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**SenseTime Group Inc.**  
**商汤集团股份有限公司**

*(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 0020)**

**DISCLOSEABLE TRANSACTION**  
**AGREEMENT OF INTENT**  
**IN RELATION TO THE ACQUISITION OF PROPERTY**

**AGREEMENT OF INTENT**

On January 28, 2022 (after trading hours), Shanghai SenseTime entered into the legally binding Agreement of Intent with the Vendor and the Vendor Parent. Pursuant to the Agreement of Intent, Shanghai SenseTime agreed to purchase (or nominate its wholly-owned subsidiary to purchase), and the Vendor and the Vendor Parent agreed to sell, the Property at the Expected Consideration of RMB3,328,283,192 (equivalent to approximately HK\$4,093,788,326), subject to any adjustment as may be agreed in the Framework Agreement and/or the Pre-Sale Agreement to be entered into by the relevant parties.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the acquisition of the Property exceeds 5% but are all less than 25%, the transactions contemplated under the Agreement of Intent constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

**The completion of the acquisition of the Property is subject to the entering into of the Framework Agreement and/or the Pre-Sale Agreement. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

**INTRODUCTION**

The Board would like to announce that on January 28, 2022 (after trading hours), Shanghai SenseTime entered into the legally binding Agreement of Intent with the Vendor and the Vendor Parent. Pursuant to the Agreement of Intent, Shanghai SenseTime agreed to purchase (or nominate its wholly-owned subsidiary to purchase), and the Vendor and the Vendor Parent agreed to sell, the Property at the Expected Consideration of RMB3,328,283,192 (equivalent to approximately HK\$4,093,788,326), subject to any adjustment as may be agreed in the Framework Agreement and/or the Pre-Sale Agreement to be entered into by the relevant parties.

# THE AGREEMENT OF INTENT

The principal terms of the Agreement of Intent are as follows:

**Date** January 28, 2022

**Parties**

- (1) Shanghai SenseTime
- (2) Vendor
- (3) Vendor Parent

**Property to be acquired** 4/F–26/F, West Tower, Shanghai West Bund International AI Tower\* (上海西岸國際人工智能中心) at Plot 188N-W-1B, Unit WS5, Huangpu River South Extension Area, Xuhui District, Shanghai.

The Property is an office property with a total gross area of approximately 52,998.14 square meter (subject to the actual total gross area as set out in the property ownership certificate to be obtained by Shanghai SenseTime (or if applicable, its wholly-owned subsidiary)). As the construction of the Property has only recently been completed, as at the date of this announcement, the Property has not previously generated any income or profit.

**Consideration and Deposit** The Expected Consideration for the acquisition of the Property shall be RMB3,328,283,192 (equivalent to approximately HK\$4,093,788,326), subject to any adjustment as may be agreed in the Framework Agreement and/or the Pre-Sale Agreement to be entered into by the relevant parties.

The Deposit of RMB200,000,000 (equivalent to approximately HK\$246,000,000) shall be payable by Shanghai SenseTime to the account designated by the Vendor and the Vendor Parent within two business days after the signing of the Agreement of Intent. Such Deposit shall be applied towards the settlement of the Expected Consideration in accordance with the terms and conditions of the Framework Agreement and/or Pre-Sale Agreement to be entered into by the relevant parties.

The Expected Consideration was determined after arm's length negotiations between the parties to the Agreement of Intent, taking into account the current market value of comparable properties in the proximity of the Property.

The Expected Consideration will be settled in cash to be financed by the internal financial resources and/or external borrowings of the Group. For the avoidance of doubt, the net proceeds raised by the Company in the Global Offering will not be utilized to settle the Expected Consideration.

### **Exclusivity**

Within two months after the signing of the Agreement of Intent, the Vendor and the Vendor Parent shall not accept any offer, enter into negotiations or execute any memorandum of understanding, letter of intent or agreement in relation to the sale and purchase of the Property with any party other than Shanghai SenseTime (or if applicable, its wholly-owned subsidiary).

### **Framework Agreement, Pre-Sale Agreement and superseding of the Agreement of Intent**

Each of Shanghai SenseTime, the Vendor and the Vendor Parent shall endeavour to enter into the Framework Agreement setting out the detailed terms and conditions for the sale and purchase of the Property on or before February 28, 2022. Shanghai SenseTime and the Vendor shall enter into the Pre-Sale Agreement within two months after the signing of the Agreement of Intent.

The Agreement of Intent shall be superseded by the Framework Agreement upon the entering into of the Framework Agreement.

