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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

**If you have sold or transferred** all your shares in Perception Digital Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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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)**

### **PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at 3:00 p.m. on Friday, 31 May 2013 at Meeting Room 04, 1st Floor, Core Building 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong (the “AGM”) is set out on pages 15 to 20 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjournment thereof should you so wish.

*This circular will remain on the “Latest Listed Company Announcements” page of the website at The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting and on the website of the Company at <http://www.perceptiondigital.com>.*

30 April 2013

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 3:00 p.m., on Friday, 31 May 2013 at Meeting Room 04, 1st Floor, Core Building 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Perception Digital Holdings Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on The Stock Exchange of Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Issue Mandate”	the issue mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant resolution for approving the issue mandate
“Latest Practicable Date”	25 April 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution approving the repurchase mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers as amended from time to time
“%”	per cent

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## LETTER FROM THE BOARD

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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)**

*Executive Director:*

Dr. Lau, Jack (*Chairman*)

*Non-Executive Directors:*

Prof. Cheng, Roger Shu Kwan

Prof. Tsui, Chi Ying

*Independent non-executive Directors:*

Prof. Chin, Tai Hong Roland

Mr. Shu, Wa Tung Laurence

Mr. Ng, Wai Hung

Mr. William Keith Jacobsen

*Registered Office:*

Cricket Square, Hutchins Drive,

P.O. Box 2681, Grand Cayman,

KY1-1111, Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong:*

Unit 311, 3rd Floor,

Core Building 1,

No. 1 Science Park East Avenue,

Hong Kong Science Park,

Pak Shek Kok, New Territories,

Hong Kong

30 April 2013

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM for (i) the granting of the Issue Mandate; (ii) the granting of the Repurchase Mandate; (iii) the extension of the Issue Mandate; and (iv) the re-election of Directors; and to give you the notice of the AGM.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Company's existing mandates to issue and repurchase Shares were approved by the Shareholders at the annual general meeting of the Company held on 1 June 2012. Unless otherwise renewed, the existing mandates to issue and repurchase Shares will lapse at the conclusion of the AGM. Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and approve:–

- (a) the granting of the Issue Mandate so that the Directors will be able to allot, issue and deal with up to a total of 186,750,000 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue as at the date of passing of such resolution (based on 933,750,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM);
- (b) the granting of the Repurchase Mandate so that the Directors are authorized to purchase Shares on the Stock Exchange with an aggregate nominal amount of up to 10% of the total nominal amount of the issued share capital of the Company on the date of passing of such resolution; and
- (c) the extension of the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate will continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any applicable law of the Cayman Islands to be held; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the general mandate. The Directors believe that it is in the best interest of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to issue Shares at such time as the Directors thinks fit without the need to convene a general meeting to approve issue of Shares.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

At the AGM, three Directors, namely Prof. Cheng Roger Shu Kwan, Prof. Tsui Chi Ying and Prof. Chin Tai Hong Roland will retire from office in accordance with articles 83 and 84 of the Articles of Association and, being eligible, will offer themselves for re-election.

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 15 to 20 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. If you are unable to attend the AGM, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors believe that the granting of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the re-election of Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours Faithfully  
On behalf of the Board  
**Perception Digital Holdings Limited**  
**Dr. Jack Lau**  
*Chairman and Executive Director*

*This appendix serves as an explanatory statement, as required by the Listing Rules, to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 933,750,000 Shares.

Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorized to repurchase up to a maximum of 93,375,000 Shares, representing 10% of the issued Shares as at the Latest Practicable Date during the period up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

## **2. REASONS FOR THE REPURCHASE**

The Directors consider that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

## **3. SOURCE OF FUNDS**

In purchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company will not purchase the Shares on for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.



**4. IMPACT ON WORKING CAPITAL OR GEARING LEVEL**

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2012, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

**5. DIRECTORS AND THEIR ASSOCIATES**

To the best knowledge of the Directors having made all reasonable enquiries, none of the Directors nor their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

