) Limited
Upmost Property Limited	Staplehurst Limited
Venture Credit Limited	Woodbridge Limited
Wade Properties Limited	

Past

Amballe Limited	Global Payment Systems Limited
Azurcar Inv Limited	Gramos Investment Holdings Limited
Castle Trust Services Limited	Justaway Inc
City Corporate Services Inc	Regent Administration Limited
Comet Communications Limited	Rnd Development Co Limited
Dancastle Holdings Limited	Sagem Company Limited
Delta Worldwide Limited	Servenigma Limited
Durant Limited	Upminster Properties Limited
Engineering Industrial Exports	Paris Fields Limited
Everdene Group Limited	
Fedmet Limited	

Joanna Barrett

Current

Corvus Capital Inc.
Gable Holdings Inc.
Commoditrade Inc.
Carbon Technologies Inc.

Past

None

David Ketchum

Current

Upstream Asia Limited
Asia Digital Marketing Association

Past

None

Jane McGuire Ketchum

Current

None

Past

Upstream Asia Limited

Shahed Mahmood

Current

Milnshaw Holdings Limited
Khanna Limited
Thanet Limited

Past

Roland Westcott Tackle
Company Limited
Crosby Capital Partners Inc.
(formerly known as
Skiddaw Capital Inc.)
Apnaplanet.com
Apnasolutions.com

- 12.12 No Director or Proposed Director has in the past five years:
- 12.12.1 had any convictions in relation to fraudulent offences or unspent convictions in relation to indictable offences;
 - 12.12.2 had a bankruptcy order made against him or entered into an individual voluntary arrangement;
 - 12.12.3 been a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the 12 months after he ceased to so act;
 - 12.12.4 been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where such director was a partner at the time of or within the 12 months preceding such event;
 - 12.12.5 been subject to receivership in respect of any asset of such Director or Proposed Director or of a partnership of which the Director or Proposed Director was a partner at the time of or within 12 months preceding such event; or
 - 12.12.6 been subject to any official public criticisms by any statutory or regulatory authority (including designated professional bodies) nor has such Director or Proposed Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- 12.13 No Director or Proposed Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.
- 12.14 In the case of those Directors and Proposed Directors who have roles as directors of companies which are not a part of the Enlarged Group, although there are no current conflicts of interest, it is possible that the fiduciary duties owed by those Directors or Proposed Directors to companies of which they are directors from time to time may give rise to conflicts of interest with the duties owed to the Enlarged Group. Except as mentioned above, there are currently no potential conflicts of interest between the duties owed by the Directors and Proposed Directors to the Company and their private duties or duties to third parties.
- 12.15 Except for the Directors, Proposed Directors and senior management, the Board does not believe that there are any other senior managers who are relevant in establishing that the Enlarged Group has the appropriate expertise and experience for the management of the Enlarged Group's business.

13. Option Scheme

On Completion the Company will grant options to David Ketchum. The rules of the Option Scheme may be summarised as follows:

Grant of options

- 13.1 Grant of an option may be renounced by the grantee within 14 days. No option can be assigned or transferred other than to his personal representative upon death of the grantee. No amount is payable on grant of an option.

Subscription price

- 13.2 The price per share to be paid on exercise of an option will not be less than the higher of (i) the market value at the time of the grant or (ii) the nominal value of such share.

Exercise of options

- 13.3 Options may be exercised in whole or part in accordance with the rules and any objective exercise conditions imposed by the Company. Exercise is permitted in the event of death of the grantee (where exercise is permitted by his personal representatives for 12 months), on the third anniversary of the date of grant, the grantee ceasing to be an employee for prescribed reasons or as determined by the Company.
- 13.4 The option will lapse ten years from the date of grant or earlier in the event the grantee ceases to be an eligible employee or 12 months following the grantee ceasing to be an employee.

Takeovers

13.5 The grantee will be notified of any bid and may exercise any options that have vested within 42 days of an offer becoming unconditional, after which period the option will lapse.

Liquidation

13.6 The Board must immediately notify the grantee and options may be exercised to the extent they have vested in the period between the date on which notice is given and the passing of any resolution for the winding-up of the Company. The grantee shall within 42 days after the passing of such resolution to exercise his options. The shares will be deemed to have been issued prior to the passing of such a resolution.

