DIGITALDOMAIN

DIGITAL DOMAIN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 547)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the management accounts of the Group, the Group is expected to record a consolidated net profit for the year ended 31 December 2014 as compared to a consolidated net loss for the year ended 31 December 2013.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Digital Domain Holdings Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the management accounts of the Group, the Group is expected to record a consolidated net profit for the year ended 31 December 2014 as compared to a consolidated net loss for the year ended 31 December 2013.

The consolidated net profit expected to be reported by the Group was mainly attributable to the following reasons:

1. it is expected to record a gain on extinguishment/extension of convertible notes in amount of approximately HKD77,000,000 in view of the extension of the maturity date of those convertible notes to 3 July 2017, such gain being subject to the finalisation of the valuation report that is being prepared and reviewed by valuer and auditor, respectively;

2. it is expected to record a fair value gain on investment properties in amount of approximately HKD30,000,000, such gain being subject to the finalisation of the valuation report that is being prepared and reviewed by valuer and auditor, respectively; and

3. it is expected to have no impairment loss on an intangible asset (in respect of the Group's participation right in a movie) in respect of which an amount of approximately HKD132,481,000 was reflected in the consolidated income statement for the year ended 31 December 2013.

As the Company has yet to finalise the financial results of the Group for the financial year ended 31 December 2014, the information contained in this announcement is only a preliminary assessment by the Board based on the Company's management accounts and information currently available and is not based on any figure or information that has been audited or reviewed by the Company's auditor. The annual results announcement of the Company for the year ended 31 December 2014 is expected to be published in March 2015.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 February 2015

As at the date of this announcement, Mr. Seah Ang and Mr. Fan Lei 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.