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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Digital Domain Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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D I G I T A L D O M A I N

DIGITAL DOMAIN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

**PROPOSALS FOR RENEWAL OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
GRANT OF SHARE OPTIONS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at the Conference Room, Suite 7003, 70/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Tuesday, 7 June 2016 at 11:00 a.m. is set out on pages 15 to 18 of this circular. Whether or not you are able to attend the meeting, please complete the form of proxy enclosed with this circular in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

30 April 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
|-------------------------------|---|
| “AGM” | the annual general meeting of the Company to be held at the Conference Room, Suite 7003, 70/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Tuesday, 7 June 2016 at 11:00 a.m. |
| “AGM Notice” | the notice convening the AGM as set out on pages 15 to 18 of this circular |
| “associate(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Bye-laws” | the bye-laws of the Company |
| “close associate(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Company” | Digital Domain Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 547) |
| “Date of Grant” | 29 January 2016, being the date on which the Board resolved to grant conditionally the Share Options to Mr. Amit Chopra |
| “Director(s)” | the director(s) of the Company |
| “Existing Issue Mandate” | a general and unconditional mandate granted to the Directors on 15 May 2015 to allot, issue or otherwise deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at 15 May 2015 |
| “Existing Repurchase Mandate” | a general and unconditional mandate granted to the Directors on 15 May 2015 to repurchase Shares representing up to a maximum number equivalent to 10% of the aggregate number of Shares in issue as at 15 May 2015 |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

DEFINITIONS

| | |
|---------------------------|--|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Shareholder” | Shareholders other than those who are required by the Listing Rules to abstain from voting on the relevant resolutions at the AGM |
| “Issue Mandate” | a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares as set out in resolution no. 4(2) in the AGM Notice |
| “Latest Practicable Date” | 25 April 2016, being the latest practicable date prior to printing of this circular for ascertaining certain information referred to in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Proposed Grant” | the conditional grant of the Share Options to Mr. Amit Chopra to subscribe for 100,000,000 Shares |
| “Repurchase Mandate” | a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares as set out in resolution no. 4(1) in the AGM Notice |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Share Options” | an aggregate of 379,500,000 share options of the Company conditionally granted to, among other persons, Mr. Amit Chopra on the Date of Grant as set out in the announcement of the Company dated 29 January 2016 |
| “Share Option Scheme” | the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 27 April 2012 as amended by an ordinary resolution passed by the Shareholders on 3 April 2014 |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “%” | per cent. |

LETTER FROM THE BOARD



D I G I T A L D O M A I N

DIGITAL DOMAIN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

Executive Directors:

Mr. Peter Chou (*Chairman*)
Mr. Seah Ang (*Chief Executive Officer*)
Mr. Amit Chopra (*Chief Operating Officer*)

Independent Non-executive Directors:

Mr. Duan Xiongfei
Ms. Lau Cheong
Mr. Wong Ka Kong Adam

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*

Suite 7003, 70th Floor
Two International Finance Centre
8 Finance Street
Central, Hong Kong

30 April 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RENEWAL OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
GRANT OF SHARE OPTIONS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this document is to provide you with requisite information regarding resolutions to be proposed at the AGM: (i) to grant the Directors the Issue Mandate, the extension of the new Issue Mandate and the Repurchase Mandate, (ii) to re-elect the retiring Directors and (iii) to grant the Share Options. The AGM Notice is set out on pages 15 to 18 of this circular and the Shareholders are requested to consider and, if they think fit, to make a decision on whether to vote for or against the ordinary resolutions relating to the Issue Mandate, the extension of the new Issue Mandate, the Repurchase Mandate, the re-election of retiring Directors and certain other resolutions as ordinary and special businesses of the AGM.

LETTER FROM THE BOARD

1. RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 15 May 2015, ordinary resolutions were passed for the granting (i) the Existing Issue Mandate and (ii) the Existing Repurchase Mandate. The Existing Issue Mandate and the Existing Repurchase Mandate will lapse upon the conclusion of the AGM.

