THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Vala Inc.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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vala

Vala Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE SETTLEMENT AGREEMENT REGARDING SHOUHUI KAIZHUO AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

A notice convening the EGM of Vala Inc. to be held at Room 3, 10/F., United Conference Centre, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 24 June 2026 at 12:00 noon is set out on pages 62 to 63 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.vala.life).

If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited ("**HKSCC**")), you should consult directly with your banks, brokers, custodians or HKSCC (as the case may be) to assist you in the appointment of proxy.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM (i.e. by 12:00 noon on 22 June 2026) or any adjournment thereof to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Reference to time and dates in this circular are to Hong Kong time and dates.

3 June 2026

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In this circular, unless the context otherwise requires, the expressions below have the following meanings:

"Acquisition"	the acquisition of the entire equity interest in Shouhui Kaizhuo from the former shareholders of Shouhui Kaizhuo under the Acquisition Agreement
"Acquisition Agreement"	the agreement in relation to Acquisition dated 1 April 2017 (as supplemented)
"Announcement"	the announcement of the Company dated 5 February 2026 in relation to, among others, the Settlement
"Arbitral Mediation Award"	the arbitral mediation award to be issued by HAC in relation to the Yang Arbitration Proceedings
"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Beijing Kubao"	Beijing Kubao Payment Technology Co., Ltd.* (北京酷寶支付科技有限公司) (formerly known as Beijing Yaku Shikong Information Exchange Technology Co., Ltd.* (北京雅酷時空信息交換技術有限公司)), a company established in the PRC with limited liability and subsidiary of Shouhui Kaizhuo and the Company
"Board"	the board of Directors
"Cash Bonus"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Summary of Major Settlement Terms" in this circular
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Vala Inc., a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Debts"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 2. Background — Background to the Settlement" in this circular
"Debts Proceedings"	the legal action taken out by certain members of the Group against Beijing Kubao and Shouhui Shidai for the repayment of the Debts

"Deconsolidation"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 2. Background — Background to the Settlement" in this circular
"Directors"	directors of the Company
"Economic Benefit"	the economic benefit attributable to the relevant equity interests in Shouhui Kaizhuo under the Tranche 1 Economic Benefit and Tranche 2 Economic Benefit (including all cash proceeds (including but not limited to cash dividends, share dividends, capital reduction payments, liquidation distributions, transfer proceeds, etc.) and non-cash proceeds (including but not limited to movable property, immovable property, claims, investment interests, etc.) arising therefrom, and including any derivative equity interests subsequently created by way of bonus shares, rights issues, capitalisation of reserves, or share splits based from such equity interests)
"EGM"	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Settlement Agreement and the transactions contemplated thereunder
"Extended Period"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Termination of the Settlement Agreement" in this circular
"Fanshan Jinshi"	Beijing Fanshan Jinshi Investment Development Partnership (Limited Partnership) (北京凡山金石投資發展合夥企業(有限合夥)), a limited partnership established in the PRC, and a connected person of the Company
"Group"	the Company and its subsidiaries
"HAC"	Hangzhou Arbitration Commission (杭州仲裁委員會)
"Hangzhou Enniu"	Hangzhou Enniu Network Technology Co., Ltd. (杭州恩牛網絡技術有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
"Hangzhou Shangniu"	Hangzhou Shangniu Investment Management Partnership (Limited Partnership) (杭州商牛投資管理合夥企業(有限合夥)), a limited partnership established in the PRC, and a subsidiary of the Company

"Hangzhou Zhenniu"	Hangzhou Zhenniu Information Technology Co., Ltd. (杭州振牛信息科技有限公司), a company established in the PRC with limited liability, and a subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee, comprising all independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder
"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited (浤博資本有限公司), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder
"Independent Shareholder(s)"	Shareholders, other than any Shareholder who has a material interest in the Settlement Agreement and the transactions contemplated thereunder
"Information Access Proceedings"	the legal proceedings commenced by Hangzhou Enniu against Shouhui Kaizhuo in the PRC to enforce its right to access of information regarding Shouhui Kaizhuo (including financial reports and bank confirmations) as a beneficial owner of the registered capital of Shouhui Kaizhuo
"Initial Period"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Termination of the Settlement Agreement" in this circular
"Latest Practicable Date"	1 June 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Yang"	Mr. Yang Fan (楊帆), a director of Shouhui Kaizhuo

"Net Debts"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Summary of Major Settlement Terms" in this circular
"Nominee Arrangement"	the arrangement under the supplemental agreement dated 25 June 2019 to supplement the Acquisition Agreement, pursuant to which Hangzhou Enniu and Hangzhou Shangniu transferred their entire equity interest in Shouhui Kaizhuo back to the former shareholders of Shouhui Kaizhuo who would, in substance, hold such equity interest as nominee shareholders for the benefit of Hangzhou Enniu and Hangzhou Shangniu As at the Latest Practicable Date, pursuant to the Nominee Arrangement, an aggregate of 53.957% equity interest in Shouhui Kaizhuo was registered under Mr. Yang and the Yang Related Entities, as to 38.6675% by Fanshan Jinshi, 14.2895% by Shouhui Tianxia and 1% by Mr. Yang; an aggregate of approximately 19.12% equity interest in Shouhui Kaizhuo is registered under Tiantu Capital and Tianjin Tiantu Xinghua as to approximately 6% and 13.12%, respectively; and an aggregate of approximately 26.92% equity interest in Shouhui Kaizhuo is registered under the remaining former shareholders of Shouhui Kaizhuo
"PBOC Confirmation"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 2. Background — Background to the Settlement" in this circular
"PRC"	the People's Republic of China
"PRC Legal Advisers"	Zhejiang Wu Lian Law Firm, the legal advisers to the Group in respect of PRC laws
"Repayment Sum"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Summary of Major Settlement Terms" in this circular
"RMB"	renminbi, the lawful currency of the PRC
"Settlement"	the settlement of the disputes under the Yang Arbitration Proceedings and the transactions contemplated under the Settlement Agreement

"Settlement Agreement"	the conditional mediation agreement dated 5 February 2026 entered into among Hangzhou Enniu, Hangzhou Zhenniu, Hangzhou Shangniu, Mr. Yang, the Yang Related Entities and the members of the SK Group in relation to the Settlement
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
"Share(s)"	ordinary share(s) of par value of USD0.00001 each in the capital of the Company
"Shareholder(s)"	the holder(s) of the issued Share(s)
"Shouhui Kaizhuo"	Beijing Shouhui Kaizhuo Technology Co., Ltd.* (北京首惠開桌科技有限公司), a company established in the PRC with limited liability, and a wholly-owned subsidiary of the Company
"Shouhui Shidai"	Beijing Shouhui Shidai Information Technology Co., Ltd.* (北京首惠時代信息技術有限公司), a company established in the PRC with limited liability, and a subsidiary of Shouhui Kaizhuo and the Company
"Shouhui Tianxia"	Beijing Shouhui Tianxia Equity Investment Partnership (Limited Partnership) (北京首惠天下股權投資合夥企業(有限合夥)), a limited partnership established in the PRC, and a connected person of the Company
"SK Group"	collectively, Shouhui Kaizhuo, Beijing Kubao, Shouhui Shidai and Yaku Shikong
"SK Interests"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 2. Background — Background to the Settlement" in this circular
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto in the Listing Rules
"Tianjin Tiantu Xinghua"	Tianjin Tiantu Xinghua Equity Investment Partnership (Limited Partnership)* (天津天圖興華股權投資合夥企業(有限合夥)), a limited partnership established in the PRC and a subsidiary of Tiantu Capital, and a connected person of the Company

"Tiantu Capital"	Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司) (formerly known as Tian Tu Investment Management Limited (深圳市天圖投資管理有限公司)), a company established in the PRC with limited liability and whose shares are listed on the NEEQ (stock code: 833979) and the Main Board of the Stock Exchange (stock code: 1973), and a connected person of the Company
"Tiantu Settlement"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 2. Background — Background to the Settlement" in this circular
"Tranche 1 Economic Benefit"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Summary of Major Settlement Terms" in this circular
"Tranche 2 Economic Benefit"	has the meaning ascribed to it in the sub-section headed "Letter from the Board — 3. Principal Terms of the Settlement Agreement — Summary of Major Settlement Terms" in this circular
"USD"	United States dollar, the lawful currency of the United States of America
"Yaku Shikong"	Beijing Yaku Shikong E-commerce Co., Ltd.* (北京雅酷時空電子商務有限公司), a company established in the PRC with limited liability, and a subsidiary of Shouhui Kaizhuo
"Yang Arbitration Proceedings"	the arbitration proceedings taken out by the Group against Mr. Yang and the Yang Related Entities to, among others, rescind the Acquisition and seek for damages in respect of their breach of contract
"Yang Related Entities"	collectively, Shouhui Tianxia and Fanshan Jinshi
"%"	per cent

* *Denotes English translation of the name of a Chinese company, and is provided for identification purposes only*

Vala Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

Executive Directors:
Mr. Sun Haitao *(Chairman and Chief Executive Officer)*
Ms. Wu Shan

Non-executive Director:
Ms. Zou Yunli

Independent non-executive Directors:
Mr. Ye Xiang
Mr. Xu Xuchu
Mr. Shou Jian

Registered office:
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

Principal place of business in Hong Kong:
Rooms 1708–11, 17/F
Nan Fung Tower
88 Connaught Road Central
Central
Hong Kong

3 June 2026

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE SETTLEMENT AGREEMENT REGARDING SHOUHUI KAIZHUO AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, Hangzhou Enniu, Hangzhou Zhenniu, Hangzhou Shangniu, Mr. Yang, the Yang Related Entities and members of the SK Group entered into the Settlement Agreement in relation to the Settlement.

