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Vala Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

PROPOSED GRANT OF AWARDS UNDER 2026 SHARE AWARD PLAN TO BE ADOPTED

GRANT OF AWARDED SHARES UNDER THE 2026 SHARE AWARD PLAN

On 8 April 2026, the Board has resolved to conditionally grant Awards to 10 Selected Participants comprising an aggregate of 130,398,738 Awarded Shares under the 2026 Share Award Plan conditionally adopted by the Board on 27 March 2026 and which is subject to approval of the Shareholders in a general meeting of the Company to take effect. Pursuant to the Proposed Grant, 65,199,369 Awarded Shares are proposed to be granted to Mr. Sun, the chairman of the Board, chief executive officer of the Company, executive Director and a substantial Shareholder; 12,030,000 Awarded Shares are proposed to be granted to Ms. Wu, the vice-president of the Company and executive Director; and 53,169,369 Awarded Shares are proposed to be granted to 8 Employee Grantees.

LISTING RULES IMPLICATIONS

In respect of the grant of the Awarded Shares to the Employee Grantees, none will result in the Shares issued and to be issued in respect of all options (if any) and awards to any of them in the 12-month period up to and including the Grant Date exceeding 1% of the Shares in issue (excluding treasury Shares). As such, the Awarded Shares granted to the Employee Grantees is not required to be approved by the independent Shareholders of the Company pursuant to Rule 17.03D(1) of the Listing Rules.

Pursuant to Rule 17.04 of the Listing Rules, as Mr. Sun is an executive Director, chief executive officer of the Company and a substantial Shareholder and Ms. Wu is an executive Director, and the Awarded Shares proposed to be granted to them pursuant to the 2026 Share Award Plan represent more than 0.1% of the Shares in issue (excluding treasury Shares), the proposed grants of 65,199,369 Awarded Shares and 12,030,000 Awarded Shares to Mr. Sun and Ms. Wu, respectively, under the 2026 Share Award Plan are subject to announcement requirements and approval of the Sun Independent Shareholders and Wu Independent Shareholders, respectively. Pursuant to the Listing Rules, Mr. Sun and Ms. Wu, their respective associates and all core connected persons of the Company must abstain from voting in favour of the resolutions approving the respective Awards to be granted to Mr. Sun and Ms. Wu at the relevant general meeting of the Company.

A circular containing, amongst other things, (a) further information in relation to the proposed grant of Awarded Shares to Mr. Sun and Ms. Wu; and (b) the notice of the general meeting will be despatched to the Shareholders in due course in accordance with the Listing Rules.

This announcement is made by the Company pursuant to Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

GRANT OF AWARDED SHARES UNDER THE 2026 SHARE AWARD PLAN

On 8 April 2026, the Board has resolved to conditionally grant Awards to 10 Selected Participants comprising of an aggregate of 130,398,738 Awarded Shares under the 2026 Share Award Plan.

The Proposed Grant is subject to the following conditions: (i) the 2026 Share Award Plan taking effect subject to the approval of the Shareholders at a general meeting of the Company; (ii) in the case of the Awards granted to Mr. Sun and Ms. Wu only, the approval of the Sun Independent Shareholders and Wu Independent Shareholders, respectively, as required under the Listing Rules for the Proposed Grant; and (iii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in, the new Shares which may be allotted and issued by the Company pursuant to the vesting of awards granted or to be granted under the 2026 Share Award Plan.

AWARD TO THE SELECTED PARTICIPANTS

Date of grant

8 April 2026

Grantees

(1) Mr. Sun, the chairman of the Board, chief executive officer of the Company, executive Director and a substantial Shareholder;

(2) Ms. Wu, the vice-president of the Company and executive Director; and

(3) 8 Employee Grantees.

Number of Awarded Shares granted

130,398,738 Awarded Shares, comprising:

(1) 65,199,369 Awarded Shares to Mr. Sun, representing approximately 4.00% of the total issued Shares as at the date of this announcement and approximately 3.70% of the total issued Shares as enlarged by the issue and allotment of Awarded Shares under the Proposed Grant;

(2) 12,030,000 Awarded Shares to Ms. Wu, representing approximately 0.74% of the total issued Shares as at the date of this announcement and approximately 0.68% of the total issued Shares as enlarged by the issue and allotment of Awarded Shares under the Proposed Grant; and

(3) 53,169,369 Awarded Shares to 8 Employee Grantees, representing approximately 3.26% of the total issued Shares as at the date of this announcement and approximately 3.02% of the total issued Shares as enlarged by the issue and allotment of Awarded Shares under the Proposed Grant*(Note)*.

