
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form(s) of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form(s) of Acceptance.

If you are in any doubt as to any aspect of the Offers, this Offer Document, the accompanying Form(s) of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Perception Digital Holdings Limited, you should at once hand this Offer Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers.

NAT-ACE PHARMACEUTICAL LTD.**邦強醫藥有限公司****(Incorporated in the British Virgin Islands with limited liability)*

**OFFER DOCUMENT RELATING TO THE
UNCONDITIONAL MANDATORY CASH OFFER BY
CCB INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF NAT-ACE PHARMACEUTICAL LTD.
TO ACQUIRE ALL THE ISSUED SHARES IN,
AND CANCEL ALL OUTSTANDING OPTIONS OF,
PERCEPTION DIGITAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY
NAT-ACE PHARMACEUTICAL LTD. AND
PARTIES ACTING IN CONCERT WITH IT)**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document.

A letter from CCB International is set out on pages 6 to 14 of this Offer Document.

The procedures for acceptance of the Offers and other related information are set out in Appendix I to this Offer Document and in the accompanying Form(s) of Acceptance. Acceptances of the Offers should be received by the Registrar by no later than 4:00 p.m. on Wednesday, 13 August 2014 or such later time and/or date as the Offeror may decide and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed “Important Note for the Independent Shareholders and the holder of the Options outside Hong Kong” in the “Letter from CCB International” of this Offer Document before taking any action. It is the responsibility of each Shareholder and holder of the Options outside Hong Kong wishing to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas Shareholders and overseas holder of the Options are advised to seek professional advice on deciding whether or not to accept the Offers.

* For identification purpose only

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be announced by the Offeror. All time and date references contained in this Offer Document refer to Hong Kong time and date.

Despatch date of this Offer Document and commencement of the Offers (<i>Note 1</i>)	Wednesday, 16 July 2014
Latest time for the posting of the Response Document (<i>Note 2</i>)	Wednesday, 30 July 2014
Latest time and date for acceptance of the Offers	no later than 4:00 p.m. on Wednesday, 13 August 2014
First Closing Date (<i>Note 3</i>).	Wednesday, 13 August 2014
Announcement of the result of the Offers, as at the First Closing Date, on the website of the Stock Exchange and on the website of the Company.	no later than 7:00 p.m. Wednesday, 13 August 2014
Latest date for posting of remittance for the amount due in respect of valid acceptance received under the Offers on or before 4:00 p.m. on the First Closing Date (<i>Note 4</i>).	Friday, 22 August 2014

Notes:

1. The Offers are made on Wednesday, 16 July 2014, namely the date of posting of this Offer Document, and are capable of acceptance on and from that date until the close of the Offer Period on Wednesday, 13 August 2014, or if the Offers are extended, any subsequent closing date of the Offers as extended and announced by the Offeror in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Company is required to post the Response Document to the Shareholders and the holder of the Options within 14 days from the posting of this Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
3. In accordance with the Takeovers Code, where the Response Document is posted after the date on which the Offer Document is posted, the Offers must remain open for acceptance for at least 28 days following the date on which the Offer Document is posted. The Offeror reserves its right, as permitted under the Takeovers Code, to revise or extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any revision or extension of the Offers, which will state the next closing date.

EXPECTED TIMETABLE

4. Remittance in respect of the consideration (after deducting the seller's ad valorem stamp duty, where applicable) payable for the Disinterested Shares/Options tendered under the Offers will be posted by ordinary post to the Independent Shareholders/the holder of the Options accepting the Offers at their own risk as soon as possible, but in any event within 7 Business Days following the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offers complete and valid in accordance with the Takeovers Code.

Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed "Right of withdrawal" in Appendix I to this Offer Document. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the last date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the last time for acceptance of the Offers and the posting of remittances will remain at 4:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the last date for acceptance of the Offers and the last date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the last time for acceptance of the Offers and the posting of remittances will be rescheduled to 4:00 p.m. on the next Business Day.

DEFINITIONS

In this Offer Document, the following terms and expressions shall have the following meanings, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which commercial banks are open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and any weekday on which a tropical cyclone warning signal number 8 or above is hoisted or a black rainstorm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.)
“BVI”	the British Virgin Islands
“CCB International”	CCB International Capital Limited, a corporation licensed to carry out type 1, type 4 and type 6 regulated activity under SFO and the financial adviser to the Offeror
“Closing Date”	the First Closing Date, or if the Offers are extended, any subsequent closing date of the Offers as extended and announced by the Offeror in accordance with the Takeovers Code
“Company”	Perception Digital Holdings Limited 幻音數碼控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Share Subscription and the Share Purchase
“Director(s)”	the director(s) of the Company
“Disinterested Shares” or “Offer Shares”	all the Shares in issue, other than the Shares which are owned or agreed to be acquired by the Offeror and the parties acting in concert with it as at the date of this Offer Document

