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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 SUB-DIVISION OF ORDINARY SHARES

AUTHORITY TO ALLOT 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 sub-division of ordinary shares in the Company and authority to allot shares 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 Friday, 23 October 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 Wednesday, 21 October 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

Action to be taken	Time/Date
Announcement of the proposed share sub-division and notice of EGM	7.00 a.m. 28 September 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. 21 October 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. 21 October 2015
EGM	10.00 a.m. 23 October 2015
Sub-Division Record Date	5.30 p.m. 23 October 2015
CREST accounts anticipated to be credited with ordinary shares as sub-divided	26 October 2015
Definitive share certificates expected to be despatched	6 November 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*

Directors:

Dr. Johnny Hon	<i>Chairman</i>
Lord Michael Grade	<i>Deputy Chairman</i>
Geoffrey Morrow	<i>Chief Executive Officer</i>
Richard Carter	<i>Finance Director</i>
Michael Linnit	<i>Chief Strategy Officer</i>

To Shareholders

29 September 2015

Dear Shareholder

Proposed sub-division of each ordinary share of 0.02 pence into two ordinary shares of 0.01 pence (Sub-Division), authority to the directors to allot shares 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 Sub-Division and authority to allot shares and to explain why the Board of Directors of the Company (Board) believes that the proposed Sub-Division and the authority to allot shares is 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 Sub-Division and authority to allot shares

The Board considers that it may be helpful in the pursuit of the strategy of the Company that it have clear authority, only to be used when the Board considers it to be in the interests of the Company as a whole, to be able to allot new shares in the capital of the Company and in certain circumstances to be able to allot shares in amounts that are not proportionate to the holdings of existing shareholders in the Company. The Board also believes, demand for the shares in the Company being strong, that any fundraising and the interests of shareholders generally will be furthered by a further sub-division of the shares. The proposed Sub-Division is that for every one share of 0.02 pence each (nominal value) in the capital of the Company that shareholders will receive two shares of 0.01 pence each (nominal value). It is also important to note that the authority to allot new shares to be proposed at the EGM is to be limited to such shares that equate to a maximum of one third of the existing share capital of the Company. Such shares would be required to be issued to existing shareholders in proportion to their existing holdings of shares save to the extent it is resolved by shareholders to allot shares on a different basis. The third resolution to be proposed at the EGM, if passed, would permit the Directors

to allot shares to new shareholders or otherwise on a basis that is not proportionate to existing shareholders' holdings. That authority, however, would be limited to such shares that equate to ten per cent. of the existing share capital of the Company.

It is anticipated, following the Sub-Division, if approved, 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 shares in uncertificated form through CREST, application will be made for such shares arising as a result of the Sub-Division to be credited to the relevant CREST accounts on 26 October 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 Sub-Division and authority to allot shares 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 Friday, 23 October 2015, at which the resolutions to approve the Sub-Division and the authority to allot certain shares 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 resolutions 1 and 2 require a majority of the votes cast (whether in person or by proxy) in respect of the relevant resolution and the passing of resolution 3 requires at least 75% of the votes cast (whether in person or by proxy). The result of the EGM will be announced through a regulatory information service and on the website of the Company (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 Wednesday, 21 October 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 Sub-Division and the proposed authority to allot shares is in the best interests of the Company and its Shareholders taken as a whole and, accordingly, unanimously recommends that Shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial holdings, which, in aggregate, amounted to 7,500,100 Ordinary Shares as at 28 September 2015 (being the latest practicable date prior to the publication of this document), representing approximately 0.4% of the Company's current issued share capital.

Yours sincerely

Dr. Johnny Hon
Chairman

GATE VENTURES PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Gate Ventures Plc (the **Company**) will be held at 10.00 a.m. on Friday, 23 October 2015 at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG for the purpose of considering and, if thought fit, passing the following resolutions the first two of which will be proposed as ordinary resolutions of the Company and the third of which will be proposed as a special resolution of the Company:

ORDINARY RESOLUTIONS

1. That the resolution approving the sub-division of all the then ordinary shares in the capital of the Company into 50 ordinary shares of 0.02 pence each as approved on 27 August be re-confirmed and re-approved in respect of all of the shares then in the capital of the Company and further that the 1,713,425,950 ordinary shares of 0.02 pence each in the share capital of the Company now existing each be sub-divided into two ordinary shares of 0.01 pence each, resulting therefore in 3,426,851,900 shares of 0.01 pence each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of 0.02 pence each in the capital of the Company as set out in the Company's articles of association for the time being and that the directors be authorised to do all things that are in their opinion (or of a duly authorised committee of them) necessary or desirable to give effect to and complete the sub-division the subject of this resolution.

2. That, in accordance with section 551 of the Companies Act 2006 (**CA 2006**), the directors of the Company (or a duly constituted committee of the directors) (**Directors**) be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £114,228.40 provided that this authority shall, unless renewed, varied or revoked by the Company, expire one year from the date of the meeting at which this Resolution was first proposed or on the date of the next Annual General Meeting of the Company, whichever shall be sooner, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

3. That, subject to the passing of resolution 2 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 2, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £34,268.52 and shall expire one year from the date of the meeting at which this Resolution was first proposed or on the date of the next annual general meeting of the Company, whichever shall be sooner, (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

.....
Company Secretary

Dated 29 September 2015

Notes:

- [1] A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on a poll, to vote in his or her place. A proxy need not be a member of the Company.
- [2] To be effective, a completed and signed proxy form, together with the authority (if any) under which it is signed (or a notorially certified copy of such authority), must be returned so as to reach the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 10.00 a.m. on Wednesday, 21 October 2015, being not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting.
- [3] Completion and return of the proxy form will not preclude a member from attending and voting in person at the meeting or any adjourned meeting.
- [4] A proxy form is enclosed for your use. The "vote withheld" option is provided on the proxy card to enable you to abstain from voting. However, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" the resolution.
- [5] The Company specifies that only those shareholders registered in the Company's register of members at 6.00 pm on Wednesday, 21 October 2015 (or, in the case of an adjournment, no later than 48 hours before the time of the adjourned meeting) will be entitled to attend or vote at the meeting and that the number of votes which any such shareholder may cast, upon a poll, will be determined by reference to the number of shares registered in such shareholder's name at that time. Changes to entries on the register of members after 6.00 pm on Wednesday, 21 October 2015 shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- [6] CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 23 October 2015 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.