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CHANGYOU ALLIANCE GROUP LIMITED

暢由聯盟集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1039)

UPDATES IN RELATION TO THE CONVERTIBLE BONDS ISSUED TO CENTURY INVESTMENT (HOLDING) LIMITED

Reference is made to the announcement of Changyou Alliance Group Limited (the "**Company**") dated 29 July 2020 and the circular of the Company dated 17 September 2020 (the "**Circular**") in respect of the connected transaction in relation to the issue of convertible bonds to Century Investment (Holding) Limited under specific mandate. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

Pursuant to the Subscription Agreement dated 29 July 2020, the Convertible Bonds in an aggregate principal amount of HK\$126,000,000 were issued by the Company in favour of the Subscriber, which are convertible into 300,000,000 Shares. In accordance with the terms of the Convertible Bonds, the Convertible Bonds will mature on 19 October 2023. As at the date of this announcement, the Convertible Bonds have not been redeemed or converted in whole or in part, and the Company is in negotiation with the Subscriber to extend the Maturity Date. The Subscriber has confirmed that:

- (i) it will not require the Company to redeem the Convertible Bonds in full on the Maturity Date; and
- (ii) the Company will not be in breach of any terms of the Convertible Bonds as a result of paragraph (i) above.

Should the Company and the Subscriber agree to enter into a supplemental agreement to extend the Maturity Date, it would constitute a connected transaction of the Company under the Listing Rules. The Company will make further announcement(s) on the progress of the negotiation as and when necessary and will comply with the relevant provisions of the Listing Rules if the extension of the Maturity Date is materialised.

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

Hong Kong, 19 October 2023

As at the date of this announcement, the executive Directors are Mr. Cheng Jerome and Mr. Yuan Weitao; the non-executive Director is Mrs. Guo Yan; and the independent non-executive Directors are Mr. Wong Chi Keung, Mr. Ip Wai Lun William and Mr. Chan Chi Keung Alan.