DEFINITIONS

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a loan facility granted by CCB International Securities Limited, a fellow subsidiary of CCB International, to the Offeror
“First Closing Date”	Wednesday, 13 August 2014, being the first closing date of the Offers
“First Vendor”	Swanland Management Limited, a company incorporated in BVI
“Forms of Acceptance”	the WHITE Form of Share Offer Acceptance and the PINK Form of Option Offer Acceptance (accompanying this Offer Document), and “Form of Acceptance” means either of them
“Fourth Vendor”	Keen Platinum Limited, a company incorporated in BVI
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	holders of the Disinterested Shares
“Joint Announcement”	the announcement jointly published by the Company and the Offeror dated 8 May 2014 in relation to, among others, the Offers
“Last Trading Day”	25 April 2014, being the last trading day for the Shares prior to the suspension of trading in the Shares pending the publication of the Joint Announcement
“Latest Practicable Date”	14 July 2014, being the latest practicable date prior to the date of this Offer Document for ascertaining certain information herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Yuen Ming, the legal and beneficial owner of the entire issued share capital of the Third Vendor
“Mr. Mung”	Mr. Mung Wai Ming, an executive Director and the legal and beneficial owner of the entire issued share capital of the Fourth Vendor
“Ms. Loh”	Ms. Loh Jiah Yee Katherine, the majority ultimate beneficial owner of the First Vendor and the Second Vendor
“Offer Document”	this offer document issued by the Offeror in connection with the Offers in accordance with the Takeovers Code containing, <i>inter alia</i> , the terms and conditions of the Offers, together with the Form(s) of Acceptance
“Offer Period”	has the meaning ascribed thereto in the Takeovers Code, being the period from 8 May 2014, i.e. the date of the Joint Announcement, to the Closing Date, or such other time or date to which the Offeror may decide to extend or revise the Offers in accordance with the Takeovers Code
“Offer Price”	the amount of HK\$0.168 per Share
“Offeror”	Nat-Ace Pharmaceutical Ltd. 邦強醫藥有限公司*, a company incorporated in BVI on 2 January 2008 with limited liability and held by Deng Shufen, Liu Jianguan and Gui Bin as to 60%, 20% and 20% respectively. As a result of Completion, the Offeror became the controlling shareholder, holding approximately 52.79% of the enlarged issued share capital of the Company as at the Latest Practicable Date
“Option Agreement”	an option agreement dated 11 August 2011 entered into between Perception Digital Technology (BVI) Ltd., a subsidiary of the Company, and Teleepoch Limited comprising both the vested options to subscribe 25,277,957 Shares at a price of HK\$0.233 per Share and the unvested options to subscribe 76,241,580 Shares at a price of HK\$0.233 per Share

DEFINITIONS

“Offers”	the Share Offer and the Option Offer
“Options”	the outstanding options granted by the Company pursuant to the Option Agreement
“Option Offer”	the unconditional mandatory cash offer to be made by CCB International for and on behalf of the Offeror for the cancellation of the Options
“PRC”	the People’s Republic of China, and for the purpose of this Offer Document, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Relevant Period”	the period commencing on the date falling six months preceding 8 May 2014, being the commencement date of the Offer Period and ending on and including the Latest Practicable Date
“Registrar”	Tricor Investor Services Limited, being the Hong Kong branch share registrar and transfer office of the Company, located at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Response Document”	the response document to be issued by the Company to the Shareholders and the holder of the Options in accordance with the Takeovers Code
“Sale Shares”	424,832,122 Shares, 177,634,699 Shares, 264,000,000 Shares and 143,971,300 Shares sold by the First Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor to the Offeror, respectively, pursuant to the Sale and Purchase Agreement
“Second Vendor”	Masteray Limited, a company incorporated in BVI
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sale and Purchase Agreement”	the conditional agreement dated 26 April 2014 among the Vendors, Ms. Loh, Mr. Chan, Mr. Mung, and the Offeror in respect of the Share Purchase

DEFINITIONS

“Shareholders”	registered holders of Shares
“Share Offer”	the unconditional mandatory cash offer for the Disinterested Shares at the Offer Price to be made by CCB International on behalf of the Offeror in accordance with the Takeovers Code
“Share Purchase”	the purchase of the Sale Shares by the Offeror
“Share Subscription”	the subscription of the Subscription Shares by the Offeror
“Shares”	shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional agreement dated 26 April 2014 between the Company and the Offeror in respect of the Share Subscription
“Subscription Shares”	616,275,000 Shares issued by the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Third Vendor”	Capital Fame Technology Limited, a company incorporated in BVI
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Vendors”	the First Vendor, the Second Vendor, the Third Vendor and the Fourth Vendor
“Warrants”	the warrants issued by the Company entitling the holders thereof to subscribe Shares in aggregate up to HK\$16,807,500 at a subscription price of HK\$0.14 per Share
“%”	per cent.

