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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)

CHANGE OF AUDITOR

This announcement is made by Changyou International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that KPMG (“**KPMG**”) has resigned as the auditor of the Company with effect from 17 December 2024. The Company and KPMG had been discussing on the audit fee of the Company for the financial year ending 31 December 2024 but could not reach a consensus in respect thereof. The Board is of the view that a lower audit fee will enable the Company to carry out more effective cost control and reduce the overall operating expenses of the Company which are in the interest of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole. Furthermore, the Board considers that the change of the Company’s auditor after an appropriate period of time will enhance the independence of the Company’s auditor and its corporate governance practice.

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands for the resigning auditor to confirm whether or not there is any circumstance connected with their resignation which they consider should be brought to the attention of the Company’s shareholders (the “**Shareholders**”) and creditors. Therefore, KPMG has not issued such confirmation. The Board and the audit committee of the Company (the “**Audit Committee**”) have confirmed that there is no disagreement between KPMG and the Company, and there are no other matters in relation to the resignation of KPMG that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its gratitude and appreciation to KPMG for their professional and quality services rendered to the Company during the past years.

APPOINTMENT OF AUDITOR

The Board further announces that, with the recommendation of the Audit Committee, BDO Limited (“**BDO**”) has been appointed as the auditor of the Company with effect from 17 December 2024 to fill the casual vacancy following the resignation of KPMG. BDO shall hold office until the conclusion of the next annual general meeting of the Company and shall be subject to re-election by the Shareholders at such annual general meeting of the Company.

The Audit Committee has considered a number of factors in assessing the appointment of BDO, including but not limited to (i) the fee quote and audit proposal of BDO; (ii) its audit experience, industry knowledge and technical competence in handling audit work for companies listed on The Stock Exchange of Hong Kong Limited; (iii) its independence from the Group and objectivity; (iv) its resources and capabilities; and (v) the guidelines issued by the Accounting and Financial Reporting Council. Based on the above, the Audit Committee has assessed and considered that BDO is independent, competent and capable to act as the auditor of the Company. The Board and the Audit Committee are of the view that the change of auditor would enhance the cost effectiveness of the Company’s audit and is in the interest of the Company and its Shareholders as a whole.

The Board would like to take this opportunity to express its warm welcome to BDO on its appointment as the auditor of the Company.

By order of the Board
Changyou International Group Limited
Mr. Cheng Jerome
Chairman

Hong Kong, 17 December 2024

As at the date of this announcement, the executive Directors are Mr. Cheng Jerome and Mr. Yuan Weitao; the non-executive Directors are Ms. Hu Qing and Ms. Liu Jingyan; and the independent non-executive Directors are Mr. Wong Chi Keung, Mr. Ip Wai Lun, William and Mr. Chan Chi Keung, Alan.