Adjustment of options

13.7 In the event of a reorganisation of the Company, the number of shares subject to option and the exercise price may be adjusted as the Company may determine and may be confirmed to be reasonable by the Company's auditors. This may be retrospective if relevant to an already exercised option.

Costs

13.8 Costs of administration of the scheme are to be borne by the Company.

Termination

13.9 If the scheme is terminated the existing options will remain in full force. The scheme is not intended to form any contract of employment and individuals who participate will not have any rights to damages for any loss, or potential loss of benefit, in the event of termination of office.

14. Material contracts

14.1 The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

14.1.1 on 25 November 2004 the Company entered into a consultancy agreement with Kitwell Consultants Limited for the provision of the consultancy services of Michael Hirschfield in relation to the Company's original admission to AIM and the acquisition by the Company of its first Target Company. Under the terms of the agreement, the Company paid a fee to Kitwell Consultants Limited of £7,500 on admission and £12,500 on completion of the of the Acquisition;

14.1.2 on 25 November 2004 the Company entered into a consultancy agreement with CVS Management Limited (a wholly owned subsidiary of Corvus Capital Inc.) for the provision of consultancy services in relation to Admission. Under the terms of the agreement, the Company paid a fee to CVS Management Limited of £5,000 on admission;

14.1.3 on 25 November 2004 the Company entered into an engagement letter with Kitwell Consultants Limited in relation to Kitwell Consultants Limited carrying out assistant company secretarial and administrative services for the Company. Under the terms of the letter, the Company paid a monthly fee to Kitwell Consultants Limited of £1,500;

14.1.4 pursuant to an instrument adopted by the Company on 25 November 2004, the Company granted Strand Partners a warrant, subject only to the Company's original admission to AIM, to subscribe for Ordinary Shares. The principal terms of the Strand Warrant are as follows:

14.1.4.1 Strand Partners is entitled to subscribe at a price of 10p per share for such number of new Ordinary Shares as are equivalent (on a fully-diluted basis) to 1% of the issued ordinary share capital of the Company at the time of exercise;

14.1.4.2 the warrant may be exercised at any time during the period of five years from the date of the instrument;

14.1.4.3 Ordinary Shares issued on the exercise of the Strand Warrant will rank for dividends or other distributions declared, made or paid by the Company after the date of exercise, but not before such date, and otherwise equally in all respects with the Ordinary Shares in issue on the date of such exercise;

14.1.4.4 the number of Ordinary Shares issued on exercise of the Strand Warrant and the subscription price will be adjusted upon a capitalisation of reserves, a rights issue or on a sub-division or consolidation of share capital; and

14.1.4.5 if a takeover offer is made to all holders of Ordinary Shares, the Company will use reasonable endeavours to procure a comparable offer to Strand Partners;