The primary purpose of this circular is to provide you with, among other things, (i) further information regarding the Settlement Agreement, (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder; and (iv) a notice of the EGM.

2. BACKGROUND

Background to the Settlement

As disclosed in the prospectus of the Company dated 29 June 2018, on 1 April 2017, in order to control Beijing Kubao which holds a valid payment license, the Group entered into the Acquisition Agreement with Shouhui Kaizhuo and all the then shareholders of Shouhui Kaizhuo (including Mr. Yang and the Yang Related Entities) pursuant to which, the Group acquired the entire equity interest of Shouhui Kaizhuo from its former shareholders (of which 53.957% equity interests in Shouhui Kaizhuo was acquired from Mr. Yang and the Yang Related Entities (the "**SK Interests**")) at an aggregate cash consideration of RMB466 million, 1.956% equity interest in Hangzhou Enniu and approximately 1.5455% shareholding interest in the Company. The Acquisition was completed in December 2017, upon which Hangzhou Enniu and Hangzhou Shangniu became registered shareholders of Shouhui Kaizhuo, and its results and financial position were consolidated into the financial statements of the Group as the Company's subsidiary. In accordance with the terms of the Acquisition Agreement, part of the cash consideration of approximately RMB259.3 million had been paid to the then-shareholders of Shouhui Kaizhuo (of which approximately RMB26.3 million had been paid to Mr. Yang and the Yang Related Entities, and the remaining cash consideration of approximately RMB233 million had been paid by the Group to Tiantu Capital, Tianjin Tiantu Xinghua and 16 other minority shareholders of Shouhui Kaizhuo) and 1.956% equity interest in Hangzhou Enniu had been transferred to Fanshan Jinshi. Under the Acquisition Agreement, the balance of the consideration (of which approximately RMB92 million would be payable to Mr. Yang and the Yang Related Entities) would be payable after obtaining the confirmation on change of the de facto controller of Beijing Kubao in respect of its payment license from the People's Bank of China (the "**PBOC Confirmation**") as a post-closing obligation, and for which Mr. Yang and his affiliates were responsible for procuring. In this regard, an application had been filed by Beijing Kubao to the People's Bank of China regarding the change in de facto controller of its payment license.

To expedite the process to obtain the PBOC Confirmation, Hangzhou Enniu, the then-shareholders of Shouhui Kaizhuo and the members of the SK Group entered into a supplemental agreement on 25 June 2019 to the Acquisition Agreement, pursuant to which, among others, the Group transferred its entire equity interests in Shouhui Kaizhuo back to the former shareholders of Shouhui Kaizhuo who would, in substance, hold such equity interest as nominee shareholders for the benefit of Hangzhou Enniu and Hangzhou Shangniu (i.e. the Nominee Arrangement). Mr. Yang

was also registered as the legal representative, chairman of the board of director and manager of Shouhui Kaizhuo, with a view to restoring the registration status of Shouhui Kaizhuo to the pre-Acquisition so as to facilitate the application of the PBOC Confirmation. Under the Nominee Arrangement, despite the shareholding and personnel arrangements above, the Group would have the rights to determining all operating decisions and appointment of personnel of the Shouhui Kaizhuo, and the former shareholders would exercise all voting powers and other rights in respect of the registered capital of Shouhui Kaizhuo in such manner as the Group may from time to time direct. So far as the Group is aware of, the application process for obtaining the PBOC Confirmation was still underway, but no formal approval or rejection thereof or indeed, any other document, had been received from the People's Bank of China regarding the change in de facto control application up to the Latest Practicable Date. Given that the applicant had all along been Beijing Kubao, the Group did not have the requisite standing to make enquiries to the People's Bank of China as to the status of such application nor apply for withdrawal thereof on its behalf. Moreover, since the Group's loss of control over SK Group on 3 August 2022 (as further elaborated below), the Group has been unable to contact the management of SK Group or obtain work reports from them, and so has not been in a position to monitor or obtain updates on the application process. Given such circumstances, and as the Group had never received any document or other acknowledgment from the People's Bank of China, the status of the application, the reasons for the long processing time and outstanding items (if any) could not be ascertained.

The PBOC Confirmation has, since completion of the Acquisition, remained outstanding, and as such, the remaining cash consideration for the Acquisition payable by the Group remains unpaid. As disclosed in the Company's announcements dated 4 November 2022 and 9 January 2023, Mr. Yang has, among others, restricted the management of SK Group from contacting the staff of the Group, and disrupted the business operation of SK Group since 3 August 2022. Despite the Nominee Arrangement, the Group has ceased to control the operation and management of the SK Group since then. In light of this, the results and financial position of the SK Group had been deconsolidated from the Group's financial statements with effect from 3 August 2022 (the "**Deconsolidation**"). Please refer to the announcement of the Company dated 9 January 2023 for details of the Deconsolidation.

Before 3 August 2022, the Group had, as the shareholder of Shouhui Kaizhuo, advanced certain amount of loans to Shouhui Shidai and Beijing Kubao, being members of the SK Group. As at the Latest Practicable Date, the principal of the loans that remained outstanding amounted to RMB101,425,800 (the "**Debts**").

The Group has taken proactive protective steps and measures to protect its interests. As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Group has, among others, (i) commenced the Yang Arbitration Proceedings and arbitration proceedings against other former shareholders of Shouhui Kaizhuo to, among others, rescind the Acquisition and seek for damages for breach of contract, and commenced the Debts Proceedings against Shouhui Shidai and Beijing Kubao for recovery of the Debts, including obtaining an order from the court to freeze

the bank accounts of Shouhui Shidai and Beijing Kubao; (ii) entered into mediation with Mr. Yang and other former shareholders of Shouhui Kaizhuo to try to resolve the disputes under the Yang Arbitration Proceedings and the other arbitration proceedings. Up to the Latest Practicable Date, the Group had entered into a settlement agreement on 1 March 2024 for settlement with Tiantu Capital and Tianjin Tiantu Xinhua (who were respondents to such proceedings), pursuant to which, among others, the parties agreed (a) to withdraw their respective claims and counterclaims (as the case may be) against each other, (b) to finally settle the disputes among them regarding the Acquisition, (c) that Tiantu Capital and Tianjin Tiantu Xinghua would hold the aggregate of approximately 19.1182% equity interests in Shouhui Kaizhuo, which is currently registered under their respective names, as nominee for and on behalf of the Group in accordance with the Nominee Arrangement, and (d) Tiantu Capital and Tianjin Tiantu Xinghua shall compensate the Group a sum of RMB75 million (the "**Tiantu Settlement**"). The Group had also withdrawn claims against other respondents (being the other 16 minority shareholders of Shouhui Kaizhuo) to such proceedings, with only the Yang Arbitration Proceedings remaining live as at the Latest Practicable Date; (iii) discussed with the members of the SK Group regarding the proposal for settlement of Debts after the relevant court held in favour of the Group in the Debts Proceedings; and (iv) taken out the Information Access Proceedings as a beneficial owner of the registered capital of Shouhui Kaizhuo.

In order to further resolve the above disputes with Mr. Yang and the Yang Related Entities under the Yang Arbitration Proceedings, and that with certain members of the SK Group under the Debts Proceedings, the parties have reached consensus to enter into the Settlement Agreement pursuant to which the parties have conditionally agreed to enter into the Settlement on the terms and conditions as set forth below.

