
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its 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 circular.

**DIGITAL DOMAIN HOLDINGS LIMITED****數字王國集團有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 547)****RENEWAL OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
EXTENSION OF ISSUE MANDATE,
RE-ELECTION OF RETIRING DIRECTORS,
SHARE PREMIUM REDUCTION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at the Conference Room, Suite 1201, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 3 June 2021 at 10:30 a.m. is set out on pages 15 to 20 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.

To safeguard your health and safety and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the annual general meeting of the Company:

- (i) conduct compulsory body temperature check for attendees at the entrance of the meeting venue and anyone with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the meeting venue;**
- (ii) properly wear surgical mask prior to admission to the meeting venue and at any time within the meeting venue;**
- (iii) appropriate settings will be arranged at the meeting venue to meet the relevant regulatory requirements; and**
- (iv) no refreshments will be served at the meeting.**

Attendees may be denied entry into the meeting venue at the absolute discretion of the Company as permitted by law if any safety regulation or the above precautionary measures cannot be complied with.

For your health and safety, the Company reminds attendees that you should carefully consider the risks of attending the annual general meeting of the Company, taking into account the current situation of the COVID-19 pandemic, and encourages you to exercise your right to vote at the meeting by appointing the chairman of the meeting as your proxy.

28 April 2021

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I – EXPLANATORY STATEMENT	9
APPENDIX II – DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	11
NOTICE OF ANNUAL GENERAL MEETING	15

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 1201, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 3 June 2021 at 10:30 a.m.
“AGM Notice”	the notice convening the AGM as set out on pages 15 to 20 of this circular
“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)
“Companies Act”	the Companies Act 1981 of Bermuda
“Contributed Surplus Account”	the contributed surplus account of the Company
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Premium Reduction shall become effective, being (subject to compliance with section 46(2) of the Companies Act) the next business day immediately following the date of passing of the special resolution to approve the Share Premium Reduction at the AGM
“Existing Issue Mandate”	a general and unconditional mandate granted to the Directors on 5 June 2020 to allot, issue or otherwise deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at 5 June 2020
“Existing Repurchase Mandate”	a general and unconditional mandate granted to the Directors on 5 June 2020 to repurchase Shares representing up to a maximum number equivalent to 10% of the aggregate number of Shares in issue as at 5 June 2020
“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. 5(2) in the AGM Notice
“Latest Practicable Date”	20 April 2021, 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
“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. 5(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 Premium Account”	the share premium account of the Company
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the Share Premium Account as at the date of AGM to nil and the transfer of the credit arising from such reduction to the Contributed Surplus Account
“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



DIGITAL DOMAIN HOLDINGS LIMITED

數字王國集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

Executive Director:

Mr. SEAH Ang

(Acting Chairman and Chief Executive Officer)

Non-executive Directors:

Mr. JIANG Yingchun

Mr. CUI Hao

Mr. WANG Wei-Chung

Mr. Sergei SKATERSHCHIKOV

Independent Non-executive Directors:

Mr. DUAN Xiongfei

Ms. LAU Cheong

Mr. WONG Ka Kong Adam

Dr. Elizabeth Monk DALEY

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of

Business in Hong Kong:

Suite 1201, 12/F.

Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

28 April 2021

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
EXTENSION OF ISSUE MANDATE,
RE-ELECTION OF RETIRING DIRECTORS,
SHARE PREMIUM REDUCTION
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 Issue Mandate and the Repurchase Mandate, and to extend the Issue Mandate, (ii) to re-elect the retiring Directors and (iii) to approve the Share Premium Reduction.

LETTER FROM THE BOARD

1. RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND EXTENSION OF ISSUE MANDATE

At the annual general meeting of the Company held on 5 June 2020, 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 the 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 20% of the total number of the Shares in issue as at the date of passing the resolutions and to repurchase Shares up to 10% of the total number of the Shares in issue as at the date of passing the resolutions, respectively, (details of which are set out in resolutions nos. 5(2) and 5(1) respectively of the AGM Notice) will be proposed at the AGM. A separate resolution authorising the extension of the Issue Mandate to issue Shares by additional number equal to the aggregate number of the Shares repurchased by the Company under the Repurchase Mandate will also be proposed as resolution no. 5(3) at the AGM.

The Issue Mandate and the Repurchase Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in ordinary resolutions nos. 5(2) and 5(1) set out in the AGM Notice. On the assumption that there will not be any change to the issued share capital of the Company between the Latest Practicable Date and the AGM, the Directors would be authorised under the Issue Mandate to issue a maximum of 8,178,055,251 Shares based on the issued share capital of 40,890,276,258 Shares as at the Latest Practicable Date. 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.

