

# CHANGYOU INTERNATIONAL GROUP LIMITED

暢 由 國 際 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

1 August 2025

*To the Independent Shareholders*

*Dear Sir or Madam,*

**CONTINUING CONNECTED TRANSACTIONS**  
**(i) FOURTH SUPPLEMENTAL 2019 FACILITY AGREEMENT**  
**IN RELATION TO THE GRANT OF 2019 REVOLVING LOAN FACILITY;**  
**AND**  
**(ii) SECOND SUPPLEMENTAL 2021 FACILITY AGREEMENT**  
**IN RELATION TO THE GRANT OF 2021 REVOLVING LOAN FACILITY**

We refer to the circular of the Company to the Shareholders dated 1 August 2025 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular.

The Independent Board Committee has been established to advise the Independent Shareholders on whether (i) the Fourth Supplemental 2019 Facility Agreement, the proposed 2019 Revolving Loan Facility Annual Caps and the transactions contemplated under the Fourth Supplemental 2019 Facility Agreement; and (ii) the Second Supplemental 2021 Facility Agreement, the proposed 2021 Revolving Loan Facility Annual Caps and the transactions contemplated under the Second Supplemental 2021 Facility Agreement, are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board as set out on pages 8 to 36 of the Circular and the letter of advice from Red Sun, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders as set out on pages 39 to 65 of the Circular in relation to (i) the Fourth Supplemental 2019 Facility Agreement, the proposed 2019 Revolving Loan Facility Annual Caps and the transactions contemplated under the Fourth Supplemental 2019 Facility Agreement; and (ii) the Second Supplemental 2021 Facility Agreement, the proposed 2021 Revolving Loan Facility Annual Caps and the transactions contemplated under the Second Supplemental 2021 Facility Agreement.

Having taken into consideration the factors and reasons as stated in the letter from the Board, and the opinion as stated in the letter of advice from the Independent Financial Adviser, we consider that (a) (i) the Fourth Supplemental 2019 Facility Agreement, the Proposed 2019 Revolving Loan Facility Annual Caps and the transactions contemplated under the Fourth Supplemental 2019 Facility Agreement; and (ii) the Second Supplemental 2021 Facility Agreement, the proposed 2021 Revolving Loan Facility Annual Caps and the transactions contemplated under the Second Supplemental 2021 Facility Agreement are fair and reasonable and on commercial terms; (b) the entering into of the Fourth Supplemental 2019 Facility Agreement and the Second Supplemental 2021 Facility Agreement is not in the ordinary and

usual course of business of the Group; and (c) the entering into of the Fourth Supplemental 2019 Facility Agreement and the Second Supplemental 2021 Facility Agreement is in the interests of the Company and the Independent Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to (i) the Fourth Supplemental 2019 Facility Agreement, the proposed 2019 Revolving Loan Facility Annual Caps and the transactions contemplated under the Fourth Supplemental 2019 Facility Agreement; and (ii) the Second Supplemental 2021 Facility Agreement, the proposed 2021 Revolving Loan Facility Annual Caps and the transactions contemplated under the Second Supplemental 2021 Facility Agreement to be proposed at the EGM.

Yours faithfully

For and on behalf of the

Independent Board Committee of

**Changyou International Group Limited**

  
\_\_\_\_\_  
**Mr. Wong Chi Keung**

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**Mr. Ip Wai Lun, William**

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**Mr. Chan Chi Keung, Alan**

*Independent non-executive Directors*


usual course of business of the Group; and (c) the entering into of the Fourth Supplemental 2019 Facility Agreement and the Second Supplemental 2021 Facility Agreement is in the interests of the Company and the Independent Shareholders as a whole. We recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to (i) the Fourth Supplemental 2019 Facility Agreement, the proposed 2019 Revolving Loan Facility Annual Caps and the transactions contemplated under the Fourth Supplemental 2019 Facility Agreement; and (ii) the Second Supplemental 2021 Facility Agreement, the proposed 2021 Revolving Loan Facility Annual Caps and the transactions contemplated under the Second Supplemental 2021 Facility Agreement to be proposed at the EGM.

Yours faithfully

For and on behalf of the

Independent Board Committee of

**Changyou International Group Limited**



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**Mr. Wong Chi Keung**

**Mr. Ip Wai Lun, William**

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**Mr. Chan Chi Keung, Alan**


*Independent non-executive Directors*

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Yours faithfully  
For and on behalf of the  
Independent Board Committee of  
**Changyou International Group Limited**

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**Mr. Wong Chi Keung**

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*Independent non-executive Directors*