OVERVIEW

As of the Latest Practicable Date, Dr. Huang (a) directly held 82,467,848 A Shares (Class A Ordinary Shares) and 22,619,448 A Shares (Class B Ordinary Shares), which represent 19.98% and 5.48% of our total issued share capital and carry 55.68% and 3.05% of the voting rights at the Shareholders' meeting (except for resolutions with respect to the Special Matters); and (b) controlled a total of 32,670,703 A Shares (Class B Ordinary Shares) through our direct Shareholding Platforms, namely Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai, in his capacity as the general partner of these entities, which represent 7.91% of our total issued share capital and carry 4.41% of the voting rights at the Shareholders' meeting (except for resolutions with respect to the Special Matters). Accordingly, Dr. Huang, directly and indirectly through Orbbec Zhongxin I, Orbbec Zhongrui, Orbbec Zhongxin II, Orbbec Zhongxin III, Orbbec Zhongcheng and Orbbec Zhongtai, was able to exercise or control the exercise of (a) 63.14% of the voting rights in on the resolutions other than those with respect to Special Matters in the Shareholders' meeting with each A Share (Class A Ordinary Share) entitling him to exercise five votes and each A Share (Class B Ordinary Share) entitling him to exercise one vote, and (b) 33.54% of the voting rights on the resolutions with respect to the Special Matters with each A Share entitling him to exercise one vote.

Orbbec Xuguang, Orbbec Xiguang, Orbbec Zhuiguang, Orbbec Zhuguang and Orbbec Xiguang II, each a limited partner of Orbbec Zhongxin I, and Orbbec Heguang, Orbbec Chenguang, Orbbec Yaoguang and Orbbec Xingguang, each a limited partner of Orbbec Xiguang II (a limited partner of Orbbec Zhongxin I), are all indirect Shareholding Platforms of our Company managed by Dr. Huang as their respective general partner. Consequently, as of the Latest Practicable Date, Dr. Huang and the aforesaid direct and indirect Shareholding Platforms are considered a group of Shareholders who collectively were entitled to exercise or control the exercise of 63.14% of the voting rights in the Shareholders' meeting (except for resolutions with respect to the Special Matters). Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Dr. Huang and the direct and indirect Shareholding Platforms, as a group of Shareholders, will collectively be entitled to exercise or control the exercise of [**REDACTED**]% of the voting rights in the Shareholders' meeting (except for resolutions with respect to the Reserved Matters and Special Matters), and are therefore considered our Controlling Shareholders Group after the [**REDACTED**]. For further information of the shareholding and corporate structure of our Group, see "History and Corporate Structure."

Dr. Huang is our founder, the chairperson of our Board, an executive Director and our general manager. For further background of Dr. Huang, see "Directors and Senior Management."

NON-COMPETITION UNDERTAKINGS

In connection with the A-Share Listing, Dr. Huang provided a non-compete undertaking (the "**Undertaking**") to our Company on June 28, 2021, pursuant to which he undertakes that:

(a) as of the date of the Undertaking, he and/or the entities directly or indirectly controlled by him (excluding our Group) have not directly or indirectly engaged in any business that competes with the Group in China or abroad;

(b) he will not, in China or abroad: (i) alone or jointly with any third party, directly or indirectly engage in any business or activity that competes or may compete with the principal business currently or subsequently conducted by the Group; (ii) directly or indirectly invest in, acquire, or hold any shares or equity interest in any enterprise that competes or may compete with the Group; or (iii) provide any business, financial or other assistance to any competing enterprise;

(c) the Undertaking shall become effective from the date of signing and remain valid until: (i) he is no longer the controlling shareholder or actual controller of the Company; (ii) the shares of the Company are terminated from listing on any stock exchange (excluding any suspension of trading); or (iii) when applicable laws and regulations no longer require such undertaking, the relevant portion of the undertaking shall terminate automatically. He shall be liable for all economic losses incurred by the Group due to any breach of this Undertaking.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Each of our Controlling Shareholders has confirmed that he/it does not have any interests in any business (apart from the business of the Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors believe that we are capable of carrying on our business independently from the Controlling Shareholders and/or their respective close associates after the [**REDACTED**].

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board consists of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors, and we also have five senior management members (of which three are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For more information, see "Directors and Senior Management."

Dr. Huang, one of our Controlling Shareholders, is the chairperson of our Board, an executive Director and general manager. Notwithstanding the roles of Dr. Huang in our Board and/or our senior management team, our Directors believe that our Company is capable of maintaining management independence due to the following reasons:

(a) our daily management and operations are carried out by the executive Directors and the senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(b) save for Dr. Huang, our executive Directors and senior management members do not hold any role as an executive director or member of senior management in any associates of our Controlling Shareholders;

(c) each of our Directors is fully aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and all our Shareholders as a whole and does not allow any conflict between his/her duties as a Director and his/her personal interest to exist;

(d) we have three independent non-executive Directors all of whom are independent of the Controlling Shareholders and have extensive experience in their respective areas of expertise. All our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of our Board are made only after due consideration of independent and impartial opinions;

(e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and shall abstain from voting at the relevant meeting and shall not be counted towards the quorum; and

(f) as an A-share listed company, we have adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shanghai Stock Exchange to manage conflicts of interest, if any, between our Group and the Controlling Shareholders, which would support our independent management. For details, see "— Corporate Governance Measures."

Based on the above, our Directors believe that our Company has sufficient control mechanisms to ensure that the Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole. Our Board together with our senior management team, therefore, are able to perform the managerial role in our Group independently.

Operational Independence

We will continue to operate independently from our Controlling Shareholders after the [**REDACTED**]. We are in possession of all production and operating facilities and technology relating to our Group's business and have obtained relevant requisite qualifications and approvals for conducting all our business.

We have independent access to customers and suppliers and, therefore, are not dependent on our Controlling Shareholders for any significant amount of our revenue, R&D, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as staffing, administration, finance, internal audit, R&D, sales and marketing, or company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders or any of their respective close associates.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit, and internal control functions independent from our Controlling Shareholders and their respective close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

As of the Latest Practicable Date, save for a no-interest bearing loan of RMB8.01 million provided by Dr. Huang to a subsidiary, which is immaterial to our Group's operation and expected to be settled before [**REDACTED**], there was no outstanding loan, advance, balance of non-trade nature due to or from, or pledge or guarantee provided by our Controlling Shareholders or their respective close associates. We do not expect to rely on our Controlling Shareholders and/or their respective close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the [**REDACTED**] from the [**REDACTED**].

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have established a Corporate Governance Committee pursuant to Rule 8A.30 which has adopted terms of reference consistent with Code Provision A.2.1 in Part 2 of Appendix C1 to and Rule 8A.30 of the Listing Rules effective upon [**REDACTED**]. The members of the Corporate Governance Committee are independent non-executive Directors with experience in overseeing corporate governance related functions of private and [**REDACTED**] companies. The primary duties of the Corporate Governance Committee include ensuring that the Company is operated and managed in the interest of all Shareholders as a whole and monitoring the Company's compliance with the Listing Rules and the safeguards applicable to its WVR structure.

We have also adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if any transaction is proposed between our Group and our Controlling Shareholders and their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders' approval;

(c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing over one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Maxa Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to directors' duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.