

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



CAUSE NO: FSD 120 OF 2020 ()

IN THE MATTER OF THE COMPANIES LAW (2020 REVISION)

AND IN THE MATTER OF CHANGYOU.COM LIMITED



PETITION

The humble petition of [state name and address of petitioner] (each, a **Petitioner** and together the **Petitioners**) shows that:-

1. At all material times:
 - 1.1 Changyou.com Limited (**Company**) was an exempted company incorporated with limited liability under the laws of the Cayman Islands; and
 - 1.2 the Petitioners were the registered owners of the Class A ordinary shares issued by the Company (**Petitioners' Shares**)
2. The Petitioners present this petition pursuant to s.238(9) of the Companies Law (2020 Revision) (**Law**) for this Honourable Court to determine the fair value of the Petitioners' Shares, and the fair value of the shares of any other shareholder which validly dissented from the Merger, as defined below (**Other Dissenting Shareholders**), together with a fair rate of interest the amount to be paid by the Company to the Petitioners.

The Company and the Merger

3. At all material times the Company was a leading online game developer and operator in the People's Republic of China (**PRC**). The Company also operated 17173.com, one of the leading information portals in the PRC.
4. The Company's principal executive offices are located at the Changyou Building, Raycom Creative Industrial Park, No. 65 Bajiao East Road, Shijingshan District, Beijing 100043, People's Republic of China.
5. The Company's registered office in the Cayman Islands is located at P.O. Box 2681, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands.
6. From 2 April 2009 to on around 27 April 2020, American depositary shares (**ADSs**), relating to the Company's Class A ordinary shares (with each ADS being equivalent to two Class A ordinary shares), were traded on the NASDAQ Global Select Market (**NASDAQ**) under the symbol "CYOU".
7. On 24 January 2020, the Company entered into an agreement and plan of merger (**Merger Agreement**) with:
 - 7.1 Sohu.com (Game) Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands (**Sohu Game**); and
 - 7.2 Changyou Merger Co. Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and a wholly-owned subsidiary of Sohu Game (**Parent**).
8. The terms of the Merger Agreement provided that, upon the Merger becoming effective, Parent would be merged with and into the Company and cease to exist, whereas the Company would continue as the surviving company and become a wholly owned subsidiary of Sohu Game (**Merger**).
9. The consideration for the Merger was US\$10.80 per ADS or US\$5.40 per share (**Merger Consideration**).

10. A plan of merger with respect to the Merger, substantially in the form expected to be executed by the parties and filed with the Cayman Islands Registrar of Companies (**Registrar**), was exhibited to the Merger Agreement (**Plan of Merger**).

11. Section 2.08 of the Merger Agreement stated:

No Dissenter's Rights. Each of the Parties hereto acknowledges and agrees that, because no vote of the shareholders of the Company to approve this Agreement, the Plan of Merger, or the Merger is required and no such vote will be held, holders of the Shares, including Shares represented by ADSs, will not be able to exercise dissenters' rights under section 238 of the Companies Law. (original emphasis retained)

12. On 19 February 2020, the Company filed with the United States Securities and Exchange Commission (**SEC**) a Rule 13e-3 Transaction Statement under Section 13(e) of the Securities Exchange Act of 1934 (**Schedule 13E-3**).

13. On 9 March 2020, the Company filed with the SEC amendment no.1 to the Schedule 13E-3 (**Amended Schedule 13E-3**). Page 12 of the Amended Schedule 13E-3 includes the following statement:

No Ability to Assert Dissenters' Rights

As the Merger will be a "short-form" merger in pursuant to section 233(7) of the Cayman Islands Companies Law and no shareholder vote on the Merger will be held, holders of Class A Ordinary Shares (including holders of Class A Ordinary Shares represented by ADSs) will not be able to exercise dissenters' rights under section 238 of the Cayman Islands Companies Law, which applies to mergers under the Cayman Islands Companies Law in which a shareholder vote is held

14. Similarly, section 2.08 of Plan of Merger stated:

Section 2.08 *No Dissenter's Rights. Each of the Parties hereto acknowledges and agrees that, because no vote of the shareholders of the Company to approve this Agreement, the Plan of Merger, or the Merger is required and no such vote will be held, holders of the*

Shares, including Shares represented by ADSs, will not be able to exercise dissenters' rights under section 238 of the Companies Law.

15. By letters dated 27 March and 1 April 2020, the Petitioners' Cayman Islands attorneys wrote to the Company:
 - 15.1 stating, *inter alia*, that correctly interpreted, Part XVI of the Law provides the statutory right to payment of fair value for members in respect of a merger to which s.233(7) applies, including the Merger; and
 - 15.2 dissenting from the Merger, in accordance with s.238 of the Law.
16. Upon dissenting from the Merger, the Petitioners became entitled to fair value of the Petitioners' Shares, pursuant to s.238 of the Law.
17. On 14 April 2020, the executed Plan of Merger was filed with the Registrar. Pursuant to the Plan of Merger, the Merger became effective on 17 April 2020 (**Effective Time**).
18. Pursuant to the Merger and at or around the Effective Time:
 - 18.1 Parent was merged with and into the Company and ceased to exist, and the Company continued as the surviving company and become a wholly owned subsidiary of Sohu Game; and
 - 18.2 the Company ceased to be a publically traded company on the NASDAQ.
19. In breach of its statutory obligation, the Company failed to make a written offer to the Petitioners to purchase their Shares, pursuant to s.238(8) of the Law.
20. Accordingly, and pursuant to section 238(9) of the Law, the Petitioners humbly seek this Honourable Court's determination of the fair value of the Petitioners' Shares of the Petitioners, and the shares of Other Dissenting Shareholders.

Your Petitioners therefore humbly pray that:-

1. This Honourable Court determines the fair value of the Petitioners' Shares (and the shares held by Other Dissenter Shareholders, if any), together with a fair rate of interest to be paid by the Company to the Petitioners (and to the Other Dissenting Shareholders).
2. The Company pays to the Petitioners (and the Other Dissenting Shareholders, if any) the sums determined by this Honourable Court in accordance with paragraph (1) above
3. The Petitioners' costs of an incidental to these proceedings be provided for.
4. This Honourable Court make such further order or grant such further relief as it deems appropriate.

AND your Petitioner will ever pray etc.

Dated the 9th day of June 2020
Filed the day of June 2020

Collas Crill

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Collas Crill
Attorneys-at-law for the Petitioners

NOTE: This petition is intended to be served on the Company at its registered office located at P.O. Box 2681, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands.

This **Petition** was presented by Collas Crill, Attorneys-at-Law for the Petitioners whose address for service is PO Box 709, Floor 2, Willow House, Cricket Square, Grand Cayman KY1-1107