

*The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus, received from Greater China Appraisal Limited, an independent valuer, in connection with its valuation as at 30 September 2009 of the property interests of our Group.*



**GREATER CHINA APPRAISAL LIMITED**  
漢華評值有限公司

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Room 2703  
Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

4 December 2009

The Directors  
Perception Digital Holdings Limited  
Unit 8A, 8/F  
Shaw House  
Lot 200  
Clear Water Bay  
Kowloon  
Hong Kong

Dear Sirs,

In accordance with your instructions to value the properties of Perception Digital Holdings Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) in the People’s Republic of China (referred to as the “PRC”) and Hong Kong, we confirm that we have carried out inspections, made relevant enquires and obtained such further information as we consider necessary for the purpose of providing the capital values of such properties as at 30 September 2009 (referred to as the “valuation date”).

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, titleship of properties and the limiting conditions.

#### **BASIS OF VALUATION**

The valuation of such properties is our opinion of the market value which we would define as intended to mean: “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

**VALUATION METHODOLOGY**

The properties are valued by the comparison method where comparison based on prices realized or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

**ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the properties on the open market in their existing states without the benefit of any deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to increase the value of the properties.

We have assumed that all consents, approvals and licenses from relevant government authorities for the buildings and structures erected thereon have been granted. Also, we have assumed that all buildings and structures fall within the site are held by the owner or permitted to be occupied by the owner.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the appraisal report. Moreover, it is assumed that the utilization of the land and improvements is within the boundaries of the site held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exists, unless noted in the report.

Other special assumptions of each property, if any, have been stated out in the footnotes of the valuation certificate for the respective properties.

**TITLESHP INVESTIGATION**

For the properties leased to the Group, we have been provided with copies of tenancy agreements. However, we have not inspected the originals of these documents to ascertain if there are any amendments on the copies handed to us.

In our course of valuation, we have relied upon the legal opinion given by King & Wood PRC Lawyers (the "Legal Adviser") on 4 December 2009 in relation to the legal title to the properties under valuation.

Any legal documents disclosed in this report are for reference only and no responsibility is assumed for any legal matters concerning the legal titles to the properties set out in this report.

**LIMITING CONDITIONS**

We have inspected the exterior and, where possible, the interior of the properties included in the attached valuation certificates. However, no structural survey has been made and we are therefore unable to report as to whether the properties is free from rot, infestation or any other structural defects. Also, no tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the land or building areas in respect of the relevant properties but have assumed that the areas shown on the legal documents provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided and have accepted advice given to us by the Group on such matters as planning approvals, statutory notices, easements, tenure, occupation, lettings, construction costs, rentals, site and floor areas and in the identification of those properties in which the Group has valid interests. Floor areas of the property stated herein are ascertained by us by scaling off the registered floor plans of the subject development.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We were also advised by the Group that no material factors have been omitted from the information to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that all the properties are free of encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Since the property is located in a relatively under-developed market, the PRC, those assumptions are often based on imperfect market evidence. A range of values may be attributable to the property depending upon the assumptions made. While the valuer has exercised his professional judgment in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

**OPINION OF VALUE**

Valuation figures of the properties are shown in the attached summary of valuation and their respective valuation certificates.

For the properties that are licensed to or rented by the Group from independent third parties under licenses or tenancy agreements, they have no commercial values due to inclusion of non-alienation clause or otherwise due to lack of substantial profit rent or short term nature.

**REMARKS**

Our valuation has been prepared in accordance with the generally accepted valuation procedures and in compliance with Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. In valuing the properties, we have complied with the requirements contained in the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors and effective from 1 January 2005.

The property values are stated in Hong Kong Dollars (HK\$) and Chinese Renminbi (RMB), the lawful currency of Hong Kong and the PRC, for properties located in Hong Kong and the PRC respectively.

We enclose herewith the summary of valuation and valuation certificates.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,  
For and on behalf of  
**GREATER CHINA APPRAISAL LIMITED**  
**K. K. Ip** *BLE, LLD*  
*Chartered Valuation Surveyor*  
*Registered Professional Surveyor*  
*Managing Director*

*Note:* Mr. K. K. Ip, who is a Chartered Valuation Surveyor and a Registered Professional Surveyor, has substantial experience in valuation of properties in the PRC and Hong Kong since 1992.