* For identification purpose only

LETTER FROM CCB INTERNATIONAL



16 July 2014

To the Independent Shareholders and holder of the Options,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
CCB INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF NAT-ACE PHARMACEUTICAL LTD.
TO ACQUIRE ALL THE ISSUED SHARES IN,
AND CANCEL ALL OUTSTANDING OPTIONS OF,
PERCEPTION DIGITAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY
NAT-ACE PHARMACEUTICAL LTD. AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

On 8 May 2014, the Offeror and the Company jointly announced that on 26 April 2014, (i) the Subscription Agreement was entered into by the Offeror and the Company and (ii) the Sale and Purchase Agreement was entered into by the Vendors, Ms. Loh, Mr. Chan, Mr. Mung and the Offeror. Pursuant to Rule 26.1 of the Takeovers Code and as a result of Completion which took place on 9 July 2014, the Offeror became the controlling shareholder, holding approximately 52.79% of the enlarged issued share capital of the Company as at the Latest Practicable Date and CCB International will, on behalf of the Offeror, make an unconditional mandatory cash offer to acquire all the Disinterested Shares and cancel the Options.

The purpose of this Offer Document is to provide you, among other things, a letter from CCB International containing details of the Offers and general information of the Offeror. The terms and procedures of acceptance of the Offers are set out in Appendix I to the Offer Document of which this letter forms part, and the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in the Offer Document unless the context otherwise requires.

The Company is required to despatch the offeree board circular to the Shareholders containing, among other things, the letter from the Board, the respective advice of the independent board committee and the independent financial adviser within 14 days after the posting of the Offer Document.

LETTER FROM CCB INTERNATIONAL

SHARE SUBSCRIPTION AGREEMENT

In the Joint Announcement, it was disclosed that on 26 April 2014, the Share Subscription Agreement was entered into by the Offeror and the Company, pursuant to which, the Company agreed to issue, and the Offeror agreed to subscribe for the Subscription Shares for an aggregate consideration of HK\$103,534,200 in cash at the Offer Price.

The Subscription Shares represent approximately 20.00% of the enlarged issued share capital of the Company as at the Latest Practicable Date. The Company will use the estimated net proceeds from the Share Subscription of approximately HK\$98.5 million to improve the working capital of the Group and explore new business opportunities for the Group.

SALE AND PURCHASE AGREEMENT

In the Joint Announcement, it was also disclosed that on 26 April 2014, the Sale and Purchase Agreement was entered into by the Vendors, Ms. Loh, Mr. Chan, Mr. Mung and the Offeror, pursuant to which, the Offeror agreed to purchase, and the Vendors agreed to sell, at the Offer Price, 1,010,438,121 Shares, representing approximately 32.79% of the enlarged issued share capital of the Company as at the Latest Practicable Date.

UNCONDITIONAL MANDATORY CASH OFFER

As a result of Completion which took place on 9 July 2014, the Offeror owned in aggregate 1,626,713,121 Shares, representing approximately 52.79% of the enlarged issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, there is no party acting in concert with the Offeror in relation to the Shares holding any Shares in the Company as at the Latest Practicable Date.

Principal terms of the Offers

Pursuant to Rule 26.1 of the Takeovers Code, CCB International will, on behalf of the Offeror, make an unconditional mandatory cash offer to acquire all the Disinterested Shares and cancel the Options on the following basis:

For each Disinterested Share	HK\$0.168 payable in cash
For each Option	HK\$0.0001 payable in cash

As at the Latest Practicable Date, the Options were all out-of-the-money with reference to the Offer Price.

LETTER FROM CCB INTERNATIONAL

Offer Price

The Offer Price represents:

- (i) a premium of approximately 1,300.0% to the audited net asset value per Share as at 31 December 2013;
- (ii) a discount of approximately 6.7% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 16.7% to the average closing price of HK\$0.144 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 25.4% to the average closing price of HK\$0.134 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (v) a premium of approximately 35.5% to the average closing price of HK\$0.124 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 52.7% to the average closing price of HK\$0.110 per Share as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day; and
- (vii) a discount of approximately 8.7% to the closing price of HK\$0.184 per Share as quoted the Stock Exchange on the Latest Practicable Date.

LETTER FROM CCB INTERNATIONAL

The table below sets out the closing prices of Shares on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price of Shares (HK\$)
29 November 2013	0.092
31 December 2013	0.095
30 January 2014	0.102
28 February 2014	0.108
31 March 2014	0.120
25 April 2014 (Last Trading Day)	0.180
30 April 2014 (<i>Note 1</i>)	N/A
30 May 2014	0.196
30 June 2014	0.192
14 July 2014 (Latest Practicable Date)	0.184

Note:

1. Trading in the Shares was suspended for the period from 25 April 2014 to 8 May 2014.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares was HK\$0.214 per Share as quoted on the Stock Exchange on 23 May 2014 and the lowest closing price of the Shares was HK\$0.071 per Share as quoted on the Stock Exchange on 15 January 2014.

Total consideration for the Offers

On the basis of 3,081,375,000 Shares in issue as at the Latest Practicable Date, the Share Offer values the equity value of the Company at HK\$517,671,000. On the basis of 1,454,661,879 Disinterested Shares at the Latest Practicable Date and assuming that there is no change in the enlarged issued share capital of the Company prior to the making of the Offers, the amount of cash required to effect the Share Offer is approximately HK\$244,383,196.

Assuming that all the Options under the Option Offer are tendered at HK\$0.0001 each, the total consideration payable by the Offeror under the Option Offer will be HK\$10,152.