3. PRINCIPAL TERMS OF THE SETTLEMENT AGREEMENT

Date

5 February 2026

Parties

(i) Hangzhou Enniu;

(ii) Hangzhou Zhenniu;

(iii) Hangzhou Shangniu;

(iv) Mr. Yang;

(v) The Yang Related Entities (i.e. Shouhui Tianxia and Fanshan Jinshi); and

(vi) Members of the SK Group (i.e. Shouhui Kaizhuo, Beijing Kubao, Shouhui Shidai and Yaku Shikong).

Each of Mr. Yang and the Yang Related Entities is a connected person of the Company.

Summary of major settlement terms

Conditional upon the satisfaction of the condition precedent of the Settlement Agreement, the parties have agreed that:

1. The SK Interests, which were sold to the Group pursuant to the Acquisition and originally owned as to 38.6675% by Fanshan Jinshi, 14.2895% by Shouhui Tianxia and 1% by Mr. Yang, and which are currently registered under their names pursuant to the Nominee Arrangement, shall be transferred back to these former shareholders;

2. The consideration already paid by the Group to Mr. Yang and the Yang Related Entities for the acquisition of the SK Interests (being RMB26,324,892) shall be applied towards Hangzhou Enniu acquiring the Economic Benefit attributable to 4.3874% equity interests in Shouhui Kaizhuo to be owned as to 2.1094% by Shouhui Tianxia, 2.078% by Fanshan Jinshi and 0.2% by Mr. Yang upon completion of the transfer of the SK Interests as mentioned in sub-paragraph (1) above (collectively, the "**Tranche 1 Economic Benefit**"). The Group shall become entitled to the Tranche 1 Economic Benefit upon the Arbitral Mediation Award becoming effective;

3. After the Arbitral Mediation Award becomes effective and within 30 days of the written request issued by Hangzhou Enniu, Fanshan Jinshi shall transfer back to such member of the Group as designated by Hangzhou Enniu the 2.9061%*(Note)* equity interest in Hangzhou Enniu owned by Fanshan Jinshi (being the equity interest allotted to it as part of the consideration for the Acquisition) at nil consideration;

4. Within five business days from the date on which the Arbitral Mediation Award becomes effective, Mr. Yang and the Yang Related Entities shall pay to Hangzhou Zhenniu a sum of RMB8,133,224.61 for and on behalf of the Shouhui Shidai and Beijing Kubao (the "**Repayment Sum**") which shall be applied towards repayment of the Debts. Thereafter, 93% of the outstanding balance of the Debts after deducting the Repayment Sum of RMB93,292,575.39 (the "**Net Debts**") (being RMB86,762,095.12) shall be waived in consideration of SK Group waiving its claims against Hangzhou Enniu and Hangzhou Shangniu for potential loss and damage caused by them to the SK Group (or by any director, supervisor and senior management nominated thereby to the SK Group) during the period under their management;

5. Within five business days of receipt of the Repayment Sum, Hangzhou Zhenniu shall apply to the relevant court to lift the freezing order over the bank account of Shouhui Shidai and Beijing Kubao and for the court to release the RMB979,806.84 so frozen by the court;

6. The remaining 7% of the Net Debts (being RMB6,530,480.28) shall be fully and finally settled by Fanshan Jinshi by transferring the Economic Benefit attributable to 8.5491% equity interests in Shouhui Kaizhuo to be owned by Fanshan Jinshi upon completion of the transfer of the SK Interests as mentioned in sub-paragraph (1) above (the "**Tranche 2 Economic Benefit**"). The Group shall become entitled to the Tranche 2 Economic Benefit upon the Arbitral Mediation Award becoming effective and when Hangzhou Zhenniu has received the Repayment Sum;

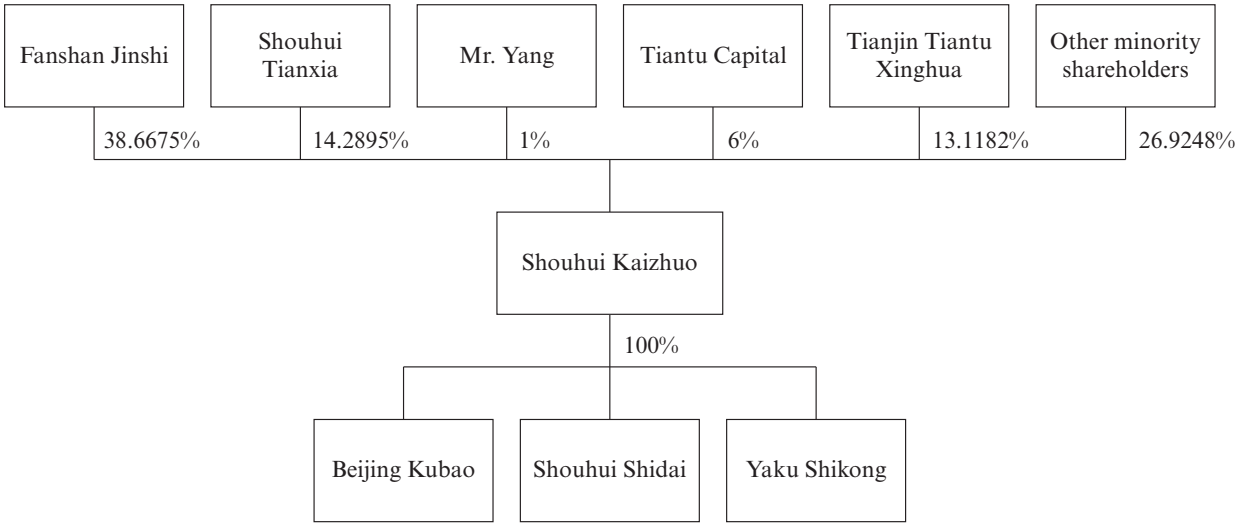
7. After the Arbitral Mediation Award has become effective and when Hangzhou Zhenniu has received the Repayment Sum, unless otherwise agreed under the Settlement Agreement, Hangzhou Zhenniu shall not apply to the relevant court for the enforcement of the judgment of the Debts Proceedings;

8. Mr. Yang and the Yang Related Entities shall use their endeavours to procure the sale of the entire equity interests of Shouhui Kaizhuo. Subject to the Group receiving the sale proceeds of such sale attributable to the Economic Benefit, Mr. Yang shall be entitled to a cash bonus of RMB5,833,300 (the "**Cash Bonus**") payable by the Group if the consideration of such sale is not less than RMB75,000,000 (the "**Agreed SK Valuation**"). Assuming the entire equity interests of Shouhui Kaizhuo can be sold at the aggregate consideration of RMB75 million, the sale proceeds attributable to the Group would be approximately RMB44.23 million; and

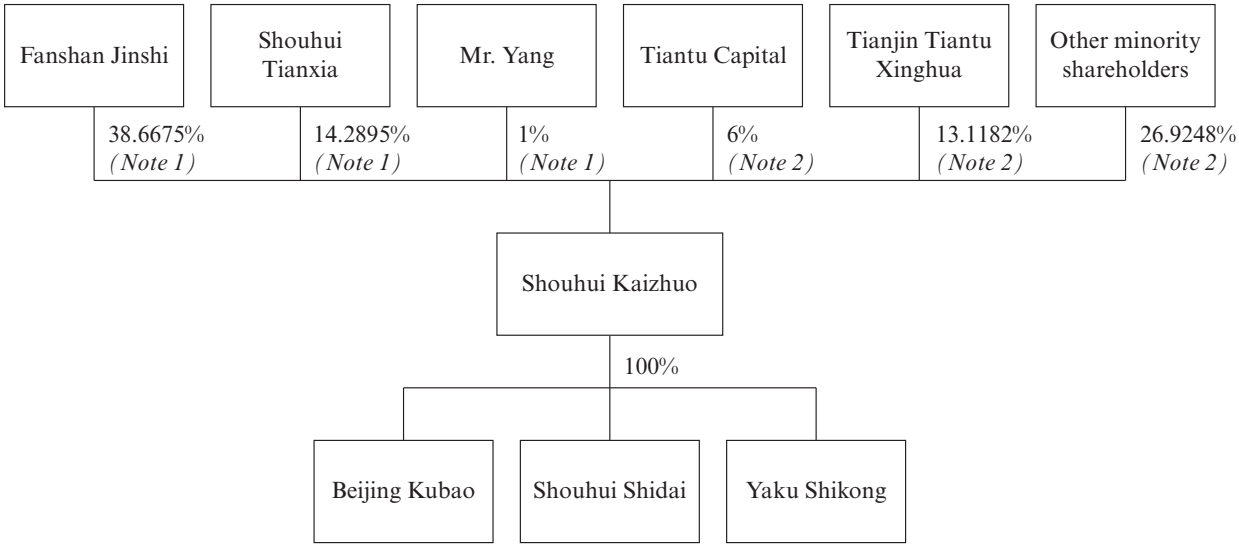
9. SK Group shall ensure Hangzhou Enniu's access to information relating to SK Group, including financial reports and bank confirmations, and cooperate with Hangzhou Enniu to complete its audit procedures in relation to Hangzhou Enniu interests in Shouhui Kaizhuo, until the Group ceases to hold any equity interests in Shouhui Kaizhuo and/or any Economic Benefit. After the Arbitral Mediation Award becomes effective, Hangzhou Enniu and Shouhui Kaizhuo shall enter into a settlement agreement with respect to the Information Access Proceedings to settle such proceedings.

