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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)

COMPLETION OF SHARE TRANSACTION IN RELATION TO AN ASSET PURCHASE AGREEMENT WITH MICOY CORPORATION INVOLVING AN ISSUE OF 57,172,131 SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Digital Domain Holdings Limited (the “Company”) dated 28 October 2016 (the “Announcement”) in relation to, among other matters, the sale and purchase of asset pursuant to the Agreement dated 28 October 2016 between Micoy Corporation (as Seller), DD Micoy, Inc. (as Purchaser) and the Company. Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcement.

COMPLETION OF THE AGREEMENT

The Board is pleased to announce that completion of the Agreement (the “Completion”) took place on 9 December 2016. As part settlement of the consideration for the Acquisition, the Company issued 19,057,377 Consideration Shares credited as fully paid at the issue price of HK\$0.61 per Share on Completion, and will issue an aggregate of 38,114,754 further Consideration Shares over the next three years.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below shows the shareholding structure of the Company (i) immediately before Completion, (ii) immediately after Completion, and (iii) immediately after the issue and allotment of all of the Consideration Shares, assuming no other changes to the share capital and shareholding structure of the Company from the date of this announcement up to the issue and allotment all of the Consideration Shares:

	Immediately before Completion		Immediately after Completion		Immediately after the allotment and issuance of all of the Consideration Shares	
	No. of shares	Approximate %	No. of shares	Approximate %	No. of shares	Approximate %
Directors						
Peter Chou (Note 1)	714,401,746	5.72	714,401,746	5.71	714,401,746	5.69
Seah Ang (Note 2)	502,134,789	4.02	502,134,789	4.01	502,134,789	4.00
Amit Chopra (Note 3)	502,134,789	4.02	502,134,789	4.01	502,134,789	4.00
Substantial Shareholders						
Zhang Xiaoqun (Note 4)	1,672,035,000	13.38	1,672,035,000	13.36	1,672,035,000	13.32
Public Shareholders						
the Seller	-	-	19,057,377	0.15	57,172,131	0.46
Other public Shareholders	9,102,457,442	72.86	9,102,457,442	72.75	9,102,457,442	72.53
Total	<u>12,493,163,766</u>	<u>100.00</u>	<u>12,512,221,143</u>	<u>100.00</u>	<u>12,550,335,897</u>	<u>100.00</u>

Notes:

1. Mr. Peter Chou holds these Shares through his wholly-owned companies, Kabo Limited and Honarn Inc. Kabo Limited holds 602,561,746 Shares and Honarn Inc. holds 111,840,000 Shares.
2. Mr. Seah Ang holds these Shares through his wholly-owned company, Global Domain Investments Limited. Mr. Seah Ang also holds 100,000,000 outstanding share options granted under the Company's share option scheme.
3. Mr. Amit Chopra holds these Shares through his wholly-owned company, Redmount Ventures Limited. Mr. Amit Chopra also holds 163,000,000 outstanding share options granted under the Company's share option scheme.
4. Mr. Zhang Xiaoqun holds these Shares through his wholly-owned company, Fortune Source International Limited.
5. As at the date of this announcement, the Company has in issue 12,512,221,143 Shares, options to subscribe for 1,423,656,668 Shares granted pursuant to the share option scheme of the Company, and HK\$392,000,000 in principal amount of convertible notes that are convertible into Shares at the conversion price of HK\$0.04 per Share, subject to adjustments. An aggregate of 310,870,361 Shares are to be issued in connection with the Group's acquisition of further interest in Immersive Ventures Inc., which was the subject of the Company's announcements dated 11 December 2015 and 30 December 2015 respectively.

6. *The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.*

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

Hong Kong, 9 December 2016

As at the date of this announcement, Mr. Peter Chou, Mr. Seah Ang and Mr. Amit Chopra are the executive directors of the Company and Ms. Lau Cheong, Mr. Duan Xiongfei and Mr. Wong Ka Kong Adam are the independent non-executive directors of the Company.