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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 Changyou Alliance Group Limited, you should at once hand this circular, together with the enclosed 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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CHANGYOU ALLIANCE GROUP LIMITED

暢由聯盟集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Room 1908-1916, 19th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 11:00 a.m. is set out on pages 15 to 18 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than Wednesday, 23 June 2021 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to the section headed "Precautionary Measures for the Annual General Meeting" of this circular for the precautionary measures being implemented by the Company in order to safeguard the health and safety of the Shareholders and all attendees at the Annual General Meeting and to prevent the spread of the coronavirus ("COVID-19"), including:

- compulsory body temperature checks will be conducted at the entrance of the venue of the Annual General Meeting. Any person with a body temperature of 37.4 degrees Celsius or above, or is exhibiting flu-like symptoms, may be denied entry into the venue and may be required to leave the venue but may be allowed to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- every attendee will be required to wear a surgical face mask throughout the Annual General Meeting and at all times within the venue;
- appropriate social distancing and seating arrangements in line with the Regulation will be maintained; and
- no refreshment or drinks will be served at the Annual General Meeting.

Any person who does not comply with the precautionary measures above or is subject to any Hong Kong Government prescribed quarantine may be denied entry to the venue of the Annual General Meeting. **The Company would like to remind the Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. Shareholders are encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting, as an alternative to attending the Annual General Meeting in person.** Subject to the development of the COVID-19 pandemic and any directive(s) that may be further issued by the Hong Kong government, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as and when appropriate.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the Shareholders and all attendees at the Annual General Meeting and to prevent the spread of COVID-19, the following precautionary measures will be implemented at the Annual General Meeting, including:

1. compulsory body temperature checks will be conducted for every attendee at the entrance of the venue of the Annual General Meeting. Any person with a body temperature of 37.4 degrees Celsius or above, or is exhibiting flu-like symptoms, may be denied entry into the venue and may be required to leave the venue but may be allowed to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
2. every attendee will be required to wear[#] a surgical face mask throughout the Annual General Meeting and at all times within the venue;
3. in view of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong) (the “**Regulation**”), the Shareholders attending in person at the venue of the Annual General Meeting in excess of the 20 persons limit (or such other prevailing limit from time to time) under the Regulation will be accommodated in separate room(s) and/or partitioned area(s) in the same room at the venue, with not more than 20 (or such other number of persons allowed under the Regulation) persons (including supporting staff for the Annual General Meeting) in each such room and/or partitioned area; and
4. no refreshment or drinks will be served at the Annual General Meeting.

Any person who does not comply with the precautionary measures above or is subject to any Hong Kong government prescribed quarantine may be denied entry to the venue of the Annual General Meeting.

The Company would like to remind the Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. Shareholders are encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting, as an alternative to attending the Annual General Meeting in person. In order to be valid, a proxy form together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding of the Annual General Meeting (i.e. not later than Wednesday, 23 June 2021 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof.

Subject to the development of the COVID-19 pandemic and any directive(s) that may be further issued by the Hong Kong government, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as and when appropriate.

[#] *A reference to a person wearing a mask is a reference to the person wearing a mask over and covering the person’s nose and mouth, with the mask touching the person’s nose, chin and cheeks.*

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Annual General Meeting”	the annual general meeting of the Company to be held at Room 1908-1916, 19th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 11:00 a.m., for the purpose of considering and if thought fit, approving the resolutions proposed in the notice convening the Annual General Meeting, or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Changyou Alliance Group Limited (暢由聯盟集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	15 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum number equivalent to 10% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD

CHANGYOU ALLIANCE GROUP LIMITED

暢由聯盟集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

Executive Directors:

Mr. Cheng Jerome (*Chairman*)

Mr. Yuan Weitao

Non-executive Director:

Mrs. Guo Yan

Independent Non-executive Directors:

Mr. Wong Chi Keung

Mr. Liu Jialin

Mr. Chan Chi Keung, Alan

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Principal Place of Business
in Hong Kong:*

Room 1908-1916, 19/F

Sun Hung Kai Centre

30 Harbour Road

Wanchai, Hong Kong

21 April 2021

To the Shareholders

Dear Sir/Madam

**RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting and to provide you with information regarding resolutions to be proposed at the Annual General Meeting for: (i) the renewal of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of Directors.

RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 3 June 2020, resolutions were passed by the Shareholders to grant general mandates to the Directors (i) to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution; and (ii) to repurchase Shares up to 10% of the aggregate number of Shares in issue as at the date of the passing of the

LETTER FROM THE BOARD

relevant resolution. Resolutions were also passed to extend the maximum number of Shares to be allotted and issued under (i) above by an additional number representing such number of Shares repurchased by the Company under (ii) above. All of these general mandates will lapse at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed to seek the approval of the Shareholders:

- (a) to grant the General Mandate to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of the passing of the resolution. Subject to the passing of the resolution approving the renewal of the General Mandate at the Annual General Meeting, on the basis that 1,810,953,272 Shares were in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased on or prior to the date of the Annual General Meeting, the Directors will be authorised to allot, issue and deal with up to 362,190,654 additional Shares under the General Mandate, being 20% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting. The General Mandate will end on 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 to be held by the Articles of Association or any applicable laws; or (iii) the date upon which the General Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise the power of the Company to repurchase Shares up to a maximum number equivalent to 10% of the aggregate number of Shares in issue as at the date of the passing of the resolution. Subject to the passing of the resolution approving the renewal of the Repurchase Mandate at the Annual General Meeting, on the basis that 1,810,953,272 Shares were in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased on or prior to the date of the Annual General Meeting, the Directors will be authorised to repurchase a maximum of 181,095,327 Shares under the Repurchase Mandate, being 10% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting. The Repurchase Mandate will end on 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 to be held by the Articles of Association or any applicable laws; or (iii) the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions approving the renewal of the General Mandate and the Repurchase Mandate, to extend the maximum number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

LETTER FROM THE BOARD

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to approve the renewal of the Repurchase Mandate at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association, Mrs. Guo Yan and Mr. Wong Chi Keung will retire from office as Directors at the Annual General Meeting and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mrs. Guo Yan as non-executive Director and Mr. Wong Chi Keung as independent non-executive Director. The biographical details of Mrs. Guo Yan and Mr. Wong Chi Keung as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Room 1908-1916, 19th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 11:00 a.m. for the purpose of considering and if thought fit, approving the proposed resolutions set out in the notice of the Annual General Meeting as set out on pages 15 to 18 of this circular.

Please refer to the section headed “Precautionary Measures for the Annual General Meeting” of this circular for the precautionary measures being implemented by the Company in order to safeguard the health and safety of the Shareholders and all attendees at the Annual General Meeting and to prevent the spread of COVID-19. The Company would like to remind the Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. Shareholders are encouraged to appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting, as an alternative to attending the Annual General Meeting in person.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than Wednesday, 23 June 2021 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

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 regards to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that (i) the renewal of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of Directors are in the best interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is also 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.

Yours faithfully
By order of the Board
Changyou Alliance Group Limited
Mr. Cheng Jerome
Chairman

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the renewal of the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,810,953,272 Shares in issue. Subject to the passing of the resolution approving the renewal of the Repurchase Mandate at the Annual General Meeting and assuming that no further Shares will be issued or repurchased on or prior to the date of the Annual General Meeting, the Company will be allowed to repurchase a maximum of 181,095,327 Shares under the Repurchase Mandate, being 10% of the aggregate number of Shares in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

2. REASONS FOR THE SHARE REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2020 (as disclosed in its latest audited financial statements for the year ended 31 December 2020), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchase were to be carried out in full at any time during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF THE SHARE REPURCHASE

The Company is empowered by the Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the laws of the Cayman Islands. Under the laws of the Cayman Islands, payment for a share repurchase by the Company may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or out of capital of the Company if authorised by the Articles of Association and subject to satisfaction of the solvency test as set out in the Companies Law. The amount of premium payable on a repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or out of capital of the Company if so authorised by the Articles of Association and subject to satisfaction of the solvency test as set out in the Companies Law.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the grant of the Repurchase Mandate is approved by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

6. EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial Shareholder of the Company in the voting rights of the Company, which could give rise to an obligation by a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of its or their shareholding, to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Century Investment (Holding) Limited (“**CIH**”) was beneficially interested in 1,196,885,818 Shares within the meaning of Part XV of the SFO, of which (a) 598,885,818 Shares (representing approximately 33.07% of the issued share capital of the Company) were beneficially owned by CIH; (b) 298,000,000 Shares will be issued to CIH upon the exercise in full of the warrants issued to CIH by the Company on 18 September 2018 (the “**Warrants**”); and (c) 300,000,000 Shares will be issued to CIH upon conversion in full of the convertible bonds issued to CIH by the Company on 19 October 2020 (the “**CBs**”). In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted under the Repurchase Mandate, the shareholding of CIH would be increased to (i) approximately 36.74% of the then issued share capital of the Company (assuming no Warrants have been exercised and no CBs have been converted); and (ii) approximately 53.72% of the then issued share capital of the Company (assuming the

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Warrants have been exercised in full and the CBs have been converted in full), which would give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code. The Company currently has no intention to exercise the Repurchase Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the amount of shares held by the public being reduced to less than 25% of the issued share capital of the Company.