(*Note:* Pursuant to the terms of the Acquisition Agreement, it was agreed between the parties that part of the Consideration for the SK Interests would be settled by the acquisition of 1.956% equity interest in Hangzhou Enniu. Such acquisition was completed on 20 November 2017, and Fanshan Jinshi became the registered owner as to 1.956% equity interest in Hangzhou Enniu. In April 2018, as a result of non-proportional capital reduction carried out by Hangzhou Enniu, Fanshan Jinshi's shareholding increased to 2.9061%. Based on the audited accounts of Hangzhou Enniu for the year ended 31 December 2025, the revenue and net loss for the year ended 31 December 2025 amounted to approximately RMB3.9 million and RMB13.7 million, respectively, and Hangzhou Enniu had audited total assets of approximately RMB2,646.5 million as at 31 December 2025.)

As at the Latest Practicable Date and immediately prior to the Settlement Agreement, all the registered shareholders of the Shouhui Kaizhuo held their respective equity interests in Shouhui Kaizhuo for the benefit of the Group through the Nominee Arrangement as shown in the diagram:



Immediately upon completion of the Settlement, the Group's shareholding and other interests in Shouhui Kaizhuo shall be held as follows:



Notes:

(1) Among such equity interests, the Group shall be entitled to the Economic Benefit attributable to:

(a) 10.6271% equity interests of Shouhui Kaizhuo owned by Fanshan Jinshi;

(b) 2.1094% equity interests of Shouhui Kaizhuo owned by Shouhui Tianxia; and

(c) 0.2% equity interests of Shouhui Kaizhuo owned by Mr. Yang.

(2) Such equity interests continue to be held by such nominee shareholders for the benefit of the Group under the Nominee Arrangement.

Based on the current shareholding structure as at the Latest Practicable Date, the Company does not, and will not, after completion of the Settlement Agreement, hold any direct interests in Shouhui Kaizhuo.

Condition precedent

The major settlement terms of the Settlement Agreement as referred to under the sub-section headed "Summary of Major Settlement Terms" shall become effective upon and subject to the Independent Shareholders' approval for the transactions contemplated under the Settlement Agreement having been obtained in accordance with the Listing Rules.

Within three days after the Settlement Agreement becomes fully effective, the parties will apply to HAC for the issuance of an Arbitral Mediation Award in accordance with the provisions of the Settlement Agreement.

Termination of the Settlement Agreement

The parties agree that, after signing of the Settlement Agreement:

1. Hangzhou Enniu shall procure the Company to submit the draft circular in relation to the transactions contemplated under the Settlement Agreement to the Stock Exchange within three months after the date of the Settlement Agreement (the "**Initial Period**");

2. and before the major settlement terms of the Settlement Agreement becoming effective or the termination of the Settlement Agreement, Hangzhou Enniu shall not apply to the relevant court to enforce judgment of the Debts Proceedings; and

3. and before the major settlement terms of the Settlement Agreement becoming effective or the termination of the Settlement Agreement, Mr. Yang, the Yang Related Entities and members of SK Group shall provide any information as may be requested the Group (including for preparing the relevant circular and/or addressing Stock Exchanges enquiries) within seven calendar days of the relevant request.

If the Company has complied with its obligations under paragraph 1 above but the EGM cannot be convened within the Initial Period for any reason not attributable to Hangzhou Enniu, the Company, Mr. Yang, the Yang Related Entities or SK Group, the Initial Period shall be automatically extended by a further three months (the "**Extended Period**"). If the Company fails to convene the EGM within the Extended Period or if the transactions contemplated under the Settlement Agreement were not

approved at the EGM, the Settlement Agreement shall be automatically terminated on the last day of the Extended Period or upon the rejection of the relevant resolution at the EGM (whichever is earlier).

Where any of the parties to the Settlement Agreement fails to perform the respective obligations above within the stipulated time, it shall remedy such failure within one month (save that in the case of paragraph 1 above, the last day for compliance shall be the last day of the Initial Period). Where that party fails to remedy such failure within one month, the non-defaulting parties (with Mr. Yang as representative acting for himself and on behalf of the Yang Related Entities and members of the SK Group, and Hangzhou Enniu as representative acting for itself and on behalf of Hangzhou Zhenniu and Hangzhou Shangniu) shall have the right to terminate the Settlement Agreement, and the representative of the defaulting party shall pay to the representative of the non-defaulting party a default payment of RMB1,000,000, without affecting the defaulting party's liability to the non-defaulting parties in respect of any actual losses suffered.

Pursuant to the Settlement Agreement, should any party fail to fulfil its payment obligations under the Arbitral Mediation Award, it shall pay to the non-defaulting parties a default payment equal to the sum of 0.5% of the amount payable for each day of delay. Furthermore, should any party fail to fulfil other obligations under the Arbitral Mediation Award, it shall pay the relevant non-defaulting parties a default payment of RMB100,000 per day that the failure subsists.

4. FINANCIAL INFORMATION OF SK GROUP AND FINANCIAL EFFECT OF THE TRANSACTIONS CONTEMPLATED UNDER THE SETTLEMENT AGREEMENT

Set out below is a summary of key financial information of Shouhui Kaizhuo based on its audited consolidated financial information for the two financial years ended 31 December 2024 and 2025, respectively:

	For the year ended 31 December	
	2025	**2024**
	RMB'000	*RMB'000*
	(audited)	(audited)
Net loss before and after taxation	16,143.7	12,835.9

The above financial information was based on the audited financial statements of each of the members of the SK Group which had been audited by its independent qualified auditors based on PRC accounting standards for business enterprises.

Based on the audited consolidated management accounts for the year ended 31 December 2025, as at 31 December 2025, Shouhui Kaizhuo had audited consolidated total assets and net liabilities of approximately RMB171.0 million and RMB111.0 million, respectively.

As disclosed under the sub-section headed "Background to the Settlement", Shouhui Kaizhuo has become a subsidiary of the Company since the completion of the Acquisition and by virtue of the Nominee Arrangement, but the results and financial position of the SK Group have been deconsolidated from the financial statements of the Group since 3 August 2022. Upon completion of the transfer of the SK Interests as mentioned in paragraph (1) as referred to under the sub-section headed "Summary of Major Settlement Terms" above, the Group will cease to be the beneficial owner of the SK Interests, and Shouhui Kaizhuo will cease to be a subsidiary of the Company. The Group will continue to hold the Economic Benefit attributable to an aggregate 12.9365% equity interests in Shouhui Kaizhuo (i.e. the Tranche 1 Economic Benefit and Tranche 2 Economic Benefit to be acquired by the Group under the Settlement Agreement), an aggregate of approximately 19.12% equity interest in Shouhui Kaizhuo via Tiantu Capital and Tianjin Tiantu Xinghua under the Nominee Arrangement pursuant to the Tiantu Settlement and an aggregate of approximately 26.92% equity interest in Shouhui Kaizhuo via the remaining former shareholders under the Nominee Arrangement.