Resolutions to grant Issue Mandate and the Repurchase Mandate to the Directors to, inter alia, exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 2,157,521,709 Shares, representing not exceeding 20% of the total number of Shares in issue and to repurchase Shares up to a maximum number equivalent to 10% of the total number of Shares in issue as at the date of passing the resolutions (details of which are set out in resolutions nos. 4(2) and 4(1) respectively of the AGM Notice) will be proposed at the AGM. A resolution authorising the extension of the new Issue Mandate to issue Shares by additional number equal to the aggregate number of the Shares purchased under the Repurchase Mandate will also be proposed as resolution no. 4(3) at the AGM.

The Directors have no current plans to issue any new Shares or repurchase Shares issued by the Company pursuant to the relevant mandates.

An explanatory statement containing the information required under the Listing Rules in respect of the Repurchase Mandate is set out in Appendix I to this circular.

2. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 86(2) of the Bye-laws, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and be eligible for re-election. Any Director appointed pursuant to the aforesaid Bye-law shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation according to Bye-law 87(2) of the Bye-laws.

Mr. Peter Chou (“**Mr. Chou**”) has been appointed as an executive Director with effect from 31 August 2015. Mr. Amit Chopra (“**Mr. Chopra**”) has been appointed as an executive Director and the chief operating officer of the Company with effect from 18 May 2015. In accordance with Bye-law 86(2) of the Bye-laws, Mr. Chou and Mr. Chopra shall hold office until the AGM and, being eligible, offer themselves for re-election at the AGM.

In accordance with Bye-law 87(1) of the Bye-laws, one-third of the Directors (or if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation; and pursuant to Bye-law 87(2) of the Bye-laws, the Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment. The retiring Director(s) shall also be eligible for re-election.

LETTER FROM THE BOARD

In this connection, Mr. Duan Xiongfei and Ms. Lau Cheong are the retiring Directors and, being eligible, offer themselves for re-election at the AGM.

Details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

3. GRANT OF SHARE OPTIONS

Reference is made to the announcement of the Company dated 29 January 2016 in respect of the Proposed Grant. The Company has conditionally granted Share Options to Mr. Chopra, who is an executive Director and the chief operating officer of the Company. The number of Shares to be issued upon exercise of the Share Options granted to Mr. Chopra in the 12-month period up to and including the Date of Grant would exceed 1% of all Shares in issue. Accordingly, the Proposed Grant is subject to the approval of the Shareholders at the general meeting of the Company pursuant to the requirements under Chapter 17 of the Listing Rules. In addition to the Proposed Grant, a total of 63,000,000 Share Options have been granted by the Company to Mr. Chopra since the Company's adoption of its current Share Option Scheme in April 2012.

The following table shows details of all the grants of Share Options to Mr. Chopra and the number of Shares to be issued upon exercise of the Share Options granted to Mr. Chopra in the 12-month period up to and including the date of the Proposed Grant exceeding 1% of total number of Shares in issue:

| Date of Grant | Exercise Price | Number of Shares to be issued upon full exercise of the Share Options granted | Approximate percentage to the total number of Shares in issue as at the date of the Proposed Grant (in the 12-month period up to and including the date of the Proposed Grant) |
|----------------------|-----------------------|--|---|
| 6 May 2015 | HK\$1.320 | 15,000,000 | 0.14% |
| 29 January 2016 | HK\$0.413 | 100,000,000 | 0.94% |
| | Total: | <u>115,000,000</u> | <u>1.08%</u> |