7. SHARE REPURCHASES BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the previous six months preceding the Latest Practicable Date.

8. SHARE PRICES

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

	<i>Highest HK\$</i>	<i>Lowest HK\$</i>
2020		
April	0.485	0.410
May	0.475	0.410
June	0.500	0.385
July	0.550	0.375
August	0.425	0.395
September	0.470	0.400
October	0.500	0.400
November	0.430	0.390
December	0.490	0.395
2021		
January	0.500	0.400
February	0.500	0.410
March	0.495	0.390
April (up to the Latest Practicable Date)	0.460	0.400

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Non-executive Director

Mrs. Guo Yan, aged 48, was appointed as the non-executive Director on 25 March 2015. She has working experience of over 17 years in the IT industry. She has experience in the management of IT sales and operation of over 15 years. She has led numerous information/communications technology projects and has extensive experience particularly in the new mobile internet business model. Mrs. Guo graduated in testing technology and instruments (檢測技術與儀器) from Xi'dian University in 1994 and obtained a postgraduate diploma in astronomical instruments and methods (天文儀器與方法) from the Chinese Academy of Science in 1997.

From 1997 to 2014, Mrs. Guo worked for Huawei Technologies Co., Ltd (華為技術有限公司) as a senior client manager of eastern China region, a director of mobile system division of China region, and a director of the IT purchasing division of the China region. Mrs. Guo also participated in the market development of China Mobile Communications Corporation (中國移動通信集團公司) in Shanghai as a team leader and acted as a project manager in the project of the IT centralized purchasing bid of China United Network Communications Corporations Limited (中國聯合通信有限公司).

Mrs. Guo has entered into a service agreement with the Company for a term of three years commencing from 25 March 2021 and she is subject to retirement by rotation at annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mrs. Guo is entitled to an annual salary of HK\$300,000, which was determined by the Board with reference to the prevailing market conditions and her roles and responsibilities with the Company.

As at the Latest Practicable Date, Mrs. Guo (i) did not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company, (ii) had no interest in Shares within the meaning of Part XV of the SFO and (iii) Mrs. Guo did not hold any directorship in any other publicly listed company in the last three years.

Independent non-executive Director

Mr. Wong Chi Keung, aged 66, was appointed as the independent non-executive Director on 25 March 2015. He is a member and the chairman of the audit committee, and a member of the nomination committee and remuneration committee of the Company. Mr. Wong obtained a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and CPA Australia and an associate member of the Institute of Chartered Secretaries and Administrators and the Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management and advising on securities for CASDAQ International Capital Market (HK) Company Limited under the SFO. Mr. Wong has over 40 years of experience in finance, accounting and management. Mr. Wong was previously an executive director, the

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited (now known as Yuexiu Property Company Limited), a company listed on the Main Board of the Stock Exchange (stock code: 123) for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited (stock code: 214), Asia Standard Hotel Group Limited (stock code: 292), Asia Standard International Group Limited (stock code: 129), Guoan International Limited (stock code: 143), Century City International Holdings Limited (stock code: 355), China Ting Group Holdings Limited (stock code: 3398), Golden Eagle Retail Group Limited (stock code: 3308), Paliburg Holdings Limited (stock code: 617), Regal Hotels International Holdings Limited (stock code: 78), Yuan Heng Gas Holdings Limited (stock code: 332) and Zhuguang Holdings Group Company Limited (stock code: 1176), all of which are companies listed on the Stock Exchange. Mr. Wong is also an independent non-executive director of TPV Technology Limited (stock code: 903, subsequently privatised on 15 November 2019). Mr. Wong was also previously an independent non-executive director of PacMos Technologies Holdings Limited (now known as PacRay International Holdings Limited) (stock code: 1010), ENM Holdings Limited (stock code: 128), Heng Xin China Holdings Limited (stock code: 8046, and subsequently delisted on 2 July 2019) and China Shanshui Cement Group Limited (stock code: 691) (“**China Shanshui**”). He was also an independent non-executive director and a member of the audit committee of Nickel Resources International Holdings Company Limited (formerly known as China Nickel Resources Holdings Company Limited) (stock code: 2889) (“**Nickel Resources**”) until its withdrawal from listing with effect from 14 February 2020.