Dr. Elizabeth Monk Daley (“**Dr. Daley**”) and Mr. Sergei Skatershchikov (“**Mr. Skatershchikov**”) have been appointed as independent non-executive Director and non-executive Director with effect from 20 July 2020 and 22 January 2021 respectively. In accordance with Bye-law 86(2) of the Bye-laws, Dr. Daley and Mr. Skatershchikov shall hold office until the AGM and, being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

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.

In this connection, Mr. Duan Xiongfei (“**Mr. Duan**”) and Mr. Wong Ka Kong Adam (“**Mr. Wong**”) are the retiring independent non-executive Directors and, being eligible, offer themselves for re-election at the AGM. Mr. Duan has been serving as an independent non-executive Director for more than 9 years as at the Latest Practicable Date and his further appointment is subject to a separate resolution to be approved by Shareholders at the AGM.

As an independent non-executive Director, each of Dr. Daley, Mr. Duan and Mr. Wong did not participate in the day-to-day management of the Company. However, the Board considers that they have deep professional knowledge, suitable qualifications and experience, and Mr. Wong also possesses the appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules. Further, Mr. Duan and Mr. Wong have developed an in-depth understanding of the business of the Company during their directorship and remain in a position to provide an independent view and guidance to the Company over the years.

In addition, the nomination committee of the Company had identified or selected the above proposed independent non-executive Directors in accordance with the criteria set out in the nomination policy and board diversity policy adopted by the Company in consideration of the relevant factors including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. It also assessed the independence of each of the above proposed independent non-executive Directors based on the independence criteria as set out in Rule 3.13 of the Listing Rules.

Based on the recommendation of the nomination committee of the Company, the Board is of the opinion that Dr. Daley, Mr. Duan (who has been serving as an independent non-executive Director for more than 9 years as at the Latest Practicable Date) and Mr. Wong remain independent and will continue to bring valuable business experience, knowledge and skill to the Board for its operational efficiency and diversity. They are being eligible and recommended 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. SHARE PREMIUM REDUCTION

The Board proposes to put forward to the Shareholders a proposal for the Share Premium Reduction pursuant to the laws of Bermuda and the Bye-laws. The credits arising from the Share Premium Reduction will be transferred to the Contributed Surplus Account whereupon it will be applied to set-off the entire amount of the accumulated losses of the Company as at 31 December 2020.

LETTER FROM THE BOARD

As at 31 December 2020, the amount standing to the credit of the Share Premium Account of the Company was approximately HK\$1,984,774,557.63 and the accumulated losses of the Company was approximately HK\$2,757,368,366. The entire amount standing to the credit of the Share Premium Account will be reduced to nil and the credit arising from the reduction of the Share Premium Account will be transferred to the Contributed Surplus Account and the Directors will be authorized to apply the amount standing to the credit of the Contributed Surplus Account to set-off the entire amount of the accumulated losses of the Company as at 31 December 2020.

Upon the Share Premium Reduction becoming effective, the credit balance in the Share Premium Account would be reduced to nil.

Reasons for the Share Premium Reduction

The Share Premium Reduction and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will be set off against the accumulated losses of the Company by the amount of such credits, and can give the Company greater flexibility in relation to its distribution policy at the earliest opportunity in the future as and when the Board considers appropriate. The Board considers that it is in the best interests of the Company and its Shareholders as a whole to implement the Share Premium Reduction.

Effects of the Share Premium Reduction

The Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company, nor does it involve any reduction in the nominal value of the Shares or trading arrangements concerning the Shares.

Save for the expenses to be incurred in relation to the Share Premium Reduction which are considered to be immaterial, the Board considers that the implementation of the Share Premium Reduction will not, in itself, have a material adverse effect on the underlying assets, business operations, management, financial position of the Company or the interests of the Shareholders as a whole. There are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

Conditions of the Share Premium Reduction

The Share Premium Reduction is conditional upon:

- (i) the passing of a special resolution approving the Share Premium Reduction by Shareholders at the AGM; and
- (ii) compliance with Section 46(2) of the Companies Act, including but not limited to (i) the publication of a notice in relation to the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective Date; and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction would be, unable to pay its liabilities as they become due.

