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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)

INSIDE INFORMATION AND RESUMPTION OF TRADING

This announcement is made by Perception Digital Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The attention of the Company was drawn to certain articles published on the Internet on 15 November 2013, which stated that legal actions were brought in the High Court of Hong Kong against two subsidiaries of the Company, namely Perception Digital Limited and PD Trading (Hong Kong) Limited, in relation to debt(s) in the alleged amount of over US\$3.72 million (equivalent to HK\$29.02 million based on an exchange rate of US\$1.00 = HK\$7.80).

The Company would like to inform the shareholders and the potential investors that the Company is aware of a recent dispute between the Group and a supplier, but would like to clarify that the Company has yet to receive the writ of summons in relation to such dispute. The Company has already instructed legal advisers to handle the legal issues in connection with the dispute and/or legal actions. At this early stage, the Company considers that it is impracticable to estimate the potential impact of the dispute and/or legal actions on the Company. The Company will keep shareholders and potential investors informed by way of further announcement(s), if and when any material development arises in connection with the said dispute and/or legal actions.

At the request of the Company, trading in the shares of the Company (“**Shares**”) on the Stock Exchange was halted with effect from 3:15 p.m. on Friday, 15 November 2013 pending the release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 1:00 p.m. on Monday, 18 November 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Perception Digital Holdings Limited
Mr. Mung Wai Ming
Executive Director

Hong Kong, 18 November 2013

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Mung Wai Ming, Ms. Liu Yee Nee and Mr. Lee Rabi as Executive Directors; and Mr. Ng Wai Hung, Mr. William Keith Jacobsen and Ms. Zhou Jing as Independent Non-executive Directors.