Mr. Wong holds more than seven listed company directorships. During his tenure in acting as an independent non-executive Director of the Company, and the chairman or member of the audit committee, nomination committee and remuneration committee of the Company (the “**Board Committees**”), Mr. Wong, being a professional accountant with extensive experience in the financial and corporate management fields, has devoted significant time and efforts to attend to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the Board Committees, and with respect to which he has rendered valuable contributions by providing independent viewpoint, opinions and advice to the Company in relation to its businesses, operations, future development and strategies from the perspective of his financial background coupled with his general understanding of the business operations of the Group. Mr. Wong’s skills, experience, qualifications, as well as academic background allow him to continue to provide valuable insights for and contribute to the diversity of the Board. The Company considers that, having regard to his performance during his past tenure, he will be able to continue to contribute as a member of the Board and the Board Committees and will also be able to devote sufficient time to perform his duties as an independent non-executive Director of the Company in spite of his other listed company directorships.

Mr. Wong has entered into a letter of appointment with the Company for a term of three years commencing from 25 March 2021 and he is subject to retirement by rotation at annual general meeting of the Company in accordance with the Articles of Association and the Listing Rules. Mr. Wong is entitled to an annual salary of HK\$300,000, which was determined by the Board with reference to the prevailing market conditions and his roles and responsibilities with the Company.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Wong was an independent non-executive director of Nickel Resources from 2 May 2005 to 20 February 2020. As informed by Mr. Wong, he received a notice from the Official Receiver's Office of Hong Kong stating that a winding up order pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) was made against Nickel Resources on 31 March 2020 (the "**Order**") which falls within 12 months of Mr. Wong ceasing to act as a director of Nickel Resources, and is required to be disclosed pursuant to paragraph (e) of Rule 13.51(2) of the Listing Rules. Mr. Wong informed the Company that, based on his understanding, the Order was made against Nickel Resources in connection with a creditor of Nickel Resources, demanding Nickel Resources to repay the total sums of US\$2,160,024.92 and GBP44,600.49 (being the outstanding principal and accrued interest).

Mr. Wong acted as an independent non-executive director of China Shanshui from 2 February 2016 to 23 May 2018. On 2 June 2017, Asia Cement Corporation, a shareholder of China Shanshui, and certain of its subsidiaries (collectively, the "**ACC Group**") presented a petition to the High Court of Hong Kong (the "**High Court**") against, among others, China Shanshui, its then and former directors (including Mr. Wong), Tianrui (International) Holding Company Limited ("**Tianrui**", a shareholder of China Shanshui) and Tianrui Group Company Limited ("**Tianrui Group**", the holding company of Tianrui) (collectively, the "**Respondents**"), alleging, inter alia, that the Respondents have conspired with one another and caused China Shanshui to perform misconduct which directly/indirectly benefit Tianrui, and further asserting breaches of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), The Codes on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**") and fiduciary duties. On 6 September 2017, China Shanshui was served with a writ of summons filed in the Grand Court of the Cayman Islands in which the ACC Group sought to bring derivative action on behalf of China Shanshui, naming Tianrui Group and the then and former directors and officers of China Shanshui (including Mr. Wong) as defendants, alleging, inter alia, misconduct of the then and former directors of China Shanshui (including Mr. Wong) as well as breaches of the Listing Rules, the Takeovers Code and fiduciary duties. According to the announcement of China Shanshui dated 11 September 2017, these two actions are substantially similar and rehearse many of the same allegations in different jurisdictions. On 30 August 2018, Tianrui presented a petition seeking to wind up China Shanshui before the Grand Court of the Cayman Islands and asking the court to appoint official liquidators (the "**Cayman Petition**"). Tianrui filed a further application on 6 September 2018 for the appointment of joint provisional liquidators over China Shanshui. Pursuant to an order made by the Grand Court of the Cayman Islands dated 19 October 2018 (the "**Grand Court's Order**"), the Cayman Petition was struck out and the application for appointment of joint provisional liquidators was dismissed. On 8 November 2018, Tianrui filed a notice of appeal with the Court of Appeal of the Cayman Islands seeking, among other things, to set aside the Grand Court's Order. During the appeal hearing on 14 to 16 January 2019 in the Court of Appeal of the Cayman Islands, Tianrui withdrew its application for the appointment of joint provisional liquidators over China Shanshui. On 16 January 2019, the Court of Appeal of the Cayman Islands allowed the appeal and set aside the Grand Court's Order. As a result, the Cayman Petition against China Shanshui reinstated and will be returned to the Grand Court of the Cayman Islands which will set down directions for the further conduct of the proceedings. On 31 August 2018, Tianrui issued a winding up petition against China Shanshui in the High Court to commence an ancillary liquidation in respect of the Cayman Petition (the "**Hong Kong Petition**"). The