LETTER FROM CCB INTERNATIONAL

Assuming that all the vested Options are fully exercised prior to making of the Offers, there will be 3,106,652,957 Shares in issue and the entire issued share capital of the Company would be valued at approximately HK\$521,917,697 under the Share Offer, and there will be 1,479,939,836 Disinterested Shares, which will be valued at approximately HK\$248,629,892.

Financial resources available to the Offeror

The Offeror will finance and satisfy the cash consideration payable under the Offers from the Facility granted by CCB International Securities Limited, a fellow subsidiary of CCB International. Under the terms of the Facility, securities including, among others, certain Shares currently held by the Offeror shall be pledged to CCB International Securities Limited as securities for the Facility. The Offeror does not intend that the payment of interest on, repayment of or security for any liability under the Facility will depend to any significant extent on the business of the Group. CCB International, as financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Independent Shareholders will sell to the Offeror the Disinterested Shares free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them on or after the date on which the Offers are made, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offers are made.

Following the acceptance of the Option Offer, the Options will be cancelled.

Acceptance of the Share Offer or the Option Offer by the Independent Shareholders and the holder of the Options, respectively, will be deemed to constitute a warranty by such person(s) to the Offeror that such Shares acquired under the Share Offer or Options acquired under the Option Offer (as the case may be) are sold by the Independent Shareholders or the holder of the Options (as the case may be) free from all liens, charges, encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them on or after the date on which the Offers are made, including, in the case of the Shares, the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offers are made. Acceptance of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

LETTER FROM CCB INTERNATIONAL

Stamp duty

Assuming that the Offers are made upon Completion, ad valorem stamp duty of the sellers at a rate of HK\$1 for every HK\$1,000 (or part thereof) of the consideration payable to the Independent Shareholders who accept the Share Offer will be deducted from the amount payable to such Independent Shareholders. The Offeror will then pay the stamp duty deducted to the stamp duty officer on behalf of the Independent Shareholders who accept the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

UNDERTAKING NOT TO ACCEPT THE OFFERS

Pursuant to the Sale and Purchase Agreement, the Third Vendor (being the only holder of the Warrants) undertook to the Offeror not to (i) accept any general offer which may be made by the Offeror with respect to the Warrants held by it; (ii) exercise the Warrants held by it prior to the closing of the Offer; and (iii) dispose of or transfer the Warrants held by it to any other party prior to the closing of the Offer. Accordingly, the Offers will not be extended to the holder of the Warrants.

IMPORTANT NOTE FOR THE INDEPENDENT SHAREHOLDERS AND THE HOLDER OF THE OPTIONS OUTSIDE HONG KONG

The Offers will be made in respect of securities of a company incorporated in the Cayman Islands and subject to the procedure and disclosure requirements of Hong Kong, which may be different from other jurisdictions. The Offeror intends to make the Offers available to all Independent Shareholders and the holder of the Options, including those with registered addresses, as shown in the register of members of the Company, outside Hong Kong. The availability of the Offers to persons not resident in Hong Kong and the ability of the Independent Shareholders and the holder of the Options outside Hong Kong to participate in the Offers will be subject to, and may be limited by, the laws and regulations of their respective jurisdictions.

The making of the Offers to persons with a registered address in jurisdiction outside Hong Kong may be prohibited or limited by the laws of the relevant jurisdictions. Overseas Independent Shareholders and holder of the Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the overseas Independent Shareholders and holder of the Options who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Independent Shareholders and holder of the Options in respect of such jurisdictions).

LETTER FROM CCB INTERNATIONAL

INFORMATION ON THE OFFEROR

The Offeror was incorporated in BVI on 2 January 2008 with limited liability and held by Deng Shufen, Liu Jianguan and Gui Bin as to 60%, 20% and 20%, respectively. Thus, Deng Shufen is the controlling shareholder of the Offeror. Deng Shufen, aged 49, has served as the general manager and the vice chairman of the board of directors of Huashang Group Company Limited (華商集團有限公司) since 1993, the deputy general manager of China Wood (Group) Company Limited* (中國木材(集團)有限公司) since 2006 and the sole director of the Offeror since 2013. Ms. Deng was also appointed as the general manager of the legal department of China Leasing Company Limited* (中國租賃有限公司) in 2003 and the vice chairman of the board of directors of Jiangxi Juye Asset Management Company Limited* (江西聚業資產管理有限公司) in 2006. She graduated from Jiangxi University (later reorganised as Nanchang University) with a bachelor degree of law. Under the SFO, Deng Shufen is deemed to be interested in the Shares held by the Offeror. Save as disclosed above, Deng Shufen does not hold any Shares in the Company as at the Latest Practicable Date. The Offeror is an investment holding company. Save as the investment of approximately 52.79% shareholding in the Company, the Offeror does not have any other business or material assets as at the Latest Practicable Date.

INFORMATION ON THE COMPANY

The Company was incorporated as an exempted company with limited liability in the Cayman Islands and its Shares have been listed on the Stock Exchange since 16 December 2009.

The Group is principally engaged in the research, design, development and sale of digital signal processing (“DSP”) based consumer electronic devices and platforms, including embedded firmware; the provision of solutions and services to customers for their DSP-based consumer electronic devices and platforms; and the trading of electronic components.