Note: None of the Awards proposed to be made to any individual Employee Grantee would result in the Shares issued and to be issued in respect of all options (if any) and awards granted to them in the 12-month period up to and including the Grant Date to exceed the 1% individual limit (as defined in the Listing Rules).

Market price of Shares on the Grant Date

HK$0.66 per Share, based on the closing price as quoted on the Stock Exchange's daily quotation sheet on the Grant Date.

Purchase price of the Awarded Shares

Nil

Vesting period

Within a period of four years commencing from the date falling 12 months after the Grant Date. To the extent any of the performance targets set out below is not met by the fifth anniversary of the Grant Date, the unvested Awarded Shares granted shall forthwith lapse.

Performance targets and vesting conditions

Performance of the Company

The Awarded Shares shall vest in batches when the Target Price first reaches or exceeds the prescribed thresholds as set out below:

Grantee	Awarded Shares to be vested	Prescribed Target Price threshold
Mr. Sun	One-third (1/3)	HK$6.00
	Further one-third (1/3)	HK$9.00
	All outstanding Awarded Shares	HK$12.00
Ms. Wu and the Employee Grantees	One-third (1/3)	HK$3.00
	Further one-third (1/3)	HK$5.00
	All outstanding Awarded Shares	HK$6.00

The prescribed Target Price shall be subject to adjustment in the event of capitalisation issue, bonus issue, rights issue, open offer, consolidation or sub-division of the Shares by the Company.

Subject to the relevant performance targets as mentioned above being fully satisfied, the Awarded Shares, or the relevant batch thereof, shall vest on a Business Day which is (i) a Business Day immediately after the above vesting conditions being fully satisfied; and (ii) a Business Day immediately after 12 months from the Grant Date, whichever is the later.

Others

The Selected Participant must remain in continuous employment by the Group from the Grant Date up to the date of vesting of the relevant batch of Awarded Shares in accordance with the conditions set out above.

Clawback mechanism

The Awarded Shares are subject to clawback and shall be clawed back where the Selected Participant has committed any inappropriate act that has resulted in significant loss to the Group (as determined by the Board at its absolute discretion) including any act of fraud or dishonesty or serious misconduct.

Where an Award (or any part thereof) granted to a Selected Participant is unvested at the time of clawback, such Award (or any part thereof) subject to clawback shall automatically lapse on the date as determined by the Board and the relevant Shares will not vest on the relevant vesting date.

Where an Award (or any part thereof) granted to a Selected Participant has already been vested at the time of clawback, the Selected Participant shall return either the (i) the equivalent number of Awarded Shares that are subject to clawback; or (ii) an amount in cash equal to the market value of such Awarded Shares as determined by the Board in its sole and absolute discretion.

The grant of Awarded Shares to Mr. Sun and Ms. Wu has been reviewed and approved by the independent non-executive Directors in compliance with Rule 17.04(1) of the Listing Rules and the rules of the 2026 Share Award Plan.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

The number of Shares available for future grant under the maximum number of Shares which may be allotted and issued in respect of all Awards to be granted under the 2026 Share Award Plan and all options and awards to be granted under any other share scheme(s) of the Company (as refreshed from time to time), after taking into account of the Proposed Grant, shall be 32,599,684 Shares.

REASONS FOR AND BENEFITS IN THE PROPOSED GRANT

The purpose of the 2026 Share Award Plan is to, among others, recognise and reward the contribution of eligible participants to the growth and development of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group.

Grant of Awarded Shares to the Employee Grantees

The Proposed Grant is intended to provide a means by which the Employee Grantees could benefit from increases in value of the Shares in the future and would encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole. Furthermore, Employee Grantees' continuous and dedicated contribution of strong work performance, technical expertise and industry knowledge to the Group would build the long-term success of the Group.

Grant of Awarded Shares to Mr. Sun and Ms. Wu

Mr. Sun is the founder of the Group, and serves as an executive Director, the chairman of the Board and the chief executive officer of the Company, and is also a substantial Shareholder, while Ms. Wu is the vice-president of the Company and an executive Director. As executive Directors, they are responsible for, among others, the overall strategic planning and business operation decisions of the Group. The business development and long-term growth and performance of the Group hinges on their continued commitment to guiding the management in implementing business strategies to capture market opportunities and boost the financial and business performance of the Group. Furthermore, the Group's current strategic focus is on the expansion of the valalife business, and Mr. Sun's role would particularly involve identifying, evaluating, negotiating and executing opportunities, and we would need to leverage his business acumen, experience and network to develop the Group's business.