## SUMMARY OF VALUATION

No.	Property	Market value as at 30 September 2009
<b>Group I – Property interests licensed to the Group in Hong Kong</b>		
1.	Unit 8A, 8/F Shaw House Lot 220 Clearwater Bay Road Kowloon Hong Kong	No commercial value
2.	Unit 8C, 8/F Shaw House Lot 220 Clearwater Bay Road Kowloon Hong Kong	No commercial value
<b>Group II – Property interests rented by the Group in the PRC</b>		
3.	North Wing on 7/F West Block IER Building No. 15 of Gaoxin Nan 7th Road Nanshan District Shenzhen Guangdong Province The PRC	No commercial value
4.	Level 2 and Zone A of Level 1 Block 3 Boju Qianneng Industrial Park Lisongmin 3rd Industrial District Gongming Office Guangming New District Shenzhen Guangdong Province The PRC	No commercial value

No.	Property	Market value as at 30 September 2009
5.	Room 702 Shiyida Industrial Park Baolong 6th Road Longbao Zone Longgang Jiedao Longgang District Shenzhen Guangdong Province The PRC	No commercial value
6.	Western part of Zone D on Level 2 Podium of Blocks 3 and 4 Yinquan Garden Western side of Renmin Bei Road Minzhi Street Baoan District Shenzhen Guangdong Province The PRC	No commercial value
<b>Total:</b>		<hr/> <b><u>No commercial value</u></b>

## VALUATION CERTIFICATES

## Group I – Property interests licensed to the Group in Hong Kong

No.	Property	Description and occupancy	Market value as at 30 September 2009
1.	Unit 8A, 8/F Shaw House Lot 220 Clearwater Bay Road Kowloon Hong Kong	<p>The property comprises a unit within an eleven-storey office/car park building completed in or about 1996.</p> <p>The gross floor area of the property is approximately 823.67 square metres (approximately 8,866 square feet).</p> <p>The property is held under a sub-license agreement dated 15 May 2009 between Hong Kong University of Science and Technology R and D Corporation Limited as licensor and Perception Digital Limited (“PD (HK)”, a wholly-owned subsidiary of the Company) as licensee for a term of 1 year from 1 April 2009 to 31 March 2010 at a monthly fee of HK\$116,258.</p> <p>The property is currently occupied by PD (HK) as an office.</p>	No commercial value

*Notes:*

- (i) Shaw Brothers (HK) Limited is the registered owner of the property.
- (ii) According to a renewal offer dated 1 April 2009, Shaw Brothers (HK) Limited agreed to license the use of the property to Hong Kong University of Science and Technology R and D Corporation Limited for a term of 1 year from 1 April 2009 to 31 March 2010.

No.	Property	Description and occupancy	Market value as at 30 September 2009
2.	Unit 8C, 8/F Shaw House Lot 220 Clearwater Bay Road Kowloon Hong Kong	<p>The property comprises a unit within an eleven-storey office/car park building completed in or about 1996.</p> <p>The gross floor area of the property is approximately 189.89 square metres (approximately 2,044 square feet).</p> <p>The property is held under a license agreement dated 14 April 2008 between Shaw Brothers (Hong Kong) Limited as licensor and PD (HK) as licensee for a term commencing from 14 April 2008 at a monthly rent of HK\$16,352 exclusive of management fee, government rates and rents and other service charges. The license can be terminated prior to one month's notice.</p> <p>The license is not assignable.</p> <p>The property is currently occupied by PD (HK) as an office.</p>	No commercial value



## Group II – Property interests rented by the Group in the PRC

No.	Property	Description and occupancy	Market value as at 30 September 2009
3.	North Wing on 7/F West Block IER Building No. 15 of Gaoxin Nan 7th Road Nanshan District Shenzhen Guangdong Province The PRC	<p>The property comprises a unit within a 9-storey building completed in or about 2002.</p> <p>The gross floor area of the property is approximately 800 square metres (approximately 8,611 square feet).</p> <p>The property is held under a lease agreement dated 19 August 2009 between 深港產學研基地 (IER) as lessor and Perception Digital Technology (Shenzhen) Limited (“PD Shenzhen”, a wholly-owned subsidiary of the Company) as lessee for a term of 1 year from 1 August 2009 to 31 July 2010 at a monthly rent of RMB32,000 exclusive of management fee and other service charges.</p> <p>The lease is not assignable.</p> <p>The property is currently occupied by PD Shenzhen as an office.</p>	No commercial value

*Note:*

- (i) Opinions of the Legal Adviser are summarized as follows:
- (a) The lease agreement is legally binding upon both parties.
  - (b) The lease agreement has been registered at the property leasing administration authority.
  - (c) The lessor has obtained legal title to the property. PD Shenzhen has the right to occupy and use the property within the term of the lease agreement.