OFFEROR’S INTENTION ON THE GROUP

As a result of Completion, the Offeror became the controlling shareholder, holding approximately 52.79% of the enlarged issued share capital of the Company as at the Latest Practicable Date. The Board of the Company is composed of six members. In connection with the Offers and as nominated by the Offeror with effect from the date immediately after the despatch of the Offer Document, eight new Directors have been appointed to the Board, namely Ms. Deng Shufen, Mr. Dai Yumin, Ms. Liu Jianguan and Mr. Gui Bin as executive Directors, Mr. Wang Yongbin as a non-executive Director, Mr. Fang Jun, Mr. Zhao Xianming and Mr. Wong Yiu Kit, Ernest as independent non-executive Directors.

* For identification purpose only

LETTER FROM CCB INTERNATIONAL

The Board is currently made up of six Directors, comprising three executive Directors, namely Mr. Mung, Ms. Liu Yee Nee and Mr. Lee Rabi and three independent non-executive Directors, namely, Mr. Ng Wai Hung, Mr. William Keith Jacobsen and Ms. Zhou Jing. All of the current executive Directors and independent non-executive Directors have tendered their resignation to the Board but each of them has indicated in his/her resignation letter that his/her resignation is subject to the Takeovers Code and shall not take effect until the date immediately after the First Closing Date of the Offers, i.e. 14 August 2014. Save as disclosed above, as at the Latest Practicable Date, the Offeror has no plan for discontinuing the employment of employees of the Group, other than in the ordinary course of business.

The Offeror intends to continue the current business operation of the Group after Completion. The Offeror will also conduct a review on the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities for the Company such as acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view to enhance its growth and future development. As at the Latest Practicable Date, the Offeror had no plan, and had not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Group, other than in the ordinary course of business.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange. The Company and the newly appointed Directors will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that not less than 25% of the Shares will be held by the public.

The Stock Exchange has stated that if, at the close of the Offers, less than 25% of the Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there is insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

LETTER FROM CCB INTERNATIONAL

PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Offer Document and the accompanying Form(s) of Acceptance.

TAX IMPLICATIONS

Independent Shareholders and holder of the Options are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offers. It is emphasized that none of the Offeror and parties acting in concert with it, the Company and their ultimate beneficial owners and parties acting in concert with any of them, CCB International, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offers or any of their respective agents is in a position to advise the Independent Shareholders and the holder of the Options on their individual tax implication nor accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offers.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Disinterested Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

All documents and remittances to the Independent Shareholders and holder of the Options will be sent by ordinary post or courier. Such documents and remittances will be sent, in the case of Independent Shareholders, to the address stated in the **WHITE** Form of Share Offer Acceptance or, in the case of holder of the Options, to the address stated in the **PINK** Form of Option Offer Acceptance. None of the Offeror and parties acting in concert with it, the Company, CCB International, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the accompanying Forms of Acceptance and the additional information set out in the appendices which form part of this Offer Document.

Yours faithfully,
For and on behalf of
CCB International Capital Limited
Simon Lee
Managing Director

APPENDIX I THE PROCEDURES FOR ACCEPTANCE OF THE OFFERS AND OTHER RELATED INFORMATION

1. PROCEDURES FOR ACCEPTANCE

1.1 The Share Offer

- (a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name, and you wish to accept the Share Offer, you must send the accompanying **WHITE** Form of Share Offer Acceptance duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by post or by hand, marked "**Perception Digital Share Offer**" on the envelope, as soon as possible and in any event no later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the duly completed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Offer Shares in respect of which you intend to accept the Share Offer to the Registrar in an envelope marked "**Perception Digital Share Offer**"; or

- (ii) arrange for the Offer Share(s) to be registered in your name by the Company through the Registrar, and send the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar in an envelope marked “**Perception Digital Share Offer**”; or
 - (iii) if your Offer Share(s) have been lodged with your licensed securities dealer (or other registered dealer in securities or custodian bank) through CCASS, instruct your licensed securities dealer (or other registered dealer in securities or custodian bank) to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer (or other registered dealer in securities or custodian bank) for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer (or other registered dealer in securities or custodian bank) as required by them; or
 - (iv) if your Offer Share(s) have been lodged with your investor participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Share(s) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed and delivered in an envelope marked “**Perception Digital Share Offer**” to the Registrar together with a letter stating that you lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you lost your share certificate(s), you should also write to the Registrar for a form of letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Registrar.

