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If you sell or have sold or otherwise transferred all of your ordinary shares in the Company, please send this document and the accompanying Form of Proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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## **GATE VENTURES PLC**

*(incorporated in England and Wales with registered number 9376114)*

### **PROPOSED ADOPTION OF NEW INVESTING POLICY**

### **PROPOSED SUB-DIVISION OF ORDINARY SHARES**

### **CIRCULAR TO SHAREHOLDERS**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Your attention is drawn to the letter from the Chairman of the Company, which is set out in this document and which contains a recommendation from the Board of Directors that you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting referred to below. You should read this document in its entirety and consider whether to vote in favour of the resolutions in light of the information contained in, or incorporated by reference into, this document.**

The proposed adoption of a new investing policy and the sub-division of ordinary shares in the Company requires the approval of shareholders at an Extraordinary General Meeting of the Company (EGM). Notice of such EGM, to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.00 a.m. on Thursday, 27 August 2015, is set out at the end of this document. Whether or not you intend to attend the EGM, you are asked to complete and return the Form of Proxy enclosed with this document in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by the Registrars of the Company, Capita Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 10.00 a.m. on Tuesday, 25 August 2015 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For further details see the notes to the notice of the EGM set out at the end of this document. The appointment of a proxy will not preclude you from attending the EGM and voting in person if you wish to do so.

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### Expected timetable of key events

<b>Action to be taken</b>	<b>Time/Date</b>
Announcement of the proposed adoption of new investing policy, share sub-division and notice of EGM	7.00 a.m. 6 August 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. 25 August 2015
Time by which shareholders must be registered on the register of members of the Company in order to attend and vote at the EGM	6.00 p.m. 25 August 2015
EGM	10.00 a.m. 27 August 2015
Sub-Division Record Date	5.30 p.m. 27 August 2015
CREST accounts anticipated to be credited with ordinary shares as sub-divided	28 August 2015
Definitive share certificates expected to be despatched	10 September 2015

## LETTER FROM THE CHAIRMAN OF GATE VENTURES PLC

*(Incorporated and registered in England and Wales with registered no. 9376114)*

*Registered office:*

*4th Floor  
40 Dukes Place  
London EC3A 7NH  
[www.gateplc.com](http://www.gateplc.com)*

*Directors:*

<i>Geoffrey Morrow</i>	<i>Executive Chairman</i>
<i>Richard Carter</i>	<i>Finance Director</i>

*To Shareholders*

6 August 2015

Dear Shareholder

### **Proposed changes to and adoption of a new investing policy for the Company, proposed sub-division of each ordinary share of 1 pence into 50 ordinary shares of 0.02 pence (Sub-Division) and Notice of Extraordinary General Meeting**

#### **Introduction**

The purpose of this letter is to provide you with the background to, and reasons for, the proposed change to the Company's investing policy and the Sub-Division and to explain why the Board of Directors of the Company (Board) believes that the proposed changes to the investing policy and the Sub-Division are in the best interests of the Company and its shareholders. Notice convening an Extraordinary General Meeting (EGM) for shareholders to consider and, if thought fit, to approve the resolutions contained in the Notice of EGM is set out at the end of this document.

The action you should take to vote on the resolutions, and the recommendation of the Board, are set out below in this letter.

#### **Background to and reasons for the change to the Investing Policy**

The current investing policy for the Company is set out in paragraph 2 of Part 1 of the Company's AIM Admission Document. The Company was formed to make investments and capitalise on investment opportunities in the media and entertainment sectors. Since the formation of the Company, the Board has developed the scope of its available expertise and has identified further exciting opportunities.

Originally, the Company was an investing company as defined and limited by the rules of AIM. The Board now intends that the Company will be more and do more than solely act as an investing company. The Board has developed, and accordingly believes, that the Company can now profitably offer management expertise and consulting services. Accordingly, in addition to investing, the Company can manage and operate businesses it acquires or invests in, should it choose to do so, and the Board wishes to make the best use of these further skills for the benefit of the Company and its shareholders.