The performance targets prescribed for the vesting of the Awarded Shares to Mr. Sun, Ms. Wu and the Employee Grantees are based on the prevailing market price of the Shares. The Board considers these performance targets to be ambitious, as the price of the Shares reflects the Group's operating performance, profitability, market recognition and long-term growth prospects, and the active effort to strengthen the price of the Shares requires these grantees' joint efforts in procuring the Group's improvement in all these respects. Attaining the prescribed Target Prices thresholds would support sustained growth in market capitalisation of the Company, which in turn, is expected to materially enhance the Group's overall financial flexibility and strategic execution capability. In particular, if the performance targets are achieved, leveraging its increased market capitalisation, the Group would be able to, among others, further strengthen its financing capacity and credit profile, enabling the Group to secure external financing from banks and financial institutions with greater ease and on more favourable terms, broadening the Group's access to other financing channels such as equity and debt fund-raising, and thereby reducing the Group's funding costs and reducing liquidity and refinancing risks associated with using short-term debt to finance the Group's long-term development strategy, and supporting the Group's continued capital investment in product development, brand building, nationwide sales channel expansion and market penetration. Besides, higher market capitalisation brought about by higher market price of the Shares empowers the business expansion of the Group's existing core business by strengthening the Group's standing and bargaining power within the industry chain, and in turn facilitates the Group in the establishment of long-term business collaboration and strategic partnerships with key automobile manufacturers, who tend to select key business partners based on financial strength, market capitalisation and operational capabilities. Strategic partnerships with these key automobile manufacturers would further facilitate the Group in its development and launch of new models of vala automobiles, solidifying our core competitive advantages in the new energy passenger vehicle sector. Moreover, higher market prices of the Shares is expected to create long-term value to the Group and its Shareholders by enhancing investor confidence, customer trust and market visibility, attracting different types of retail, institutional and

international investors to invest in the Shares, improving the Shares' liquidity in the market and further reinforcing a positive cycle of liquidity improvement, valuation enhancement and market capitalisation growth. This also strengthens the Group's capability to attract skill and quality talents by offering share-based remuneration packages and incentives to them. Compared with prescribing performance targets linked to the specified thresholds of market capitalisation, using closing price of the Shares as performance target benchmarks would better ensure that the Shareholders are able to participate directly in the returns to the Group through enhanced value of the Shares, rather than by way of corporate actions that would increase the share capital of the Company but dilute Shareholders' percentage interest in the Shares. Therefore, the Awards to Mr. Sun and Ms. Wu would encourage long-term growth of the Group by directly aligning their interests with the Company's and the Shareholders', and motivating them to work towards enhancing the value of the Group.

In determining whether the 65,199,369 Awarded Shares and 12,030,000 Awarded Shares proposed to be granted to Mr. Sun and Ms. Wu, respectively, is fair and reasonable and in the interests of the Company and its Shareholders as a whole, the Board and the Remuneration Committee have considered the following factors:

(i) the Group is actively and strategically expanding its operations, particularly in its valalife business, and a competitive incentive would be required to encourage the executive Directors to focus on the long-term sustainable growth and value creation. The leadership of Mr. Sun and Ms. Wu are critical to the Group's development plans, and their contributions to the Group are expected to be significant;

(ii) given the Group's current financial position as disclosed in its annual results for the year ended 31 December 2025, a cash-heavy package was not recommended given the immediate impact on the Group's cashflow. On the other hand, an equity-based incentive would directly link Mr. Sun and Ms. Wu's compensation to the success and performance of the Group without negatively affecting the Group's cashflow;

(iii) the benefits and advantages to the Group as outlined above if the ambitious performance targets set for their Awards are achieved, and the talents responsible for that success ought to be fairly recognised and rewarded;

(iv) the demanding performance targets set would encourage Mr. Sun and Ms. Wu to focus on formulating and implementing long-term strategies (rather than relying on short-term performance-driven tactics), to build sustainable competitiveness and achieving long-term growth, thereby aligning their interests with those of the Shareholders;

(v) as their Awards are subject to high-threshold, share price-based performance targets, and will only vest upon attainment of these performance targets and their continuous employment with the Group, this ensures that the interests of Mr. Sun and Ms. Wu are closely aligned with those of the Shareholders, as the Shareholders will realise substantial value appreciation of their Shares before the Awards are vested;

(vi) the 77,229,369 Awarded Shares proposed to be granted to Mr. Sun and Ms. Wu in aggregate have an aggregate market value of approximately HK$50,971,383 (based on the closing price of the Shares as at the Grant Date as quoted on the Stock Exchange's daily quotation sheet of HK$0.66 per Share). The current market value of these Awarded Shares, and the potential dilution impact arising from the allotment and issue thereof upon vesting, are expected to be substantially outweighed by the substantial appreciation in value of the Shares realised by the Shareholders as a result of the potential increase in the market prices and in market capitalisation contemplated under the performance targets; and

(vii) the Board considered grants of awarded shares to directors of comparable companies listed on the Stock Exchange over the past twelve months, taking into account both (a) the market value of the shares underlying the award, and (b) the strategic importance of the grantee's role, and was of the view that the proposed grant of Awarded Shares to Mr. Sun and Ms. Wu was in line with the scale of the Group's strategic expansion plan.