Assuming that the fair market value of Shouhui Kaizhuo as at the completion of the Settlement to be RMB75,000,000 (i.e., the Agreed SK Valuation), it is estimated that the Company will recognise a gain in financial assets at fair value through profit or loss of approximately RMB44.23 million from the acquisition of the 46.043% equity interests held by the Group in Shouhui Kaizhuo through the Nominee Arrangement and the Economic Benefit attributable to the 12.9365% equity interests of Shouhui Kaizhuo, and will recognise a one-off gain of RMB8,133,224.61, being the entirety of the Repayment Sum, upon receipt thereof on the basis that the Group has already fully accrued the impairment on the entirety of the Debts, such that receipt of the Repayment Sum will be recognised as other income of the Group. The actual loss to the Company since the completion of the Acquisition and up to the date of the Settlement Agreement is estimated to be approximately RMB310 million, calculated as follows:

	RMB million (approximate)
(A) Accumulated losses of Shouhui Kaizhuo recognised by the Group since completion of the Acquisition and up to 3 August 2022 (Date of Deconsolidation)	(189.1)
(B) Impairment recognised in goodwill for the years ended 31 December 2019 and 2020	(307.2)
(C) Gains from changes in fair value of financial liability of consideration payable for the years ended 31 December 2018 to 2022	165.4
(D) Loss on deconsolidation of Shouhui Kaizhuo for the year ended 31 December 2022	(31.0)
(E) Expected gains from financial assets to be recognised after signing of the Settlement Agreement	44.2
(F) Repayment Sum to be recovered	8.1
Total:	(309.6)

Assuming that Mr. Yang and the Yang Related Entities are not successful in procuring the sale of the entire equity interests in Shouhui Kaizhuo and the disposal does not materialised, the expected loss to the Company would be approximately RMB353.6 million.

Shareholders should note that the above amounts disclosed are based on the management's preliminary assessment, and that the actual amount of the gain arising from the Settlement to be recognised in the consolidated financial statements of the Group depends on the net assets to be recognised and the incidental transaction costs arising from the Settlement. Therefore the actual amount of the gain arising from the Settlement will be subject to audit and may be different from the amount mentioned above.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENT

Uncertainty of the outcome of the Yang Arbitration Proceedings and risks to the Group

As advised by the PRC Legal Advisers, there is uncertainty as to whether the HAC would rule in favour of the Group in the Yang Arbitration Proceedings.

Should the HAC not rule in favour of the Group in the Yang Arbitration Proceedings, the Group would be unable to (among others) rescind the Acquisition Agreement. In that case, if Mr. Yang and/or his affiliates manage to procure the PBOC Confirmation, the Group would be bound to perform its payment obligation in respect of the remaining cash consideration (of which approximately RMB92.0 million would be payable to Mr. Yang and the Yang Related Entities) in accordance with the terms and conditions of the Acquisition Agreement, despite that the Group has lost its control of the operation and management of the SK Group since 3 August 2022. Given that all the corporate information, company seals and chops, business licenses and certificates, bank account authorisations and operation data relating to the SK Group are in the possession of Mr. Yang as the legal representative and de facto controller of Shouhui Kaizhuo and given the breakdown in the trust and relationship between the Group and Mr. Yang and the Yang Related Entities, the management of the Group is of the view that there is no assurance that the Group would be able to recover its control over the SK Group at all. Besides, the loss of de facto control over the SK Group was primarily resulted from the breach of the Nominee Arrangement by Mr. Yang and the Yang Related Entities. As such, while the Group can retain its control over the voting powers and other rights in respect of an aggregate of 46.043% of the registered capital of Shouhui Kaizhuo under the Nominee Arrangement with Tiantu Capital, Tianjin Tiantu Xinghua and other minority shareholders of Shouhui Kaizhuo, with Mr. Yang and the Yang Related Entities holding the controlling interest of approximately 53.957% and Mr. Yang acting as the legal representative of Shouhui Kaizhuo, it is not guaranteed that the Group could recover full and timely control over SK Group's business operations even after the PBOC Confirmation is obtained.

Accordingly, if the Acquisition Agreement remains valid and the PBOC Confirmation is ultimately obtained by Mr. Yang and/or his affiliates, not only would the Group have to continue to bear a substantial financial burden of paying the balance of the consideration under the Acquisition Agreement, there would also be significant difficulty for the Group to operate and manage the SK Group going forward, if at all. Besides, the Group's businesses have expanded from the initial 51 Credit Card Manager App to include other emerging business sectors in recent years, with the "vala" vehicle receiving a high level of interest from the domestic market and it is the Group's strategic business plan to focus on exploring opportunities in such emerging business sectors. Therefore, the Group's continued shareholding in the SK Group has become increasingly less relevant to, and synergistic with, the Group's other businesses given the direction of the future development plans of the Group as a whole.

If the HAC rules in favour of the Group in the Yang Arbitration Proceedings and determines that the Acquisition Agreement shall be rescinded, the Group would, in principle, be entitled to seek a refund of the purchase price paid pursuant to the Acquisition Agreement (which amounted to RMB26,324,892). Based on the feedback from the inquiry by the relevant court in the Yang Arbitration Proceedings, there are insufficient enforceable funds available in the bank accounts of Mr. Yang and the Yang Related Entities to satisfy payment of damages sought by the Group in those proceedings. Accordingly, the Board considers there to be significant uncertainty as to whether the Group would be able to recover such amounts, or any associated costs and expenses, from Mr. Yang and the Yang Related Entities, in whole or in part. In particular, any further enforcement proceedings would likely require the Group to incur substantial additional time, effort and legal costs, and would probably result in the bankruptcy and winding up of Mr. Yang and the Yang Related Entities, without any realistic prospect of recovering the said sums.

Taking into account the advice from the PRC Legal Advisers of the probability of unfavourable outcome in the Yang Arbitration Proceedings and the significant adverse risks and consequences thereof to the Group, and the risk of the Group not being able to recover the purchase price for the SK Interests already paid and associated costs and expenses despite a favourable outcome to the Group in respect of the Yang Arbitration Proceedings, and that any further enforcement proceedings would incur additional time, effect and legal costs, the Board is of the view it is in the best interests of the Company and the Shareholders to enter into Settlement with Mr. Yang and the Yang Related Entities.

Acquisition of the Economic Benefit and the arrangement in respect of the Debts

Following multiple rounds of negotiations among the parties and the mediation works by the mediation officers of the HAC, Mr. Yang and the Yang Related Parties offered (in conjunction with other concessions to be made by him) Economic Benefit over an aggregate of 12.9365% equity interests in Shouhui Kaizhuo as the final and maximum amount of Economic Benefit over equity interest in Shouhui Kaizhuo that they were prepared to offer to the Group for full settlement of all the disputes in relation to the Yang Arbitration Proceedings and the Debts Proceedings among the

parties. The HAC had actively assisted with and promoted mediation throughout the Yang Arbitration Proceedings, and had organised multiple mediation sessions between Mr. Yang and the Group throughout 2025 and 2026. In particular, they had arranged several in-person meetings at the HAC's premises and numerous teleconferences between the parties. During the mediation process, the mediation officers repeatedly communicated and coordinated with each party separately to gradually balance out their respective demands to help the parties reconcile the differences in their respective interests and expectations. HAC had also been involved in communicating with the relevant courts overseeing the Debts Proceedings to clarify the issues and define the relevant procedures in an effort to push the parties to a comprehensive settlement of the outstanding issues between them. While the Group was not in the position to ascertain the basis on which Mr. Yang and the Yang Related Parties decided on the amount of such final settlement offer, having regard to the risk to the Group if settlement could not be reached, including, the Group's continued involvement in the uncertain Yang Arbitration Proceedings and the substantial risks associated therewith regardless of who the HAC finds in favour as outlined in the sub-section headed "Uncertainty of the outcome of the Yang Arbitration Proceedings and risks to the Group", and loss of the opportunity to accept immediate and partial repayment of the Debts in the form of the Repayment Sum, and as further analysed below, the Group agreed to accept such settlement offer by Mr. Yang and the Yang Related Parties.

Regarding the Tranche 1 Economic Benefit, as the parties had agreed, at the time of Acquisition the Group would acquire the entire equity interests in Shouhui Kaizhuo at the valuation of approximately RMB600 million, but the Group had only paid RMB26,324,892 to Mr. Yang and the Yang Related Entities in respect of the SK interests up to the date of the Settlement Agreement, the parties agreed that the Group's equity interest in Shouhui Kaizhuo should be proportionately reduced. Accordingly, the Group shall be entitled to the Economic Benefit attributable to approximately 4.3874% equity interests in Shouhui Kaizhuo in respect of the partial consideration so paid by the Group to Mr. Yang and the Yang Related Entities for the SK Interests, and return the 53.957% equity interests in Shouhui Kaizhuo originally acquired by the Group under the Acquisition to Mr. Yang and the Yang Related Entities.

