

SOHU COM INC

FORM 8-K (Current report filing)

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

FORM 8-K

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

Date of Report (Date of earliest event reported): September 1, 2017

SOHU.COM INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-30961
(Commission
File Number)

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

**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)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.***Amendment to PAB Credit Agreements***

As previously described in a Current Report on Form 8-K filed by the registrant on May 19, 2017, the registrant entered into credit agreements (the “Original PAB Credit Agreements”) with Ping An Bank Co., Ltd., a commercial bank with headquarters in Shenzhen, PRC (“Ping An Bank”), pursuant to which the registrant was entitled to borrow from Ping An Bank from time to time up to a combined aggregate of RMB2.5 billion (or approximately US\$383 million) (the “PAB Loan”). The PAB Loan was secured by pledges of the registrant’s two buildings in Beijing, including the building that serves as the registrant’s corporate headquarters in Beijing. On September 1, 2017 the registrant and Ping An Bank entered into an amendment to the Original PAB Credit Agreements pursuant to which (i) the maximum amount that the registrant is entitled to borrow under the Original PAB Credit Agreements has been reduced from RMB2.5 billion to RMB600 million (or approximately US\$92 million), and (ii) the building that serves as the registrant’s corporate headquarters has been released from the pledge. A copy of the amendment to the Original PAB Credit Agreements is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

New Credit Arrangement with ICBC

On September 7, 2017, the registrant entered into a credit agreement (together with related agreements and documentation, the “ICBC Credit Agreement”) with the Industrial and Commercial Bank of China Limited (“ICBC”), a commercial bank with headquarters in Beijing, the People’s Republic of China, pursuant to which the registrant is entitled to borrow from ICBC up to an aggregate of RMB800 million (or approximately US\$123 million) (the “ICBC Loan”).

The registrant may make drawdowns of the ICBC Loan from time to time, with the first drawdown to be made no later than December 31, 2017 and the last drawdown to be made no later than March 31, 2018. The outstanding principal of each drawdown will be payable in four equal installments, with the first installment payable 18 months after the drawdown and the other three installments payable semi-annually at the end of each of the three successive six-month periods after the first installment payment; provided however, that all of the outstanding principal amount of the ICBC Loan must be repaid in full 36 months after the initial drawdown. Interest will accrue on the principal amount of the ICBC Loan outstanding from time to time at an annual rate equal to the Loan Prime Rate (“LPR”) for loans with terms of up to one year as published by the National Interbank Funding Center for the 21st day of the last month of each calendar quarter, plus 1.2%, and will be payable on the first business day after the 20th day of the last month of each calendar quarter. As the LPR is currently 4.3% per year for loans with terms of up to one year, the initial annual interest rate applicable to the initial drawdown is expected to be approximately 5.5%.

The registrant’s obligations under the ICBC Credit Agreement are secured by a pledge of the building in Beijing that serves as the registrant’s corporate headquarters.

In connection with the ICBC Credit Agreement, the registrant entered into an agreement (the “Commitment Letter”) with ICBC pursuant to which the registrant has agreed that in the event the registrant is unable to repay in full the outstanding principal and interest of the ICBC Loan, (i) if the registrant has sold ordinary shares of the registrant’s majority-owned subsidiary Changyou.com Limited (“Changyou”) beneficially owned by the registrant, the registrant will make the net proceeds of such sale available for payment of the amounts of the ICBC Loan that are then due and payable; and (ii) if the registrant has not sold ordinary shares of Changyou, the registrant will use its best efforts to cause Changyou, subject to applicable law and fiduciary principles, to pay a cash dividend (a “Changyou Dividend”) to Changyou’s shareholders, and will make the registrant’s share of any such Changyou Dividend available for repayment of the ICBC Loan. The registrant has also agreed in the Commitment Letter that, at all times when the ICBC Loan is outstanding, the registrant will maintain a “Net Cash Balance” of the registrant and its consolidated group of not less than US\$200 million. “Net Cash Balance” is defined as (a)(i) cash and cash equivalents, plus (ii) restricted cash related to liabilities to third parties for borrowed money, plus (iii) investments in financial instruments, minus (b) the aggregate combined amounts of outstanding liabilities to third parties for borrowed money, including for such purpose amounts of liabilities to third parties that are guaranteed by the registrant or any of its subsidiaries or variable interest entities.

The ICBC Credit Agreement includes customary events of default, including the registrant’s failure to pay any installment of principal or interest when due; changes in business model, capital structure, and other events with respect to the registrant that may impede the registrant’s ability to repay any portion of the ICBC Loan; and the failure of applicable subsidiaries of the registrant to repay other indebtedness for borrowed money when due. Upon the occurrence of an event of default under the ICBC Credit Agreement, ICBC may refuse to make further advances under the ICBC Credit Agreement and demand payment in full of all outstanding principal of the ICBC Loan and all accrued and unpaid interest.

The registrant intends to use the proceeds of the ICBC Loan to finance the registrant’s operations, excluding the operations of the registrant’s subsidiaries Changyou and Sogou Inc.

The foregoing summary is not intended to be complete and is qualified in its entirety by reference to the ICBC Credit Agreement (including related documents), English translations of which are filed herewith as Exhibits 10.2, 10.3, 10.4, and 10.5 and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) The following Exhibits are filed as part of this report:

- 10.1 English translation of Amendment to the Original PAB Credit Agreements, dated September 1, 2017
- 10.2 English translation of Credit Agreement, dated September 7, 2017, between ICBC and Beijing Sohu New Media Information Technology Co., Ltd., Fox Information Technology (Tianjin) Limited, and Beijing Sohu New Momentum Information Technology Co., Ltd.
- 10.3 English translation of Asset Pledge Agreement, dated September 7, 2017, between ICBC and Beijing Sohu New Momentum Information Technology Co., Ltd.
- 10.4 English translation of Asset Pledge Agreement, dated September 7, 2017, between ICBC and Beijing Sohu New Media Information Technology Co., Ltd.
- 10.5 English translation of Commitment Letter, dated September 7, 2017, between ICBC and the registrant

Safe Harbor Statement

This report on Form 8-K includes forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. The registrant cautions you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, recent slow-downs in the growth of the Chinese economy; the registrant's current and projected future losses due to increased spending by the registrant for video content; the possibilities that the registrant will be unable to recoup its investment in video content; and the registrant's reliance on online advertising sales, online games and mobile services for its revenues. Further information regarding these and other risks is included in the registrant's annual report on Form 10-K for the year ended December 31, 2016, and other filings with the Securities and Exchange Commission.

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: September 7, 2017

SOHU.COM INC.

By: /s/ Joanna Lv
Joanna Lv
Acting Chief Financial Officer

Amendment to Credit Agreement

This Amendment to Credit Agreement (hereinafter referred to as “Supplemental Agreement”) is entered into by and among the parties below on September 1, 2017 in Beijing, People’s Republic of China:

- (1) Ping An Bank Co., Ltd. Tianjin Pilot Free Trade Zone Branch, with its office located at 101, Gated 1, Tower 1, Ronghe Square, No. 168 West 4 Street, China (Tianjin) Pilot Free Trade Zone (Tianjin Airport Economic Area) and its legal representative (head of the branch) Wei Huisheng (hereinafter referred to as “ **Ping An Bank** ”);
- (2) Beijing Sohu New Media Information Technology Co., Ltd., with its office located at Room 802, Floor 8, Sohu.com Internet Plaza, Building 9, No. 1, Zhongguancun East Road, Haidian District, Beijing and its legal representative Zhang Chaoyang (hereinafter referred to as “ **Sohu New Media** ”);
- (3) Fox Information Technology (Tianjin) Limited, with its office located at Room 210-01, Floor 2, Office Building C, Comprehensive Service Area of Nangang Industrial Zone, Tianjin Economic-Technological Development Area, Tianjin and its legal representative Li Wei (hereinafter referred to as “ **Fox Info** ”);
- (4) Tianjin Jinhua Culture Development Co., Ltd., with its office located at Room 2101, Floor 21, Building C3, Taida MSD-C Area, No. 79 First Avenue, Tianjin Economic-Technological Development Area, Tianjin, and its legal representative Deng Xiufeng (hereinafter referred to as “ **Tianjin Jinhua** ”, collectively, together with Sohu New Media and Fox Info, the “ **Borrowers** ”);
- (5) Beijing Sohu New Momentum Information Technology Co., Ltd., with its office located at Room 1202, Floor 12, Sohu.com Internet Plaza, Building 9, No. 1, Zhongguancun East Road, Haidian District, Beijing and its legal representative Deng Xiufeng (hereinafter referred to as “ **Sohu New Momentum** ”);
- (6) Beijing Sohu New Era Information Technology Co., Ltd., with its office located at Floor 15, Sohu.com Internet Plaza, Building 9, No. 1, Zhongguancun East Road, Haidian District, Beijing and its legal representative Zhang Chaoyang (hereinafter referred to as “ **Sohu New Era** ”);
- (7) Sohu.com (Game) Limited, with its registered address at P.O.Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands (hereinafter referred to as “ **Sohu Game** ”);
- (8) Sohu.com Inc, with its registered address located at 1209 Orange Street, Wilmington, County of New Castle, Delaware, USA (hereinafter referred to as “ **Sohu Inc** ”).

They are referred collectively as the “ **Parties** ” and individually a “ **Party** ”.

WHEREAS,

1. Ping An Bank and Sohu New Media executed a Loan Agreement, numbered Ping Yin Hu Yi Wen Dai Zi 20170512 No. 001, on May 19, 2017 (hereinafter referred to as the “**Loan Agreement**”);
2. Ping An Bank and Sohu Inc executed a Strategic Cooperation Agreement, numbered Yin Hu Yi Wen Zhan Zi 20170512 No. 001, on May 19, 2017 (hereinafter referred to as the “**Strategic Cooperation Agreement**”);
3. Ping An Bank and Fox Info executed a General Credit Limit Agreement, numbered Ping Yin Hu Yi Wen Zong Zi 20170512 No. 001, on May 19, 2017 (hereinafter referred to as the “**Credit Agreement of Fox Info**”);
4. Ping An Bank and Tianjin Jinhui executed a General Credit Limit Agreement, numbered Ping Yin Hu Yi Wen Zong Zi 20170512 No. 003, on May 19, 2017 (hereinafter referred to as the “**Credit Agreement of Tianjin Jinhui**”);
5. Ping An Bank and Sohu New Media executed a General Credit Limit Agreement, numbered Ping Yin Hu Yi Wen Zong Zi 20170512 No. 002, on May 19, 2017 (hereinafter referred to as the “**Credit Agreement of Sohu New Media**”, collectively, together with Credit Agreement of Fox Info and Credit Agreement of Jinhui, the “**Credit Agreements**”);
6. Ping An Bank and Sohu Game executed a maximum amount guaranty agreement, numbered Ping Yin Hu Yi Wen E Bao Zi 20170512 No. 001, on May 19, 2017 (hereinafter referred to as the “**Maximum Amount Guaranty Agreement**”);
7. Ping An Bank and Sohu Inc executed a Commitment Letter, numbered Yin Hu Yi Wen Cheng Zi 20170512 No. 001, on May 19, 2017 (hereinafter referred to as the “**Commitment Letter**”);
8. Ping An Bank and Sohu New Momentum executed an Asset Pledge Agreement, numbered Ping Yin Hu Yi Wen E Di Zi 20170512 No. 003, on May 19, 2017 (hereinafter referred to as the “**Asset Pledge Agreement of Sohu New Momentum**”);
9. Ping An Bank and Sohu New Media executed an Asset Pledge Agreement, numbered Ping Yin Hu Yi Wen E Di Zi 20170512 No. 001, on May 19, 2017 (hereinafter referred to as the “**Asset Pledge Agreement of Sohu New Media**”);
10. Ping An Bank and Sohu New Era executed an Asset Pledge Agreement, numbered Ping Yin Hu Yi Wen E Di Zi 20170512 No. 002, on May 19, 2017 (hereinafter referred to as the “**Asset Pledge Agreement of Sohu New Era**”, collectively, together with Asset Pledge Agreement of Sohu New Momentum, Asset Pledge Agreement of Sohu New Media, Maximum Amount Guaranty Agreement, Credit Agreement of Sohu New Media, Credit Agreement of Tianjin Jinhui, Credit Agreement of Fox Info, Strategic Cooperation Agreement, Loan Agreement, and Commitment Letter, the “**Transaction Documents**”);
11. Ping An Bank has granted a loan of RMB 400 million yuan to Sohu New Media under the Loan Agreement and gone through the formalities for pledge registration of Building 9 of Sohu.com Internet Plaza located at, No 1, Zhongguancun East Road, Haidian District, Beijing (hereinafter referred to as “**Pledge of Sohu.com Internet Plaza**”).
12. In order to meet the need of business development, the Parties agree to make adjustments to the Transaction Documents.