LETTER FROM THE BOARD

Terms of the Share Options

Key terms of Proposed Grant to Mr. Chopra are set out below:

| | |
|--|---|
| Date of Grant: | 29 January 2016 |
| Exercise price of the Share Options granted: | HK\$0.413 per Share, representing the highest of (i) the closing price of HK\$0.405 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of HK\$0.413 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of a Share |
| Condition to exercise of Share Options: | the exercise of the Share Options granted to Mr. Chopra is conditional upon the approval by the Shareholders of the grant at the general meeting of the Company |
| Validity period of the Share Options: | 10 years from the Date of Grant to 28 January 2026 |
| Holding period: | one third of the Share Options are exercisable from the Date of Grant one third of the Share Options are exercisable from the first anniversary of the Date of Grant one third of the Share Options are exercisable from the second anniversary of the Date of Grant |
| Number of Share Options granted to Mr. Chopra : | 100,000,000 Share Options were granted to Mr. Chopra to subscribe for up to 100,000,000 Shares |
| Performance targets: | no performance targets have been set as a condition to the exercise of the Share Options |
| Payment upon acceptance: | HK\$1.00 has been paid on acceptance of the Share Options |
| Ranking of Shares issued upon exercise of Share Options: | the Shares to be allotted upon the exercise of Share Options shall rank <i>pari passu</i> in all respects with all existing fully paid Shares in issue on the date on which such Shares are allotted upon exercise of the Share Options the Share Options themselves do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company |

There is no trustee under the Share Option Scheme.

LETTER FROM THE BOARD

Reasons for the Grant of Share Options

The purpose of the Share Option Scheme is to reward participants who have contributed or will contribute to the Group and to encourage them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

The Proposed Grant gives Mr. Chopra recognition for his contribution to the Group, and provides him an incentive for his continuing commitment and contribution to the growth of the Group in the future.

4. AGM

The AGM will be held at the Conference Room, Suite 7003, 70/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Tuesday, 7 June 2016 at 11:00 a.m. The AGM Notice is set out on pages 15 to 18 of this circular.

A form of proxy for use by the Shareholders at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

5. LISTING RULES IMPLICATION AND VOTING AT THE AGM

As the number of Shares to be issued upon exercise of the Share Options granted to Mr. Chopra in the 12-months period up to and including the Date of Grant exceed 1% of the total number of Shares in issue, the grant of Share Options to Mr. Chopra is subject to approval by the Shareholders at the general meeting of the Company as required under Rule 17.03(4) of the Listing Rules. Mr. Chopra and his associates are required to abstain from voting at the proposed resolution relating to the grant of Share Options to Mr. Chopra at the AGM. As at the Latest Practicable Date, Mr. Chopra and his associates held in aggregate 502,134,789 Shares, representing approximately 4.65% of the total number of Shares in issue. To the best of the knowledge, information and belief of the Directors, as at the Latest Practicable Date, there was no discrepancy between any beneficial shareholding interest in the Company as disclosed in this circular and the number of shares in the Company in respect of which Mr. Chopra will control or will be entitled to exercise control over the voting right at the AGM.

As at the Latest Practicable Date, to the extent that the Company is aware having made all reasonable enquiries, save as disclosed above, no Shareholder is required to abstain from voting on any of the proposed resolutions.

Pursuant to Bye-law 66 of the Bye-laws and Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll save that the chairman of the meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

LETTER FROM THE BOARD

6. RECOMMENDATIONS

The Directors consider that the proposed resolutions (i) to grant the Directors the Issue Mandate, the extension of the new Issue Mandate and the Repurchase Mandate and (ii) to re-elect the retiring Directors, as set out in the AGM Notice, are in the best interest of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions.

The Board (including all the independent non-executive Directors but excluding Mr. Chopra who was required to abstain from voting on the resolutions of the Board to approve the proposed grant of Share Options to him) considers that the terms of the Proposed Grant are fair and reasonable so far as the Independent Shareholders are concerned, and that the Proposed Grant is in the best interests of the Company and its Shareholders as a whole. Therefore, the Board (including all the independent non-executive Directors but excluding Mr. Chopra) recommends the Independent Shareholders to vote in favour of the resolution set out in the notice of AGM.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular. The English text of this circular shall prevail over the Chinese text.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
DIGITAL DOMAIN HOLDINGS LIMITED
Seah Ang
Executive Director and Chief Executive Officer

This appendix serves as an explanatory statement, as required by the Listing Rules, to be included in this circular concerning the Repurchase Mandate of the Company.