Regarding the Tranche 2 Economic Benefit and the arrangement of the Debts, on the basis that Mr. Yang and the Yang Related Entities shall pay the Repayment Sum to the Group, it was agreed that 7% of the Net Debts (being approximately RMB6.53 million) shall be fully and finally settled by the Group acquiring the Economic Benefit attributable to 8.5491% equity interests in Shouhui Kaizhuo. The Tranche 2 Economic Benefit represents the maximum equity interests in Shouhui Kaizhuo that Mr. Yang and the Yang Related Parties were prepared to offer under the Settlement of 12.9365% less the Tranche 1 Economic Benefit, which amounted to RMB6,411,825 with reference to the Agreed SK Valuation. While there is a difference of less than RMB119,000 between 7% of the Net Debts and the value of the Tranche 2 Economic Benefit (based on the Agreed SK Valuation) correspondingly acquired by the Group, the Board considers that it is not a material discrepancy but rather within a reasonable range, having regard also to the factors referenced in determining the fairness and

reasonableness of the Agreed SK Valuation itself, as further explained below. The remaining 93% of the Net Debts shall be waived in consideration of SK Group waiving its claims against Hangzhou Enniu and Hangzhou Shangniu for potential loss and damage caused by them to the SK Group (or by any director, supervisor and senior management nominated thereby to the SK Group) during the period under their management. While SK Group has not threatened or commenced any legal proceedings against the Group (or any director, supervisor and senior management nominated thereby to the SK Group) in respect of any such potential loss and damage and therefore the Group is unable to ascertain the SK Group's basis of such purported loss or damages or any rights of claims and the estimate the magnitude of the purported loss and damage (if at all), the management of the Group is of the view that the Settlement should comprehensively resolve all the disputes and conflicts between the parties in respect of the Acquisition and SK Group, and that it would be to the benefit of the Company to eliminate any potential dispute (on a no-fault and without admission of liability basis) in respect of any such potential liability.

The value of the equity interests attributable to the Tranche 1 Economic Benefit was determined with reference to the valuation of Shouhui Kaizhuo at RMB600 million adopted for purposes of the Acquisition because the Tranche 1 Economic Benefit represents the proportion of SK Interests that the Group could have acquired under the Acquisition Agreement based on the partial consideration of RMB26.3 million actually paid to Mr. Yang and the Yang Related Entities, based on the appraised value of RMB600 million of Shouhui Kaizhuo at the time of the Acquisition agreed upon by the parties. On the other hand, the Tranche 2 Economic Benefit is to be acquired for full and final settlement of 7% of the Debts, which have no relation to the Acquisition Agreement (and therefore appraised value of RMB600 million that was adopted for the Acquisition); rather, the Board considered that it would be more appropriate to appraise the value of the equity interests attributable to the Tranche 2 Economic Benefit with reference to the Agreed SK Valuation instead, which would give a more realistic value as it better reflected the current circumstances of Shouhui Kaizhuo. Accordingly, the Board is of the view that it is appropriate, fair and reasonable to adopt two different approaches to determine the value of the equity interests underlying the Tranche 1 Economic Benefit and Tranche 2 Economic Benefit.

The Agreed SK Valuation of RMB75 million was arrived at after arm's length negotiations among the parties. The Board considers the Agreed SK Valuation to be fair and reasonable and is in the interests of the Company and its shareholders as a whole, taking into account:

(i) the price-to-sale multiples and the market capitalisation levels of comparable companies as at 5 February 2026 (being the date of the Settlement Agreement), being companies which (a) are principally engaged in the provision of payment services in the PRC, accounting for more than 50% of its total revenue in the latest financial year; and (b) are publicly listed in the PRC or Hong Kong. Based on (a) the Agreed SK Valuation of RMB75 million; and (b) the SK Group's revenue of approximately RMB1.7 million for the year ended 31 December 2025, the price-to-sale multiple implied by

the Agreed SK Valuation is approximately 44.6 times, which is higher than all the price-to-sale multiples of all of the comparable companies, which ranged from approximately 0.3 time to 8.8 times. Such higher price-to-sale multiple implied by the Agreed SK Valuation is favourable to the Company and its Shareholders. The following table sets out the details of the comparable companies:

Company name (stock code)	**Principal activities**	**Market capitalisation as at 5 February 2026 (being the date of the Settlement Agreement)** *(RMB million)*	**P/S as at 5 February 2026** *(times)*
Lakala Payment Co., Ltd. (300773.CH)	Provision of digital payment services in the PRC	20,993.3	3.6
Rendong Holdings Group Co., Ltd. (002647.CH)	Provision of third-party payment services in the PRC	10,183.9	8.8
Lianlian DigiTech Co., Ltd. (2598.HK)	Provision of digital payment services in the PRC	6,311.1	4.8
Yeahka Limited (9923.HK)	Provision of payment services and business services in the PRC	3,077.2	1.0
MOG Digitech Holdings Limited (1942.HK)	Provision of digital payment solutions related business in the PRC	329.0	0.3

(ii) the latest financial information of Shouhui Kaizhuo as set out in the section headed "4. Financial Information of SK Group and Financial Effect of the Transactions Contemplated Under the Settlement Agreement" above.

Although the Group could potentially stand to gain more in terms of sales proceeds if the entire equity interest of Shouhui Kaizhuo can be sold at a consideration valued at a higher Agreed SK Valuation, the difficulty of materialising such a sale would also be considerably greater. Moreover, the Net Debts were owed by the SK Group, and given its financial position, the SK Group would likely need to rely on Mr. Yang and/or the Yang Related Entities and/or its other shareholders to make any payment in relation to the Debts (including the Repayment Sum or any part thereof) on its behalf. Based on negotiations between the parties, Economic Benefit over 12.9365% equity interests in Shouhui Kaizhuo was final and maximum amount that Mr. Yang and the Yang Related Entities were prepared to offer to the Group for full settlement of all the disputes in relation to the Yang Arbitration Proceedings and the Debts Proceedings, and the amount of the Repayment Sum and the Tranche 2 Economic Benefit was the maximum that the Group could obtain as partial settlement of the Debts for and on behalf of SK Group. Accordingly, the level of the Agreed SK Valuation has no direct bearing on the percentage of equity interest in Shouhui

Kaizhuo that Mr. Yang and the Yang Related Entities are willing to cede to the Group as partial settlement of the Debts for and on behalf of the SK Group. Taken into account, among others, (a) the downturn of the third-party payment industry and the decrease in the market value of the third-party payment licences as further explained below, (b) the uncertainty of the outcome of the Yang Arbitration Proceedings, (c) the need for the Group to focus its resources on the expansion of the Group's business, in particular its valalife business, and (d) the expected enhanced enterprise value of Shouhui Kaizhuo (RMB75 million, being the agreed minimum valuation at which Mr. Yang should procure the sale of the entire equity interests of Shouhui Kaizhuo before he is entitled to the Cash Bonus as further explained below), the Board considers it in the interest of the Company and its Shareholders to have agreed on the Agreed SK Valuation as part of the terms of the Settlement, which represents the most feasible solution to secure partial settlement of the Debts and to facilitate the disposal of Shouhui Kaizhuo, thereby providing the Group an opportunity to recoup part of its investments in SK Group and devote its time and resources to the expansion of the Group's business. Accordingly, the Board considers that the Economic Benefit the Group will receive based on the Agreed SK Valuation is fair and reasonable.

Grant of the Cash Bonus to Mr. Yang

Regarding Mr. Yang's conditional entitlement to the Cash Bonus, the amount of such sum had been determined by the parties after arm's length negotiation taken into accounts the factors as further explained below. In the event that Shouhui Kaizhuo is liquidated, Mr. Yang shall not be entitled to the payment of the Cash Bonus.

Upon completion of the Settlement Agreement, Mr. Yang and Yang Related Entities will remain as the majority shareholders of Shouhui Kaizhuo, and Mr. Yang will remain as the legal representative of Shouhui Kaizhuo, while the Group will hold a minority interest, comprising 46.043% equity interests through the Nominee Arrangement and the Economic Benefit attributable to 12.9365% equity interests in Shouhui Kaizhuo. As a result, the Group will no longer have control over the management, operation or strategic decisions of Shouhui Kaizhuo and will necessarily rely on Mr. Yang's continued involvement and cooperation.