**6. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands.

**7. EFFECT OF THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

**APPENDIX I****EXPLANATORY STATEMENT**

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

<b>Name of Shareholder</b>	<b>Number of Shares held</b>	<b>Approximate percentage of existing shareholding</b>	<b>Approximate shareholding percentage if the Repurchase Mandate is exercised in full</b>
Swanland Management Limited ("Swanland")	188,388,510 <sup>(1)</sup>	20.17%	22.42%
Masteray Limited ("Masteray")	188,388,510 <sup>(2)</sup> 80,743,045	20.17% 8.65%	22.42% 9.61%
Sea Progress Limited ("Sea Progress")	269,131,555 <sup>(2)</sup>	28.82%	32.03%
Loh, Jiah Yee, Katherine ("Ms. Loh")	269,131,555 <sup>(3)</sup> 4,717,500	28.82% 0.51%	32.03% 0.56%
	273,849,055	29.33%	32.59%
Dr. Lau Jack ("Dr. Lau")	273,849,055 <sup>(4)</sup>	29.33%	32.59%
Manyi Holdings Limited ("Manyi")	140,482,433	15.04%	16.72%
Dr. Wu Po Him, Philip ("Dr. Wu")	140,482,433 <sup>(5)</sup> 1,599,142	15.05% 0.17%	16.72% 0.19%
	142,081,575	15.22%	16.91%

*Notes:*

- (1) Swanland is owned as to 51% by Masteray, 24.5% by Excel Direct Technology Limited ("Excel Direct") and 24.5% by Rochdale Consultancy Limited ("Rochdale"). Excel Direct is owned as to 50% by Prof. Tsui Chi Ying ("Prof. Tsui"), a non-executive Director and as to 50% by his spouse, Ms. Cheung Wai Hing Barbara ("Ms. Cheung"). Rochdale is owned as to 50% by Prof. Cheng, Roger Shu Kwan ("Prof. Cheng"), a non-executive Director and as to 50% by his spouse, Ms. Le Cheng ("Ms. Cheng").

- (2) Masteray is owned as to 100% by Sea Progress, which, through a discretionary trust, is wholly-owned by Credit Suisse Trust Limited (“Credit Suisse”).
- (3) Ms. Loh is the founder of a discretionary trust holding 179,421,037 Shares by Credit Suisse and hence is deemed to be interested in all the Shares held thereof.
- (4) Dr. Lau, an executive Director, is the spouse of Ms. Loh and hence is deemed to be interested in all the Shares held by Ms. Loh by virtue of the SFO.
- (5) Dr. Wu is the sole beneficial owner of Manyi and hence is deemed to be interested in all the Shares held by Manyi.

As defined in the prospectus of the Company dated 4 December 2009, the controlling shareholder(s) of the Company (the “Controlling Shareholder”) refers to Excel Direct, Masteray, Rochdale, Swanland, Dr. Lau, Ms. Loh, Prof. Cheng, Ms. Cheng, Prof. Tsui and Ms. Cheung. Excel Direct and Rochdale are interested in 11,903,210 Shares and 2,976,655 Shares, respectively. As at the Latest Practicable Date, the Controlling Shareholder was interested in 288,728,920 Shares, representing approximately 30.92% of the total issued share capital of the Company.

In the event that the Repurchase Mandate is exercised in full, the interest of the Controlling Shareholder will increase to approximately 34.36%. Accordingly, the exercise of the Repurchase Mandate, depending on the timing and the extent of the repurchases, may give rise to an obligation on the part of the Controlling Shareholder to make a mandatory offer under Rule 26 of the Takeovers Code. At present, the Company has no intention to exercise the Repurchase Mandate to such extent as would give rise to such an obligation.

In respect of the public float, the Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Listing Rules.

## **8. SHARES REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company during the six months immediately prior to the Latest Practicable Date.

## **9. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has he/she/it undertaken not to do so in the event that the Repurchase Mandate is approved and exercised.

## 10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date and up to the Latest Practicable Date were as follows:

	Share Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2012</b>		
April	0.33	0.26
May	0.305	0.27
June	0.295	0.225
July	0.236	0.181
August	0.208	0.186
September	0.20	0.171
October	0.29	0.18
November	0.241	0.19
December	0.198	0.169
<b>2013</b>		
January	0.223	0.173
February	0.184	0.128
March	0.15	0.12
April (up the to Latest Practicable Date)	0.13	0.126

## 11. STATUS OF PURCHASED SHARES

The listing of all Shares which are purchased by the Company shall be automatically cancelled upon purchase. The Company shall ensure that the documents of title of the purchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase.

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## APPENDIX II                      DETAILS OF DIRECTORS FOR RE-ELECTION

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*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

### NON-EXECUTIVE DIRECTOR

#### 1.     **Prof. Cheng, Roger Shu Kwan (“Prof. Cheng”)**

Prof. Cheng is one of the founders of the Group. He was appointed as a non-executive Director on 18 September 2009. He is currently a professor in the Electronic and Computer Engineering Department of HKUST. He was an assistant professor in the Electrical and Computer Engineering Department of University of Colorado at Boulder from 1991 to 1995, before he joined HKUST in June 1995. Prof. Cheng received his Bachelor’s degree in Science from Drexel University, Philadelphia, Pennsylvania, in 1987, and his Ph.D. degree from Princeton University, Princeton, New Jersey, in 1991, both in Electrical Engineering. Prof. Cheng had served as editors for many journals including IEEE Transactions on Wireless Communications and as a consultant for industrial projects sponsored by various communication system and IC companies in Hong Kong, US and China.