(A) SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 10,787,608,549 Shares, all of which are fully paid.

Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the assumption that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,078,760,854 Shares, representing not more than 10% of the total number of Shares in issue as at the Latest Practicable Date.

(B) REASONS FOR PURCHASES

Although the Directors have no present intention of purchasing any Shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Such repurchase will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

(C) FUNDING OF PURCHASES

The Directors propose that purchases of Shares under the Repurchase Mandate would be financed from the Company's internal resources. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws and the laws of Bermuda.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2015) in the event that the Repurchase Mandate is exercised in full at any time during the proposed purchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(D) SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

(E) DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates presently intends to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by its Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Repurchase Mandate in accordance with the Listing Rules and laws of Bermuda.

If as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware of, (i) Fortune Source International Limited ("FSIL"), holding approximately 15.50% of the total number of Shares in issue. In the event that the Directors exercise in full the power to purchase Shares pursuant to the Repurchase Mandate, the interest of FSIL in the Company would be increased to approximately 17.22% of the total number of Shares in issue and therefore no obligation to make a general offer to Shareholders under Rule 26 of the Takeovers Code would arise.

In the event that the Directors exercise in full the power to purchase Shares under the Repurchase Mandate, the number of Shares held by the public will not fall below 25%.

(F) SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

| | 2015 | | | | | | | | | | 2016 | | |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| Highest | 1.240 | 3.030 | 2.480 | 0.660 | 0.560 | 0.460 | 0.415 | 0.610 | 0.650 | 0.560 | 0.510 | 0.550 | 0.730* |
| Lowest | 0.270 | 1.080 | 0.385 | 0.220 | 0.330 | 0.360 | 0.280 | 0.300 | 0.455 | 0.345 | 0.350 | 0.400 | 0.510* |

* up to the Latest Practicable Date

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

This appendix sets out the details of Directors proposed for re-election at the AGM.

Peter Chou, aged 59, was appointed as an executive Director on 31 August 2015 and was appointed as the Chairman of the Board on 11 September 2015. He is the chairman of the executive committee of the Company as well. Mr. Chou holds a Bachelor Degree in Electronic Engineering from National Taiwan Ocean University and a Master Degree of Business Administration from National Chengchi University in Taiwan. He also completed the Advanced Management Program at Harvard Business School. In addition, Mr. Chou holds an Honorary Engineering Ph.D from National Taiwan Ocean University. Mr. Chou has over 30 years of experience in the information technology industry. He is one of the founders of HTC Corporation. Prior to joining this, he was a director of server platform design division of Digital Equipment Corporation, a major American company in the computer industry from the 1960s to the 1990s.

Mr. Chou has entered into a service agreement with a subsidiary of the Company for a term of 3 years and the appointment is terminable by either party by giving six months' prior notice. As the Chairman of the Board, he will not be subject to retirement by rotation at annual general meeting of the Company in accordance with the Bye-laws. Mr. Chou is presently entitled to a remuneration package comprising a director's fee of US\$750,000 per annum, a housing allowance and a car allowance of up to US\$4,000 per month and US\$1,250 per month respectively, a guarantee bonus of US\$250,000 per annum in an amount equal to four months' director's fee and a discretionary bonus with reference to his experience, qualifications, duties and responsibilities in the Company as well as current market conditions. As at the Latest Practicable Date, Mr. Chou is deemed to be interested in 2,570,011,442 Shares (long position) and 602,561,746 Shares (short position) respectively.

