

## DEFINITIONS

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

"Articles of Association" or "Articles"	the articles of association of our Company adopted on 27 November 2009 and as amended from time to time, a summary of which is set out in Appendix V to this document
"associate(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Board" or "Board of Directors"	the board of Directors of our Company as at the date of this document
"Business Day"	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate
"CEO"	the chief executive officer of our Group
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this document, the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
"Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"connected person(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the GEM Listing Rules and unless the context requires otherwise, refers to Excel Direct, Masteray, Rochdale, Swanland, Dr. Lau, Ms. Loh (the spouse of Dr. Lau), Prof. Cheng, Ms. Le Cheng (the spouse of Prof. Cheng), Prof. Tsui and Ms. Cheung, Wai Hing Barbara (the spouse of Prof. Tsui), who, together, will control the exercise of 30% or more of the voting rights in the general meeting of our Company immediately after the [●]

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"Corporate Reorganization"	the corporate reorganization of our Group conducted in preparation for the [●], details of which are set out under the paragraph headed "Corporate reorganization" in the section headed "History and corporate structure" in this document
"Director(s)"	the director(s) of our Company as at the date of this document
"Dr. Lau"	Doctor Lau, Jack, the Chairman, the CEO, an executive Director and one of the founders of our Group
"EU" or "European Union"	a supranational and intergovernmental union of twenty-seven states and a political body established in 1993 by the Treaty on European Union and is the de facto successor to the six member European Economic Community founded in 1957
"Excel Direct"	Excel Direct Technology Limited, a company incorporated in BVI, owned as to 50% by Prof. Tsui and as to 50% by Ms. Cheung, Wai Hing, Barbara, the spouse of Prof. Tsui
"Executive Officers"	the executive officers of our Company as at the date of this document
"GEM Listing Rules"	the Rules Governing the Listing of Securities on [●] (as amended from time to time)
"Group", "our Group", the "PD Group", "we" or "us"	our Company and its subsidiaries following the completion of the Corporate Reorganization or, where the context so requires in respect of the period before our Company became the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried on by such subsidiaries or (as the case may be) their predecessors, and a Group Company shall refer to any one of them
"HKAS(s)"	Hong Kong Accounting Standard(s)
"HKFRS(s)"	Hong Kong Financial Reporting Standard(s)
"HKICPA"	the Hong Kong Institute of Certified Public Accountants

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"HKTDC"	The Hong Kong Trade Development Council
"HKUST"	the Hong Kong University of Science and Technology
"HKUST R&D"	Hong Kong University of Science and Technology R and D Corporation Limited, a company incorporated in Hong Kong and is wholly owned by HKUST, where our independent non-executive Director, Professor Chu, Ching Wu, Paul, served on its board of directors
"Hong Kong", "HKSAR" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IBM"	International Business Machines Corporation
"IFRS(s)"	International Financial Reporting Standard(s)
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) the Directors, chief executive, substantial shareholders (within the meaning of the GEM Listing Rules) and Management Shareholders of our Company, our subsidiaries or any of their respective associates, and not otherwise a connected person of our Company
"IWC"	IWC Digital Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of our Company
"JL Limited"	Jack Lau Limited, a company incorporated in Hong Kong and wholly owned by Ms. Loh
"Latest Practicable Date"	30 November 2009, being the latest practical date prior to the printing of this document for the purpose of ascertaining certain information contained in this document prior to its publication