Since the formation of the Company, the Board has further developed the sector expertise available to it and can now offer expertise in the fashion retail sector and the television element of the media and entertainment sectors. The Board also has developed expertise in electronic commerce and can deploy this both as a stand-alone expertise and also as an expertise that will be complimentary to investments in its core sectors of media and entertainment and proposed core sector of fashion retail.

The business worlds of media and entertainment, especially television, and fashion retail and electronic (and terrestrial) commerce often overlap and are often complimentary. The Board believes the expertise that is available to it together with the relationships it has makes it uniquely positioned to identify opportunities and synergies and to unlock, enhance existing and create new value for the benefit of the Company and its shareholders.

As a result of all of the above the Board considers it will be helpful to the prospects of generating returns for shareholders to expressly include within the investing policy all of the developments and opportunities described above as the Board believes it can identify attractive investments in these areas. The original investing policy was also drafted specifically to meet the requirements of the rules of the AIM stock market and now that the Company has left AIM the Board considers it to be in the best interests of the Company that the new status of the Company and the proposed intent that the Company be more and do more than solely being an investing company be reflected in a broader investing and business policy. The updated investing and business policy is set out in the Appendix to this letter and its approval and adoption in replacement of the existing investing policy will be sought from shareholders at the EGM.

#### **Background to and reasons for the Sub-Division**

The most recent subscription for shares in the capital of the Company was at £6.00 per share. The Board considers that the rising share price, whilst reflective of the strong demand for shares in the Company, has reached such a level that it may be or become detrimental to the ability of shareholders to freely buy and sell shares in the Company. As a result it is proposed that the shares be sub-divided. The proposed Sub-Division is that for every one share of one pence each (nominal value) in the capital of the Company held at the sub-division record date, that shareholders will receive fifty shares of 0.02 pence each (nominal value). It is anticipated that the trading price of each share will reflect the increased number of shares in issue. If approved at the EGM, shareholders will receive share certificates from the Company's registrar reflecting their new holding of shares. For Shareholders who hold their entitlement to New ordinary Shares in uncertificated form through CREST, application will be made for the New ordinary Shares, arising as a result of the sub division to be credited to the relevant CREST accounts on 28 August 2015. The shares issued to shareholders, should the Sub-Division proceed, will have the same rights and obligations that the shares currently enjoy.

#### **Extraordinary General Meeting and Shareholder approval**

The adoption of the new investing and business policy and the Sub-Division are each conditional on the passing of the applicable resolution to be proposed at the EGM. The notice convening the Extraordinary General Meeting, to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.00 a.m. on Thursday, 27 August 2015, at which the resolutions to approve the adoption of the new investing and business policy and the Sub-Division will be proposed, is set out at the end of this document. The resolutions will be decided on a show of hands, unless a poll is demanded in a manner permitted by the Company's articles of association. The passing of each resolution requires a majority of the votes cast (whether in person or by proxy) in respect of the relevant resolution. The result of the EGM will be announced through a regulatory information service and on the website of the Company ([www.gateplc.com](http://www.gateplc.com)) as soon as practical.

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

You will find enclosed with this document the Form of Proxy for use at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy, in accordance with the instructions printed thereon, as soon as possible and in any event so that it may be received by the Registrars of the Company, Capita Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 10.00 a.m. on Tuesday, 25 August 2015 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the EGM if you so wish.

### **Recommendation**

The Board considers that the adoption of the new investing and business policy and the Sub-Division are each in the best interests of the Company and its Shareholders taken as a whole and, accordingly, unanimously recommends that Shareholders vote in favour of both resolutions, as the Directors intend to do in respect of their own beneficial holdings, which, in aggregate, amounted to 150,002 Ordinary Shares as at 5 August 2015 (being the latest practicable date prior to the publication of this document), representing approximately 0.5% of the Company's current issued share capital.

Yours sincerely

**Geoffrey Morrow**

***Chairman***

## APPENDIX

### INVESTING POLICY

This is the investing and business policy ("Policy") for Gate Ventures Plc ("Company").

The Company was formed to make investments and capitalise on investment opportunities in the media and entertainment sectors. Since the formation of the Company, the Board has developed the scope of its available expertise and has identified further exciting opportunities.