Prof. Cheng holds directorship in certain subsidiaries of the Group, namely Perception Digital Technology (BVI) Ltd, Perception Digital Limited, and Perception Digital Technology (Shenzhen) Limited.

Prof. Cheng is the spouse of Ms. Le Cheng, who is one of the controlling shareholders of the Company. Save as disclosed above, Prof. Cheng does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company. As at the Latest Practical Date, Prof. Cheng has interests in 2,976,665 shares of the Company within the meaning of Part XV of the SFO.

Prof. Cheng has entered into a service contract with the Company for a term of three years commencing on 16 December 2012, subject to renewal by agreement for one or more consecutive terms of three years. His term of office is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Prof. Cheng is entitled to a director’s fee of HK\$50,000 per annum, which was determined with reference to his duties and responsibilities with the Company.

Save as disclosed above, there are no other matters concerning Prof. Cheng that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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## APPENDIX II                      DETAILS OF DIRECTORS FOR RE-ELECTION

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### 2.     Prof. Tsui, Chi Ying (“Prof. Tsui”)

Prof. Tsui Chi Ying is one of the founders of the Group and appointed as an executive Director on 18 September 2009. He was re-designated as a non-executive Director on 10 March 2010. He received his bachelor’s degree in electrical engineering from the University of Hong Kong (the “HKU”) in 1982 and Doctorate degree in Computer Engineering from the University of Southern California in 1994. He joined the electrical and electronic engineering department of the HKUST in 1994 and is currently a professor in the department. Prof. Tsui has received various awards including Best Paper awards from IEEE Transactions on VLSI Systems, IEEE International Symposium on Circuits and Systems and IEEE International Symposium on Low Power Electronics and Design. He has served on the technical program committees of many international conferences and symposiums, including Design Automation Conference, International Symposium on Low Power Electronics and Design, Asia and South Pacific Design Automation Conference and the IEEE, VLSI Symposium.

Prof. Tsui holds directorship in certain subsidiaries of the Group, namely PD (BVI), PD (HK), PD Trading, IWC and PD (SZ). Save as disclosed above, Prof. Tsui does not hold any other position in the Company or any of its subsidiaries and has not held any directorship in any other listed public company during the last three years.

Prof. Tsui is the spouse of Ms. Cheung Wai Hing, Barbara, who is one of the controlling shareholders of the Company. Save as disclosed above, Prof. Tsui does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Prof. Tsui has interests in 11,903,210 shares of the Company within the meaning of Part XV of the SFO.

Prof. Tsui has entered into a service contract with the Company for a term of three years commencing on 16 December 2012, subject to renewal by agreement for one or more consecutive terms of three years. His term of office is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Prof. Tsui is entitled to a director’s fee of HK\$50,000 per annum, which was determined with reference to his duties and responsibilities with the Company.

Save as disclosed above, there are no other matters concerning Prof. Tsui that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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## APPENDIX II                      DETAILS OF DIRECTORS FOR RE-ELECTION

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### INDEPENDENT NON-EXECUTIVE DIRECTORS

**3. Prof. Chin, Tai Hong Roland (“Prof. Chin”)**

*Chairman of Remuneration Committee*

*Members of Audit Committee and Nomination Committee*

Prof. Chin was appointed as an independent non-executive Director on 2 October 2010. He studied Electrical Engineering at the University of Missouri, Columbia (B.S. 1975; Ph.D. 1979). He subsequently worked at the NASA Goddard Space Flight Center in Maryland for two years prior to joining the Faculty of Electrical and Computer Engineering at the University of Wisconsin, Madison from 1981 to 1995 (Assistant Professor 1981; Associate Professor 1984; Full Professor 1989). Since he joined HKUST in 1992, he has served as Head of Department (1996 – 2001), Vice-President for Academic Affairs and Deputy President (2006 – 2010), and Vice-President for Research and Development (2003 – 2006). From 2001 to 2003, he was also the Vice-President for Information Technology of Applied Science and Technology Research Institute. He joined HKU in July 2010 as Deputy Vice-Chancellor and Provost, and Chair Professor of Computer Science.