- 14.1.5 on 26 November 2004, the Company and Walker Crips entered into a broker agreement. Under this agreement Walker Crips receives an annual retainer of £20,000 for on-going broker service. The agreement was supplemented by a letter dated 8 September 2006 pursuant to which Walker Crips will be paid £5,000 on Admission in consideration of its services in connection with the Proposals;
- 14.1.6 on 25 November 2004 the Company entered into a consultancy agreement with Nicholas Terras in relation to Mr Terras' expertise in hedge funds and the fund management sector and regarding any proposed investments by the Company in that sector, this agreement has now been terminated;
- 14.1.7 agreements dated 25 November 2004 in which the then directors of the Company, Corvus Capital Inc. and Nicholas Terras agreed with the Company, Strand Partners and Walker Crips not to dispose of any interest in the shares in the capital of the Company for a period of 12 months from the date of the Company's original admission to AIM, except in the case of an intervening court order, a takeover offer relating to the Company's share capital becoming or being declared unconditional or, in the case of a director, on the death of that director. The parties also agreed that, during a period of 12 months after the expiry of the above period, they will only sell or dispose of any shares of the Company with the consent of the Company's broker from time to time;
- 14.1.8 agreements dated 1 December 2004 in which the Company's founder shareholders (other than the then directors of the Company, Corvus Capital Inc. and Nicholas Terras) agreed that, for the period of one year from the date of admission to AIM, they would only dispose of their Ordinary Shares with the consent of the Company's broker from time to time;
- 14.1.9 by letter dated 1 December 2004, the Company agreed to pay to Penkenna, a company incorporated in the British Virgin Islands, a commission of £20,000 in respect of the procurement by Penkenna of subscribers for placing shares. Penkenna has no interests in the Company;
- 14.1.10 on 1 December 2004, the introduction agreement was entered into between the Company (1), the then directors of the Company (2) and Strand Partners (3), pursuant to which, coupled with an engagement letter and nominated adviser agreement of the same date, Strand Partners was appointed as nominated adviser to the Company. Strand Partners received a fee of £40,000, of which £20,000 was satisfied in cash and £20,000 by the issue of shares at 5p per share, and the issue to it of the Strand Warrant in consideration of its services in connection with the Company's original admission to AIM. The introduction agreement contained certain warranties and an indemnity from the Company and the directors in favour of Strand Partners;
- 14.1.11 on 1 December 2004, the Company and Strand Partners entered into a nominated adviser agreement. Under this agreement Strand Partners receives an annual retainer of £10,000 for on-going nominated adviser services, to be increased to £25,000 upon completion of the Acquisition. The Company has agreed to comply with its legal obligations and those of AIM and the London Stock Exchange and to consult and discuss with Strand Partners all of its announcements and statements and to provide Strand Partners with any information which Strand Partners believes is necessary to enable it to carry out its obligations to the Company or the London Stock Exchange as nominated adviser;
- 14.1.12 on 1 December 2004 the Company, the then directors of the Company and Walker Crips entered into a placing agreement under which Walker Crips agreed to act as the Company's placing agent and to use all its reasonable endeavours to procure subscribers for placing shares at 5p per share. The placing agreement provided that Walker Crips were paid a commission of £25,000. The Company agreed to pay all other costs and expenses relating to the placing. The placing agreement contained certain warranties and an indemnity by the Company and the directors in favour of Walker Crips;
- 14.1.13 a letter of appointment with Richard Blakesley dated 25 November 2004 pursuant to which Mr Blakesley was appointed as a director for a fee of £12,000 pa. The appointment was terminated with effect from 26 July 2005 by a letter dated 3 October 2005 with the Company and Mr Blakesley mutually waiving any claims either might have had against the other. Similarly, by a letter dated 20 August 2005, the Company and Simon Costa mutually waived any claims either might have had against the other arising from the provision of consultancy services by Mr Costa in connection with a possible acquisition by the Company in the hedge fund sector, for which Mr Costa was paid £12,500;
- 14.1.14 on 13 January 2006 the Company entered into a Subscription Agreement with EP which subscribed for 13,300,000 shares at a price of 1.12782p per share. Provided that EP holds more than 20% of the total issued share capital of the Company, it may appoint a director to the Board;

