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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.

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**

A notice convening the annual general meeting of the Company to be held at 11:00 a.m. on Friday, 29 May 2014 at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong (the “AGM”) is set out on pages 14 to 18 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 Level 22, Hopewell Centre, 183 Queen’s Road East, 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.

25 April 2014

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DEFINITIONS

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 11:00 a.m., on 29 May 2014 at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, 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 the 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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”	17 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“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\$0.01 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

LETTER FROM THE BOARD

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 Directors:

Mr. Mung, Wai Ming (*Chairman*)

Ms. Liu, Yee Nee

Mr. Lee, Rabi

Registered Office:

Cricket Square, Hutchins Drive,

P.O. Box 2681, Grand Cayman,

KY1-1111, Cayman Islands

Independent non-executive Directors:

Ms. Zhou, Jing

Mr. Ng, Wai Hung

Mr. William Keith Jacobsen

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

25 April 2014

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.

LETTER FROM THE BOARD

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 31 May 2013. 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 493,020,000 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 2,465,100,000 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.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

At the AGM, three Directors, namely Mr. Mung, Wai Ming, Mr. Ng, Wai Hung and Mr. William Keith Jacobsen 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 14 to 18 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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 13.94(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
Mr. Mung Wai Ming
Chairman and Executive Director

This appendix serves as an explanatory statement, as required by Rule 17.09 of 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 2,465,100,000 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 246,510,000 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 2013, 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:

Name of Shareholder	Number of Shares held	Approximate percentage of existing shareholding	Approximate shareholding percentage if the Repurchase Mandate is exercised in full
Swanland Management Limited ("Swanland")	414,454,722 ⁽¹⁾	16.81%	18.68%
Masteray Limited ("Masteray")	414,454,722 ⁽¹⁾ 177,634,699	16.81% 7.21%	18.68% 8.01%
Sea Progress Limited ("Sea Progress")	592,089,421 ⁽¹⁾	24.02%	26.69%
Ms. Loh, Jiah Yee, Katherine ("Ms. Loh")	592,089,421 ⁽¹⁾ <u>10,377,400</u>	24.02% <u>0.42%</u>	26.69% <u>0.47%</u>
	602,466,821	24.44%	27.16%
Dr. Lau, Jack	602,466,821 ⁽¹⁾	24.44%	27.16%
Capital Fame Technology Limited ("Capital Fame")	264,000,000 ⁽²⁾	10.71%	11.90%
Mr. Chan, Yuen Ming ("Mr. Chan")	264,000,000 ⁽²⁾	10.71%	11.90%

Notes:

- (1) Swanland is owned as to 85.2% by Masteray and therefore Masteray is deemed to be interested in all the Shares held by Swanland. Masteray is wholly-owned by Sea Progress, which through a discretionary trust, is wholly-owned by Credit Suisse Trust Limited. Ms. Loh is the founder of the said trust, and hence she is deemed to be interested in 592,089,421 Shares. Dr. Lau, Jack, being the spouse of Ms. Loh, is deemed to be interested in all the Shares held by Ms. Loh. Dr. Lau, Jack resigned as an executive Director effective from 29 June 2013.
- (2) Capital Fame, a company incorporated in the BVI with limited liability which is wholly-owned by Mr. Chan, hence Mr. Chan is deemed to be interested in all the 264,000,000 Shares that Capital Fame is interested in.

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>
2013		
April	0.130	0.121
May	0.167	0.126
June	0.175	0.138
July	0.175	0.141
August	0.275	0.148
September	0.227	0.170
October	0.230	0.184
November	0.215	0.131
December	0.158	0.081
2014		
January	0.160	0.069
February	0.125	0.092
March	0.130	0.097
April (up the to Latest Practicable Date)	0.140	0.113

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.

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

EXECUTIVE DIRECTOR

1. Mr. Mung, Wai Ming (“Mr. Mung”)

Mr. Mung, Wai Ming is the Chairman of the Company and has more than 20 years' experience in property and car park management. He has accumulated extensive concept in the operation management from his operation in different industries. Mr. Mung worked in various industries including property trading, financing, wedding witnesses, club management, car park operation and foot massage etc. Mr. Mung is the chairman of Eli Car Park Ltd. and director of Pure Massage Group Ltd. He devotes himself in charity and was elected as the member of the sixth standing committee of the Overseas Congress of Yue Xiu District of Guangzhou, member of the fourth standing committee of the Overseas Congress of Qingxin District of Qingyuan, member of Friends of Qing Yuan Association (H.K.) Ltd. and founding chairman of International Industry and Commerce Experts Association Ltd. Currently, Mr. Mung is the executive director of Sustainable Forest Holdings Limited (stock code: 723).