NOW, THEREFORE, the Parties, upon friendly negotiations, hereby agree as follows:

Article 1 Ping An Bank and Sohu New Momentum mutually agree to rescind the Asset Pledge Agreement of Sohu New Momentum and acknowledge that neither Ping An Bank nor Sohu New Momentum have failed to perform obligations or there was any default event under the Asset Pledge Agreement of Sohu New Momentum. As from the execution date of this Agreement, Sohu New Momentum will not be bound by the Asset Pledge Agreement of Sohu New Momentum and can decide on possession, leasing, or pledge of the collaterals under such Agreement at its own discretion.

Article 2 Ping An Bank and Sohu New Media mutually agree that the list of collateral set forth in Annex I hereof shall supersede the list of collateral in Annex I of the Asset Pledge Agreement of Sohu New Media. Both Parties agree and acknowledge that, as from the execution date of the Asset Pledge Agreement of Sohu New Media, such Agreement will not cover other collateral except for those stated in the list of collateral set forth in Annex I hereof. Sohu New Media has the right to decide to possess, use, lease, or pledge the land use right and property ownership of the real estates located at Rooms -205, -101, 201, 901, 1001, 1101, 1201, 1301, 1401, and 1501, Building 3, No. 2, Kexueyuan South Road, Haidian District, Beijing.

Article 3 Ping An Bank and the Borrowers mutually agree that the aggregate line of credit of the Borrowers under the Credit Agreements shall not be more than RMB 600 billion yuan (RMB six hundred million yuan in words).

If, however, during the term of the credit, Changyou.com Limited (NASDAQ: CYOU) pays dividends and Sohu Inc. has its dividend received flow de facto inside Sohu Group, Ping An Bank and the Borrowers mutually agree that, as from the date when Sohu Inc. has the dividend flow de facto, the aggregate line of credit of the Borrowers under the Credit Agreements will be adjusted to RMB 800 million yuan (RMB eight hundred million yuan in words).

In respect of the specific credit business within the aforesaid line of credit, the Borrowers shall submit written application to Ping An Bank drawdown by drawdown in accordance with applicable Credit Agreements and the Borrowers shall otherwise execute corresponding credit agreement for each drawdown according to the nature of the business.

The aforesaid line of credit may be initiated only when the following conditions are met concurrently:

The Borrowers open special accounts for repayment fund with Ping An Bank, and deposit sales incomes into such accounts. The daily amount of account statement for each quarter shall not be less than 40% of the line of credit granted by Ping An Bank.

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- Article 4** Ping An Bank and Sohu Game mutually agree to adjust the limit of guaranty under the Maximum Amount Guaranty Agreement in accordance with the agreements made in this Supplemental Agreement, that is, the maximum amount (balance) of the principal of the secured liability will be adjusted to (equivalent to) RMB six hundred million yuan only (in words) and will be subject to the adjustment of Article 3 Para. 2.
- Article 5** Ping An Bank and Sohu New Media agree to adjust the limit of the principal creditor's right under the Asset Pledge Agreement of Sohu New Media in accordance with the agreements made in this Supplemental Agreement, that is, the maximum amount (balance) of the principal of the liability secured will be adjusted to (equivalent to) RMB six hundred million yuan only (in words) and will be subject to the adjustment of Article 3 Para. 2.
- Article 6** Ping An Bank and Sohu New Era agree to adjust the limit of the principal creditor's right secured under the Asset Pledge Agreement of Sohu New Era in accordance with the agreements made in this Supplemental Agreement, that is, the maximum amount (balance) of the principal of the liability secured will be adjusted to (equivalent to) RMB six hundred million yuan only (in words) and will be subject to the adjustment of Article 3 Para. 2.
- Article 7** Ping An Bank and Sohu Inc. agree that, in consideration of the amendments to the Transaction Documents made in this Supplemental Agreement, performance of the Commitment Letter shall conform to and be bound by this Supplemental Agreement, and Sohu Inc. will only assume its obligations under the Commitment Letter within the aggregate line of credit of not more than RMB 600 million yuan (RMB six hundred million yuan in words) as agreed in Article 3 of this Supplemental Agreement and will be subject to the adjustment of Article 3 Para. 2.
- Article 8** The Parties agree that, adjustments to the Transaction Documents and the collateral thereunder in accordance with this Supplemental Agreement do not constitute any breach of the Transaction Documents.
- Article 9** Where there is any conflict between the Transaction Documents and this Supplemental Agreement, the latter shall prevail. With respect to matters not covered herein, Transaction Documents shall apply.
- Article 10** This Supplemental Agreement is made in quadruplicate and will come into force upon valid execution by the Parties.

[The remainder of this page is intentionally left blank for signature.]

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Ping An Bank Co., Ltd. Tianjin Pilot Free Trade Zone Branch (seal)

Authorized Representative:

/s/ Wang Lu

Fox Information Technology (Tianjin) Limited (seal)

Authorized Representative:

/s/ Wei Li

Beijing Sohu New Momentum Information Technology Co., Ltd. (seal)

Authorized Representative:

/s/ James Deng

Sohu.com (Game) Limited

Authorized Representative:

/s/ Charles Zhang

Beijing Sohu New Media Information Technology Co., Ltd. (seal)

Authorized Representative:

/s/ Charles Zhang

Tianjin Jinhu Culture Development Co., Ltd. (seal)

Authorized Representative:

/s/ James Deng

Beijing Sohu New Era Information Technology Co., Ltd. (seal)

Authorized Representative:

/s/ Charles Zhang

Sohu.com Inc

Authorized Representative:

/s/ Joanna Lv

Annex I:

List of Collateral

Collateral:

Room 802 and whole floors of Floors 9, 11, 12, and 13 of Building 9 located at No. 1, Zhongguancun East Road, Haidian District, Beijing.

Description: land use right and property ownership of the real estate

Total area of the land use right: 2,866.46 m²

Total building area of the property ownership: 11,679.19 m²

Where:

Room 802:

- Area of land use right: 299.66 m²
- Building area of the property ownership: 1,220.92 m²

Floor 9:

- Area of land use right: 639.37 m²
- Building area of the property ownership: 2,605.08 m²

Floor 11:

- Area of land use right: 641.44 m²
- Building area of the property ownership: 2,613.51 m²

Floor 12:

- Area of land use right: 642.48 m²
- Building area of the property ownership: 2,617.73 m²

Floor 13:

- Area of land use right: 643.51 m²
- Building area of the property ownership: 2,621.95 m²

Condition: good

Collateral Description, quantity, and quality condition

Collateral:

Room 802:

- Property ownership certificate: Jing Fang Quan Zheng Shi Hai Gang Ao Tai Zi No. 4840002
- Land use right certificate: Jing Shi Hai Gang Ao Tai Guo Yong (2007 Chu) No. 6016656

Floor 9:

- Property ownership certificate: X Jing Fang Quan Zheng Hai Zi No. 382489
- Land use right certificate: Jing Hai Qi Guo Yong (2013 Chu) No. 0700531

Floor 11:

- Property ownership certificate: Jing Fang Quan Zheng Shi Hai Gang Ao Tai Zi No. 4840005
- Land use right certificate: Jing Shi Hai Gang Ao Tai Guo Yong (2007 Chu) No. 6016655

Floor 12:

- Property ownership certificate: Jing Fang Quan Zheng Shi Hai Gang Ao Tai Zi No. 4840006
- Land use right certificate: Jing Shi Hai Gang Ao Tai Guo Yong (2007 Chu) No. 6016654

Floor 13:

- Property ownership certificate: Jing Fang Quan Zheng Shi Hai Gang Ao Tai Zi No. 4840007
- Land use right certificate: Jing Shi Hai Gang Ao Tai Guo Yong (2007 Chu) No. 6016659

Ownership of the collateral or the ownership of the use right of the collateral and property ownership certificates and their numbers

Location of the collateral

Room 802 and whole floors of Floors 9, 11, 12, and 13 of Building 9, No. 1, Zhongguancun East Road, Haidian District, Beijing.

Value of the collateral

RMB (currency) 680 million yuan

Share of the pledger in the collateral

100%

Name of other common proprietors (in the case of joint ownership)

N/A

Other conditions of the collateral

Lease. An area of 10,948.34 m² is leased to Beijing Sogou Technology Development Inc.

Remarks

The pledger warrants that the representations above are true, accurate, and complete. Where the collateral becomes invalid or insufficient due to misrepresentation or material omission, which results in damages to the rights and interests of the principal creditor, the pledger is willing to assume several and joint liability for all debts of the debtor under the master agreement.

Credit Agreement

Important: This contract is made by the parties hereto on the basis of equality and voluntariness according to law. All provisions hereof are true expression of intents of the parties hereto. In order to protect the legitimate right and interest of the applicants, the investor hereby reminds the applicants to give full attention to the part hereof in bold.

Investor : Financial Plan Agent of Private Bank, Industrial and Commercial Bank of China Limited

Legal representative/principal: Ma Jian

Address: 6/F, No. 24, Zhongshan East 1st Road, Huangpu District, Shanghai 200002

Contact: Ye Wu Tel: 021-23229500

Project Manager : Beijing Branch, Industrial and Commercial Bank of China Limited

Legal representative/principal: Shi Gang

Address: Tower B, Tianyin Building, No. 2 Fuxingmen South Street, Xicheng District, Beijing 100031

Contact: Xu Chuanjiang Tel: 010-66410055-2700

Applicant 1 : Beijing Sohu New Media Information Technology Co., Ltd.

Legal representative: Charles Zhang

Address: Room 802, 8/F, Sohu Network Plaza, Block 9, No. 1 Zhongguancun East Road, Haidian District, Beijing 100084

Contact: Huang Pu Tel: 010-62726666

Applicant 2 : Fox Information Technology (Tianjin) Limited.