Save as disclosed above, Mr. Chou: (i) did not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date; (ii) does not hold any other position with the Company or other members of the Group; (iii) has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iv) does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company; and (v) is not aware of any other matters that need to be brought to the attention of the shareholders of the Company nor is there any information relating to the re-election of Mr. Chou that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

Amit Chopra, aged 41, joined the Group in 2012 and was appointed as an executive Director and the chief operating officer of the Company as well as a member of the executive committee of the Company on 18 May 2015. Mr. Chopra was the executive vice president of the Company. He is also a director and an officer of certain subsidiaries of the Company respectively. Mr. Chopra holds a Master of Business Administration from Pepperdine University and a Bachelor of Science degree in finance and accounting from California State University, Northridge. He brings 19 years of experience in accounting, finance and operations, with focused expertise in corporate restructuring. Prior to joining the Group, he spent about four years at Reliance MediaWorks Limited (“RMW”, a company indirectly holding 30% interest in a subsidiary of the Company), last serving as vice president of finance of its US operation. RMW is one of India’s leading media and entertainment companies, with a presence across several businesses including theatrical exhibition of films, film and media services and television content production and distribution. Before that Mr. Chopra held financial controller and other senior level financial and accounting positions at companies in the entertainment, semiconductor, logistics, IT consulting and software industries.

Mr. Chopra has entered into a service agreement with a subsidiary of the Company for no fixed term and the appointment is terminable by either party by giving six month’s prior notice. He will be subject to retirement by rotation and will be eligible for re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Chopra is presently entitled to a remuneration package comprising an annual director’s fee of HK\$1,440,000 plus a discretionary bonus, and an annual salary of US\$200,000 from the Group with reference to his experience, qualifications, duties and responsibilities in the Company as well as current market conditions. As at the Latest Practicable Date, Mr. Chopra is deemed to be interested in 2,458,171,442 Shares (long position) and 502,134,789 Shares (short position). He also holds share options granted under the Company’s share option scheme, conferring the right to subscribe for a total of 63,000,000 Shares. In addition, an aggregate of 100,000,000 share options were granted to Mr. Chopra on 29 January 2016 but such grant of share options is conditional upon the approval by the shareholders of the Company under the Listing Rules.

Save as disclosed above, Mr. Chopra: (i) did not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date; (ii) does not hold any other position with the Company or other members of the Group; (iii) has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iv) does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company; and (v) is not aware of any other matters that need to be brought to the attention of the shareholders of the Company nor is there any information relating to the re-election of Mr. Chopra that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Duan Xiongfei, aged 47, was appointed as an independent non-executive Director on 21 July 2009 and is presently the chairman of the audit committee, the nomination committee and the remuneration committee of the Company. Mr. Duan holds a Master's Degree in Economics from Renmin University of China and a Master's Degree in Business Administration from The University of Chicago. He is an associated member of National Futures Association in the United States of America and has over 20 years of experience in securities trading and investment industry. Mr. Duan is currently the portfolio manager of Hao Tian Development Group Limited.

Mr. Duan entered into an appointment letter with the Company for no fixed term and the appointment is terminable by either party by giving one month's prior notice. He is subject to retirement by rotation and will be eligible for re-election at the annual general meeting of the Company in accordance with the Bye-laws. Pursuant to the appointment letter, the director's fee of Mr. Duan is HK\$156,000 per annum, which was determined with reference to his experience, qualifications, duties and responsibilities in the Company as well as current market conditions.

Save as disclosed above, Mr. Duan: (i) did not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date; (ii) does not hold any other position with the Company or other members of the Group; (iii) has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iv) does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company; and (v) is not aware of any other matters that need to be brought to the attention of the shareholders of the Company nor is there any information relating to the re-election of Mr. Duan that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Lau Cheong, aged 32, was appointed as an independent non-executive Director on 21 July 2009 and is presently a member of the audit committee, the nomination committee and the remuneration committee of the Company. Ms. Lau holds a Master's Degree in Public Policy and Management and a Bachelor's Degree in Business Administration from University of Southern California. She obtained three broker qualifications in the United States of America and previously worked in Morgan Stanley & Co. Incorporated. She is currently the chief executive officer of Sino Jet Management Limited and the president of Ponticello International Group Incorporated.

