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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

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).

Reference is made to the announcement made by the Company on 18 November 2013. The board of directors of the Company (the “**Board**”) informs its shareholders that on 20 November 2013, a writ of summons in the High Court (the “**Legal Action**”) was served on two wholly-owned subsidiaries of the Company, namely, Perception Digital Limited and PD Trading (Hong Kong) Limited (collectively, the “**Defendant Companies**”). The Legal Action relates to a dispute between the Defendant Companies and a supplier of the Group (the “**Claimant**”), who now seeks to claim from the Defendant Companies, inter alia, an alleged sum of US\$3,723,670.23 (equivalent to HK\$29,044,628 based on an exchange rate of US\$1.00 = HK\$7.80) (the “**Relevant Sum**”). The Claimant alleged that the Relevant Sum relates to outstanding but unpaid invoices for certain goods supplied by the Claimant to the Defendant Companies.

Upon obtaining the legal advice from our Hong Kong legal advisors, the Group intends to contest the Claimant’s allegations in the Legal Action. At this early stage of the Legal Action, the Company considers that it is impracticable to estimate the potential impact of the Legal Action on the Group. The Company will keep its shareholders and potential investors informed by way of further announcement(s), if and when any material development arises in connection with the Legal Action.

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, 20 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.