Legal representative: Wei Li

Address: Room 210-01, 2/F, Tower C, Office Building of Integrated Service Area, Nangang Industrial Zone, Tianjin Economic-Technological Development Area 300000

Contact: Huang Pu Tel: 010-62726666

Applicant 3 : Beijing Sohu New Momentum Information Technology Co., Ltd.

Legal representative: James Deng

Address: Room 02, 12/F, Sohu Network Plaza, Block 9, No. 1 Zhongguancun East Road, Haidian District, Beijing 100190

Contact: Huang Pu Tel: 010-62726666

Upon friendly consultation, the Investor, the Project Manager and the Applicants hereby enter into this agreement for their joint observation in respect of the debt investment by the Investor in the Applicants, and the entrustment on the Project Manager to use, supervise and manage fully the assets and invested fund under the debt investment.

1. Currency and Amount of Investment

The amount of debt investment hereunder is RMB eight hundred million only (in words) (in figures: ¥800,000,000.00) (in case of any discrepancy between the amount in words and in figures, the former shall prevail).

2. Term of Debt Investment

The term of the debt investment hereunder is 36 months, starting from the date of actual drawdown by the Applicants which shall be subject to by the Notice of Debt Investment.

3. Interest Rate of Financing and the Calculation Method

3.1 The interest rate of the financing hereunder shall be the one specified in Subparagraph (2):

- (1) Fixed financing interest rate at / % per year, which shall remain unchanged during the term of this agreement.
- (2) Floating financing interest rate which shall be determined by the Loan Prime Rate (“LPR”) for loans with term of up to one year, subject to quarterly adjustment, plus 1.2%. The initial rate is 5.5%, and the adjustment date is the 21st day of the last month of each quarter.
- (3) / % of the total investment amount will be paid in one lump sum on the first interest payment date after the investment, and the subsequent rate during the existing period of the financing will be determined by / . (The floating way and adjustment date should be specified.)

3.2 The interest of the debt investment hereunder shall accrue on a daily basis from the actual drawdown date, and settled on the 20th day of the last month of each quarter. The 1st working day after the interest settlement date is the interest payment date. When the investment expires, the interest shall be settled and paid together the principal. The daily rate equals to the annual rate divided by 360.

3.3 If the Applicants prepay the investment amount hereunder upon consent of the Investor, the interest will be calculated according to the actual number of days of using the investment amount.

4. Investment Purpose

The amount of debt investment hereunder shall be used for daily operation and turnover, and will not be used for other purpose by the Applicants without written consent of the Investor. The Investor and the Project Manager has the right to supervise the use of the investment amount.

5. Conditions for Drawdown

The Applicants shall meet the following conditions for drawing down the investment amount. Otherwise, the Investor has the right to reject any application of drawdown.

- 5.1 The Applicants have submitted the business license affixed with common seals to the Project Manager;
- 5.2 This agreement and relevant exhibits have officially become effective;
- 5.3 Except for the debt investment without security, the Applicants have provided corresponding security according to this agreement, the registration formality of such security has been completed, and no adverse change has occurred to the Investor;
- 5.4 The representations and warranties of the Applicants hereunder continue to be true, accurate and complete;
- 5.5 The Applicants have opened the accounts for receipt and payment of fund, payment of interest, payment of costs, and repayment;
- 5.6 The Applicants have provided the Investor and the Project Manager with the authorization or approval required for execution of this agreement;
- 5.7 The Applicants have no breaching event under this agreement or other financing documents to which they are bound;
- 5.8 Other investment conditions provided by laws or agreed by the parties hereto.

6. Drawdown of Investment Fund

- 6.1 The Applicants shall draw down the investment fund in installments based on their respective need of fund utilization. The first installment shall be drawn down before December 31, 2017, and the last installment shall be drawn down before March 31, 2018. Otherwise, the Investor has the right to cancel the investment in whole or in part. The Applicants shall issue written drawdown notice to the Project Manager 5 working days before the drawdown.

- 6.2 The Investor shall promptly transfer the investment fund to the following account of the Applicant through the account of the Project Manager after the Project Manager examines and confirms that the conditions for drawdown of investment fund have been met:
- (1) The account of the Project Manager:
Account name: other payables – transition fund to be settled – exclusively for branch (settlement account exclusively for assets management fund)
Name of bank: Beijing Branch, Industrial and Commercial Bank of China Limited
Account No.: 0200099811200503118
 - (2) The account of Applicant 1:
Account name: Beijing Sohu New Media Information Technology Co., Ltd.
Name of bank: Beijing Branch, Industrial and Commercial Bank of China Limited
Account No.: 0200000319200068268
- 6.3 Once the debt investment fund hereunder is transferred into the account of the Applicants, it will be deemed that the Investor has issued and the Applicants have drawn down the investment fund.
- 6.4 The Investor has the right to refuse or continue to invest any investment fund not drawn down on the drawdown date owing to any reason of the Applicants. The Applicants shall pay liquidated damages at 0% of the investment fund not drawn down in one lump sum to the Project Manager, and the Project Manager shall transfer such fund to the account designated the Investor. However, the fund drawn down shall remain governed by the provisions hereof.
- 6.5 The execution of this agreement shall not mean that the Investor is obligated to make debt investment in the Applicants. The investment fund may be drawn down only when the conditions for drawdown herein are met and the Notice of Debt Investment is signed and delivered to the Applicants.

7. Repayment of Investment Fund

- 7.1 The Applicants shall repay the debt investment fund hereunder in the way specified in Subparagraph (2) below:
- (1) The debt investment shall be repaid in one lump sum when it becomes mature; or
 - (2) The Applicants shall repay the principal of the “debt investment” hereunder in the original currency within the debt investment term specified herein strictly according to the repayment plan below:
Repaying 25% of the principal on the expiration of 18 months after the actual drawdown date, and repaying 25% on the expiration of every 6 months thereafter (for purpose hereof, the period of a month ends on the date of next month corresponding to the drawdown date; in the absence of the corresponding date, the period of a month ends on the first natural date of the second natural month. For example, if the first drawdown date is August 31, the first repayment date will be March 1, the second repayment date August 31, and so on.)

Where the Applicants draw down in installments, the repayment date for each installment of the principal of investment fund will be determined based on the actual drawdown date. All the principal shall be repaid on or before expiration of 36 months after the first actual drawdown date.

- 7.2 The Applicants shall timely and fully repay the principal, interest and other payables with respect to the debt investment according to this agreement. If the Applicant's repayment is insufficient to cover all due amounts, the Investor has the right to determine the order of discharge.
- 7.3 If the Applicants apply to prepay the debt investment fund in whole or in part, they shall submit written application to the Project Manager 20 working days in advance, and may so prepay only after the Project Manager notifies and obtains consent from the Investor.
- 7.4 **Where the Investor consents to prepayment, the Applicants shall pay off the principal, interest and other payable amount (if any) with respect to the investment fund due and payable as of the prepayment date according to this agreement on the prepayment date.**
- 7.5 If the investment term is shortened owing to prepayment by the Applicants or the early collection by the Investor of the investment fund according to this agreement, the interest rate shall not be adjusted, and the original rate shall apply.

8. Security for Financing

- 8.1 The debt investment hereunder is an investment secured.
- 8.2 The security agreement shall be entered into separately between the Project Manager or its branch on behalf of the Investor and the Applicants.

9. Rights and Obligations of the Investor

- 9.1 According to this agreement, the Investor has the right to receive the principal, interest and other payables repaid by the Applicants with respect to the debt investment.

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- 9.2 In order to protect the safety of the debt investment fund, the Investor has the right to entrust the Project Manager to manage the investment project, and to supervise the use by the Applicants of the debt investment fund.
 - 9.3 Where the Investor consents prepayment by the Applicants, it shall notify the Project Manager in writing, and go through the formality of prepayment of the debt investment fund for the Applicants.
 - 9.4 Where the operation of any Applicant deteriorates, any breach under this agreement occurs, or other situation occurs which may endanger the safety of the debt investment fund, the Investor has the right to instruct the Project Manager to collect the debt investment fund early, file a lawsuit or take other measures, to protect the safety of the investment fund.
 - 9.5 The Investor has the right to demand the Applicants to repay the investment principal or interest directly or through the Project Manager, or to file a lawsuit according to law.
 - 9.6 The Investor shall assume the rights relating to the debt investment by itself, and may not request the Project Manager to assume such risk in any forms. Where the Applicants are unable to repay the investment principal or interest on time, the Investor may not request the Project Manager to assume the liability of repayment.

10. Entrustment of Project Management

- 10.1 The Project Manager shall transfer promptly the investment principal and interest and other payables to the account designated by the Investor according to the requirements of the Investor, and note such transfer on the fund transfer certificate.
Name of account: special account for trust of Zhenjiang Branch, financial product of private bank, Industrial and Commercial Bank of China Limited
Name of bank: Hangzhou Chengzhan Sub-branch, Zhenjiang Branch, Industrial and Commercial Bank of China Limited
Account No.: 1202027729900188724
- 10.2 The Project Manager accepts entrustment of the Investor to manage and supervise the debt investment project and the investment fund hereunder, which includes the following matters:
 - (1) due diligence of the capacity and financing reason of the Applicants;
 - (2) assisting the Investor to investigate the guarantee capability of the guarantor, the title and value of the mortgaged or pledge property, and the possibility of realizing the mortgage or pledge, if the investment hereunder is secured;

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- (3) examining the realization of the conditions for drawdown of the debt investment fund, and supervising and inspecting whether the Applicants use the investment fund according to this agreement;
 - (4) monitoring and inspecting continuously the production, operation and financial condition of the Applicants, and requesting the Applicants to provide financial statements and other reports, statements or documents reflecting their production, operation and financial condition;
 - (5) notifying promptly the Investor any breach of the Applicants hereunder;
 - (6) reporting regularly to the Investor the use by the Applicants of the debt investment fund, and providing the Investor with the project management report on a monthly/quarterly basis during the term of this agreement. If the account monitored by the Project Manager becomes subject to property preservation or execution or other situation which may have material adverse effect on the asset condition of the Applicants, the Project Manager shall notify the Investor in writing of such situation within 5 working days after knowing thereof.
 - (7) Demanding in writing the Applicants or the guarantor to repay the investment principal or interest, when the Applicants fail to repay the investment principal or interest on time, and reporting the condition of the demand to the Investor;
 - (8) Taking measures at the instruction of the Investor, including filing a lawsuit or exercising security, to recover the investment principal and interest, and avoid the occurrence or increase of investment loss.
- 10.3 Where the Project Manager locates in any place other than the place of the Applicants, it may delegate part of the debt investment management work to its business outlets at the place of the Applicants. The Project Manager shall be responsible for the acts of such outlets.
- 10.4 Where the debt investment hereunder is secured, the Investor entrusts the Project Manager (or its branches) to enter into relevant security agreements with the security providers, and go through required notarization or registration formalities. The costs therefor shall be borne by the Applicants, unless relevant laws and regulations provide otherwise.