- 14.1.15 the Acquisition Agreement dated 19 September 2006 between the Company and the Vendors pursuant to which the Company has agreed to acquire the entire issued share capital of Upstream through the issue and allotment of the Acquisition Shares, further details of which are set out in Part 1 of this document;
- 14.1.16 on 19 September 2006, the Re-Introduction Agreement was entered into between the Company (1), the Directors (2), the Proposed Directors (3), Strand Partners (4) and Walker Crips (5) pursuant to which Strand Partners and Walker Crips agreed to act on behalf of the Company in the admission of the Enlarged Share Capital to trading on AIM. The agreement contains certain warranties and an indemnity by the Company, the Directors and Proposed Directors in favour of Walker Crips and Strand Partners. It also contains provisions entitling Walker Crips and Strand Partners to terminate the agreement prior to Admission if, among other things, a breach of any of the warranties occurs or on the occurrence of an event fundamentally and adversely affecting the position of the Company;
- 14.1.17 by a letter dated 19 September September 2006, the Company agreed to allot and issue 6,750,000 Ordinary Shares to Silk Route Investments in consideration for introducing the Company to Upstream and facilitating the Acquisition;
- 14.1.18 lock-in agreements dated 19 September 2006 from each of the Directors, David Ketchum and Jane McGuire Ketchum pursuant to which, in addition to the covenants contained in the Acquisition Agreement they have undertaken with the Company, Strand Partners and Walker Crips, not to dispose of any of the shares they acquire pursuant to the Acquisition in the capital of the Company for a period of one year from the date of completion of the Acquisition, other than in the event of an intervening court order or receipt of a takeover offer relating to the Company's share capital from an unconnected third party offeror. They have also agreed that for a further period of 12 months, they will only dispose of their Ordinary Shares with the consent of Walker Crips and Strand Partners or the Company's brokers or nominated adviser from time to time. Pursuant to lock-in agreements dated 19 September 2006, each of Techpacific and Corvus Capital Inc. have similarly undertaken for a period of 12 months from completion of the Acquisition that they will only dispose of their holdings with the consent of Walker Crips and Strand Partners (or their successors). By lock-in agreements of even date, Jonathan Hakim, Peter Kingsbury and Paul Adams have undertaken for a period of six months from completion of the Acquisition that they will only dispose of their holdings with the consent of Walker Crips and Strand Partners (or their successors);
- 14.1.19 by letter dated 19 September 2006, the Company agreed to pay to Penkenna a commission of five per cent. of the gross proceeds of the Placing in respect of the procurement by Penkenna of subscribers for Placing Shares. Penkenna has no interests in the Company;
- 14.1.20 irrevocable undertakings in favour of the Company relating to in aggregate 34,166,112 Existing Ordinary Shares representing approximately 77 per cent. of the current issued share capital of the Company in which shareholders have irrevocably undertaken to vote in favour of all of the resolutions at the EGM;
- 14.1.21 an engagement letter dated 12 September 2006 between the Company and Strand Partners in connection with Strand Partners' services relating to Admission and the transactions contemplated by this document pursuant to which Strand Partners will receive a fee of £100,000 of which £50,000 will be satisfied in Ordinary Shares at the Placing Price; and
- 14.1.22 a letter agreement dated 19 September 2006 recording the terms of a loan of £50,000 made by Corvus Capital Inc. to the Company. The loan is interest free and is repayable in ten tranches of £5,000 over ten months from the end of November 2006.
- 14.2 The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Upstream Group in the period of two years before the date of this document or are other contracts that contain provisions under which Upstream has an obligation or entitlement which is material to Upstream as at the date of this document:
- 14.2.1 pursuant to an alliance agreement dated 1 July 2003 between Upstream Limited and Macro Consultancy Pty Limited (which has been renamed Upstream Australia Pty Limited) (**Upstream Australia**), as amended by a letter agreement dated August 25 2006, the parties agreed to treat each other as their preferred partners and refer clients to each other. In addition, subject to certain terms and conditions, Upstream Limited has granted Upstream Australia a licence to use the trade marks "Upstream", "Upstream Asia" and "Upstream Australia" and allowed Upstream Australia to publicly associate itself with Upstream;

- 14.2.2 alliance agreement dated 30 August 2004 between Upstream Limited and Demaphony Limited (renamed Upstream Asia (Japan) Limited) (**Upstream Japan**), as amended by a letter agreement dated 25 August 2006, the parties agreed to treat each other as their preferred partners and refer clients to each other. In addition, subject to certain terms and conditions, Upstream Limited has granted Upstream Japan a licence to use the trade marks "Upstream", "Upstream Asia" and "Upstream Japan";
- 14.2.3 lease for Hong Kong office:
- (a) tenancy agreement with Mega-Wide Enterprises Limited dated 24 March 2006, for the lease of office at Unit A, 12/F, 46 Lyndhurst Terrace, Central, Hong Kong, for 1 year from 16 March 2006 to 15 March 2007;
 - (b) tenancy agreement with Mega-Wide Enterprises Limited dated 24 March 2006, for the lease of office at 26/F, 46 Lyndhurst Terrace, Central, Hong Kong, for 1 year from 1 April 2006 to 31 March 2007;
- 14.2.4 lease for Taiwan office: tenancy agreement with Ji Tai Management Consultancy Limited for the lease of office at Room 315, 12/F, No. 51, Heng-Yang Road, 100 Taipei, Taiwan, for 6 months from 1 July 2006 to 31 December 2006;
- 14.2.5 lease for Singapore office:
- (a) tenancy agreement between Upstream Asia (Singapore) Pte Ltd and Hokkien Huay Kuan dated 5 July 2005 for the lease of office at 137 Telok Ayer Street, #07-07, Singapore 068602, for 1 year from 8 October 2005 to 7 October 2007;
 - (b) sub-tenancy agreement for Singapore office: (i) lease contract between Upstream Asia (Singapore) Pte Ltd and Triquest Holdings Pte Ltd dated 4 July 2005, for the lease of 450 square feet at 137 Telok Ayer Street #07-07 Singapore 068602 for 1 year from 8 October 2005 to 7 October 2006; and (ii) tenancy agreement between Upstream Asia (Singapore) Pte Ltd and Triquest Holdings Pte Limited dated 21 August 2006 for the 450 square feet at 137 Telok Ayer Street #07-07 Singapore 068602 for 1 year from 8 October 2006 to 7 October 2007;
- 14.2.6 lease for Beijing office: tenancy agreement with Beijing Heqiao Properties Management Co Ltd dated February 23, 2006, for the lease of office at Room 207A, Tower B, The Grand Pacific Building, 8A Guanghua Road, Chaoyang District, Beijing 100026, China, for 1 year from 16 July 2005 to 15 July 2007; and
- 14.2.7 lease for Shanghai office: tenancy agreement with Shanghai Four Seasons Tong Ren Real Estate Developing Co., Ltd) dated 10 July 2006, for the lease of office at Unit 3305, 33/F United Plaza, 1468 Nanjing Road (West), Shanghai China for 2 years from 26 August 2006 to 25 August 2008.

