

July 27, 2020

The Board of Directors (the “Board”)
Sogou Inc.
Level 15, Sohu.com Internet Plaza
No. 1 Unit Zhongguancun East Road, Haidian District
Beijing 100084
People’s Republic of China

Dear Directors:

Tencent Holdings Limited, for itself or on behalf of its affiliates (collectively, “Tencent” or “we”), is pleased to submit this preliminary non-binding proposal to acquire all outstanding Class A ordinary shares (the “Class A Ordinary Shares”), including Class A Ordinary Shares represented by American depository shares (“ADSs”, each representing one Class A Ordinary Share), and Class B ordinary shares (together with the Class A Ordinary Shares, the “Shares”), of Sogou Inc. (the “Company”) that are not already beneficially owned by Tencent in a going private transaction (the “Transaction”).

Our proposed purchase price for each Share or ADS is US\$9 in cash. We believe that our proposal provides an attractive opportunity for the Company’s shareholders. Our proposed purchase price represents a premium of approximately 56.5% to the closing trading price of the ADSs on July 24, 2020, the last trading day prior to the date hereof and a premium of 84.9% to the volume-weighted average price during the last 30 trading days.

As of the date of this proposal, Tencent has entered into certain support agreement with Mr. Charles Zhang (the “Supporting Shareholder”), who beneficially owns approximately 6.4% of the total issued and outstanding Shares and 0.9% of the total voting power of the Company based on the Company’s public filings, pursuant to which the Supporting Shareholder has agreed to (i) vote all of the Shares beneficially owned by him in favor of the Transaction, and (ii) sell to Tencent all the Shares beneficially owned by him prior to or in the Transaction.

Tencent currently beneficially owns approximately 39.2% of the total issued and outstanding Shares and 52.3% of the total voting power of the Company. Subject to approval by the Company’s board of directors and shareholders (as applicable), Tencent expects that the Transaction may be effected via a long-form merger or short-form merger, as applicable, at the proposed purchase price.

The principal terms and conditions upon which Tencent is prepared to pursue the Transaction are set forth below.

1. Purchase Price. We propose to acquire all of the outstanding Shares and ADSs, other than those beneficially owned by us, at a purchase price equal to US\$9 per Share or per ADS in cash. As noted above, this represents a premium of approximately 56.5% to the closing trading price of the ADSs on July 24, 2020, the last trading day prior to the date

hereof and a premium of 84.9% to the volume-weighted average price during the last 30 trading days.

2. Financing. We intend to finance the Transaction with our cash on hand. We do not anticipate requiring debt financing to consummate the Transaction.
3. Due Diligence. We are prepared to move expeditiously to complete the proposed Transaction as soon as practicable. We have engaged Goldman Sachs (Asia) L.L.C. as our financial advisor and Davis Polk & Wardwell LLP as our legal counsel. We believe that, with the full cooperation of the Company, we can complete customary commercial, legal, financial and accounting due diligence for the Transaction, in a timely manner and in parallel with discussions on the definitive agreements. We would like to ask the Board to accommodate such due diligence request and approve the provision of confidential information relating to the Company and its business subject to a customary form of confidentiality agreement.
4. Definitive Documentation. We are prepared to promptly negotiate and finalize the definitive agreements (the “Definitive Agreements”) providing for the Transaction. We expect that such Definitive Agreements with respect to the Transaction will contain representations, warranties, covenants and conditions which are typical, customary and appropriate for transactions of this type.
5. Process. We believe that the Transaction will provide superior value to the Company’s shareholders. In considering this proposal, you should be aware that we are interested only in pursuing the Transaction and we do not intend to sell our stake in the Company to any third party.
6. Confidentiality. We trust you will agree with us that it is in our mutual interests to ensure that we proceed in a confidential manner, unless otherwise required by law, until we have executed Definitive Agreements or terminated our discussions.
7. No Binding Commitment. This proposal is not a binding offer, agreement or an agreement to make a binding offer. This letter is our preliminary indication of interest and does not contain all matters upon which agreement must be reached in order to consummate the proposed Transaction, nor does it create any binding rights or obligations in favor of any person. A binding commitment will result only from the execution of Definitive Agreements, and then will be on the terms and conditions provided in such documentation.

In closing, we would like to express our commitment to working together to bring this proposed Transaction to a successful and timely conclusion. Should you have any questions regarding this proposal, please do not hesitate to contact us. We look forward to hearing from you.

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Sincerely,

TENCENT HOLDINGS LIMITED

By:  _____

Name: MARTIN LAN

Title: PRESIDENT