In the event the parties failed to enter into the Framework Agreement within the time as stipulated in the Agreement of Intent, the parties to the Agreement of Intent may elect to terminate the Agreement of Intent, and in such case, the Deposit shall be returned by the Vendor Parent to Shanghai SenseTime without interest, and the parties to the Agreement of Intent shall have no claims in relation to the Agreement of Intent against the other.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT OF INTENT**

The Group is a leading AI software company principally engaged in the research and development of AI technology, sales and development of AI software and AI software-embedded hardware, and related services. In light of the rapid development of the Group's business and its future expansion, the Group intends to utilise the Property as an office premise of the Group.

The Directors believe that the terms of the Agreement of Intent are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

# INFORMATION ON THE PARTIES TO THE AGREEMENT OF INTENT

## Shanghai SenseTime

Shanghai SenseTime is an indirect wholly-owned subsidiary of the Company principally engaged in the sales of software products and provision of related services.

## The Vendor Parent and the Vendor

The Vendor Parent is a company incorporated under the laws of the PRC and is a state-owned enterprise established by the Xuhui District of Shanghai. The Vendor Parent is principally engaged in the development and construction of the Riverfront area of Xuhui District of Shanghai with the authorization of the People's Government of Xuhui District of Shanghai.

The Vendor is a company incorporated under the laws of the PRC, and is an indirect wholly-owned subsidiary of the Vendor Parent principally engaged in the development and construction of real estate properties.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor Parent and the Vendor and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the acquisition of the Property exceeds 5% but are all less than 25%, the transactions contemplated under the Agreement of Intent constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

**The completion of the acquisition of the Property is subject to the entering into of the Framework Agreement and/or the Pre-Sale Agreement. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expression shall have the meanings set out below:

“AI”	artificial intelligence
“Agreement of Intent”	the agreement of intent dated January 28, 2022 entered into between Shanghai SenseTime, the Vendor and the Vendor Parent, in relation to the proposed sale and purchase of the Property
“Board”	the board of Directors

“Class A Share(s)”	the class A ordinary shares of the Company with a par value of US\$0.000000025 each
“Class B Share(s)”	the class B ordinary shares of the Company with a par value of US\$0.000000025 each
“Company”	SenseTime Group Inc. (商汤集团股份有限公司), an exempted company incorporated under the laws of Cayman Islands with limited liability, the issued Class B Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0020)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deposit”	the deposit of RMB200,000,000 (equivalent to approximately HK\$246,000,000) payable by Shanghai SenseTime for the proposed sale and purchase of the Property pursuant to the terms of the Agreement of Intent
“Director(s)”	director(s) of the Company
“Expected Consideration”	the expected consideration for the sale and purchase of the Property pursuant to the Agreement of Intent, subject to any adjustment as may be agreed in the Framework Agreement and/or the Pre-Sale Agreement to be entered into by the relevant parties
“Framework Agreement”	the framework agreement to be entered into between Shanghai SenseTime (or if applicable, its wholly-owned subsidiary), the Vendor and the Vendor Parent in relation to the sale and purchase of the Property
“Global Offering”	the global offering of Class B Shares of the Company
“Group”	the Company and its subsidiaries and consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Pre-Sale Agreement”	a pre-sale agreement to be entered into by Shanghai SenseTime (or if applicable, its wholly-owned subsidiary) and the Vendor in relation to the sale and purchase of the Property

“Property”	4/F–26/F, West Tower, Shanghai West Bund International AI Tower* (上海西岸國際人工智能中心) at Plot 188N-W-1B, Unit WS5, Huangpu River South Extension Area, Xuhui District, Shanghai
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai SenseTime”	Shanghai SenseTime Intelligent Technology Co., Ltd. (上海商湯智能科技有限公司), a company incorporated under the laws of the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Share(s)”	the Class A Shares and Class B Shares
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shanghai Longhua Aviation Development and Construction Co., Ltd.* (上海龍華航空發展建設有限公司), a company incorporated under the laws of the PRC with limited liability
“Vendor Parent”	Shanghai West Bund Development (Group) Co., Ltd.* (上海西岸開發(集團)有限公司), a company incorporated under the laws of the PRC with limited liability

\* *for identification purpose only*

*For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.23. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.*

By order of the Board  
**SenseTime Group Inc.**  
 商汤集团股份有限公司  
**Dr. Xu Li**  
*Executive Chairman*  
*Chief Executive Officer*

Hong Kong, January 30, 2022

*As at the date of this announcement, the executive Directors are Dr. Xu Li, Prof. Tang Xiao'ou, Dr. Wang Xiaogang and Mr. Xu Bing; the non-executive Director is Ms. Fan Yuanyuan; and the independent non-executive Directors are Prof. Xue Lan, Mr. Lyn Frank Yee Chon and Mr. Li Wei.*