15. Ownership disclosure

- 15.1 David Ketchum, Jane McGuire Ketchum, Techpacific, Shahed Mahmood, Paul Mottram, Peter Kingsbury and Paul Adams accept responsibility for the information about themselves contained in this document. To the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information about themselves contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 15.2 During the relevant period none of David Ketchum, Jane McGuire Ketchum, Techpacific or their immediate families or related trusts and connected persons have dealt for value in the Ordinary Shares.
- 15.3 During the relevant period, the Company, the Directors, their immediate families, including civil partners as defined in the Civil Partnership Act 2004 (if any), and persons connected with the Directors have not owned or dealt in any shares in Upstream or any of the Vendors, nor do they own any shares in Upstream or any of the Vendors as at the date of this document.
- 15.4 No subsidiary, pension fund or adviser of the Company holds or has dealt in the shares of Upstream or any of the Vendors.
- 15.5 Except as disclosed in this document, none of the Directors or Proposed Directors or any member of their immediate families, including civil partners as defined in the Civil Partnership Act 2004 (if any), was interested in the Ordinary Shares at the date of this document, nor have they dealt for value in the Ordinary Shares during the relevant period, and no associate, or any person whose investments are

managed on a discretionary basis by a fund manager (other than an exempt market maker) which is controlled by, or controls or is under the same control as, the Company or any such associate, owned or controlled any relevant securities of the Company at the date of this document or dealt for value in the Ordinary Shares during the relevant period.

- 15.6 During the relevant period, dealings for value in the Ordinary Shares by a subsidiary of the Company, a pension fund of the Company or of a subsidiary of the Company or by an associate of the Company (other than in their capacity as exempt market makers) have not taken place.
- 15.7 Except for the Acquisition Agreement and as described in paragraphs 14.1.16 and this Part 6, there are no agreements, arrangements or understandings between David Ketchum, Jane McGuire Ketchum, Techpacific and the Company or their respective directors or shareholders, or any of them, having any connection with or dependence upon the Acquisition.
- 15.8 There are currently no arrangements in place or envisaged where David Ketchum, Jane McGuire Ketchum or Techpacific will transfer any of their Ordinary Shares to other persons pursuant to the completion of the Acquisition.
- 15.9 The Acquisition is not being financed by any external source of finance. There are therefore no arrangements in place nor are any required for the payment of interest on repayment of security for any liability as a result of the Acquisition. The Acquisition is however conditional on the Placing raising at least £500,000 before expenses.
- 15.10 David Ketchum, Jane McGuire Ketchum and Techpacific currently have no intention other than to see the continuation of the Company's business and have no plans to introduce any major changes in the Enlarged Group's business except as described in this document. The Company has no employees (since the Directors are self employed consultants) and therefore the Vendors have not been asked to safeguard employment rights.
- 15.11 For the purposes of this paragraph 15:
- 15.11.1 references to an **associate** are to:
 - 15.11.1.1 subsidiaries and associated companies of the Company and companies of which any such subsidiaries or associated companies are associated companies;
 - 15.11.1.2 banks (subject to paragraph 15.11.2), financial and other professional advisers, including Walker Crips and Strand Partners, to the Company or a company covered in paragraph 15.11.1.1 (other than exempt market makers) and including also persons controlling, controlled by or under the same control as such banks, financial or other professional advisers;
 - 15.11.1.3 the Directors, and the directors of any company covered in paragraph 15.11.1.1 (together in each case with their close relatives and related trusts); and
 - 15.11.1.4 the pension funds of the Company or any company covered in paragraph 15.11.1.1;
 - 15.11.2 **bank** does not apply to a bank whose sole relationship with the Company is the provision of normal commercial banking services or such activities in connection with the Acquisition as registration work;
 - 15.11.3 ownership or control of 20% or more of the equity share capital of a company is regarded as the test of associated company status and **control** means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights attributable to the share capital of the company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holdings give de facto control;
 - 15.11.4 **connected** means controlled by, controlling or under common control with the Company;
 - 15.11.5 **relevant period** means the period of 12 months preceding the date of this document; and
 - 15.11.6 **relevant securities** means the Existing Ordinary Shares and securities convertible into Ordinary Shares and rights to subscribe for options (including traded options) in respect of and derivatives referenced to the Existing Ordinary Shares.