**APPENDIX I THE PROCEDURES FOR ACCEPTANCE OF THE
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- (e) If you lodged transfer(s) of any of your Offer Shares for registration in your name and have not yet received your share certificate(s) and you wish to accept the Share Offer, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it in an envelope marked “**Perception Digital Share Offer**” to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable instruction and authority to each of CCB International and/or the Offeror and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions to the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.
- (f) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (for example a duly stamped transfer of the relevant Offer Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Share(s); or
 - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Offer Share(s) which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (for example grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

**APPENDIX I THE PROCEDURES FOR ACCEPTANCE OF THE
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- (g) No acknowledgement of receipt for any **WHITE** Form(s) of Share Offer Acceptance, share certificate(s), transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

1.2 The Option Offer

- (a) To accept the Option Offer, you should complete the **PINK** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Option Offer.
- (b) The completed **PINK** Form of Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Options (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) you intend to tender, stating the number of Options in respect of which you intend to accept the Option Offer, by post or by hand, marked "**Perception Digital Option Offer**" on the envelope, to the Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on the First Closing Date or such later time and/or date as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.
- (c) If the certificate(s) in respect of your Options (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer, the **PINK** Form of Option Offer Acceptance should nevertheless be completed and delivered in an envelope marked "**Perception Digital Option Offer**" to the Registrar together with a letter stating that you lost one or more of your option certificate(s) (if applicable) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you lost your option certificate(s) (if applicable), you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

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- (d) If the certificate(s) in respect of your Options (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer, you must exercise the Options to the extent exercisable as indicated in section 4 of this Appendix below, but the relevant exercise notice, cheque for the subscription monies and the **WHITE** Form of Share Offer Acceptance must reach the Registrar on or before 4:00 p.m. on the First Closing Date. You should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) No stamp duty will be deducted from the amount paid or payable to holder of the Options who accept the Option Offer.
- (f) No acknowledgement of receipt of any **PINK** Form(s) of Option Offer Acceptance and/or certificate(s) of the Options (if applicable) will be given.

2. SETTLEMENT

2.1 The Share Offer

- (a) If you accept the Share Offer, settlement of the consideration (less seller's ad valorem stamp duty) will be made by cheque as soon as possible, but in any event within seven (7) Business Days following the date of the receipt of all the relevant documents by the Registrar to render the acceptance under the Share Offer complete and valid. Each cheque will be despatched by ordinary post to the address specified on the relevant Shareholder's **WHITE** Form of Share Offer Acceptance at his/her/its own risk.
- (b) No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

2.2 The Option Offer

- (a) If you accept the Option Offer, settlement of the consideration will be made by cheque as soon as possible, but in any event within seven (7) Business Days of the date following the receipt of all the relevant documents by the Registrar to render the acceptance under the Option Offer complete and valid. Each cheque will be despatched by ordinary post to the address specified in the **PINK** Form(s) of Option Offer Acceptance at his/her/its own risk.

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- (b) No fractions of a cent will be payable and the amount of cash consideration payable to a holder of the Options who accepts the Option Offer will be rounded up to the nearest cent.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the **WHITE** Form of Share Offer Acceptance and the **PINK** Form of Option Offer Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the First Closing Date.
- (b) If the Offers are extended, the announcement of such extension will state the next Closing Date or a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to Independent Shareholders and the holder of the Options before the Offers are closed. If, during the course of the Offers, the Offeror revises the terms of the Offers, all Independent Shareholders and holder of the Options, whether or not they have already accepted the Share Offer and the Option Offer, respectively, will be entitled to accept the revised Share Offer and the revised Option Offer, respectively, under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document is posted and shall not be closed earlier than the next Closing Date.
- (c) If the closing date is extended, any reference in this Offer Document and in the Forms of Acceptance to the closing date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offers as so extended.

4. EXERCISE OF OPTIONS

The holder of the Options who wishes to accept the Share Offer may exercise his/her/its Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Options to the Company no later than 4:00pm on the First Closing Date. The holder of the Options should at the same time complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the Company for exercising the Options. Exercise of the Options is subject to the terms and conditions of the Option Agreement and the terms attaching to the grant of the relevant Options. Delivery of the completed and signed **WHITE** Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Options but will only be deemed to be an irrevocable authority to the Offeror and/or CCB International and/or any of their respective agent(s) or such

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other person(s) as they may direct to collect from the Company or the Registrar on his/her/its behalf the relevant share certificate(s) when issued on exercise of the Options as if it/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance. If the holder of the Options fails to exercise his/her/its Options as aforesaid, there is no guarantee that the Company may issue the relevant share certificate in respect of the Offer Shares allotted pursuant to his/her/its exercise of the Option(s) to such holder of the Options in time for it to accept the Share Offer as a Shareholder of such Offer Shares under the terms of the Share Offer.

5. LAPSE OF OPTIONS

Nothing in this Offer Document or the Option Offer will serve to extend the life of any Option which lapses under the Option Agreement. No exercise of Options or acceptance of the Option Offer may be made in relation to any Option that has lapsed.

6. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the First Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision and extension of the Offers. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the First Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired. The announcement will state the following:
- (i) the total number of Shares and rights over Shares for which acceptances of the Offers have been received;
 - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror or any parties acting in concert with it; and
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any party acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

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- (b) The announcement must specify the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights represented by these numbers. In computing the total number of Offer Shares and Options represented by acceptances, for announcement purposes, acceptances which are in all respects in complete and good order and fulfil the acceptance conditions set out in this Appendix I, and that have been received by the Registrar no later than 4:00 p.m. on the First Closing Date, being the latest time and date for acceptance of the Offers, shall be included.
- (c) As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Offers must be made in accordance with the requirements of the Listing Rules.