LETTER FROM THE BOARD

Assuming the above conditions are fulfilled, it is expected that the Share Premium Reduction will become effective on the next business day immediately following the date of passing of the special resolution no. 6 as set out in the AGM Notice at the AGM, at which the relevant special resolution approving the Share Premium Reduction will be considered and, if thought fit, passed by the Shareholders.

4. AGM

The AGM will be held at the Conference Room, Suite 1201, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 3 June 2021 at 10:30 a.m.. The AGM Notice is set out on pages 15 to 20 of this circular at which, among other businesses, resolutions will be proposed to approve (i) the grant of the Issue Mandate and the Repurchase Mandate and the extension of the Issue Mandate, (ii) re-election of the retiring Directors and (iii) the Share Premium Reduction.

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.

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

- (i) conduct compulsory body temperature check for attendees at the entrance of the AGM venue and anyone with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the AGM venue;
- (ii) properly wear surgical mask prior to admission to the AGM venue and at any time within the AGM venue;
- (iii) appropriate settings will be arranged at the AGM venue to meet the relevant regulatory requirements with respect to physical distancing. As a result, there will be limited capacity for attendees to attend the AGM; and
- (iv) no refreshments will be served at the AGM.

Attendees may be denied entry into the AGM venue at the absolute discretion of the Company as permitted by law if any safety regulation or the above precautionary measures cannot be complied with.

For the health and safety of the Shareholders, the Company reminds attendees that they should carefully consider the risks of attending the AGM, taking into account the current situation of the COVID-19 pandemic, and encourages the Shareholders to exercise their right to vote at the AGM by appointing the chairman of the AGM as their proxy.

LETTER FROM THE BOARD

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice and may issue further announcement on such arrangements as appropriate.

5. LISTING RULES IMPLICATION AND VOTING AT THE AGM

Pursuant to Bye-law 66 of the Bye-laws and Rule 13.39(4) 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. As at the Latest Practicable Date, to the extent that the Company is aware having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the proposed resolutions.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 May 2021.

7. RECOMMENDATIONS

The Directors consider that the proposed resolutions (i) to grant the Issue Mandate and the Repurchase Mandate, and to extend the Issue Mandate, (ii) to re-elect the retiring Directors and (iii) to approve the Share Premium Reduction, 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.

8. 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 the Shares in issue was 40,890,276,258 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 4,089,027,625 Shares, representing not more than 10% of the total number of the 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 repurchases 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, the Listing Rules and the applicable 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 consolidated financial statements contained in the annual report for the year ended 31 December 2020) 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 of the Company or the gearing levels of 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 (as defined under the Listing Rules) 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 Bye-laws, the Listing Rules and the applicable 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) HLEE Finance S.à r.l. ("HLEE"), holding approximately 16.67% of the total number of Shares in issue, (ii) Poly Culture Group Corporation Limited ("Poly Culture"), holding approximately 13.02% of the total number of Shares in issue, and (iii) Jade Link Holdings Limited ("Jade Link"), holding approximately 12.32% of the total number of Shares in issue. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the interest of HLEE, Poly Culture and Jade Link in the Company would be increased to approximately 18.52%, 14.47% and 13.69% of the total number of Shares in issue respectively and therefore no obligation to make a general offer to Shareholders under Rule 26 of the Takeovers Code would arise.

The Directors will be cautious in exercising the Repurchase Mandate and have no intention to exercise the Repurchase Mandate to such extent as to jeopardize the public float requirement of 25% or such other prescribed minimum percentage as determined by the Stock Exchange.

(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:

	2020										2021		
	Apr HK\$	May HK\$	Jun HK\$	Jul HK\$	Aug HK\$	Sep HK\$	Oct HK\$	Nov HK\$	Dec HK\$	Jan HK\$	Feb HK\$	Mar HK\$	Apr HK\$
Highest	0.051	0.049	0.052	0.080	0.058	0.056	0.053	0.054	0.102	0.091	0.122	0.104	0.090*
Lowest	0.042	0.039	0.040	0.046	0.051	0.044	0.045	0.044	0.050	0.068	0.076	0.079	0.078*

* 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.