No.	Property	Description and occupancy	Market value as at 30 September 2009
4.	Level 2 and Zone A of Level 1 Block 3 Boju Qianneng Industrial Park Lisongmin 3rd Industrial District Gongming Office Guangming New District Shenzhen Guangdong Province The PRC	<p>The property comprises 2 units within a 5-storey building completed in or about 2007.</p> <p>The gross floor area of the property is approximately 345 square metres (approximately 3,714 square feet).</p> <p>The property is held under a sub-lease agreement dated 27 August 2009 between 深圳市福瑞祥電器有限公司 (Shenzhen Furuixiang Electrical Company Limited) as lessor and PD Shenzhen as lessee for a term of 4 months and 13 days from 19 August 2009 to 31 December 2009 at a monthly rent of RMB4,485 exclusive of management fee and other service charges.</p> <p>The lease is not assignable.</p> <p>The property is currently occupied by PD Shenzhen as an office.</p>	No commercial value

*Note:*

- (i) Opinions of the Legal Adviser are summarized as follows:
- (a) The sub-lease agreement is legal, valid and binding.
  - (b) The sub-lease agreement has been registered at the property leasing administration authority.
  - (c) 深圳市博聚潛能開發有限責任公司 (Shenzhen Boju Qianneng Development Company Limited) has obtained legal title to the property.
  - (d) According to a lease agreement dated 18 December 2008 between 深圳市博聚潛能開發有限責任公司 (Shenzhen Boju Qianneng Development Company Limited) and Shenzhen Furuixiang Electrical Company Limited, the latter has the right to sub-lease the property to PD Shenzhen.
  - (e) PD Shenzhen has the right to occupy and use the property in accordance with the sub-lease agreement.

No.	Property	Description and occupancy	Market value as at 30 September 2009
5.	Room 702 Shiyida Industrial Park Baolong 6th Road Longbao Zone Longgang Jiedao Longgang District Shenzhen Guangdong Province The PRC	<p>The property comprises a unit within a 7-storey building completed in or about 2009.</p> <p>The gross floor area of the property is approximately 30 square metres (approximately 323 square feet).</p> <p>The property is held under a lease agreement dated 22 June 2009 between 深圳市實益達科技股份有限公司 (Shenzhen Shiyida Technology Holdings Limited) as lessor and PD Shenzhen as lessee for a term of 3 years from 17 June 2009 to 16 June 2012 at a monthly rent of RMB500 exclusive of management fee and other service charges.</p> <p>The lease is not assignable.</p> <p>The property is currently occupied by PD Shenzhen as an office.</p>	No commercial value

*Note:*

- (i) Opinions of the Legal Adviser are summarized as follows:
  - (a) The lease agreement has been registered at the property leasing administration authority.
  - (b) No title document has been provided to confirm lessor's legal title to the property. There exists a risk that PD Shenzhen will be required to move out from the property if the lessor has not obtain legal title to the property.

No.	Property	Description and occupancy	Market value as at 30 September 2009
6.	Western part of Zone D on Level 2 Podium of Blocks 3 and 4 Yinquan Garden Western side of Renmin Bei Road Minzhi Street Baoan District Shenzhen Guangdong Province The PRC	<p>The property comprises a unit within a 3-storey building completed in or about 2000.</p> <p>The gross floor area of the property is approximately 60 square metres (approximately 646 square feet).</p> <p>The property is held under a lease agreement dated 22 December 2008 between 深圳市寶安龍華龍泉酒店有限公司 (Shenzhen Baoan Longhua Longquan Hotel Company Limited) as lessor and PD Shenzhen as lessee for a term of 1 year from 10 December 2008 to 10 December 2009 at a monthly rent of RMB1,800 exclusive of management fee and other service charges.</p> <p>The lease is not assignable.</p> <p>The property is currently occupied by PD Shenzhen as an office.</p>	No commercial value

*Note:*

- (i) Opinions of the Legal Adviser are summarized as follows:
- (a) The lease agreement is legal, valid and binding.
  - (b) The lease agreement has been registered at the property leasing administration authority.
  - (c) The lessor has obtained legal title to the property. PD Shenzhen has the right to occupy and use the property within the term of the lease agreement.