Prof. Chin has served on numerous public bodies including the Hong Kong Examinations and Assessment Authority, Employees Retraining Board, Quality Education Fund, Hong Kong Association for Computer Education, Hospital Authority, Applied Research Council, Innovation and Technology Commission, Cyberport Board and Education Bureau. He was the Chairman of the Research Grants Council from 2005 to 2012, and also a Member of the University Grants Committee from 2004 to 2012. He is currently Chairman of the Board of HKEdCity and the Science Museum Advisory Panel of LCSD, HKSAR Government. He is also a Trustee of the Croucher Foundation, a Board Member of Hong Kong Applied Science and Technology Research Institute (ASTRI), and a Member of the Steering Committee on Innovation & Technology and the Commission on Strategic Development of the HKSAR Government.

Save as disclosed above, Prof. Chin does not hold any other position in the Company or any of its subsidiaries and has not held any directorship in any other listed public company during the last three years.

Prof. Chin does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Prof. Chin does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

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## **APPENDIX II                      DETAILS OF DIRECTORS FOR RE-ELECTION**

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Prof. Chin has entered into a service contract with the Company for a term of three years commencing on 2 October 2010, subject to renewal by agreement for one or more consecutive terms of three years. Her term of office is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Prof. Chin is entitled to an annual fee of HK\$50,000 per annum, which was determined with reference to his duties and responsibilities with the Company.

Save as disclosed above, there are no other matters concerning Prof. Chin that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.



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## NOTICE OF THE AGM

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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)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting of Perception Digital Holdings Limited (the “Company”) will be held at 3:00 p.m. on Friday, 31 May 2013 at Meeting Room 04, 1st Floor, Core Building 1, No. 1 Science Park East Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 December 2012.
2.
  - (a) To re-elect Prof. Cheng, Roger Shu Kwan as non-executive Director;
  - (b) to re-elect Prof. Tsui, Chi Ying as non-executive Director;
  - (c) to re-elect Prof. Chin, Tai Hong Roland as independent non-executive Director;
  - (d) to authorise the board of directors of the Company (the “Board”) to fix the Directors’ remuneration.
3. To re-appoint Ernst & Young as auditors of the Company and to authorize the Board to fix their remuneration.

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## NOTICE OF THE AGM

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As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

4. **“THAT:**
- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
  - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares, shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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- (d) for the purposes of this resolution,

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any other applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given to the Directors under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) the exercise by the Directors during the Relevant Period of all powers of the Company to purchase the shares in the share capital of the Company on the Stock Exchange or any other stock exchange on which the shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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(b) the aggregate nominal amount of shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution,

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; and

(iii) the revocation or variation of the authority given to the Directors under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** subject to the passing of resolutions numbered 4 and 5 as set out in the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution numbered 4 as set out in the Notice be extended by the addition to the aggregate nominal amount of the shares which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares purchased by the Company pursuant to the mandate to purchase shares referred to in the resolution numbered 5 as set out in the Notice, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the shares in issue as at the date of passing of this resolution.”

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

Hong Kong, 30 April 2013

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*Registered office:*

Cricket Square, Hutchins Drive,  
P.O. Box 2681, Grand Cayman,  
KY1-1111, Cayman Islands

*Head office and principal place of business in Hong Kong:*

Unit 311, 3rd Floor  
Core Building 1, No. 1 Science Park East Avenue  
Hong Kong Science Park, Pak Shek Kok  
New Territories, Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the annual general meeting (the “meeting”) convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the meeting or any adjournment thereof, should he so wish.
3. The Register of Members of the Company will be closed from 29 May 2013 to 31 May 2013, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming meeting and the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 28 May 2013.
4. In relation to proposed resolutions numbered 4, 5 and 6 set out in the above notice, the Directors wish to state that they have no immediate plans to issue any new shares or repurchase any existing shares of the Company other than shares which may fall to be issued under the share option scheme of the Company.
5. In relation to proposed resolution numbered 5, an explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in appendix I to this circular.

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*As at the date hereof, the executive Director is Dr. Lau, Jack; the non-executive Directors are Prof. Cheng, Roger Shu Kwan and Prof. Tsui, Chi Ying; and the independent non-executive Directors are Prof. Chin, Tai Hong Roland, Mr. Shu, Wa Tung Laurence, Mr. Ng Wai Hung and Mr. William Keith Jacobsen.*

*This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.*

*This circular will remain on the “Latest Listed Company Announcements” page of the website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the Company’s website at [www.perceptiondigital.com](http://www.perceptiondigital.com).*