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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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

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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, 24 June 2022 at 11:00 a.m. is set out on pages 13 to 16 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, 22 June 2022 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

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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<sup>#</sup> 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, 22 June 2022 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.

<sup>#</sup> *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.*

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## DEFINITIONS

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*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, 24 June 2022 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

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## DEFINITIONS

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“Latest Practicable Date”	22 April 2022, 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.

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## LETTER FROM THE BOARD

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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)

*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

29 April 2022

*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 25 June 2021, 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

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## LETTER FROM THE BOARD

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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.

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## LETTER FROM THE BOARD

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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, Mr. Chan Chi Keung, Alan and Mr. Liu Jialin 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 Mr. Chan Chi Keung, Alan and Mr. Liu Jialin as independent non-executive Directors. The biographical details of Mr. Chan Chi Keung, Alan and Mr. Liu Jialin 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, 24 June 2022 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 13 to 16 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, 22 June 2022 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.

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## LETTER FROM THE BOARD

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### 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*

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## **APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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*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 2021 (as disclosed in its latest audited financial statements for the year ended 31 December 2021), 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.

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## **APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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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 1,232,885,818 Shares within the meaning of Part XV of the SFO, of which (a) 634,885,818 Shares (representing approximately 35.06% 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 38.95% of the then issued share capital of the Company (assuming no Warrants have been exercised and no CBs have been converted); and (ii) approximately 55.34% of the then issued share capital of the Company (assuming the

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## APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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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</i> <i>HK\$</i>	<i>Lowest</i> <i>HK\$</i>
<b>2021</b>		
April	0.460	0.380
May	0.400	0.350
June	0.420	0.330
July	0.420	0.320
August	0.395	0.310
September	0.330	0.240
October	0.310	0.250
November	0.310	0.305
December	0.400	0.255
<b>2022</b>		
January	0.325	0.194
February	0.240	0.191
March	0.285	0.181
April (up to the Latest Practicable Date)	0.240	0.230

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## APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

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

### **Independent non-executive Director**

**Mr. Chan Chi Keung, Alan**, aged 58, was appointed as the independent non-executive Director on 25 March 2015. He is a member of the Audit Committee and the Nomination Committee. Mr. Chan is a qualified solicitor admitted in England and Wales in October 1991 and in Hong Kong in February 1992. Mr. Chan practiced corporate and commercial law for nearly three decades. He is an independent non-executive director and a member of each of the audit committee, the remuneration committee and the nomination committee of Cornerstone Financial Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8112). He was an independent non-executive director, chairman of the remuneration committee and a member of each of the audit committee and nomination committee of L&A International Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8195) from 25 September 2014 to 19 October 2015 and was also an independent non-executive director, the chairman of the remuneration committee and a member of the audit committee of BOSA Technology Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8140) from 19 June 2018 to 29 February 2020. Previously, Mr. Chan was the senior general counsel of Imperial Pacific International Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 1076), which owns an exclusive casino gaming license in Saipan, Commonwealth of Northern Mariana Islands; and prior to that, the Vice President, Legal of NagaCorp Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3918), head of legal services of The Hong Kong Jockey Club, the Greater China Legal Counsel for Sun Microsystems and the vice president of Legal Affairs at Celestial Pictures Limited, a subsidiary of Astro All Asia Networks Plc., a Malaysian company. Mr. Chan obtained a bachelor of science degree in civil engineering from the Aston University of Birmingham, England and a bachelor of laws degree in China Law from the China University of Political Science and Law in Beijing, the People's Republic of China. Mr. Chan is a registered civil celebrant in Hong Kong and served as a board director (and former chairman) of Theatre Space Foundation Limited, a theatrical drama performance charitable institution. He is a council member of the China Overseas Friendship Association, Beijing, China (中華海外聯誼會理事).

Mr. Chan 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. Chan 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.

As at the Latest Practicable Date, Mr. Chan (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.

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## APPENDIX II    DETAILS OF THE DIRECTORS TO BE RE-ELECTED

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**Mr. Liu Jialin**, aged 59, was appointed as the independent non-executive Director on 1 April 2017. He is a member and the chairman of the Remuneration Committee, and a member of the Audit Committee. Mr. Liu also serves as the independent non-executive director of Far East Horizon Limited (stock code: 3360) and was previously the independent non-executive director of China Merchants Securities Co., Ltd (stock code: 6099). Mr. Liu has been the managing director of Cinda International Asset Management Limited since February 2011. From 1992 to 2007, Mr. Liu worked for Morgan Stanley group of companies and once served as a member of the Management Committee and Asia Executive Committee as well as a Managing Director in the Fixed Income Division in Hong Kong. Mr. Liu has over 20 years of experience in finance and securities industry. Mr. Liu obtained a bachelor's degree in science majoring in physics from Peking University and a master's degree in science majoring in physics from Massachusetts Institute of Technology.

Mr. Liu has entered into a letter of appointment with the Company for a term of three years commencing from 1 April 2020 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. Liu 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.

As at the Latest Practicable Date, Mr. Liu (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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**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, 24 June 2022 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 2021;
2. To re-elect the following Directors:
  - (a) Mr. Chan Chi Keung, Alan as an independent non-executive Director; and
  - (b) Mr. Liu Jialin 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

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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;

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(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, 29 April 2022

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*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, 24 June 2022 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, 21 June 2022 to Friday, 24 June 2022 (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, 20 June 2022.
- (5) Please refer to the section headed "Precautionary Measures for the Annual General Meeting" of the circular of the Company dated 29 April 2022 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<sup>#</sup> 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.

<sup>#</sup> *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.*