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"Management Shareholders"	the management shareholder (having the same meaning ascribed thereto in the GEM Listing Rules) and in relation to our Company means Masteray, Ms. Loh, Dr. Lau, Swanland, Glory Wood Limited, Mr. Chui, Shing Yip Jeff, Excel Direct, Prof. Tsui, Ms. Cheung, Wai Hing, Barbara, Rochdale, Prof. Cheng and Ms. Le Cheng, more details of which are set out in the section headed "Substantial, significant and Management Shareholders" in this document
"Masteray"	Masteray Limited, a company incorporated in BVI and wholly owned by Ms. Loh
"Memorandum of Association" or "Memorandum"	the memorandum of association of our Company
"Ms. Loh"	Loh, Jiah Yee, Katherine, a Controlling Shareholder and the spouse of Dr. Lau
"NAV"	net asset value
"Notable Success"	Notable Success Investments Limited, a company incorporated in BVI, wholly owned by Successful Link Limited, which is in turn wholly owned by Mr. Paulo Lam, a former director of PD (BVI), PD (HK) and PD Trading. Save for its interest in our Company and Mr. Paulo Lam's prior directorship at PD (BVI), PD (HK) and PD Trading, Notable Success is not connected with our Company, our connected persons or their respective associates
"our Company" or "Company"	Perception Digital Holdings Limited (幻音數碼控股有限公司), a company incorporated with limited liability under the laws of the Cayman Islands on 11 September 2009 (please refer to the section headed "History and corporate structure" in this document for a detailed description of the shareholding structure of our Company)
"PD (BVI)"	Perception Digital Technology (BVI) Limited, a company incorporated in the BVI and a direct wholly owned subsidiary of our Company
"PD (HK)"	Perception Digital Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of our Company

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"PD Shenzhen"	幻音科技(深圳)有限公司 (Perception Digital Technology (Shenzhen) Limited*), a wholly foreign-owned enterprise established in the PRC and an indirect wholly owned subsidiary of our Company
"PD Trading"	PD Trading (Hong Kong) Limited, a company incorporated in Hong Kong, owned as to 50% by PD (HK) and as to 50% by PD (BVI), and an indirect wholly owned subsidiary of our Company
"Prof. Cheng"	Professor Cheng, Roger, Shu Kwan, a non-executive Director and one of the founders of our Group
"Prof. Tsui"	Professor Tsui, Chi Ying, an executive Director and one of the founders of our Group
"Rochdale"	Rochdale Consultancy Limited, a company incorporated in BVI, owned as to 50% by Prof. Cheng and as to 50% by Ms. Le Cheng, the spouse of Prof. Cheng
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) with a nominal value of HK\$0.10 each in the capital of our Company, which are to be subscribed for and traded in Hong Kong dollars and [●]
"Share Lender"	Swanland
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on 27 November 2009, the principal terms of which are summarized under the section headed "Share Option Scheme" in Appendix VI to this document
"Shareholder(s)"	holder(s) of the Share(s)
"[●]"	the Stock Exchange of Hong Kong Limited

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"subsidiary(ies)"	has the meaning ascribed thereto in section 2 of the Companies Ordinance
"Swanland"	Swanland Management Limited, a company incorporated in BVI, owned as to 51% by Masteray, as to 24.5% by Excel Direct and as to 24.5% by Rochdale
"Track Record Period"	the two years ended 31 December 2008 and the six months ended 30 June 2009
"UGH"	UGH Investment Holding Limited, a company incorporated in BVI, wholly owned by Ms. Leung, Yee Li Lana, the spouse of Mr. Heung, Lap Chi Eugene, who provided certain loans and guarantee to our Group. Save for its interest in our Company and Mr. Heung, Lap Chi Eugene's provision of loans and guarantee to our Group, UGH is not connected with our Company, our connected persons or their respective associates
"United States" or "US"	the United States of America
"HK\$" or "HK dollar(s)" and "cents"	Hong Kong dollar(s) and cent(s) respectively, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"sq. ft." and "sq. m."	square feet and square meters, respectively
"US dollar(s)" or "US\$"	United States dollars, the lawful currency of the United States
"%"	per cent.

*Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*In this document, unless otherwise stated, certain amounts denominated in HK dollars have been translated into US dollars at an exchange rate of HK\$7.75 = US\$1.00, respectively, for illustration purpose only. Such conversions shall not be construed as representations that amounts in HK dollars were or could have been or could be converted into US dollars at such rates or any other exchange rates on such date or any other date.*

*If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names in Chinese or another language which are marked with "\*" and the Chinese translation of names in English which are marked with "\*" is for identification purpose only.*