16. Working capital

Taking into account the net proceeds of the Placing, the Directors and Proposed Directors are of the opinion, having made due and careful enquiry, that the Enlarged Group will have sufficient working capital for its present requirements, that is, for at least 12 months from Admission.

17. Litigation

- 17.1 The Company is not involved in any governmental, legal or arbitration proceedings which have or, since incorporation, may have had, a significant effect on the Company's financial position or profitability nor, so far as the Directors and Proposed Directors are aware, are any such proceedings pending or threatened by or against the Company.
- 17.2 No member of the Upstream Group is currently involved in any governmental, legal or arbitration proceedings which have or, in the 12 months preceding the date of this document, may have had, a significant effect on either the financial position or profitability of any member of the Upstream Group nor, so far as the Directors and Proposed Directors are aware, are any such proceedings pending or threatened by or against any member of the Upstream Group.

18. Premises

- 18.1 The Company does not own any premises.
- 18.2 Upstream and/or its subsidiaries, branches and representative offices have the following leasehold and/or tenancy interests in property:

Company	Length of Lease/Tenancy	Size/Description	Expiry Date
Upstream Asia (Singapore) Pte Limited	2 years	137 Telok Ayer Street, #07-07, Singapore 068602 (other than the portion which was sub-leased to a third party);	7 October 2007
Upstream Asia Shanghai Representative Office*	2 years	Unit 3305, 33/F, 1468 Nanjing Road West, Shanghai 200040, PRC; and	25 August 2008
Upstream Asia (China) Limited Consulting Co., Limited*	2 years	Room 207A, 2nd Floor, Building B, Heqiao Mansion, No 8 Guanghua Road, Chaoyang District, Beijing, PRC	15 July 2007
Upstream Limited	1 year	Flat A, 12th Floor, Oriental Crystal Commercial Building, No 46 Lyndhurst Terrace, Hong Kong	15 March 2007
Upstream Limited	1 year	26th Floor, Oriental Crystal Commercial Building, No 46 Lyndhurst Terrace, Hong Kong	31 March 2007
Upstream Asia Limited Taipei Branch*	6 months	Room 315, 12/F, No 51, Heng-yang Road, Taipei City, Taiwan	31 December 2006

*the name of the companies shown here is for identification purposes only as the names under which they were incorporated were in Chinese language.

19. Middle market quotations

The following table lists the closing middle market quotations for Ordinary Shares (as derived from the AIM appendix of the Daily Official List of the London Stock Exchange) for the first dealing day of each of the six months before the date of the suspension of the Company's trading facility on 3 April 2006:

Date	Price
3 October 2005	8.50p
1 November 2005	8.00p
1 December 2005	9.50p
3 January 2006	9.75p
1 February 2006	18.50p
1 March 2006	22.00p
3 April 2006	20.25p

20. Significant changes

- 20.1 Except for the execution of the Acquisition Agreement there has been no significant change in the financial or trading position of the Company since 31 March 2006, the date to which the most recent financial information is available.
- 20.2 Except for the establishment of Upstream Asia (China) Consulting Co., Limited set out in this document, there has been no significant change in the financial or trading position of the Upstream Group since 31 December 2005, the date to which the most recent financial information is made up.