7. NOMINEE REGISTRATION

- (a) To ensure the equality of treatment of all Independent Shareholders, registered Independent Shareholders who hold the Offer Share(s) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Share(s) whose investments are registered in the names of nominees to accept the Share Offer, it is essential that they provide instructions of their intentions to accept the Share Offer to their respective nominees.
- (b) All documents and remittances to be sent to the Independent Shareholders and the holder of the Options will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent, in the case of Independent Shareholders, to the address stated in the **WHITE** Form(s) of Share Offer Acceptance or, in the case of holder of Options, to the address stated in the **PINK** Form(s) of Option Offer Acceptance. None of the Offeror, the Company, CCB International, the Registrar or any of their respective directors or agents or any other person involved in the Offers will be responsible for any loss or delay in transmission or any other liability that may arise as a result thereof.

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8. RIGHT OF WITHDRAWAL

- (a) As the Offers are unconditional in all respects, acceptances by the Independent Shareholders or the holder of the Options shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in (b) below.

- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “6. Announcements” in this Appendix, the Executive may require that the Independent Shareholders and the holder of the Options who tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

9. SHARES

Acceptance of the Share Offer or the Option Offer by any Independent Shareholder or holder of the Options, respectively, will be deemed to constitute a warranty by such Independent Shareholder or holder of the Options that:

- (a) the Offer Shares or Options sold or tendered by such Independent Shareholder or holder of the Options (as the case may be) are free from all encumbrances whatsoever and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including but without limitation, in the case of the Offer Shares, the right to receive in full all dividends and other distributions, if any, declared, made or paid, if any, on or after the Closing Date;

- (b) acceptance of the Share Offer or Option Offer (as the case may be) tendered shall be irrevocable and cannot be withdrawn, except in the circumstances as set out the Takeovers Code; and

- (c) such Independent Shareholder or holder of the Options (as the case may be) is permitted under all applicable laws and regulations to receive and accept the Share Offer or Option Offer (as the case may be), and any revision thereof, and such acceptances are valid and binding in accordance with all applicable laws and regulations. Any such Independent Shareholder or holder of the Options has paid all issue, transfer and other applicable taxes and duties or other required payments due from him/her/it in connection with such acceptance.

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10. HONG KONG STAMP DUTY

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by each relevant Independent Shareholder at a rate of HK\$1.00 for every HK\$1,000 or part thereof of (i) the market value of the Offer Shares, or (ii) the consideration payable by the Offeror for such Independent Shareholder's Offer Shares, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Share Offer. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and, subject to such deduction as aforesaid will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Offer Shares which are validly tendered for acceptance under the Share Offer.

**11. OVERSEAS INDEPENDENT SHAREHOLDERS AND OVERSEAS HOLDER OF THE
OPTIONS**

The making of the Offers or the acceptance thereof by persons not being a resident of Hong Kong or with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Independent Shareholders and holder of the Options who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

It is the responsibility of any such persons who wish to accept the Offers to satisfy themselves as to the full observance of all applicable legal and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of all requisite governmental, exchange control or other consents and made all registration or filing required in compliance with all necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes and duties payable by the accepting overseas Independent Shareholders and/or overseas holder of the Options in respect of such jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Offeror and/or CCB International that the local laws and requirements have been fully complied with and such acceptance shall be valid and binding in accordance with applicable laws. Independent Shareholders and the holder of the Options should consult their respective professional adviser if in doubt.

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12. GENERAL

- (a) All communications, notices, Forms of Acceptance, share certificate(s), transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Shareholders or the holder of the Options will be delivered by or sent to or from them, or their designated agents, by post at their own risk, and none of the Offeror, the Company, CCB International, the Registrar or any of their respective directors or agents or any other person involved in the Offers accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the **WHITE** Form of Share Offer Acceptance and the **PINK** Form of Option Offer Acceptance form part of the terms of the Share Offer and the Option Offer, respectively.
- (c) The accidental omission to despatch this Offer Document and/or the Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate either the Share Offer or the Option Offer in any way.
- (d) The Share Offer and the Option Offer and all acceptances thereof will be governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of an Independent Shareholder or holder of the Options will constitute such Independent Shareholder's or holder of the Options' (as the case may be) agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Share Offer or Option Offer (as the case may be).
- (e) Due execution of a **WHITE** Form of Share Offer Acceptance will constitute an authority to the Offeror, any director of the Offeror, CCB International or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Share Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Offer Share(s) in respect of which such person or persons has/have accepted the Share Offer.
- (f) The settlement of the consideration to which any Independent Shareholder or holder of the Options is entitled under the Share Offer and the Option Offer, respectively, will be implemented in full in accordance with the terms of the Share Offer and the Option Offer, respectively, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder or holder of the Options.