11. Representations and Warranties of Applicants

The Applicants represent and warrant to the Investor and the Project Manager as follows, and shall maintain such representations and warranties effective during the term of this agreement:

- 11.1 They have the capacities to apply for the debt investment hereunder, and have the capacity and power to enter into and perform this agreement.
- 11.2 They have obtained the authorizations or approvals required for execution of this agreement, and execution or performance of this agreement does not breach their respective articles of association and relevant laws and regulations, nor contradict to any obligations of them under other contract or agreement.
- 11.3 They have paid other debts in a timely manner, and do not delay maliciously payment of any debt or have any cross-breach situation.
- 11.4 They have sound organization and financial management system, has not committed any violations during their production and operation in recent 1 year, and their current officers have no material bad record.
- 11.5 All documents and information provided by them to the Investor and the Project Manager are true, accurate, complete and valid, and free of any false record, material omission or misleading statement.
- 11.6 The financial and accounting reports provided to the Investor and the Project Manager are prepared according to China accounting standards, and truthfully, fairly and completely reflect the operation and liability condition of the Applicants. No material adverse change has occurred to the financial condition of the Applicants since the date of the latest financial and accounting report.
- 11.7 They have not concealed any litigation, arbitration or claim involving them from the Investor or the Project Manager.
- 11.8 Other situation that may affect the financial condition or the repaying ability of the Applicants.

12. Covenants of the Applicants

The Applicants covenant to the Investor and the Project Manager as follows, and shall maintain such covenants effective during the term of this agreement:

- 12.1 They will drawdown and use the debt investment fund according to the term and purpose hereof, and will not invest such fund in securities market or futures market or for any other purpose prohibited or restricted by relevant laws and regulations.
- 12.2 They will repay the principal, interest and other payables with respect to the debt investment fund according to this agreement.
- 12.3 They will provide relevant financial statements and other reports, statements and documents reflecting the operational and financial condition of the Applicants according to the requirements of the Investor and the Project Manager.
- 12.4 If they have signed or will sign any counter-security agreement or similar agreement with the security provider hereunder in respect of the security obligation, such agreements will not damage any right of the Investor or the Project Manager hereunder.
- 12.5 They will accept inspection and supervision of the Investor and the Project Manager, provide information of their production, operation and property, and give effective and full assistance and cooperation.
- 12.6 When they undergo any material change of property and/or adjustment of operational way, they must obtain the consents of the Investor and the Project Manager in advance, and guarantee realization of the interest of the Investor and the Project Manager hereunder.
- 12.7 They will not dispose of their assets by reducing their ability of repayment, and they will obtain written consents from the Investor and the Project Manager before providing guarantee or creating mortgage or pledge over their assets in favor of any third party.
- 12.8 They will promptly notify the Project Manager when any of the following events occurs:
 - (1) Any breach occurs under this agreement or other contract or agreement;
 - (2) Any change of affiliation relation or officer, amendment to articles of association, or material adjustment of internal organization occurs, or the main industrial and commercial registration items, including domicile, principal place of business, correspondence address, business cope, and legal representative, are changed;

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- (3) The operation encounters difficulty, or the financial condition deteriorates;
 - (4) They are involved in any material litigation or arbitration;
 - (5) Other circumstances occur, which may affect their ability of paying debts.
- 12.9 They will not distribute dividend or bonus in whatever forms before repaying the due investment principal and interest and other payables hereunder.
- 12.10 The debts hereunder enjoy preference of repayment over any other debts owed by the Applicants to their shareholders, legal representatives, principals, main investors or key officers, and at least have equal status with similar debts owed by the Applicants to other creditors.
- 12.11 They will unconditionally cooperate with the management by the Project Manager of the project.

13. Liabilities for Breach of Contract

- 13.1 It will constitute a breach of contract if any of the following circumstances occurs to any Applicant:
- (1) The Applicant fails to repay the investment principal or interest or other payables hereunder, fails to perform any other obligation hereunder, or breaches any representation, warranty or covenant;
 - (2) The security hereunder has any change adverse to the creditor's rights hereunder, and no other security approved by the Investor and the Project Manager is provided
 - (3) The Applicant fails to repay other due debts (including the debt declared due immediately), or defaults or breaches any obligation under other agreement, which has already affected or may affect performance of its obligations hereunder;
 - (4) The Applicant's profitability, capability of paying debts and operation, or the financial indicator (including cash flow) violates the agreed standards or deteriorates, which has already affected or may affect performance of its obligations hereunder;
 - (5) Any material adverse change occurs to the Applicant's production, operation, investment or shareholding structure, and has already affected or may affect performance of its obligations hereunder;

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- (6) The Applicant is or may be involved in any material economic dispute, litigation, or arbitration, or its assets are sealed up, attached or executed, or it is subject to investigation or penalties by judicial or administrative authorities, or it is reported by media for violating any national regulations or policies, which has already affected or may affect performance of its obligations hereunder;
 - (7) Its main investor or key officer is changed, missing or subject to investigation or restriction of personal freedom by judicial authority according to law, which has already affected or may affect performance of its obligations hereunder;
 - (8) It fraudulently obtains fund of the Investor by using any false contract with its affiliates or any false transaction without actual substance, or it intentionally avoids any creditor's rights through related party transactions;
 - (9) It has been or may be wound-up, dissolved, liquidated, ordered to stop business for rectification, cancelled business license or revoked, or it has applied or been applied, or may apply or be applied, for bankruptcy;
 - (10) It breaches any provisions of the Agreement on Fund Use and Account Supervision it entered into with the Project Manager;
 - (11) It breaches the laws and regulations, regulatory rules or industrial standards relating to food safety, safe production, environment protection and management of other environmental or social risks, and thus causes any accidents or serious environment or social risk events, which has already affected or may affect performance of its obligations hereunder;
 - (12) The self-owned fund for the project fails to be put into the project according to the agreed schedule or percentage, or fails to be supplemented within the time specified by the Investor;
 - (13) It fails to complete the project construction on schedule, or material adverse change occurs to the project construction, operational environment or condition;
 - (14) If the investment hereunder is made on the basis of credit, the indicators of the Applicant, such as credit level, profitability, asset-liability ratio, operational activities, and net cash flow, no longer meet the credit investment conditions of the Investor; without written consent of the Investor, or the Applicant creates mortgage or pledge or otherwise provides security over its effectively operated assets in favor of others, which has already affected or may affect performance of its obligations hereunder;

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- (15) Other circumstance where the realization of the Investor's creditor's rights hereunder may be affected adversely.
- 13.2 Where any Applicant breaches this agreement, the Project Manager has the right to take one or more of the measures below at the instruction of the Investor to ensure timely recovery of the investment principal and interest:
- (1) Requesting the Applicant to correct its breach within the specified period;
 - (2) Stopping issuance of investment fund or other financing amount to the Applicant according to this agreement;
 - (3) Declaring the outstanding investment fund and other financing amount hereunder or under other contract/ agreement between the Investor/ the Project Manager and the Applicant become due immediately, and recovering the outstanding amounts immediately;
 - (4) Requesting the Applicant to compensate any loss suffered by the Investor from its breach;
 - (5) Other measures provided by laws, regulations or this agreement, or the Investor deems necessary.
- 13.3 If the debt investment becomes due (including being declared as due immediately) and the Applicant fails to repay as agreed, the Project Manager has the right to charge penalty interest against the Applicant from the overdue date. The rate of the penalty interest shall be the original financing rate plus 50%. Compound interest shall be charged at the penalty interest rate on the interest not paid by the Applicant on time.
- 13.4 If the Applicant fails to use the debt investment fund for the purpose specified herein, the Project Manager shall charge penalty interest on the fund thus used from the date of use. The rate of the penalty interest shall be the original financing rate plus 50%. Compound interest shall be charged at the penalty interest rate on the interest not paid on time during the period of use.
- 13.5 If the Project Manager fails to promptly transfer the principal and income collected from the Applicants to the Investor according to this agreement, the Project Manager shall pay the Investor liquidated damages at the daily rate of 0.05% according to the amount and period of breach.

13.6 If the Project Manager fails to perform prudently its duties of managing debt investment and thus causes any loss to the Investor, it shall assume corresponding liability for breach of contract.

14. Deduction

14.1 If any Applicant fails to repay the debt investment fund due hereunder (including the fund declared as due immediately) according to this agreement, the Investor has the right to deduct directly or by entrusting the Project Manager corresponding amount from all RMB or foreign currency accounts opened by the Applicant with the Project Manager or other branches of Industrial and Commercial Bank of China to discharge the debt, until all debts of the Applicant hereunder are fully repaid.

14.2 If the currency of the deducted amount is different from the currency of this agreement, a conversion will be made at the exchange rate of the Project Manager applied on the date of the deduction. The Applicant shall be responsible for any interest and other costs arising from the deduction date to the repayment date (the date when the Project Manager convert the deducted amount into the currency of this agreement according to the national policies on management of foreign currency, and actually repays the debts hereunder) and the difference resulted from fluctuation of exchange rate during the above period.

14.3 Where the deducted amount is insufficient to repay all debts of the Applicant, the Investor has the right to determine the order of discharge.

15. Information Disclosure

The Applicants agree that the Investor, as the manager of its raised and issued bank financial plan, may provide or disclose information and documents relating to the project and this agreement to the competent authorities and the investors of its financial products according to laws, regulations, regulatory requirements and the procedure, scope and content of relevant agreement relating to the financial plan, to perform its duties and obligations in the laws, regulations, regulatory requirements and relevant agreement relating to the financial plan, including but not limited to the Applicants, the project name, period, transaction structure, and distribution of income and so on. The Applicants shall provide necessary assistance for the Investor to perform such duties and obligations.

16. Costs

- 16.1 The Applicants shall assume the taxes and costs relating to execution and performance of this agreement, including but not limited to the costs for appraisal, registration, certification, notarization, and security, unless the laws and regulations provide otherwise. The Investor and the Project Manager shall assume their respective consulting costs (including but not limited to the costs for accounting and legal consultation) arising out of this agreement and project appraisal.
- 16.2 Where any dispute or litigation arises from any breach of the Applicant, the Applicant shall assume the attorney's fee, the litigation cost, the cost for realizing the creditor's right, and other cost for resolving the dispute or litigation.

17. Service of Notice

All notices or communications hereunder shall be delivered in writing. In case of personal delivery or delivery by mail, the notices or communications shall be deemed delivered when the recipient signs off; in case of delivery by fax, the notices or communications shall be deemed delivered when receiving the other party's fax response.

18. Effectiveness, Modification and Termination

- 18.1 This agreement shall become effective when the competent signatories or authorized signatories of the parties hereto sign and affix their respective common seals, and terminate when the rights and obligations of the parties hereto in this agreement are fully exercised and performed.
- 18.2 Any amendment to this agreement shall be made in writing upon unanimous consents of the parties hereto. The amendment provision or agreement constitutes an integral part of this agreement, and has equal legal force as this agreement. Except for the amended part, the remaining provisions of this agreement remain valid. The amended provision shall remain valid before the amendment becomes effective.
- 18.3 No amendment to or termination of this agreement shall affect any party's right for damages. The termination of this agreement shall not affect the validity of the provisions relating to dispute resolution.

