

INVESTING POLICY

Gate Ventures plc was formed to make investments and capitalise on investment opportunities in the e-commerce, 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.

The Board 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 additionally offer profitably management expertise and consulting services. Accordingly, in addition to investing, the Company can manage and operate business 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 identified management in these sectors and can now offer expertise in the fashion retail sector as well as the television element of the media and entertainment sectors. The Board has also developed expertise in electronic commerce and can deploy this both as a standalone 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, fashion retail, and electronic commerce, often overlap and are complementary. The Board believes the expertise that is available to it together with the relationships it has forged, makes it uniquely positioned to identify opportunities and synergies and the ability to unlock and enhance existing opportunities 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;

GATE VENTURES

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 currently 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.