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Hong Kong Petition was later withdrawn on 23 October 2018. Separately, on 29 March 2019, China Shanshui together with certain of its subsidiaries commenced action in the High Court against, among others, its then and former directors (including Mr. Wong), Tianrui and Tianrui Group in connection with alleged unlawful means conspiracy by acting in combination and in concert with one another with respect to breaches of fiduciary and other duties, dishonest assistance and/or criminal intimidation and violence, as well as various breaches of duties as directors and/or officers of China Shanshui. As of the date hereof, and according to the announcements made by China Shanshui, there was no material development of the above proceedings. According to Mr. Wong, he denies all the allegations against him and is seeking legal advice with a view to vigorously defending the allegations and the proceedings. Mr. Wong is of the view that those allegations and proceedings against him are of no reasonable basis and he strictly reserves all his rights.

As at the Latest Practicable Date, Mr. Wong (i) did not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company, and (ii) had no interest in Shares within the meaning of Part XV of the SFO.

Others

There is no other information relating to the above Directors that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING

CHANGYOU ALLIANCE GROUP LIMITED

暢由聯盟集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Changyou Alliance Group Limited (the “**Company**”) will be held at Room 1908-1916, 19th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Friday, 25 June 2021 at 11:00 a.m. for considering and, if thought fit, passing the following resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2020;
2. To re-elect the following Directors:
 - (a) Mrs. Guo Yan as a non-executive Director; and
 - (b) Mr. Wong Chi Keung as an independent non-executive Director;
3. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. To re-appoint KPMG as auditors of the Company and to authorise the Board to fix their remuneration;
5. **THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the share 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 (a) above shall be in addition to any other authorisation given to the Directors and the Directors be and are hereby authorised to, during the Relevant Period, make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the total number of shares of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights

NOTICE OF ANNUAL GENERAL MEETING

Issue (as defined in paragraph (d) below); (ii) the exercise of options granted under the share option scheme of the Company or similar arrangement adopted by the Company from time to time; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the number of shares of the Company in issue as at the date of 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 the passing of 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 the articles of association of the Company or any applicable laws to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors 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 regulatory body or any stock exchange in, any territory outside Hong Kong);

6. THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to purchase issued shares in the share capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) (the **“Listing Rules”**) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and the Directors be and are hereby authorised to, on behalf of the Company, during the Relevant Period procure the Company to purchase its shares at a price determined by the Directors;

NOTICE OF ANNUAL GENERAL MEETING

(c) the total number of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the number of shares of the Company in issue as at the date of 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 the passing of 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 the articles of association of the Company or any applicable laws to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the shareholders of the Company in general meeting; and

7. **THAT** conditional upon the passing of resolutions nos. 5 and 6 above, the general mandate to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company purchased by the Company under the authority granted pursuant to resolution no. 6, provided that such amount shall not exceed 10% of the number of shares of the Company in issue as at the date of the passing of this resolution.

Yours faithfully
By order of the Board
Changyou Alliance Group Limited
Mr. Cheng Jerome
Chairman

Hong Kong, 21 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the AGM may appoint one or, if he holds two or more shares of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. Shareholders are encouraged to appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM, as an alternative to attending the AGM in person.
- (2) Where there are joint holders of any share of the Company, any one of such joint holder 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 the AGM, 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, the first named being the senior.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, 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 appointed for the holding of the AGM (i.e. not later than Wednesday, 23 June 2021 at 11:00 a.m. (Hong Kong time)) or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (4) The register of members of the Company will be closed from Tuesday, 22 June 2021 to Friday, 25 June 2021 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 21 June 2021.
- (5) Please refer to the section headed "Precautionary Measures for the Annual General Meeting" of the circular of the Company dated 21 April 2021 for precautionary measures implemented by the Company in order to safeguard the health and safety of the shareholders of the Company and all the attendees at the AGM and to prevent the spread of COVID-19, including: (i) compulsory body temperature checks; (ii) compulsory wearing[#] of surgical face masks for every attendee; (iii) appropriate social distancing and seating arrangements in line with the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Chapter 599G of the Laws of Hong Kong); and (iv) no refreshment or drinks will be served at the AGM. Any person who does not comply with the precautionary measures or is subject to any Hong Kong government prescribed quarantine may be denied entry into the AGM venue.

Subject to the development of the COVID-19 pandemic and any directive(s) that may be further issued by the Hong Kong government, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as and when appropriate.

[#] *A reference to a person wearing a mask is a reference to the person wearing a mask over and covering the person's nose and mouth, with the mask touching the person's nose, chin and cheeks.*