19. Applicable Law and Dispute Resolution

- 19.1 The execution, validity, interpretation, performance and dispute resolution relating to this agreement shall be governed by the laws of the People's Republic of China.
- 19.2 The parties shall resolve by consultation any dispute or controversy arising out of or relating to this agreement. If consultation fails, or the parties cannot reach an agreement, the way specified in Subparagraph (2) below shall apply:
- (1) The dispute shall be submitted to the arbitration commission of _____ / _____, and resolved by arbitration according to the arbitration rules of the commission then in effect. The arbitration shall be conducted at _____ / _____ (arbitration place). The arbitration award is final and binding upon the parties to the dispute.
 - (2) The dispute shall be resolved by the court at the place of the Investor.

20. Other Matters

- 20.1 Beijing Sohu New Media Information Technology Co., Ltd., Fox Information Technology (Tianjin) Limited., and Beijing Sohu New Momentum Information Technology Co., Ltd. are the joint Applicants for the financing. Among others, Beijing Sohu New Media Information Technology Co., Ltd. enjoys the right of drawdown of RMB200 million, and Fox Information Technology (Tianjin) Limited enjoys the right of drawdown of RMB600 million. The above three companies shall jointly be responsible for repayment of the financed amount.
- 20.2 The three Applicants open settlement accounts at Industrial and Commercial Bank of China Limited. During the financing period, they shall gradually transfer the settlement of their business to Industrial and Commercial Bank of China Limited. During the financing period, the collection amount of sales income in their settlement accounts shall reach 30% of the current sales amount of the Applicants. If the above provisions are breached, Industrial and Commercial Bank of China Limited has the right to declare that the Applicants are in default, and may request the Applicants to prepay the financing principal and interest.
- 20.3 The Applicants shall ensure that the balance in their accounts at Industrial and Commercial Bank of China Limited 10 days before payment of the financial principal and income for the current period is not less than the amount of payable principal and income for the period.

20.4 During the financing period, except for the existing security and investment, Beijing Sohu New Media Information Technology Co., Ltd., Fox Information Technology (Tianjin) Limited., and Beijing Sohu New Momentum Information Technology Co., Ltd. may not provide other security for others, or raise new financing, provide security or investment by using the mortgaged property for this financing, without written consent of Industrial and Commercial Bank of China Limited.

21. Counterparts

This agreement is made in five counterparts. Each of the Investor and the Project Manager will hold one counterpart, and each Applicant will hold one counterpart. All counterparts have equal legal force.

Investor (seal): Financial Plan Agent of Private Bank, Industrial and Commercial Bank of China Limited

Legal representative/ principal (authorized signatory): /s/ Ma Jian

Project Manager (seal): Beijing Branch, Industrial and Commercial Bank of China Limited

Legal representative/ principal (authorized signatory): /s/ Wang Xusheng

Applicant 1 (seal): Beijing Sohu New Media Information Technology Co., Ltd.

Legal representative (authorized signatory): /s/ Charles Zhang

Applicant 2 (seal): Fox Information Technology (Tianjin) Limited.

Legal representative (authorized signatory): /s/ Wei Li

Applicant 3 (seal): Beijing Sohu New Momentum Information Technology Co., Ltd.

Legal representative (authorized signatory): /s/ James Deng

Date of execution: September 7, 2017

Asset Pledge Agreement

Important: This agreement is made by the parties hereto on the basis of equality and voluntariness according to law. All provisions hereof are true expression of intents of the parties hereto. In order to protect the legitimate right and interest of Party B, Party A hereby reminds the Party B to give full attention to the part hereof in bold.

Mortgagee: Beijing Branch, Industrial and Commercial Bank of China Limited (“Party A”)

Principal: Shi Gang

Business address: Tower B, Tianyin Building, No. 2 Fuxingmen South Street, Xicheng District, Beijing

Tel and fax: 010-66410055

Mortgagor : Beijing Sohu New Momentum Information Technology Co., Ltd.

Legal representative or principal: James Deng

Business address or domicile: Room 02, 12/F, Sohu Network Plaza, Block 9, No. 1 Zhongguancun East Road, Haidian District, Beijing 100190

Tel and fax: 010-62726666

To ensure realization of the creditor’s rights Party A, Party B is willing to provide maximum amount mortgage (as a counter-security) for Party A. Upon equal consultation, Party A and Party B enter into this agreement according to the Contract Law, the Security law, the Property Law and other relevant laws and regulations to specify their respective rights and obligations.

1. Principal Debts Secured

- 1.1 The main debts secured by Party B is the following ones occurred within the maximum amount of RMB872.45 million (in words: eight hundred seventy two million four hundred and fifty thousand, the amount in words shall prevail in case of discrepancy) from to (both inclusive), whether they become due or not during the above period, and whether they occurred before the creation of the maximum amount mortgage:
 - A. The creditor’s rights enjoyed by Party A according to the Contract of Loan in RMB and Foreign Currency, the Contract on Conversion of Foreign Currency to Loan, the Bank Acceptance Agreement, the Agreement/Contract on Issuance of Letter of Credit, the Agreement on Creation of Security, the Agreement on Financing for International and Domestic Trade, the Agreement on Future Foreign Exchange Settlement, and the agreements on other financial derivative products and business agreements entered into between Party A, on one part, and Beijing Sohu New Media Information Technology Co., Ltd., Beijing Sohu New Momentum Information Technology Co., Ltd., and Fox Information Technology (Tianjin) Limited., on the other part; and
 - B. Where Party A enters into this security agreement on behalf of Financial Plan Agent of Private Bank, Industrial and Commercial Bank of China Limited (the “Principal”), the creditor’s rights under all finance and investment agreements signed between the Principal and the debtors.

(the above contracts or agreements collectively referred to as the “ **Principal Contracts** ”)

- 1.2 The maximum amount abovementioned refers to the total amount in RMB converted from the debts in various currencies according to the middle rate of foreign exchange published by Party A on the date of fixing the principal debts to which Party B will assume the liability of security.
- 1.3 The above debts under finance and investment agreements refer to various debts obtained by Financial Plan Agent of Private Bank, Industrial and Commercial Bank of China Limited as the creditor through various types of investment, including but not limited to investment in debts, in rights of income and in entrusted debts etc.

2. **Scope of Mortgage**

The maximum amount mortgage provided by Party B covers the principal, interest, compound interest and penalty interest of the principal debts, and the liquidated damages, damages, exchange loss (relevant loss caused by exchange rate movement), as well as the costs for realization of mortgage (including but not limited to the costs for litigation, attorney, appraisal, auction and sale). However, the costs for realization of mortgage shall be first deducted from the proceeds obtained from sale of the collaterals, rather than included in the maximum amount specified in Article 1.1.

3. **Collaterals**

- 3.1 The collaterals are set forth in the List of Collaterals in details. The List of Collaterals is an exhibit to this agreement, and has the same legal force as this agreement.
- 3.2 **The legal effect of the mortgage extends to the accessories, accessory rights, appurtenants, accessed property, natural and legal fruits, substitutes and any insurance proceeds, damages or compensations obtained from the destruction, loss or expropriation of the collaterals.**
- 3.3 Where the debtors fail to perform any due obligation or where any circumstance for realizing the mortgage hereunder occurs, and the collaterals are thus attached by the people’s court, Party A is entitled to receive the natural or legal fruits separated from the collaterals from the date of attachment, and use such fruits to pay the costs for receiving the fruits in the first place.

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- 3.4 The value of collaterals specified in the List of Collaterals shall not serve as the basis for valuation when Party A disposes such collaterals, nor constitute any restrictions on Party A's exercise of the mortgage.
 - 3.5 The title certificates and relevant documents of the collaterals shall be kept by Party A after both parties hereto confirm, unless laws and regulations provide otherwise.
 - 3.6 During the term of the mortgage, Party B shall maintain the collaterals in sound conditions, and may not use them unreasonably and reduce their value. Party A has the right to inspect the use and management of the collaterals at any time.
 - 3.7 Where the collaterals are damaged, destructed, or expropriated, Party B shall immediately notify Party A, and provide Party A with the certificates issued by relevant competent authorities with respect to such damage, destruction or expropriation.
 - 3.8 **Where the collaterals are damaged, destructed, or expropriated, the insurance proceeds, damages or compensations obtained by Party B shall be applied to the satisfaction of the debts under the Principal Contracts, or to the recovery of value of the collaterals upon consent of Party A, or deposited into the account designated by Party A, to secure the performance of the debts under the Principal Contracts. The value left with the collaterals shall remain as the security of the principal debts.**
 - 3.9 **Party B shall immediately stop any act that may reduce value of the collaterals, and shall recover the value thus reduced, or provide other security equivalent to the reduced value.**

4. Registration of Mortgage

Both parties hereto shall go through the mortgage registration formality with the competent registration authority within 10 days after execution of this agreement. Where any registered item changes, and a change of registration is required according to law, both parties shall complete such change of registration promptly. **The costs for registration shall be borne by Party B, unless laws or regulations provide otherwise.**

5. Insurances

- 5.1 Party B shall complete the taking-out of insurances for the collaterals as required by Party A within 15 days after execution of this agreement. If the taking-out of insurances cannot be completed once for all owing to any reason of the insurer, Party B shall promptly go through the renewal procedure to ensure the insurances for the collaterals will not be discontinued during the term of this agreement.
- 5.2 The policies shall specify that Party A is the preferential payee (first beneficiary) at the time of loss and the insurer shall directly pay the insurance proceeds to Party A. The policies shall not contain any provision restricting Party A's rights and interests.

5.3 **Party B may not discontinue or cancel any insurance for whatever reason during the term hereof. If any insurance is discontinued, Party A has the right to take out insurances at the cost of Party B.**

5.4 If any collateral suffers insurance accident during the term hereof, the insurance proceeds shall be applied according to Article 3.8 hereof.

6. Crystallization of Principal Debts

The debts secured by the maximum amount mortgage become crystallized when any of the following circumstances occurs:

- A. The period specified in Article 1.1 expires;
- B. It is impossible to incur new debts;
- C. The collaterals are sealed up or attached;
- D. The debtors or Party B is declared bankrupt or revoked;
- E. Other circumstances where the debts become crystallized according to law.

7. Floating Mortgage

7.1 Where Party B creates mortgage over any production equipment, raw materials, self-finished products or other products it owns or will own, such collaterals will become crystalized in any of the following circumstances:

- A. The principal debts are not fulfilled when the performance term of such debts expires;
- B. Party B is declared bankrupt or revoked;
- C. Any circumstances under Article 8.1 for Party A's realization of debts occur;
- D. Other circumstances that have material effect on realization of the principal debts occur.

7.2 Where Party B provides maximum amount mortgage over the above properties in favor of Party A, other provisions than this Article 7 shall apply.

8. Realization of Mortgage

8.1 Party A has the right to exercise the mortgage if any of the following circumstances occurs:

- A. The principal debts become due (or become due early), and the debtors fail to repay the debts;
- B. Any of the circumstances specified in Article 3.9 hereof occurs, and Party B fails to recover value of the collaterals or to provide other security equal to the reduced value;
- C. Party B or any debtor is declared bankrupt, wound-up, dissolved or liquidated, stops business for rectification, is revoked of business license, or is cancelled;
- D. Party B disposes of any collaterals subject to the floating mortgage herein during its production and operation in violation of the principle of fair trading;**
- E. Other circumstances where Party A may realize its mortgage according to laws or regulations.**

8.2 Where Party A realizes the mortgage, it may negotiate with Party B to get paid preferentially from the proceeds of auctioning or sale of the collaterals, or use the collaterals themselves to settle the debts by conversion of their value. If both parties fail to reach an agreement on the way of realization of mortgage, Party A may directly request the people's court to auction or sell the collaterals.