LISTING RULES IMPLICATIONS

In respect of the grant of the Awarded Shares to the Employee Grantees, none of the Employee Grantees is a director, chief executive or substantial shareholder of the Group or an associate of any of them, and none of the grants of the Awards will result in the Shares issued and to be issued in respect of all options (if any) and awards to any of them in the 12-month period up to and including the Grant Date exceeding 1% of the Shares in issue (excluding treasury shares). As such, the Awarded Shares granted to the Employee Grantees is not required to be approved by the independent Shareholders of the Company pursuant to Rule 17.03D(1) of the Listing Rules.

Pursuant to Rule 17.04 of the Listing Rules, as Mr. Sun is an executive Director, chief executive officer of the Company and a substantial Shareholder and Ms. Wu is an executive Director, and the Awarded Shares proposed to be granted to them pursuant to the 2026 Share Award Plan represent more than 0.1% of the Shares in issue (excluding treasury Shares), the proposed grants of 65,199,369 Awarded Shares and 12,030,000 Awarded Shares to Mr. Sun and Ms. Wu, respectively, under the 2026 Share Award Plan are subject to announcement requirements and approval of the Sun Independent Shareholders and Wu Independent Shareholders, respectively. Pursuant to the Listing Rules, Mr. Sun and Ms. Wu, their respective associates and all core connected persons of the Company must abstain from voting in favour of the resolutions approving the respective Awards to be granted to Mr. Sun and Ms. Wu at the relevant general meeting of the Company.

A circular containing, among other things, (a) further information in relation to the proposed grant of Awarded Shares to Mr. Sun and Ms. Wu; and (b) the notice of the general meeting will be despatched to the Shareholders in due course in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"2026 Share Award Plan"	the share award plan conditionally adopted by the Board on 27 March 2026 and which is subject to approval of the Shareholders in a general meeting of the Company to take effect
"associates"	has the meaning ascribed to it under the Listing Rules
"Award"	an award of Awarded Shares made in accordance with the 2026 Share Award Plan
"Awarded Shares"	the Share(s) provisionally awarded to a Selected Participant pursuant to an Award
"Board"	the board of Directors
"Business Day"	any day on which the Stock Exchange is open for the business of dealing in securities
"Company"	Vala Inc., an exempted company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the main board of the Stock Exchange
"Directors"	the directors of the Company
"Employee Grantees"	grantees under the Proposed Grant who are employees of the Group, other than Mr. Sun and Ms. Wu
"Grant Date"	8 April 2026
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Sun"	Mr. Sun Haitao, the chairman of the Board, chief executive officer of the Company, executive Director and a substantial Shareholder

"Ms. Wu"	Ms. Wu Shan, the vice-president of the Company and executive Director
"Proposed Grant"	the proposed grant of Awarded Shares to the Selected Participants
"Remuneration Committee"	the remuneration committee of the Board
"Selected Participant(s)"	the selected participant(s) proposed to be granted Awarded Shares pursuant to the 2026 Share Award Plan, comprising Mr. Sun, Ms. Wu and the Employee Grantees
"Shareholder(s)"	shareholder(s) of the Company
"Shares"	shares of US$0.00001 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sun Independent Shareholders"	the Shareholders who are not required to abstain from voting in favour of the resolution approving the grant of Awarded Shares to Mr. Sun at the relevant general meeting of the Company
"Target Price"	arithmetic average closing price of the Shares as stated in the Stock Exchange's daily quotation sheet for any 20 consecutive trading days
"Wu Independent Shareholders"	the Shareholders who are not required to abstain from voting in favour of the resolution approving the grant of Awarded Shares to Ms. Wu at the relevant general meeting of the Company
"%"	per cent.

By Order of the Board
Vala Inc.
Sun Haitao
Chairman, Chief Executive Officer and Executive Director

8 April 2026

As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Ms. Wu Shan; the non-executive Director is Ms. Zou Yunli; and the independent non-executive Directors are Mr. Ye Xiang, Mr. Xu Xuchu and Mr. Shou Jian.