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- (g) Any Independent Shareholders or holder of the Options accepting the Share Offer or the Option Offer, respectively, will be responsible for payment of any transfer or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (h) In making their decision, Independent Shareholders and holder of the Options must rely on their own examination of the Group and the terms of the Share Offer and the Option Offer, respectively, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, CCB International, or their respective professional advisers. Independent Shareholders and holder of the Options should consult their own professional advisers for professional advice.
- (i) References to the Share Offer or the Option Offer in this Offer Document and in the Forms of Acceptance shall include any extension and/or revision thereof.
- (j) The making of the Offers to the overseas Independent Shareholders or holder of the Options may be prohibited or affected by the laws of the relevant jurisdictions. The overseas Independent Shareholders and holder of the Options should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each overseas Independent Shareholder and holder of the Options who wishes to accept the Share Offer and Option Offer, respectively, to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including but not limited to the obtaining of all governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such overseas Independent Shareholders and holder of the Options shall be fully responsible for the payment of any transfer or other taxes and duties payable by such overseas Independent Shareholders and holder of the Options in respect of the relevant jurisdictions. The overseas Independent Shareholders and holder of the Options are recommended to seek professional advice on deciding whether or not to accept the Share Offer and Option Offer, respectively.
- (k) This Offer Document and the Forms of Acceptance have been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Share Offer and the Option Offer in Hong Kong and the operating rules of the Stock Exchange.

APPENDIX II GENERAL INFORMATION OF THE OFFEROR

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading.

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price of Shares (HK\$)
29 November 2013	0.092
31 December 2013	0.095
30 January 2014	0.102
28 February 2014	0.108
31 March 2014	0.120
25 April 2014 (Last Trading Day)	0.180
30 April 2014 (<i>Note 1</i>)	N/A
30 May 2014	0.196
30 June 2014	0.192
14 July 2014 (Latest Practicable Date)	0.184

Note:

1. Trading in the Shares was suspended for the period from 25 April 2014 to 8 May 2014.

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.214 on 23 May 2014 and HK\$0.071 on 15 January 2014.

3. DEALINGS IN SECURITIES

Save for the Share Subscription under the Subscription Agreement and the Share Purchase under the Sale and Purchase Agreement as disclosed in the “Letter from CCB International” in this Offer Document, (i) none of the Offeror, its shareholders, its ultimate beneficial owners, its director or any parties acting in concert with the Offeror had dealt for value in any securities, convertible securities, warrants, options and derivatives in respect of the Shares during the Relevant Period; (ii) none of the Offeror or any parties acting in concert with it has any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other person; and (iii) none of the Offeror or any parties acting in concert with it has borrowed or lent any Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company.

4. EXPERT AND CONSENT

The following is the name and the qualification of the expert whose letter, opinion or advice is contained or referred to in this Offer Document:

Name	Qualifications
CCB International	A licensed corporation under the SFO for carrying out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

CCB International has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its letter, opinion or advice (as the case may be) and references to its name in the form and context in which it appears.

5. GENERAL

As at the Latest Practicable Date:

- (a) the registered office of the Offeror is situated at Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and the correspondence address of the Offeror is at Flat 01-05, 31/F., Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong. The sole director of the Offeror is Deng Shufen and her correspondence address is at Room B-1506, Block 2, No.12 Yumin Road, Chaoyang District, Beijing, the PRC;

- (b) the Offeror is held by Deng Shufen, Liu Jiangyuan and Gui Bin as to 60%, 20% and 20%, respectively. Thus, Deng Shufen is the controlling shareholder of the Offeror. Under the SFO, Deng Shufen is deemed to be interested in the Shares held by the Offeror. Save as disclosed above, Deng Shufen does not hold any Shares in the Company as at the Latest Practicable Date. The correspondence address of Deng Shufen is situated at Room B-1506, Block 2, No.12 Yumin Road, Chaoyang District, Beijing, the PRC. The correspondence address of Liu Jiangyuan is situated at No.39-2 Xinbo Street, Ganjingzi District, Dalian City, Liaoning Province, the PRC. The correspondence address of Gui Bin is situated at Flat B, 12/F., Tower 1, The Wings, 9 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong;
- (c) the registered office of CCB International is situated at 12/F., CCB Tower, 3 Connaught Road Central, Central, Hong Kong;
- (d) the Offeror and parties acting in concert with it have no agreement or understanding to transfer, charge or pledge any of the Shares acquired pursuant to the Offers to any other persons;
- (e) as at the Latest Practicable Date, no benefits were to be given to any of the Directors as compensation for loss of office or otherwise in connection with the Offers;
- (f) as at the Latest Practicable Date, there was no agreement, arrangement or understanding (including any compensation arrangement) that exists between the Offeror or any person acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (g) as at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror and/or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Offers; and
- (h) the English texts of this Offer Document and the Form(s) of Acceptance shall prevail over the Chinese translations in the case of inconsistency.

APPENDIX II GENERAL INFORMATION OF THE OFFEROR

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection, during the period from 16 July 2014, being the date of this Offer Document for so long as the Offers remain open for acceptance, at (i) the website of the SFC at <http://www.sfc.hk>; (ii) the website of the Offeror at <http://www.nat-ace.com.hk/>; and (iii) (during normal business hours from 9:00 a.m. to 5:00 p.m., except for Saturdays, Sundays and public holidays) at the office of Paul Hastings, solicitors for the Offeror, at 21-22/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from CCB International as set out on pages 6 to 14 of this Offer Document;
and
- (c) the letter of consent from CCB International referred to under the paragraph headed “Expert and Consent” in this Appendix.