8.3 If the proceeds obtained from disposition of the collaterals are in currency different from the currency of the Principal Contracts, they shall be converted into the currency of the Principal Contracts at applicable rate published by Party A and be used to satisfy the debts under the Principal Contracts.

9. Representations and Warranties of Party B

Party B represents and warrants to Party A as follows:

9.1 Party B is the owner or State authorized manager of the collaterals hereunder, and has full right to dispose of the collaterals. There is no dispute over the ownership, use right or right of operation or management in the collaterals. The provision of the mortgage to Party A has been authorized or approved by Party B according to the required procedure and authorization set forth in its articles or association, and does not violate any laws, regulations or other rules.

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- 9.2 If Party B is a listed company or a company controlled by a limited company, it undertakes that it has performed the obligation of disclosing information of the mortgage according to the Securities Law, the Rules for Listing of Stocks at Stock Exchange, and other laws, regulations and rules.
 - 9.3 It is willing to provide the mortgage for the debtors, and its expression of intent hereof is true. If the principal debts secured by this agreement is financing for international or domestic trade, Party B acknowledges that the underlying trade on which the financing is based is true and free of any fraud.
 - 9.4 The mortgage may be created over the collaterals hereof, from of any restrictions.
 - 9.5 If the collaterals have any defect, the defect has been fully and reasonable explained.
 - 9.6 The collaterals are not sealed up, attached or in custody.
 - 9.7 If the collaterals are leased out in whole or in part, Party B has notified the lessee of the mortgage, and informed Party A in writing of the lease.
 - 9.8 There is no other mortgage over the collaterals. If there is, Party B has informed in writing Party A of such other mortgage in details.
 - 9.9 The collaterals are not co-owned by Party B and others. If they are, Party B has obtained written consents from other co-owners with respect to the mortgage.
 - 9.10 If the principal debts secured by this agreement is financing for international trade, Party accepts and agrees to the international practices of relevant business.

10. Covenants of Party B

Party B covenants to Party A as follows:

- 10.1 **Party B shall continue to perform its liability of security according to this agreement if any of the following circumstances (which requires no consent of Party B) occurs:**
 - A. **The parties to any Principal Contract agrees to modify such contract, without aggravating the debtor's debt or extending the performance period of the debt;**
 - B. **In case of financing for international or domestic trade, the parties to any Principal Contract revise the letter of credit relating to the Principal Contract, without aggravating the debtor's payment obligation under the letter of credit or extending the payment period;**

-
- C. The principal debts or the maximum amount mortgage is transferred.**
- 10.2 Party B will not create any mortgage or pledge over the collaterals, or lease, transfer or gift the collaterals to any third party without Party A's written consent. Party B shall protect the collaterals from any damage.
- 10.3 **Party B will assume various costs for realizing the mortgage hereunder, including but not limited to the costs for litigation, attorney, appraisal, auction and sale.**
- 10.4 Party B shall promptly notify Party A and assist Party A to avoid any damage when Party A's mortgage is or may be infringed by any third party.
- 10.5 Party B will actively cooperate with Party A to realize the mortgage, and will not prevent or restrict Party A from exercising the mortgage.
- 10.6 Party B shall notify Party A timely in any of the following circumstances:
- A. The registered name, articles of association, business scope, registered capital, legal representative or principal changes, or the equity interest is changed;
 - B. Party B goes out of business, is liquidated or dissolved, stops business for rectification, or is cancelled or applied for bankruptcy, or its business license is revoked;
 - C. Party B is or may be involved in any material economic dispute, litigation or arbitration, or its assets are sealed up, attached or in custody;
 - D. If Party B is a natural person, his/her name, valid ID No., domicile, employer, contact information or marital status is changed.
- 10.7 Party B will timely sign off the written notice of Party A.
- 10.8 **Where other security exists for the principal debts, whether provided by the debtors or any third party, Party A has the right to decide the order of realizing the securities. Party B undertakes not to make any defense. If other security interest under the Principal Contracts is waived, modified or lost, Party B's liability of security shall remain effective, and will not become void or reduced.**

10.9 **With respect to domestic letter of credit, buyer's financing under domestic letter of credit, import letter of credit, and import bill advance/import refinance, Party B shall assume the incontestable obligation of mortgage when any of the following circumstances occurs, and Party B may not be exempted from the liability or make any defense on the account that any judicial or administrative authorities issue any stop payment order or injunction, or seal up or take such measures as seal-up, attachment or freezing over the property related to the letter of credit:**

- A. Party A's nominee or authorized person has paid in good faith at the instruction of Party A;**
- B. Party A or its nominee or authorized person has issued in good faith the written confirmation of due payment with respect to the price for goods under the domestic letter of credit, or has accepted in good faith the documents under the import letter of credit;**
- C. The confirming bank of the letter of credit has performed the obligation of payment in good faith;**
- D. The negotiation bank of the letter of credit has negotiated in good faith.**

10.10 With respect to delivery against bank guarantee, endorsement of bill of lading, or authorized taking delivery of goods, Party B may not be exempted from liability or make any defense on account of the debtor's refusal to pay any amount under the letter of credit.

11. Covenants of Party A

Party A covenants to Party B as follows:

- 11.1 Party A will keep confidential relevant documents, financial information and other information provided by Party B when performing its obligations hereunder, except as otherwise provided by relevant laws, regulations or this agreement.
- 11.2 If there is any remaining amount after the proceeds obtained from disposition of the collaterals hereunder are used to repay all debts within the security scope of the maximum amount mortgage, Party A shall return such amount to Party B promptly.

12. Breach of Agreement

- 12.1 If either party fails to perform its obligations hereunder or breaches any representation, warranty or covenant hereunder after this agreement becomes effective, it will constitute a breach of this agreement. The breaching party shall compensate for the other party's loss caused by its breach.
- 12.2 If either party breaches, the other party is entitled to take any measures provided by laws, regulations or rules of the People's Republic of China, unless this agreement provides otherwise.

13. Effectiveness, Modification and Termination

- 13.1 This agreement shall become effective when it is signed, and terminate when the principal debts are fully repaid.
- 13.2 Any amendment to this agreement shall be agreed by the parties and made in writing. The amendment constitutes an integral part of this agreement, and has the same legal force as this agreement. Except for the amendment, the remaining provisions hereof shall continue to be valid. The original provisions of this agreement so amended shall remain valid before the amendment becomes effective.
- 13.3 No invalidity or unenforceability of any provision hereof shall affect the validity or enforceability of other provisions hereof, nor affect the validity of the whole agreement.
- 13.4 No amendment to or termination of this agreement shall affect either party's right to damages. The termination of this agreement shall not affect the validity of any provisions hereof relating to dispute resolution.

14. Dispute Resolution

The execution, validity, interpretation, performance and dispute resolution of this agreement shall be governed by laws of the People's Republic of China. All disputes or controversies arising from or relating to this agreement shall be first resolved by both parties hereto through consultation. If consultation fails, the way specified in Subparagraph B below shall apply:

- A. The dispute or controversy shall be submitted to the arbitration commission of _____ / _____ for arbitration in _____ / _____ according to the arbitration rules effective when the arbitration application is submitted. The arbitration award is final and binding upon both parties.
- B. The dispute or controversy shall be resolved before the court at Party A's place by litigation.

15. Other Provisions

- 15.1 Party B may not transfer any right or obligation hereunder in whole or in part without Party A's written consent.
- 15.2 **If the creditor transfers part of its debts before the debts secured by the maximum amount mortgage become crystallized, the maximum amount mortgage may be transferred together with the debts.**

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- 15.3 Party A's failure or delay in exercise or partial exercise of any right hereunder shall not constitute waiver or modification of such right or other right, nor affect its further exercise of such right or other right.
- 15.4 **Party A has the right to provide the information relating to this agreement and other related information to the credit information database of the People's Bank of China or other credit database established legally according to relevant laws, regulations or other normative documents or the requirements of financial regulators, for inquiry or use by qualified organization or individual. Party A is also entitled to inquire Party B's relevant information through the credit information database of the People's Bank of China or other credit database established legally for execution or performance of this agreement.**
- 15.5 This agreement is made in two counterparts, and each party holds one. Both counterparts have equal legal force.

16. Other Matters

- 16.1 _____/_____
- 16.2 _____/_____
- 16.3 _____/_____

Exhibit: List of Collaterals

Party A: Beijing Branch, Industrial and Commercial Bank of China Limited (seal)

Authorized signatory: /s/ Wang Xusheng (signature or seal)

Party B: Beijing Sohu New Momentum Information Technology Co., Ltd. (seal)

Authorized signatory: /s/James Deng (signature or seal)

[Party B specifically represents that it has fully understood the legal meanings of all provisions hereof, especially those in bold, that Party A has explained relevant provisions at the request of Party B, and that Party B confirms it has no doubt or objection toward the content hereof.]

Co-owners of collateral: /

[The co-owners of the collateral represent that they agree that Party A and Party B may create maximum amount mortgage over the collaterals hereunder according to this agreement.]

Date of execution: September 7, 2017

Exhibit:

List of Collaterals

Name	Quantity	Title certificate	Address	Status	Appraised value	Others
Land use right/ housing ownership	2208.63	Jing (2017) Hai Bu Dong Chan Quan No. 0042996	Room 301, F/3, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 141.62 million	/
Land use right/ housing ownership	2280.31	Jing (2017) Hai Bu Dong Chan Quan No. 0043004	Room 401, F/4, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 146.22 million	/
Land use right/ housing ownership	2280.31	Jing (2017) Hai Bu Dong Chan Quan No. 0043000	Room 501, F/5, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB146.22 million	/
Land use right/ housing ownership	2208.59	Jing (2017) Hai Bu Dong Chan Quan No. 0043001	Room 601, F/6, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 143.03 million	/
Land use right/ housing ownership	2280.31	Jing (2017) Hai Bu Dong Chan Quan No. 0043002	Room 701, F/7, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 147.68 million	/
Land use right/ housing ownership	2280.31	Jing (2017) Hai Bu Dong Chan Quan No. 0043003	Room 801, F/8, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 147.68 million	/

Mortgagor: Beijing Sohu New Momentum Information Technology Co., Ltd. Legal representative or principal (authorized agent): /s/ James Deng

Co-owner of collateral (if any): _____ / _____

Mortgagee: Beijing Branch, Industrial and Commercial Bank of China Limited Authorized signatory: /s/ Wang Xusheng

Asset Pledge Agreement

Important: This agreement is made by the parties hereto on the basis of equality and voluntariness according to law. All provisions hereof are true expression of intents of the parties hereto. In order to protect the legitimate right and interest of Party B, Party A hereby reminds the Party B to give full attention to the part hereof in bold.

Mortgagee: Beijing Branch, Industrial and Commercial Bank of China Limited (“Party A”)

Principal: Shi Gang

Business address: Tower B, Tianyin Building, No. 2 Fuxingmen South Street, Xicheng District, Beijing

Tel and fax: 010-66410055

Mortgagor : Beijing Sohu New Media Information Technology Co., Ltd.

