

# SOHU COM INC

## **FORM 8-K** (Current report filing)

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Telephone 011861062726666  
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Symbol SOHU  
SIC Code 7374 - Computer Processing and Data Preparation and Processing Services  
Industry Internet Services  
Sector Technology  
Fiscal Year 12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

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**Date of Report (Date of earliest event reported): May 22, 2017**

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**SOHU.COM INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-30961**  
(Commission  
File Number)

**98-0204667**  
(I.R.S. Employer  
Identification No.)

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**Level 18, SOHU.com Media Plaza  
Block 3, No. 2 Kexueyuan South Road, Haidian District  
Beijing 100190  
People's Republic of China  
(011) 8610-6272-6666**

(Address, including zip code, of registrant's principal executive offices and registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events.**

On May 22, 2017, the board of directors of the registrant's majority-owned subsidiary Changyou.com Limited (NASDAQ: CYOU) ("Changyou") received a preliminary nonbinding proposal (the "Proposal") from Dr. Charles Zhang, the registrant's Chairman and Chief Executive Officer, who also serves as Chairman of the Board of Changyou, for the purchase for cash of all of the outstanding Class A and Class B ordinary shares of Changyou, including Class A ordinary shares represented by American depositary shares ("ADSs"), each representing two Class A ordinary shares, for \$21.05 per Class A or Class B ordinary share, or \$42.10 per ADS, by an acquisition vehicle to be formed by Dr. Zhang.

The Proposal indicates that Dr. Zhang intends to finance the proposed acquisition with a combination of equity and/or debt capital, with Dr. Zhang and/or one or more other equity investors providing equity financing, and with any debt financing expected to be provided by loans from third-party financial institutions.

The Proposal states that it is Dr. Zhang's preliminary indication of interest; is incomplete and is not a binding offer or agreement, or agreement to make a binding offer or agreement at any point in the future; and does not create any binding rights or obligations of any person.

The registrant's board of directors has not yet had an opportunity to review and evaluate the Proposal in detail, or to make any determination as to how to respond to the Proposal or as to whether or not the proposed acquisition of Changyou would be in the best interests of the registrant, in its capacity as Changyou's controlling shareholder, to approve or reject the Proposal.

The foregoing summary of the Proposal is not intended to be complete and is qualified in its entirety by reference to the full text of the Proposal, a copy of which is filed herewith as Exhibit 2.1 and is incorporated herein by reference.

(d) Exhibits.

2.1 Preliminary Non-binding Proposal to Acquire All Outstanding Shares in Changyou.com Limited

**Safe Harbor Statement**

This report may contain forward-looking statements. Statements that are not historical facts, including statements about the registrant's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. There can be no assurance that any definitive offer will be made to Changyou, that any definitive agreement relating to the Proposal will be entered into by Changyou, or that a transaction based on the Proposal or any other similar transaction will be approved or consummated.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATED: May 23, 2017

SOHU.COM INC.

By: /s/ Joanna Lv

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Joanna Lv  
Acting Chief Financial Officer

The Board of Directors  
[Changyou.com](http://Changyou.com)  
Changyou Building  
Raycom Creative Industrial Park  
65 Bajiao East Road, Shijingshan District  
Beijing

Re: Preliminary Non-binding Proposal to Acquire All Outstanding Shares in [Changyou.com](http://Changyou.com) Limited (“CYOU”)

Dear Members of the Board of Directors:

The undersigned, chairman of CYOU (the “Company”), is pleased to submit this preliminary non-binding proposal (the “Proposal”) to acquire all of the outstanding Class A and Class B ordinary shares of the Company, including shares represented by American Depositary Shares (“ADS”), on the principal terms and conditions described in this letter (the “Transaction”).

I believe that my Proposal provides a very attractive opportunity to the Company’s shareholders. My Proposal represents a premium of 50% to the average closing price of the Company’s ADS during the last 90 trading days, and a premium of 9% to the closing price of the Company’s ADS on May 19, 2017 respectively.

Set forth below are the key terms of my Proposal.

1. Acquiror. I will form one or more acquisition vehicles (collectively, the “Acquiror”) to complete the Transaction.
2. Transaction and Purchase Price. I propose that all of the outstanding Class A and Class B ordinary shares of the Company, including ordinary shares represented by ADS, be acquired at a purchase price equal to US\$21.05 per share (or \$42.10 per ADS), in cash through a one-step merger of an acquisition vehicle newly formed by the Acquiror with and into the Company.
3. Financing. I intend to finance the Transaction with a combination of equity and/or debt capital. Myself and/or one or more other equity investors will provide the equity financing required for the Transaction. Debt financing is expected to be provided by loans from third party financial institutions. I am confident that I can timely secure adequate financing to consummate the Transaction.
4. Due Diligence. I am confident that myself and other potential financial sources will be in a position to complete customary legal, financial and accounting due diligence for the Transaction in a timely manner and in parallel with discussions on definitive agreements.
5. Definitive Agreements. We have engaged Kirkland & Ellis as our international legal counsel and are prepared to promptly provide and negotiate definitive agreements for the Transaction.

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6. Process. We believe that the Transaction will provide superior value to the Company's shareholders. We recognize of course that the board of directors of the Company will evaluate the Transaction independently before it can make its determination as to whether to endorse it. Given my involvement in the Transaction, I would expect that the independent members of the board of directors of the Company will proceed to consider my Proposal and the Transaction.

7. Confidentiality. I will promptly file with the U.S. Securities and Exchange Commission an amendment to my Schedule 13D, and in that filing I will disclose this letter. I am sure you will agree, however, that it is in all of our interests to ensure that we otherwise proceed in a strictly confidential manner, unless otherwise required by law, until we have executed definitive agreements or terminated our discussions.

8. No Binding Commitment. This Proposal is not a binding offer, agreement or agreement to make a binding offer or agreement at any point in the future. This letter is my preliminary indication of interest and does not contain all matters upon which agreement must be reached in order to consummate the proposed Transaction, nor does it create any binding rights or obligations of any person. The parties will be bound only upon the execution of mutually agreeable definitive documentation.

9. Governing Law. This letter shall be governed by, and construed in accordance with, the internal laws of the State of New York.

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In closing, I would like to thank the board of directors of the Company for considering the Proposal and express my commitment to working together to bring this Transaction to a successful and timely conclusion. Should you have any questions regarding this Proposal, please do not hesitate to contact me. I look forward to hearing from you.

Sincerely,

Charles Zhang