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PERCEPTION DIGITAL HOLDINGS LIMITED

幻音數碼控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1822)

UNUSUAL PRICE AND VOLUME MOVEMENTS

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of Perception Digital Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has noted the recent increases in the price and trading volume of the shares of the Company and wishes to state that it is not aware of any reasons for such increases, save and except for the Group currently being in preliminary discussions with an independent third party regarding a possible loan facility to be granted to the Group and a possible issue of warrants by the Company to that independent third party (collectively the “**Possible Facility**”). As at the date of this announcement, no legally binding agreements or contracts relating to the Possible Facility have been entered into by the Group. The Company will comply with the relevant requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) in the event that any agreement regarding the Possible Facility is entered into by the Group.

Save as disclosed above, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and/or potential investors of the Company should note that the Possible Facility may or may not materialise and accordingly are advised to exercise caution when dealing in the shares of the Company.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board
Perception Digital Holdings Limited
Dr. Jack Lau
Chairman and Executive Director

Hong Kong, 5 October 2012

As at the date of this announcement, the executive Directors are Dr. Lau, Jack and Mr. Tao Hong Ming; the non-executive Directors are Prof. Cheng, Roger Shu Kwan and Prof. Tsui, Chi Ying; and the independent non-executive Directors are Dr. Lam Lee, Kiu Yue Alice Piera, Prof. Chin, Tai Hong Roland and Mr. Shu, Wa Tung Laurence.