The Board considers that the future value and realisation of the Group's equity interests and Economic Benefit in Shouhui Kaizhuo will depend materially on Mr. Yang's contribution, not only in operating and developing the business of the SK Group, but also in his ability, as the controlling and majority shareholder and legal representative, to broker, facilitate and procure the sale of Shouhui Kaizhuo. In practice, as a minority shareholder, the Group would be required to tag along with any disposal led by Mr. Yang, and the timing, structure and terms of such disposal would be materially influenced by him. Besides, having regard to the fact that the Group has been increasingly focusing on its valalife business, the expansion of which requires additional funds, the offer of the Cash Bonus would incentivize and potentially expedite a potential disposal of Shouhui Kaizhuo at or above the Agreed SK Valuation, which the Group can apply the proceeds towards its general working capital.

Shouhui Kaizhuo operates in an industry which has experienced a downturn in recent years. Any potential disposal would be conducted in a challenging disposal environment. In such circumstances, the Board considers it important to secure Mr. Yang's incentive and commitment to proactively procure a disposal at a reasonable valuation. The Cash Bonus is therefore intended to align Mr. Yang's interests with those of the Group by incentivising him to maximise the value of Shouhui Kaizhuo and to procure the sale thereof in a manner that enables the Group to realise value from its remaining interests. On the other hand, if the disposal of Shouhui Kaizhuo does not materialize at all, the Group would be unable to recoup any investment returns from holding the equity interests and the Economic Benefit.

Assuming that Shouhui Kaizhuo is sold at the Agreed SK Valuation of RMB75 million, the Group is expected to receive gross proceeds of approximately RMB44.23 million from its equity interests and the Economic Benefit attributable to its 58.9795% interests. The Cash Bonus of RMB5,833,300 represents approximately 13% of such gross proceeds, and is determined after arm's length negotiations between the Group and Mr. Yang. Having regard to (i) the challenging disposal environment and industry downturn, (ii) the Group's minority position and lack of control over the disposal process, (iii) the necessity for the Group to tag along with a disposal procured by Mr. Yang, (iv) the grant of Cash Bonus by the Group to Mr. Yang would incentivize Mr. Yang to improve the business operation and financial performance of Shouhui Kaizhuo and maximise the value of Shouhui Kaizhuo; and (v) the fact that Mr. Yang is the key and, in practice, the only party capable of brokering, facilitating and completing the sale of the entire Shouhui Kaizhuo, and the fact that the Cash Bonus is payable only subject to the Group receiving sale proceeds attributable to the relevant Economic Benefit, the Board is of the view that the Cash Bonus arrangement to be fair and reasonable and is in the interests of the Company and its shareholders as a whole.

There is no fixed deadline for the disposal of the equity interests in Shouhui Kaizhuo. However, the Board considers that the Cash Bonus and the Agreed SK Valuation, as described above, are structured to hard-wire Mr. Yang's financial incentives to maximising the disposal value, rather than to impose an arbitrary timeline which he could simply choose not to meet. This structure aligns Mr. Yang's interests with those of the Company and safeguards the interests of the Shareholders, notwithstanding the absence of a specific disposal timetable.

During the period from 2014 to 2017, a number of leading internet companies in the PRC carried out large-scale promotional and customer acquisition campaigns by leveraging third-party payment licences held by their respective platforms (such as Alipay and WeChat Pay). Such initiatives proved effective in expanding customer bases and enhancing user engagement. At that time, the regulatory threshold and requirements for obtaining new third-party payment licences were exceptionally high and stringent, and approvals were granted on a very limited basis, rendering existing licences a scarce and highly sought-after resource. As a result, companies holding such third-party payment licences, were highly sought after by other internet companies. Against this backdrop, and having taken into account (i) the then business performance and the valuable third-party payment licence held by the SK Group,

and (ii) the relatively high market value attributed to third-party payment licences then, the valuation of Shouhui Kaizhuo was appraised to be approximately RMB600 million at the time of the Acquisition. However, the third-party payment industry has materially changed since 2017, with fewer new market entrants and significantly eased competition for such payment licences as a result of tightened policies and regulations, resulting in significant decline in the market value of the third-party payment licences. Besides, the weak operational performance and financial position of Shouhui Kaizhuo, which suffered a net loss before taxation of approximately RMB16.1 million during the year ended 31 December 2025 and was at net liabilities of approximately RMB111.0 million as at 31 December 2025. Having considered the latest financial information of Shouhui Kaizhuo and after arm's length negotiations among the parties, the parties have agreed to set RMB75 million as the Agreed SK Valuation, being the agreed minimum valuation at which Mr. Yang should procure the sale of the entire equity interests of Shouhui Kaizhuo before he is entitled to the Cash Bonus.

As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Group has, among others, commenced the Debts Proceedings against Shouhui Shidai and Beijing Kubao for recovery of the Debts, including obtaining an order from the court to freeze the bank accounts of Shouhui Shidai and Beijing Kubao. The relevant court in the Debts Proceedings has made a final judgement on 10 May 2024 in favour of the Group and held that the SK Group shall repay the Loans and interests accrued thereon, and the Debts Proceedings have now entered the enforcement stage. As disclosed in the section headed "4. Financial Information of SK Group and Financial Effect of the Transactions Contemplated under the Settlement Agreement", according to audited consolidated management accounts for the year ended 31 December 2025, SK Group had net liabilities of approximately RMB111.0 million as at 31 December 2025. Based on the feedback from the inquiry by the relevant court in the Debts Proceedings, there are insufficient enforceable funds available in the bank accounts of SK Group to satisfy the repayment obligations under the relevant judgment. Therefore, while the Group has secured judgment in its favour in the Debts Proceedings, there is significant uncertainty as to whether the Group would be able to recover the Debts or any associated costs and expenses from the SK Group in whole or in part. Any further enforcement proceedings of the Debts Proceedings would require additional time and financial resources, and could ultimately result in the winding up of the SK Group without any realistic prospect of recovering any significant portion of the Debts.

In this regard, the Company has assessed that repayment by Mr. Yang and the Yang Related Entities on behalf of SK Group would be the most realistic prospect of immediate recovery of any part of the Debts for the time being; given SK Group's financial performance, SK Group would likely need to rely on Mr. Yang and/or the Yang Related Entities and/or its other shareholders to make any payment in relation to the Debts (including the Repayment Sum or any part thereof) on its behalf. While the Repayment Sum does not represent the maximum amount that Mr. Yang and the Yang Related Entities is able to pay based on their enforceable funds, it is the maximum amount of cash that Mr. Yang and the Yang Related Entities are prepared to offer based on the negotiations with the Group. Having regard to the fact that: (i)

there are insufficient enforceable funds available in the bank accounts of Mr. Yang and the Yang Related Entities based on the feedback from the inquiry by the relevant court in the Yang Arbitration Proceedings to satisfy payment of damages sought by the Group in those proceedings, let alone the entirety of the Debts for and on behalf of SK Group; (ii) the arrangement for the Debts (including the Repayment Sum) forms an essential part of settling, among others, the ongoing disputes with Mr. Yang and the Yang Related Entities balanced against the financial and operational risks to the Group if no settlement is entered into; and (iii) while the Group will be able to recover part of the Debts (i.e. RMB8,133,224.61) in cash under the Settlement Agreement, taking into account the latest net liabilities position of Shouhui Kaizhuo, the Group may not be able to recover any part of the Debts in cash in case of the winding up of the SK Group, the management of the Group has determined that the amount of the Repayment Sum was fair and reasonable, and that it would be in the best interests of the Group to secure immediate repayment of at least part of the Debts (by receipt of the Repayment Sum of RMB8,133,224.61) on one hand, and to divest of the loss-making SK Group soonest possible on the other hand so that it can better allocate its existing resources and focus on the development of its other businesses. In this regard, the weak financial position of the SK Group renders it relatively difficult for the Group to dispose of its equity interests of Shouhui Kaizhuo at the moment. The Board is of the view that, by obtaining immediate payment of the Repayment Sum and the acquisition of Economic Benefit attributable to 8.5491% equity interests in Shouhui Kaizhuo from Mr. Yang and the Yang Related Entities, the Group will be able to secure immediate repayment of at least part of the Debts. Besides, by waiving the remaining 93% of the Net Debts, providing the Cash Bonus to Mr. Yang as an incentive for him to procure the sale of Shouhui Kaizhuo at or about the Agreed SK Valuation, and leveraging on Mr. Yang's resources and connections in the financial technology services sector and his current de facto control in the SK Group in identifying potential buyers and brokering the sale, it would facilitate the Group's divestment of its equity interest and/or Economic Benefits in Shouhui Kaizhuo and facilitate the continued operations of SK Group during the interim period until such sale materializes, allowing the Group to realise the value of SK Group soonest possible.