Ms. Lau entered into an appointment letter with the Company for no fixed term and the appointment is terminable by either party by giving one month's prior notice. She is subject to retirement by rotation and will be eligible for re-election at the annual general meeting of the Company in accordance with the Bye-laws. Pursuant to the appointment letter, the director's fee of Ms. Lau is HK\$156,000 per annum, which was determined with reference to her experience, qualifications, duties and responsibilities in the Company as well as current market conditions.

Save as disclosed above, Ms. Lau: (i) did not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date; (ii) does not hold any other position with the Company or other members of the Group; (iii) has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iv) does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company; and (v) is not aware of any other matters that need to be brought to the attention of the shareholders of the Company nor is there any information relating to the re-election of Ms. Lau that needs to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



D I G I T A L D O M A I N

DIGITAL DOMAIN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Digital Domain Holdings Limited (the “**Company**”) will be held at the Conference Room, Suite 7003, 70/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong on Tuesday, 7 June 2016 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors of the Company and the independent auditor for the year ended 31 December 2015;
2. To re-elect the retiring directors of the Company and to authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company;
3. To re-appoint BDO Limited as the auditor of the Company and to authorise the Board to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) subject to paragraph (1)(b), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares issued by the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company to be purchased on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs pursuant to the approval in paragraph (1)(a) shall not exceed 10 per cent. of the aggregate number of shares of the Company in issue at the date of passing this resolution (subject to adjustment in the case of any share subdivision or consolidation subsequent to the passing of this resolution) and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by its bye-laws or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members of the Company in general meeting.”

(2) **“THAT:**

- (a) subject to paragraph (2)(c), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (2)(a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (2)(a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company which are convertible into shares of the Company; or (iii) any Share Option Scheme (as hereinafter defined) of the Company; or (iv) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate number of shares of the Company in issue at the date of passing this resolution (subject to adjustment in the case of any share subdivision or consolidation subsequent to the passing of this resolution) and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution, “Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by its bye-laws or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong); and

“Share Option Scheme” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue to directors and employees of the Company and its subsidiaries and any other persons, in the sole discretion of the Board, have contributed or will contribute to the Company and its subsidiaries of rights to acquire shares of the Company.”

- (3) “**THAT** the exercise by the directors of the Company of all the powers of the Company to allot, issue and deal with additional shares in the ordinary share capital of the Company in accordance with the general mandate granted pursuant to resolution no. 4(2) above be and is hereby extended by the addition thereto of such number of shares of the Company purchased by the Company under the authority granted pursuant to resolution no. 4(1) above provided that such number of shares of the Company shall not exceed 10 per cent. of the aggregate number of shares of the Company in issue at the date of passing this resolution (subject to adjustment in the case of any share subdivision or consolidation subsequent to the passing of this resolution).”
- (4) “**THAT** the grant of options (“**Share Options**”) to Mr. Amit Chopra (“**Mr. Chopra**”) to subscribe up to 100,000,000 ordinary shares of HK\$0.01 each in the share capital of the Company at an exercise price of HK\$0.413 per share under the share option scheme of the Company adopted by the Company on 27 April 2012 and as amended by an ordinary resolution passed by the shareholders of the Company on 3 April 2014 (the “**Share Option Scheme**”) and otherwise on such terms as stipulated in the offer letter to Mr. Chopra issued by the Company pursuant to the Share Option Scheme be and is hereby approved and the directors of the Company be and are hereby authorized to do all such acts and things as may be necessary, desirable or expedient in order to give effect to the grant of the said share options to Mr. Chopra and the issue of the shares upon the exercise of the Share Options by Mr. Chopra.”

By Order of the Board
DIGITAL DOMAIN HOLDINGS LIMITED
Seah Ang
Executive Director and Chief Executive Officer

Hong Kong, 30 April 2016

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Notes:

- (1) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- (3) The form of proxy and the power of attorney or other authority, if any, under which it is signed, or certified copy of such power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- (6) The resolutions are to be voted by way of poll.
- (7) The form of proxy is enclosed.