Sergei SKATERSHCHIKOV (also known as Sergey Skaterschikov), aged 48, was appointed as a non-executive Director on 22 January 2021. He is a seasoned finance and board-level executive with 30 years of international experience in the finance, media and entertainment, telecom, technology and e-commerce industries. Mr. Skatershchikov is the principal in the Swiss investment firm IndexAtlas AG based in Zurich and New York, with his prior experience including at the C-level in Mobile TeleSystems Public Joint Stock Company (the shares of which were listed on New York Stock Exchange (NYSE: MBT)) from 2006 to 2008. He also held a board position in public joint-stock company LSR Group (the shares of which were listed on Moscow Exchange and London Stock Exchange (MCX/LSE: LSRG)) from 2007 to 2015, and director roles at Skate's Art Market Research LLC, E*Trade Eurasia, East West United Bank (Luxembourg), Creditanstalt Investment Bank (Austria) and Moscow office of Dresdner Kleinwort Wasserstein at various times between 1997 and 2015.

Mr. Skatershchikov is a graduate of Moscow State University (Lomonosov) and holds Master of Business Administration from the Fuqua School of Business at Duke University. He has written a number of books including Skate's Art Investment Handbook published by McGraw & Hill in 2009.

Mr. Skatershchikov has entered into an appointment letter with the Company for no fixed term and the appointment is terminable by either party by giving three months' written 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, Mr. Skatershchikov is entitled to receive a fee of US\$100,000 per annum with reference to his experience, qualifications, duties and responsibilities in the Company and current market conditions. As mutually agreed, the aforesaid director's fee for the period from 22 January 2021 (i.e. the date of appointment) to 31 December 2021 has been waived.

Save as disclosed above, Mr. Skatershchikov: (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 nor is there any information relating to the re-election of Mr. Skatershchikov 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 52, 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. He is currently an independent non-executive director, the chairman of the nomination and corporate governance committee and a member of the audit committee of Huobi Technology Holdings Limited, the shares of which are listed on the main board of the Stock Exchange (stock code: 1611). 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 has over 20 years of experience in securities trading and the investment industry. Mr. Duan is currently the investment manager of MIE Holdings Corporation, a company listed on the Stock Exchange (stock code: 1555). He joined Atlantis Investment Management as Fund Manager in 2010 and registered as a Commodity Trading Advisor (CTA) in the National Futures Association (NFA) and the Commodity Futures Trading Commission (CFTC) in 2004.

Mr. Duan has 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 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

WONG Ka Kong Adam, aged 54, was appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Company on 9 August 2013. Mr. Wong holds a Master's Degree in Business Administration from The Hong Kong Polytechnic University. He is a member and a practising certificate holder of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 25 years' experience in auditing, commercial finance and accounting operation. He previously held various senior positions in listed companies with business in Hong Kong, Greater China and overseas. Mr. Wong currently holds a senior executive position in a licensed asset management and investment advisory company.

Mr. Wong has 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. Wong 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. Wong: (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 nor is there any information relating to the re-election of Mr. Wong 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

Elizabeth Monk DALEY, aged 78, was appointed as an independent non-executive Director on 20 July 2020. Dr. Daley has been the dean of the School of Cinematic Arts at the University of Southern California (“USC”) since 1991. She is the inaugural holder of the Steven J. Ross/Time Warner Dean’s Chair. Dr. Daley was also the founding executive director of the USC Annenberg Center for Communication from 1994 to 2005 and serves as the executive director of the USC Institute for Multimedia Literacy.

Before joining USC in 1989 as chair of the Film and Television Production Program, Dr. Daley had engaged in various positions in the entertainment industry, ranging from film and television producer to media consultant. She had also served on the board of the World Economic Forum’s Global Agenda Council on Media, Entertainment and Information. Dr. Daley currently is an independent director and a member of the nominating and governance committee and the compensation committee of Avid Technology, Inc., the shares of which are traded on The Nasdaq Global Select Market under symbol “AVID”. In addition, she is a member of both the Directors Guild of America and the Academy of Motion Picture Arts and Sciences.

Dr. Daley has been honored by American Women in Radio and Television and was twice nominated for a Los Angeles Area Emmy Award. She has received a CINE (Council on International Non-Theatrical Events) Golden Eagle and the Barbara Jordan Award, as well as the California Governor’s Award for her work with programming about the handicapped.

Dr. Daley obtained a Ph.D. Degree from the University of Wisconsin-Madison and Bachelor’s and Master’s Degrees from Tulane University and Newcomb College. In 2016, she was awarded a Degree of Doctor of Letters, honoris causa, from Hong Kong Baptist University.

Dr. Daley has 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 Dr. Daley is US\$200,000 per annum, which was determined with reference to her experience, qualifications, duties and responsibilities in the Company as well as current market conditions. As mutually agreed, the aforesaid director’s fee for the period from 1 February 2021 to 31 December 2021 has been reduced to US\$46,154 per annum.