21. General

- 21.1 No exceptional factors have influenced the Company's activities, except as disclosed in this document.
- 21.2 Except as disclosed in this document, the Company has no significant authorised or contracted capital commitments at the date of publication of this document.
- 21.3 The expenses of the Acquisition, Admission and Placing inclusive of stamp duty are estimated at £325,000 and the Company and Upstream are responsible for their own costs. VAT is not payable by the Company.
- 21.4 The Company has not had any employees since its incorporation. As at 31 December in each of 2003, 2004 and 2005, the Upstream Group had 21, 20 and 31 employees respectively.
- 21.5 On Completion, the Company's audit committee will be comprised of Graham Butt (Chairman), Shahed Mahmood and Joanna Barrett. The audit committee is to meet at least two times a year to consider the integrity of the financial statements of the Company, including its annual and interim accounts; the effectiveness of the Company's internal controls and risk management systems; auditor reports; and terms of appointment and remuneration for the auditor.
- 21.6 The Company's remuneration committee will be comprised of Shahed Mahmood (Chairman), Graham Butt and Jane McGuire Ketchum. The remuneration committee is to meet at least two times a year and has as its remit the determination and review of, amongst others, the remuneration of executives on the Board and any share incentive plans of the Company.
- 21.7 Except as stated in this document and for the advisers named on page 7 of this document and trade suppliers, no person has received, directly or indirectly, from the Company within the 12 months preceding the date of this document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price or any other benefit with a value of £10,000 or more at the date of Admission.
- 21.8 Strand Partners has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which they appear.
- 21.9 Walker Crips has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which they appear.
- 21.10 The reporting accountants, Grant Thornton UK LLP, members of the ICAEW, have given and not withdrawn their written consent to the issue of this document with the inclusion in it of their letters.
- 21.11 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 21.12 Monies received from applicants pursuant to the Placing will be held in accordance with the terms of the letters issued by the Company to placees until such time as the Re-Introduction Agreement becomes unconditional in all respects.
- 21.13 The Company's accounting reference date is 30 September.
- 21.14 The financial information relating to the Company and the Upstream Group contained in this document does not comprise statutory accounts for the purposes of section 240 of CA 1985.
- 21.15 The Placing Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.
- 21.16 The Placing Price represents a premium of 19.75p above the nominal value of an Ordinary Share which is 0.25p.

- 21.17 It is expected that CREST accounts will be credited as applicable on the date of Admission. The Company's ISIN number is KYG739351012. Where Placees have requested to receive their Placing Shares in certificated form, temporary documents of title will not be issued pending despatch of share certificates. Share certificates will be despatched by first-class post within 14 days of the date of Admission.
- 21.18 The Ordinary Shares are not, by virtue of the residence of the Company, subject to the provisions of the Takeover Code and as such the rules regarding mandatory takeover offers set out in the Takeover Code do not apply to the Company. Although the Company is not resident within the United Kingdom, the Channel Islands or the Isle of Man and it is therefore not a company to which the Takeover Code applies, the Directors have resolved that the Company will take account of the rules set out in the Takeover Code so far as is possible and practicable and adhere to the general principles contained in the Takeover Code. While the Company will seek to comply with the provisions of the Takeover Code, third parties will not be so obliged, and the Company will not be able to compel them to comply with the Takeover Code.
- 21.19 The Existing Ordinary Shares are and the Enlarged Share Capital will be, subject to the compulsory acquisition provisions set out in section 88 of the Companies Law of the Cayman Islands (as revised). Under these provisions, where an offeror makes a takeover offer and receives valid acceptances in respect of, or acquires, more than ninety per cent. in value of the shares to which the offer relates, that offeror is entitled to acquire compulsorily those shares which have not been acquired or contracted to be acquired.

22. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Fladgate Fielder at 25 North Row, London W1K 6DJ for a period of one month from the date of this document:

- 22.1 the memorandum and articles of association of the Company;
- 22.2 the Deed Poll;
- 22.3 the letter from the reporting accountants, Grant Thornton UK LLP, on the financial information of the Company set out in Part 3 of this document and on the financial information of the Upstream Group set out in Part 4 of this document;
- 22.4 the existing and proposed service agreements and service contracts referred to in paragraphs 12.4 to 12.5 of this Part 6;
- 22.5 the material contracts referred to in paragraph 14 of this Part 6; and
- 22.6 the written consents of Strand Partners, Walker Crips and the reporting accountants, Grant Thornton UK LLP, referred to in paragraphs 21.8 to 21.10 of this Part 6.

