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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 Codes: 0020 (HKD Counter) and 80020 (RMB Counter))

ANNOUNCEMENT

FURTHER RESPONSE TO SHORT SELLER REPORT

This announcement is made by SenseTime Group Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) in relation to a research report (the “**Report**”) published on the internet on 28 November 2023 by Grizzly Research LLC, a short seller. Reference is also made to the Company’s announcement dated 28 November 2023.

The Company reiterates the Report contains unfounded allegations and misleading conclusions and interpretations. The board of directors of the Company (the “**Board**”) has reviewed the Report and concluded that the allegations and conclusions in the Report are without merits. In particular, the Company responds to the allegations set out in the Report as follows:

1. Court case 1 with Beijing SenseTime Technology Development Co., Ltd. (“Beijing SenseTime Technology”) as the plaintiff

This court case is a claim made by a member of the Group as the plaintiff against its supplier as the defendant. The Group has not recognised any revenue from the products directly associated with the supply contract with the defendant in such case. As at the date of this announcement, this court case has been referred by the relevant court to the competent Public Security Bureau in the People’s Republic of China for further investigations into potential criminal activities committed against the Company, and no ruling on the facts has been made by the relevant court.

The allegations made in the Report based on such court case are therefore unfounded.

2. Court case 2 with Sichuan Changhong Jiahua Information Product Co., Ltd. as the plaintiff

The court case is a claim made by Sichuan Changhong Jiahua Information Product Co., Ltd. (being a customer of the Group's products and an independent third party to the Group) as the plaintiff against its customer for the outstanding payments under a sale and purchase contract. The content in relation to such court case as quoted in the Report are witness statements of the defendant in such case that are not adopted by the relevant court and the relevant court also ruled against the defendant in such case.

The allegations made in the Report based on this court case have no merits.

3. Related parties

The Group has fully complied with the applicable disclosure requirements under the International Financial Reporting Standards in relation to related party transactions. The Company has not entered into any transactions, which are required to be disclosed, with the companies named as "undisclosed related parties of the Company" as set out in the Report. The Company further understands that such companies are either dormant companies or companies with no substantive business operations. The Company also highlights that it has complied with the applicable disclosure requirements under the Listing Rules in relation to connected transactions.

The allegations set out in the Report in relation to undisclosed related party transactions are therefore unfounded.

4. Change in shareholding of certain shareholders

The Company has published two announcements dated June 30, 2022 and July 13, 2022 in relation to the distribution of the class B shares of the Company (the "Class B Shares") indirectly controlled by Prof. Tang Xiao'ou ("**Prof. Tang**"), the executive director and the controlling shareholder of the Company. Prof. Tang was deemed to be interested in and control such distributed Class B Shares only by virtue of his indirect shareholding in the general partner of the limited partnerships and the distributions were made to the relevant limited partners without consideration.

As at the date of this announcement, Prof. Tang has not disposed of any shares of the Company beneficially owned by him since the Company's listing. The allegations set out in the Report in relation to the disposal of shares by Prof. Tang are therefore groundless. In addition, as disclosed in the Company's announcement dated November 30, 2022, Prof. Tang (together with Dr. Xu Li, Dr. Wang Xiaogang, Mr. Xu Bing and entities controlled by them) have voluntarily undertaken not to dispose any shares of the Company held or beneficially owned by him/it or any entities controlled by him/it as at November 30, 2022 for a period of two years commencing on December 30, 2022 to express their confidence in the long-term value and prospect of the Group.

The Company is committed to maintaining high standards of corporate governance, internal controls and compliance with applicable rules and regulations. Our mission remains, and we will pursue with resolute determination, ‘to create a better AI-empowered future through innovation’.

The Company reserves all rights to take appropriate actions to protect the rights of the Company and those of its shareholders.

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, 5 December 2023

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.