Save as disclosed above, Mr. Mung 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.

Save as disclosed above, Mr. Mung 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, Mr. Mung has interests in 143,971,300 shares of the Company within the meaning of Part XV of the SFO.

Mr. Mung has entered into a service contract with the Company for a term of one year commencing on 8 May 2013, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Mung 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 Mr. Mung 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

2. Mr. Ng, Wai Hung (“Mr. Ng”)*Chairman of Remuneration Committee**Members of Audit Committee and Nomination Committee*

Mr. Ng, Wai Hung was appointed as an independent non-executive Director on 7 January 2013. He is a practising solicitor and a partner in Iu, Lai & Li, a Hong Kong firm of solicitors. Mr. Ng practises in the areas of securities law, corporate law and commercial law in Hong Kong. Mr. Ng is also an independent non-executive director of six companies listed on The Stock Exchange of Hong Kong Limited, namely Fortune Sun (China) Holdings Limited (stock code: 352), Gome Electrical Appliances Holding Limited (stock code: 493), Hycomm Wireless Limited (stock code: 499), Trigiant Group Limited (stock code: 1300), Sustainable Forest Holdings Limited (stock code: 723) and Tech Pro Technology Development Limited (stock code: 3823). Mr. Ng was also an independent non-executive director of Yun Sky Chemical (International) Holdings Limited (currently known as King Stone Energy Group Limited, stock code: 663), KTP Holdings Limited (currently known as Ares Asia Limited, stock code: 645) and Tomorrow International Holdings Limited (currently known as Talent Property Group Limited (stock code: 760) and resigned in February 2010, February 2011 and January 2012, respectively.

Save as disclosed above, Mr. Ng 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.

Mr. Ng 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, Mr. Ng does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Ng has entered into a service contract with the Company for a term of one year commencing on 7 January 2014, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Ng 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 Mr. Ng 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.

3. Mr. William Keith Jacobsen (“Mr. Jacobsen”)*Chairman of Nomination Committee**Members of Audit Committee and Remuneration Committee*

Mr. William Keith Jacobsen was appointed as an independent non-executive Director on 7 January 2013. He is the managing director of a licensed corporation to advise on corporate finance matters. Mr. Jacobsen has more than 20 years of experience in corporate finance and business development. Mr. Jacobsen is an executive director of Auto Italia Holdings Limited (formerly known as Wo Kee Hong (Holdings) Limited, stock code: 720) and is also an independent non-executive director of Hycomm Wireless Limited (stock code: 499), abc Multiactive Limited (stock code: 8131), China Financial Leasing Group Limited (stock code: 2312) and Sustainable Forest Holdings Limited (stock code: 723). He was also an independent non-executive director of King Stone Energy Group Limited (stock code: 663) for the period from 26 September 2008 to 30 September 2011.

Save as disclosed above, Mr. Jacobsen 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.

Mr. Jacobsen 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, Mr. Jacobsen does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Jacobsen has entered into a service contract with the Company for a term of one year commencing on 7 January 2014, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Jacobsen 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 Mr. Jacobsen 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.

NOTICE OF THE AGM

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 11:00 a.m. p.m. on 29 May 2014 at Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, 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 2013.
2.
 - (a) To re-elect Mr. Mung, Wai Ming as executive Director and Chairman;
 - (b) to re-elect Mr. Ng, Wai Hung as independent non-executive Director;
 - (c) to re-elect Mr. William Keith Jacobsen as independent non-executive Director;
and
 - (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.

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;

NOTICE OF THE AGM

- (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

- (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

NOTICE OF THE AGM

- (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;
- (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;

NOTICE OF THE AGM

- (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 5 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 6 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
Mr. Mung, Wai Ming
Chairman and Executive Director

Hong Kong, 25 April 2014

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

NOTICE OF THE AGM

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 Level 22, Hopewell Centre, 183 Queen’s Road East, 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 27 May 2014 to 29 May 2014, 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on 26 May 2014.
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.

As at the date hereof, the executive Directors are Mr. Mung, Wai Ming, Ms. Liu, Yee Nee, Mr. Lee, Rabi; and the independent non-executive Directors are Ms. Zhou, Jing, Mr. Ng, Wai Hung and Mr. William Keith Jacobsen.