Originally, the Company was an investing company as defined and limited by the rules of AIM. The Board now intends that the Company will be more and do more than solely act as an investing company. The Board has developed, and accordingly believes, that the Company can now profitably offer management expertise and consulting services. Accordingly, in addition to investing, the Company can manage and operate businesses it acquires or invests in, should it choose to do so, and the Board wishes to make the best use of these further skills for the benefit of the Company and its shareholders.

Since the formation of the Company, the Board has further developed the sector expertise available to it and can now offer expertise in the fashion retail sector and the television element of the media and entertainment sectors. The Board has also has developed expertise in electronic commerce and can deploy this both as a stand-alone expertise and also as an expertise that will be complimentary to investments in its core sectors of media and entertainment and now also in fashion retail.

The business worlds of media and entertainment, especially television, and fashion retail and electronic (and terrestrial) commerce often overlap and are often complimentary. The Board believes the expertise that is available to it together with the relationships it has makes it uniquely positioned to identify opportunities and synergies and to unlock, enhance existing and create new value for the benefit of the Company and its shareholders.

The Board will have wide discretion as above in accordance with their authority in this Policy but, without limitation to that discretion and authority, it is expected that the Company will focus on, but not be limited to, ownership of, investment in, management of and/or consulting services to the following:

1. Television: to include all stages of the creative process and individual, event and or business management, promotion, production, merchandising, storage and dealing in and of television content and television related product in any media or format;
2. Music: to include all stages of the creative process and individual, event and/or business management, promotion, production, merchandising, storage and dealing in and of music and music related product in any media or format;
3. Theatre: to include all stages of the creative process and individual, event and/or business management, promotion, production, merchandising, storage and dealing in and of theatre and theatre related product in any media or format;
4. Film: to include all stages of the creative process and individual, event and or business management, promotion, production, merchandising, storage and dealing in and of film content and film related product in any media or format;
5. Animation: to include all stages of the creative process and individual, event and or business management, promotion, production, merchandising, storage and dealing in and of animation content and animation related product in any media or format;
6. Fashion retail: to include all stages of the creative process and individual, event and or business management, promotion, production, merchandising, storage and dealing in and of fashion retail and fashion retail related product in any media or format;

7. Commerce: to include electronic commerce and non-electronic commerce that is related to investments made in accordance with this Policy or electronic commerce and non-electronic commerce opportunities that are unrelated and stand alone opportunities; and
8. Content: to include the ownership, management, storage and dealing in and of content in any format, and all property in any such content be it real or intellectual, that is related to investments made in accordance with this Policy or in relation to content, and any property in any content, opportunities in any format that are unrelated and stand alone opportunities.

The Board will be responsible for and have the authority to decide upon activity in accordance with this Policy and its determination of whether an investment is or is not within the scope of the Policy shall be conclusive and final. The Company will not have a separate investment manager.

The Company's primary objective is to secure value for shareholders in its dealings, consistent with achieving, over time, both capital growth and income generation. New investments will normally be held for the medium to longer term, although shorter term disposal of any investments may take place should the Board consider that appropriate in all the circumstances.

The Company may invest in businesses or projects at any stage of development which, the Board believes, are seeking to establish or expand their businesses or projects, including internationally, and which offer attractive investment terms. It is intended that investments will, primarily, be made in the UK and China where the Board believes that there are opportunities to acquire interests in suitable projects with high growth prospects, however other territories may also be considered as investment opportunities arise.

The Company may, but is not obliged to, take an equity interest in any proposed investment, which may range from a small minority shareholding of as little as 5% (or less should the Board decide it) up to 100 per cent. ownership. The Company may invest by way of loan in any amount and structured as the Board may decide. The Company in pursuit of the Policy may raise debt to fund any investment and may gear or leverage any investment made with debt or other borrowings. There are no restrictions on the level of borrowing or leverage the Company may undertake. It is not anticipated that a separate custodian, trustee or other fiduciary will be appointed to hold investments made by the Company.

Proposed investments may be made in either quoted or unquoted companies and may be structured as the Board determines is most suitable for the particular investment. There will be no limit on the number of businesses or projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such investments.

The Company intends to be an involved and active investor. The Board may undertake the initial investment or project assessment themselves or with additional independent professional and/or technical advice as they determine is necessary or desirable.