23. Copies of this document

Copies of this document will be available to the public free of charge at the offices of Fladgate Fielder at 25 North Row, London W1K 6DJ during normal business hours on any weekday (other than Saturdays and public holidays), until one month following the date of Admission.

Dated: 19 September 2006

RAVEN CAPITAL INC

(Incorporated in the Cayman Islands with registered number 141920)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an extraordinary general meeting of the members of the Company will be held at 11 a.m. GMT (noon CET) on 13 October 2006 at Quai Gustave – Ador 30, 1207 Geneva, Switzerland for the purpose of considering and, if thought fit, passing the following resolutions of which resolution 1 will be the subject of a poll:

ORDINARY RESOLUTIONS

That the following be approved:

1. The acquisition by the Company of the entire issued share capital of Upstream Asia Limited upon the terms and conditions of the acquisition agreement dated 19 September 2006 made between the Vendors (as defined in the Company's admission document dated 19 September 2006) and the Company through the allotment and issue of 79,675,002 ordinary shares of 0.25p each on a non pre-emptive basis, as described in such admission document.
2. Conditional on passing resolution 1, that the appointment of David Ketchum as a director of the Company be approved.
3. Conditional on passing resolution 1, that the appointment of Jane McGuire Ketchum as a director of the Company be approved.
4. Conditional on passing resolution 1, that the appointment of Shahed Mahmood as a director of the Company be approved.
5. Conditional on passing resolution 1, that the directors be authorised to disapply the pre-emption rights set out in article 17 of the Company's articles of association, such power to expire at the conclusion of the next annual general meeting of the Company or 12 October 2007, whichever is earlier, and the directors may allot equity securities following an offer or agreement made before the expiry of the authority and provided that the authority is limited to:
 - a. the allotment of equity securities in connection with the acquisition of Upstream Asia Limited up to an aggregate nominal amount of £199,188;
 - b. the allotment of 250,000 Ordinary Shares to Strand Partners Limited as referred to in the Company's admission document dated 19 September 2006 and the allotment of ordinary shares equal to one per cent. of the Company's issued share capital from time to time pursuant to the Strand Warrant described in such admission document;
 - c. the allotment of 6,750,000 Ordinary Shares to Silk Route Investments; and
 - d. the allotment (other than pursuant to paragraph a, b and c above) of equity securities up to a maximum aggregate nominal amount of £33,385 (being equal to 10 per cent. of the then issued ordinary share capital of the Company).

SPECIAL RESOLUTION

6. That article 17 of the articles of association be amended by its replacement with the following article and subsequent restatement of the articles in the form to be tabled at the extraordinary general meeting reflected in this amendment:

“Unless otherwise approved by Ordinary Resolution the Company shall not allot shares for cash consideration on any terms unless:

- a. the Directors have made an offer to each person who holds shares of the same class to allot to him on the same or more favourable terms such proportion of those shares that is as nearly as practicable (fractions being disregarded) equal to the proportion that the relevant person’s existing holding of shares of the same class represents of all the issued shares of that class;
- b. the period, which shall not be less than 21 days, during which any offer referred to in article 17(a) may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made.

Notwithstanding any provisions set out in this article 17, the provisions of article 17(a) and (b) shall not apply to the allotment of securities as consideration for acquisition of assets or business or upon the exercise of options under an employees’ share scheme, or which would be held under an employees’ share scheme.”.

7. Conditional on passing resolution 1, that the name of the Company be changed to “Upstream Marketing and Communications Inc.”

Kitwell Consultants Limited

Secretary

Registered office:

Walkers SPV Limited

Walker House

Mary Street

PO Box 908GT George Town

Grand Cayman

Cayman Islands

Date: 19 September 2006

Notes:

1. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and (in the case of an instrument signed by an agent of the member who is not a corporation) the authority under which such an instrument is signed or an office copy or duly certified copy must be deposited at the offices of Capital IRG (Offshore) Limited, Registrars, not less than 48 hours before the time appointed for the meeting or any adjourned meeting. A prepaid Form of Proxy for use in respect of the meeting is enclosed.
3. Completion of a Form of Proxy and Form of Direction will not prevent a member from attending and voting in person.
4. Members will be entitled to attend and vote at the meeting if they are registered on the Company’s register of members 48 hours before the time appointed for the meeting or any adjourned meeting.