Legal representative or principal: Charles Zhang

Business address or domicile: Sohu Network Plaza, Block 3, No. 2 Kexueyuan South Road, Haidian District, Beijing

Tel and fax: 010-62726666

To ensure realization of the creditor’s rights of Party A, Party B is willing to provide maximum amount mortgage (as a counter-security) for Party A. Upon equal consultation, Party A and Party B enter into this agreement according to the Contract Law, the Security law, the Property Law and other relevant laws and regulations to specify their respective rights and obligations.

1. Principal Debts Secured

1.1 The main debts secured by Party B is the following ones occurred within the maximum amount of RMB1,141,960,000 (in words: one billion one hundred and forty one million nine hundred and sixty thousand , the amount in words shall prevail in case of any discrepancy) from to (both inclusive), whether they become due or not during the above period, and whether they occurred before the creation of the maximum amount mortgage:

- A. The creditor’s rights enjoyed by Party A according to the Contract of Loan in RMB and Foreign Currency, the Contract on Conversion of Foreign Currency to Loan, the Bank Acceptance Agreement, the Agreement/Contract on Issuance of Letter of Credit, the Agreement on Creation of Security, the Agreement on Financing for International and Domestic Trade, the Agreement on Future Foreign Exchange Settlement, and the agreements on other financial derivative products and business agreements entered into between Party A, on one part, and Beijing Sohu New Media Information Technology Co., Ltd., Beijing Sohu New Momentum Information Technology Co., Ltd., and Fox Information Technology (Tianjin) Limited., on the other part; and

B. Where Party A enters into this security agreement on behalf of Financial Plan Agent of Private Bank, Industrial and Commercial Bank of China Limited (the “Principal”), the creditor’s rights under all finance and investment agreements signed between the Principal and the debtors.

(the above contracts or agreements collectively referred to as the “**Principal Contracts**”)

- 1.2 The maximum amount abovementioned refers to the total amount in RMB converted from the debts in various currencies according to the middle rate of foreign exchange published by Party A on the date of fixing the principal debts to which Party B will assume the liability of security.
- 1.3 The above debts under finance and investment agreements refer to various debts obtained by Financial Plan Agent of Private Bank, Industrial and Commercial Bank of China Limited as the creditor through various types of investment, including but not limited to investment in debts, in rights of income and in entrusted debts etc.

2. **Scope of Mortgage**

The maximum amount mortgage provided by Party B covers the principal, interest, compound interest and penalty interest of the principal debts, and the liquidated damages, damages, exchange loss (relevant loss caused by exchange rate movement), as well as the costs for realization of mortgage (including but not limited to the costs for litigation, attorney, appraisal, auction and sale). However, the costs for realization of mortgage shall be first deducted from the proceeds obtained from sale of the collaterals, rather than included in the maximum amount specified in Article 1.1.

3. **Collaterals**

- 3.1 The collaterals are set forth in the List of Collaterals in details. The List of Collaterals is an exhibit to this agreement, and has the same legal force as this agreement.
- 3.2 **The legal effect of the mortgage extends to the accessories, accessory rights, appurtenants, accessed property, natural and legal fruits, substitutes and any insurance proceeds, damages or compensations obtained from the destruction, loss or expropriation of the collaterals.**
- 3.3 Where the debtors fail to perform any due obligation or where any circumstance for realizing the mortgage hereunder occurs, and the collaterals are thus attached by the people’s court, Party A is entitled to receive the natural or legal fruits separated from the collaterals from the date of attachment, and use such fruits to pay the costs for receiving the fruits in the first place.

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- 3.4 The value of collaterals specified in the List of Collaterals shall not serve as the basis for valuation when Party A disposes such collaterals, nor constitute any restrictions on Party A's exercise of the mortgage.
 - 3.5 The title certificates and relevant documents of the collaterals shall be kept by Party A after both parties hereto confirm, unless laws and regulations provide otherwise.
 - 3.6 During the term of the mortgage, Party B shall maintain the collaterals in sound conditions, and may not use them unreasonably and reduce their value. Party A has the right to inspect the use and management of the collaterals at any time.
 - 3.7 Where the collaterals are damaged, destructed, or expropriated, Party B shall immediately notify Party A, and provide Party A with the certificates issued by relevant competent authorities with respect to such damage, destruction or expropriation.
 - 3.8 **Where the collaterals are damaged, destructed, or expropriated, the insurance proceeds, damages or compensations obtained by Party B shall be applied to the satisfaction of the debts under the Principal Contracts, or to the recovery of value of the collaterals upon consent of Party A, or deposited into the account designated by Party A, to secure the performance of the debts under the Principal Contracts. The value left with the collaterals shall remain as the security of the principal debts.**
 - 3.9 **Party B shall immediately stop any act that may reduce value of the collaterals, and shall recover the value thus reduced, or provide other security equivalent to the reduced value.**

4. **Registration of Mortgage**

Both parties hereto shall go through the mortgage registration formality with the competent registration authority within 10 days after execution of this agreement. Where any registered item changes, and a change of registration is required according to law, both parties shall complete such change of registration promptly. **The costs for registration shall be borne by Party B, unless laws or regulations provide otherwise.**

5. **Insurances**

- 5.1 Party B shall complete the taking-out of insurances for the collaterals as required by Party A within 15 days after execution of this agreement. If the taking-out of insurances cannot be completed once for all owing to any reason of the insurer, Party B shall promptly go through the renewal procedure to ensure the insurances for the collaterals will not be discontinued during the term of this agreement.

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- 5.2 The policies shall specify that Party A is the preferential payee (first beneficiary) at the time of loss and the insurer shall directly pay the insurance proceeds to Party A. The policies shall not contain any provision restricting Party A's rights and interests.
- 5.3 **Party B may not discontinue or cancel any insurance for whatever reason during the term hereof. If any insurance is discontinued, Party A has the right to take out insurances at the cost of Party B.**
- 5.4 If any collateral suffers insurance accident during the term hereof, the insurance proceeds shall be applied according to Article 3.8 hereof.

6. Crystallization of Principal Debts

The debts secured by the maximum amount mortgage become crystallized when any of the following circumstances occurs:

- A. The period specified in Article 1.1 expires;
- B. It is impossible to incur new debts;
- C. The collaterals are sealed up or attached;
- D. The debtors or Party B is declared bankrupt or revoked;
- E. Other circumstances whereby the debts become crystallized according to law.

7. Floating Mortgage

- 7.1 Where Party B creates mortgage over any production equipment, raw materials, self-finished products or other products it owns or will own, such collaterals will become crystalized in any of the following circumstances:
- A. The principal debts are not fulfilled when the performance term of such debts expires;
 - B. Party B is declared bankrupt or revoked;
 - C. Any circumstances under Article 8.1 for Party A's realization of debts occur;
 - D. Other circumstances that have material effect on realization of the principal debts occur.
- 7.2 Where Party B provides maximum amount mortgage over the above properties in favor of Party A, other provisions than this Article 7 shall apply.

8. Realization of Mortgage

8.1 Party A has the right to exercise the mortgage if any of the following circumstances occurs:

- A. The principal debts become due (or become due early), and the debtors fail to repay the debts;
- B. Any of the circumstances specified in Article 3.9 hereof occurs, and Party B fails to recover value of the collaterals or to provide other security equal to the reduced value;
- C. Party B or any debtor is declared bankrupt, wound-up, dissolved or liquidated, stops business for rectification, is revoked of business license, or is cancelled;
- D. Party B disposes of any collaterals subject to the floating mortgage herein during its production and operation in violation of the principle of fair trading;**
- E. Other circumstances whereby Party A may realize its mortgage according to laws or regulations.**

8.2 Where Party A realizes the mortgage, it may negotiate with Party B to get paid preferentially from the proceeds of auctioning or sale of the collaterals, or use the collaterals themselves to settle the debts by conversion of their value. If both parties fail to reach an agreement on the way of realization of mortgage, Party A may directly request the people's court to auction or sell the collaterals.

8.3 If the proceeds obtained from disposition of the collaterals are in currency different from the currency of the Principal Contracts, they shall be converted into the currency of the Principal Contracts at applicable rate published by Party A and be used to satisfy the debts under the Principal Contracts.

9. Representations and Warranties of Party B

Party B represents and warrants to Party A as follows:

9.1 Party B is the owner or State authorized manager of the collaterals hereunder, and has full right to dispose of the collaterals. There is no dispute over the ownership, use right or right of operation or management in the collaterals. The provision of the mortgage to Party A has been authorized or approved by Party B according to the required procedure and authorization set forth in its articles or association, and does not violate any laws, regulations or other rules.

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- 9.2 If Party B is a listed company or a company controlled by a limited company, it undertakes that it has performed the obligation of disclosing information of the mortgage according to the Securities Law, the Rules for Listing of Stocks at Stock Exchange, and other laws, regulations and rules.
 - 9.3 It is willing to provide the mortgage for the debtors, and its expression of intent hereof is true. If the principal debts secured by this agreement is financing for international or domestic trade, Party B acknowledges that the underlying trade on which the financing is based is true and free of any fraud.
 - 9.4 The mortgage may be created over the collaterals hereof, from of any restrictions.
 - 9.5 If the collaterals have any defect, the defect has been fully and reasonable explained.
 - 9.6 The collaterals are not sealed up, attached or in custody.
 - 9.7 If the collaterals are leased out in whole or in part, Party B has notified the lessee of the mortgage, and informed Party A in writing of the lease.
 - 9.8 There is no other mortgage over the collaterals. If there is, Party B has informed in writing Party A of such other mortgage in details.
 - 9.9 The collaterals are not co-owned by Party B and others. If they are, Party B has obtained written consents from other co-owners with respect to the mortgage.
 - 9.10 If the principal debts secured by this agreement is financing for international trade, Party accepts and agrees to the international practices of relevant business.