Save as disclosed above, Dr. Daley: (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 nor is there any information relating to the re-election of Dr. Daley 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



DIGITAL DOMAIN HOLDINGS LIMITED

數字王國集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“**AGM**”) of Digital Domain Holdings Limited (the “**Company**”) will be held at the Conference Room, Suite 1201, 12/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Thursday, 3 June 2021 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the independent auditor of the Company for the year ended 31 December 2020;
2. Each as a separate resolution, to re-elect the following retiring directors as directors of the Company:
 - (a) Mr. Sergei Skatershchikov as a non-executive director of the Company;
 - (b) Mr. Duan Xiongfei as an independent non-executive director of the Company;
 - (c) Mr. Wong Ka Kong Adam as an independent non-executive director of the Company;
and
 - (d) Dr. Elizabeth Monk Daley as an independent non-executive director of the Company;
3. To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company;
4. To re-appoint BDO Limited as the auditor of the Company and to authorise the directors of the Company to fix their remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

NOTICE OF ANNUAL GENERAL MEETING

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 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 (the **“SFC”**) and the Stock Exchange subject to and in accordance with all applicable laws, rules and regulations of the SFC, and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of shares of the Company to be repurchased pursuant to 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
 - (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
 - (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

NOTICE OF ANNUAL GENERAL MEETING

“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. 5(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. 5(1) above provided that such number of shares shall not exceed 10 per cent. of the aggregate number of the 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).”
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as special resolution:

SPECIAL RESOLUTION

“**THAT** conditional on the compliance by the Company with section 46(2) of the Companies Act 1981 of Bermuda and the bye-laws of the Company, and with effect from the business day immediately following the date of passing of this resolution (the “**Effective Date**”):

- (a) the entire sum standing to the credit of the share premium account of the Company be reduced to nil (the “**Share Premium Reduction**”);
- (b) the credit arising from the Share Premium Reduction be transferred to the contributed surplus account of the Company (the “**Contributed Surplus Account**”), and any one director of the Company be and is hereby authorised to first apply the credit standing in the Contributed Surplus Account to set-off the entire amount of the accumulated losses of the Company as at 31 December 2020;
- (c) any one director of the Company be and is hereby further authorised to apply the amount standing to the credit of the Contributed Surplus Account in such manner as he/she considers appropriate from time to time as permitted by the applicable laws of Bermuda and the bye-laws of the Company (including but not limited to the application of any amount to set-off against any accumulated losses of the Company or to make a distribution out of the Contributed Surplus Account); and

NOTICE OF ANNUAL GENERAL MEETING

- (d) any one director of the Company be and is hereby authorised to take all actions and execute all such documents on behalf of the Company in accordance with the bye-laws of the Company, including under seal where necessary, as he/she may consider necessary, desirable or expedient to give effect to the foregoing in respect of the Share Premium Reduction, the transfer of the credit arising therefrom to the Contributed Surplus Account and/or any of the transactions contemplated thereunder.”

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

Hong Kong, 28 April 2021

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.

NOTICE OF ANNUAL GENERAL MEETING

- (8) The register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021, both days inclusive, during such period no transfer of shares of the Company will be registered. In order to determine the identity of members of the Company who are entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 May 2021.
- (9) If a tropical cyclone warning signal no. 8 or above is hoisted or a black rainstorm warning signal is in force at or at any time after 7:00 a.m. on the date of the AGM, the AGM will be postponed. The Company will post an announcement on the websites of the Company and the Stock Exchange to notify members of the Company of the date, time and venue of the rescheduled AGM.

Having considered their own situations, members of the Company should decide on their own whether or not they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

- (10) To safeguard the health and safety of the members of the Company and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:**
- (i) **conduct compulsory body temperature check for attendees at the entrance of the AGM venue and anyone with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the AGM venue;**
 - (ii) **properly wear surgical mask prior to admission to the AGM venue and at any time within the AGM venue;**
 - (iii) **appropriate settings will be arranged at the AGM venue to meet the relevant regulatory requirements; and**
 - (iv) **no refreshments will be served at the AGM.**

Attendees may be denied entry into the AGM venue at the absolute discretion of the Company as permitted by law if any safety regulation or the above precautionary measures cannot be complied with.

- (11) For the health and safety of the members of the Company, the Company reminds attendees that they should carefully consider the risks of attending the AGM, taking into account the current situation of the COVID-19 pandemic, and encourages the members of the Company to exercise their right to vote at the AGM by appointing the chairman of the AGM as their proxy.**