10. Covenants of Party B

Party B covenants to Party A as follows:

- 10.1 **Party B shall continue to perform its liability of security according to this agreement if any of the following circumstances (which requires no consent of Party B) occurs:**
 - A. **The parties to any Principal Contract agrees to modify such contract, without aggravating the debtor's debt or extending the performance period of the debt;**
 - B. **In case of financing for international or domestic trade, the parties to any Principal Contract revise the letter of credit relating to the Principal Contract, without aggravating the debtor's payment obligation under the letter of credit or extending the payment period;**

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- C. The principal debts or the maximum amount mortgage is transferred.**
- 10.2 Party B will not create any mortgage or pledge over the collaterals, or lease, transfer or gift the collaterals to any third party without Party A's written consent. Party B shall protect the collaterals from any damage.
- 10.3 **Party B will assume various costs for realizing the mortgage hereunder, including but not limited to the costs for litigation, attorney, appraisal, auction and sale.**
- 10.4 Party B shall promptly notify Party A and assist Party A to avoid any damage when Party A's mortgage is or may be infringed by any third party.
- 10.5 Party B will actively cooperate with Party A to realize the mortgage, and will not prevent or restrict Party A from exercising the mortgage.
- 10.6 Party B shall notify Party A timely in any of the following circumstances:
- A. The registered name, articles of association, business scope, registered capital, legal representative or principal changes, or the equity interest is changed;
 - B. Party B goes out of business, is liquidated or dissolved, stops business for rectification, or is cancelled or applied for bankruptcy, or its business license is revoked;
 - C. Party B is or may be involved in any material economic dispute, litigation or arbitration, or its assets are sealed up, attached or in custody;
 - D. If Party B is a natural person, his/her name, valid ID No., domicile, employer, contact information or marital status is changed.
- 10.7 Party B will timely sign off the written notice of Party A.
- 10.8 **Where other security exists for the principal debts, whether provided by the debtors or any third party, Party A has the right to decide the order of realizing the securities. Party B undertakes not to make any defense. If other security interest under the Principal Contracts is waived, modified or lost, Party B's liability of security shall remain effective, and will not become void or reduced.**

10.9 With respect to domestic letter of credit, buyer's financing under domestic letter of credit, import letter of credit, and import bill advance/import refinance, Party B shall assume the incontestable obligation of mortgage when any of the following circumstances occurs, and Party B may not be exempted from the liability or make any defense on the account that any judicial or administrative authorities issue any stop payment order or injunction, or seal up or take such measures as seal-up, attachment or freezing over the property related to the letter of credit:

- A. Party A's nominee or authorized person has paid in good faith at the instruction of Party A;**
- B. Party A or its nominee or authorized person has issued in good faith the written confirmation of due payment with respect to the price for goods under the domestic letter of credit, or has accepted in good faith the documents under the import letter of credit;**
- C. The confirming bank of the letter of credit has performed the obligation of payment in good faith;**
- D. The negotiation bank of the letter of credit has negotiated in good faith.**

10.10 With respect to delivery against bank guarantee, endorsement of bill of lading, or authorized taking delivery of goods, Party B may not be exempted from liability or make any defense on account of the debtor's refusal to pay any amount under the letter of credit.

11. Covenants of Party A

Party A covenants to Party B as follows:

- 11.1 Party A will keep confidential relevant documents, financial information and other information provided by Party B when performing its obligations hereunder, except as otherwise provided by relevant laws, regulations or this agreement.
- 11.2 If there is any remaining amount after the proceeds obtained from disposition of the collaterals hereunder are used to repay all debts within the security scope of the maximum amount mortgage, Party A shall return such amount to Party B promptly.

12. Breach of Agreement

- 12.1 If either party fails to perform its obligations hereunder or breaches any representation, warranty or covenant hereunder after this agreement becomes effective, it will constitute a breach of this agreement. The breaching party shall compensate for the other party's loss caused by its breach.
- 12.2 If either party breaches, the other party is entitled to take any measures provided by laws, regulations or rules of the People's Republic of China, unless this agreement provides otherwise.

13. Effectiveness, Modification and Termination

- 13.1 This agreement shall become effective when it is signed, and terminate when the principal debts are fully repaid.
- 13.2 Any amendment to this agreement shall be agreed by the parties and made in writing. The amendment constitutes an integral part of this agreement, and has the same legal force as this agreement. Except for the amendment, the remaining provisions hereof shall continue to be valid. The original provisions of this agreement so amended shall remain valid before the amendment becomes effective.
- 13.3 No invalidity or unenforceability of any provision hereof shall affect the validity or enforceability of other provisions hereof, nor affect the validity of the whole agreement.
- 13.4 No amendment to or termination of this agreement shall affect either party's right to damages. The termination of this agreement shall not affect the validity of any provisions hereof relating to dispute resolution.

14. Dispute Resolution

The execution, validity, interpretation, performance and dispute resolution of this agreement shall be governed by laws of the People's Republic of China. All disputes or controversies arising from or relating to this agreement shall be first resolved by both parties hereto through consultation. If consultation fails, the way specified in Subparagraph B below shall apply:

- A. The dispute or controversy shall be submitted to the arbitration commission of ____/____ for arbitration in ____/____ according to the arbitration rules effective when the arbitration application is submitted. The arbitration award is final and binding upon both parties.
- B. The dispute or controversy shall be resolved before the court at Party A's place by litigation.

15. Other Provisions

- 15.1 Party B may not transfer any right or obligation hereunder in whole or in part without Party A's written consent.
- 15.2 **If the creditor transfers part of its debts before the debts secured by the maximum amount mortgage become crystallized, the maximum amount mortgage may be transferred together with the debts.**

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- 15.3 Party A's failure or delay in exercise or partial exercise of any right hereunder shall not constitute waiver or modification of such right or other right, nor affect its further exercise of such right or other right.
- 15.4 **Party A has the right to provide the information relating to this agreement and other related information to the credit information database of the People's Bank of China or other credit database established legally according to relevant laws, regulations or other normative documents or the requirements of financial regulators, for inquiry or use by qualified organization or individual. Party A is also entitled to inquire Party B's relevant information through the credit information database of the People's Bank of China or other credit database established legally for execution or performance of this agreement.**
- 15.5 This agreement is made in two counterparts, and each party holds one. Both counterparts have equal legal force.

16. Other Matters

- 16.1 ____/ _____
- 16.2 ____/ _____
- 16.3 ____/ _____

Exhibit: List of Collaterals

Party A: Beijing Branch, Industrial and Commercial Bank of China Limited (seal)

Authorized signatory: /s/ Wang Xusheng (signature or seal)

Party B: Beijing Sohu New Media Information Technology Co., Ltd. (seal)

Authorized signatory: /s/ Charles Zhang (signature or seal)

[Party B specifically represents that it has fully understood the legal meanings of all provisions hereof, especially those in bold, that Party A has explained relevant provisions at the request of Party B, and that Party B confirms it has no doubt or objection toward the content hereof.]

Co-owners of collateral: /

[The co-owners of the collateral represent that they agree that Party A and Party B may create maximum amount mortgage over the collaterals hereunder according to this agreement.]

Date of execution: September 7, 2017

Exhibit:

List of Collaterals

<u>Name</u>	<u>Quantity (m²)</u>	<u>Title certificate</u>	<u>Address</u>	<u>Status</u>	<u>Appraised value</u>	<u>Others</u>
Land use right/ housing ownership	66.95	Jing (2017) Hai Bu Dong Chan Quan No. 0044480	Room 201, F/2, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 1.42 million	/
Land use right/ housing ownership	215.03	Jing (2017) Hai Bu Dong Chan Quan No. 0044484	Room 202, F/2, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 4.57 million	/
Land use right/ housing ownership	236.98	Jing (2017) Hai Bu Dong Chan Quan No. 0044479	Room 203, F/2, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 5.04 million	/
Land use right/ housing ownership	61.79	Jing (2017) Hai Bu Dong Chan Quan No. 0044477	Room 204, F/2, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 1.31 million	/
Land use right/ housing ownership	3792.4	Jing (2017) Hai Bu Dong Chan Quan No. 0042995	Room 205, F/2, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 38.74 million	/

Land use right/ housing ownership	1132.65	Jing (2017) Hai Bu Dong Chan Quan No. 0043018	Room 101, F/1, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 23.83 million	/
Land use right/ housing ownership	853.65	Jing (2017) Hai Bu Dong Chan Quan No. 0043019	Room 201, F/2, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 55.28 million	/
Land use right/ housing ownership	2208.59	Jing (2017) Hai Bu Dong Chan Quan No. 0043020	Room 901, F/9, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 143.03 million	/
Land use right/ housing ownership	2281.38	Jing (2017) Hai Bu Dong Chan Quan No. 0043021	Room 1001, F/10, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 147.75 million	/
Land use right/ housing ownership	2318.27	Jing (2017) Hai Bu Dong Chan Quan No. 0043022	Room 1101, F/11, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 151.62 million	/
Land use right/ housing ownership	2246.31	Jing (2017) Hai Bu Dong Chan Quan No. 0043023	Room 1201, F/12, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 146.92 million	/
Land use right/ housing ownership	2319.35	Jing (2017) Hai Bu Dong Chan Quan No. 0043025	Room 1301, F/13, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 151.69 million	/
Land use right/ housing ownership	2247.36	Jing (2017) Hai Bu Dong Chan Quan No. 0043026	Room 1401, F/14, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 146.99 million	/
Land use right/ housing ownership	1892.46	Jing (2017) Hai Bu Dong Chan Quan No. 0043024	Room 1501, F/15, Block 3, No. 2 Kexueyuan South Road, Haidian District	Self use	RMB 123.77 million	/

Mortgagor: Beijing Sohu New Media Information Technology Co., Ltd.

Legal representative or principal (authorized agent) : /s/ Charles Zhang

Co-owner of collateral (if any): _____/ _____

Mortgagee: Beijing Branch, Industrial and Commercial Bank of China Limited

Authorized signatory: /s/ Wang Xusheng

Commitment Letter

To: Beijing Branch, Industrial and Commercial Bank of China Limited

Beijing Sohu New Media Information Technology Co., Ltd., Fox Information Technology (Tianjin) Limited., and Beijing Sohu New Momentum Information Technology Co., Ltd. (“Applicants” or “Subsidiaries”) are subsidiaries held by Sohu.com Inc. The Subsidiaries intend to apply for financing of RMB800 million from you for daily operation and turnover. The Applicants have entered into the Credit Agreement (No. 0020001453-2017(FAS)00000001) with you and the Financial Plan Agent of Private Bank, Industrial & Commercial Bank of China Ltd. Subject to that the above Credit Agreement between you and the Subsidiaries becomes effective and you issue the financed fund according thereto, we make the following irrevocable commitment to you until the Credit Agreement terminates or the principal, interest and costs for realizing the debt under the Credit Agreement are fully repaid:

1. Where the Applicants are unable to repay the debt, if Sohu.com Inc. intends to sell its shares in Changyou.com Limited (NASDAQ:CYOU, the “Changyou”) in the future, subject to the laws and regulations of the jurisdiction where Changyou locates and of China, we will ensure the proceeds of disposal of such shares to circulate smoothly within Sohu Group to the extent that we directly or indirectly hold the rights to such shares, so that the Applicants will repay the principal and interest of the current financing under the financing agreement in a timely manner.
2. Where the Applicants are unable to repay the debt, if Sohu.com Inc. does not sell its shares in Changyou, subject to the laws and regulations of the jurisdiction where Changyou locates and of China, we will use our best efforts to procure Changyou to distribute dividends to the extent that we directly or indirectly hold the rights to such shares according to the laws and regulatory requirements of the jurisdiction where Changyou locates, and we will ensure that the dividends obtained shall be circulated smoothly within Sohu Group, so that the Applicants will repay the principal and interest of the current financing under the financing agreement in a timely manner.
3. We will ensure that the net cash balance in the consolidated statements will not be less than USD 200 million at any time. The net cash balance = the ending balance of monetary fund + the ending balance of the restricted fund relating to interest-bearing debts bearing owed to others + the ending balance of financial products and short-term investment included in other accounting title – the ending balance of interest-bearing debts owed to others – total amount of security for others (excluding the amount of interest-bearing debts owed to others already deducted in the formula).

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4. This commitment letter shall become effective and binding upon us when we affix our seal thereon. This commitment letter shall not be cancelled, withdrawn or modified unilaterally.

Sohu.com Inc. (seal)

Authorized signatory:/s/ Joanna Lv

Date: September 7, 2017