The Board is of the view that the penalty provisions as set out under the sub-section headed "3. Principal Terms of the Settlement Agreement — Termination of the Settlement Agreement" would help to ensure that Mr. Yang and the Yang Related Entities would comply with the terms of the Settlement Agreement. Besides, the Information Access Proceedings remained live as at the Latest Practicable Date, and no judgment had yet been handed down for those proceedings. Pursuant to the terms of the Settlement Agreement, among others, within three days after the Settlement Agreement becomes fully effective, the parties will apply to HAC for the issuance of an Arbitral Mediation Award, and, upon such Arbitral Mediation Award becoming effective, Hangzhou Enniu and Shouhui Kaizhuo shall, among others, enter into a settlement agreement with respect to the Information Access Proceedings to settle the same, failing which, the representative of the non-defaulting party shall be entitled to rely on the penalty provisions under the Settlement Agreement to claim default payment of RMB1,000,000 against the representative of the defaulting party.

Accordingly, pursuant to the Settlement Agreement, the HAC and the relevant court are to issue the Arbitral Mediation Award in respect of the Yang Arbitration Proceedings and the settlement document in respect of the Information Access Proceedings, respectively. Both such documents shall be legally binding on the parties to the relevant proceedings and failure by any relevant party to abide by such document(s) would entitle the non-defaulting party to apply to the relevant court(s) for enforcement under the relevant applicable PRC laws and also to claim default payment pursuant to the Settlement Agreement. Ultimately, it is in the interests of all the parties to the Settlement Agreement to see to the full and final settlement of all the ongoing disputes among them, and therefore procure the compliance of the parties (including Mr. Yang and the Yang Related Entities) with the terms of the Settlement Agreement. Accordingly, the Board is of the view that the terms of the Settlement Agreement will be sufficient to prevent Mr. Yang and the Yang Related Entities from potentially breaching the same.

Even if the disposal of the SK Group does not materialize, the Board is of the view that the Settlement Agreement would be fair and reasonable and in the interests of the Company and the Shareholders, taking into account: (i) the uncertainty of the outcome of the Yang Arbitration Proceedings and the fact that the Group faces substantial risks regardless of who the HAC finds in favour, as detailed in the sub-section headed "Uncertainty of the outcome of the Yang Arbitration Proceedings and risks to the Group"; (ii) the Group would still be entitled to the aggregate 12.9365% Economic Benefit under the Settlement Agreement, and enjoy the corresponding benefits, including dividends, capital reduction payments and liquidation distributions; (iii) the Group would recoup part of the Debts from receipt of the Repayment Sum, thereby mitigating against the risk of total non-recovery of the Debts; (iv) the Group has secured a waiver from SK Group to its potential claims for potential loss and damage caused by the Group to SK Group during the period under their management, thereby averting potential liability (on a no-fault and without admission of liability basis) to the Group; and (v) the Group would continue to gain access to the information of SK Group, thereby enabling continuous monitoring of SK Group's financial position and assets. Based on the discussion between the Company and the external auditors (the "**Auditors**"), the Settlement Agreement could serve as audit evidence for the Auditors in relation to the appropriateness of the Deconsolidation and could thereby help the Company in addressing the issue of whether certain financial information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements of the Group for the year ended 31 December 2025 (the "**Audit Issues**"). On this basis, upon completion of the Settlement Agreement, the Company expects (a) no Audit Issues on the year end date of such financial year; and (b) the qualified opinion expressed by the Auditors on the independent auditor's report on the Company's consolidated financial statements for the year ended 31 December 2025 could be removed in the financial year that has no comparative figure impact after completion of the Settlement Agreement.

Meanwhile, the Group also considered the historical and expected resources in investing in Shouhui Kaizhuo, the Yang Arbitration Proceedings and any further enforcement proceedings which would likely be incurred if settlement is not reached. In particular, up to the Latest Practicable Date, the Group had already paid approximately RMB259.3 million as part of the consideration under the Acquisition Agreement. The Yang Arbitration Proceedings have already been in progress for approximately four years and the Group has incurred aggregate legal costs of approximately RMB3.2 million.

Taking into account the above, the Board is of the view that the Settlement is the most feasible solution to secure partial settlement of the Debts and to promote the sale of Shouhui Kaizhuo, allowing the Group an opportunity to recoup part of the Group's investments in SK Group.

Based on the above, and having regard to the fact that the Settlement Agreement is designed to a comprehensive solution for settlement of all the disputes between the parties in connection with the Acquisition, the Debts Proceedings and the Information Access Proceedings, as a whole, and the inclusion of penalty provisions in the Settlement Agreement to secure compliance by the parties with the terms thereof, the Directors (including the independent non-executive Directors after considering the advice from the Independent Financial Adviser) are of the view that: (i) the terms of the Settlement Agreement (including the acquisition of Economic Benefit attributable to 12.9365% equity interests in Shouhui Kaizhuo and the grant of the Cash Bonus) are fair and reasonable and are on normal commercial terms or better; and (ii) the Settlement is in the interests of the Group and the Shareholders as a whole. The Directors considered that the entering into of the Settlement Agreement shall not cause material adverse impacts to the Group's operations.

6. INFORMATION ABOUT THE PARTIES

The Company is an investment holding company and the Group is principally engaged in provision of valalife services (comprising its camping business and vehicle business), financial technology services, SaaS services and children's entertainment services. Each of Hangzhou Enniu, Hangzhou Shangniu and Hangzhou Zhenniu is a subsidiary of the Company. Hangzhou Enniu is principally engaged in the development and operation of applications in the PRC, Hangzhou Shangniu is principally engaged in equity investment in the PRC, and Hangzhou Zhenniu is principally engaged in the provision of technology services in the PRC.

Mr. Yang is a merchant and ultimately controls each of Fanshan Jinshi and Shouhui Tianxia. Fanshan Jinshi and Shouhui Tianxia are principally engaged in equity investment.

Shouhui Kaizhuo is an investment holding company. Beijing Kubao is principally engaged in payment services business in the PRC, and Shouhui Shidai and Yaku Shikong are principally engaged in the provision of technology services in the PRC.

7. RELATIONSHIPS AND LISTING RULES IMPLICATIONS

Disclosable Transactions

As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Settlement Agreement exceeds 5% but is less than 25%, the Settlement Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company, and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected Transactions

As at the Latest Practicable Date, by virtue of the Nominee Arrangement, the Group was still the beneficial owner of the entire registered capital of Shouhui Kaizhuo, and Shouhui Kaizhuo remained as a subsidiary of the Company. Mr. Yang is a director of Shouhui Kaizhuo, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, each of Fanshan Jinshi and Shouhui Tianxia was ultimately controlled by Mr. Yang. As such, each of Fanshan Jinshi and Shouhui Tianxia is an associate of Mr. Yang and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Settlement Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest of the applicable percentage ratios (as defined under the Listing Rules) is less than 25% but the total consideration exceeds HK$10,000,000, the Settlement Agreement and the transactions contemplated thereunder constitute connected transactions of the Company, and will be subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors have a material interest in the Settlement Agreement and the transactions contemplated thereunder, therefore none of the Directors are required to abstain from voting on the relevant Board resolutions approving the same.

8. ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on whether the Settlement Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In addition, the Company has appointed Rainbow Capital (HK) Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

9. EGM

The EGM will be held to consider, and if thought fit, passing the ordinary resolution to approve, among others, the Settlement Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolution at the EGM. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Settlement Agreement and the transactions contemplated thereunder.

Pursuant to Rule 17.05A of the Listing Rules, the trustee holding unvested shares of a share scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. As such, Rising Sun Limited will be required to abstain from voting on the resolution relating to the Settlement Agreement and the transactions contemplated thereunder at the EGM in respect of the Shares for those unvested restricted share units under the 51 Stock Scheme held by 51 Stock Limited and 51 Award Scheme held by 51 Award Limited notwithstanding the Voting Proxy Agreement (as defined below). As at the Latest Practicable Date, the number of Shares for such unvested restricted share units under the two share schemes in respect of which Rising Sun Limited must abstain on voting at the EGM was 2,044,640 Shares.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder is required to abstain from voting at the EGM for the relevant resolution.

A form of proxy for use at the EGM is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.vala.life). Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM (i.e. by 12:00 noon on 22 June 2026) or any adjournment thereof to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Details of the Settlement Agreement will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

10. VOTING BY POLL AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the proposed resolution will be put to vote by way of poll at the EGM. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

11. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Settlement Agreement and the transactions contemplated thereunder are on normal commercial terms or better which are fair and reasonable so far as the Independent Shareholders are concerned; and the entering into the Settlement Agreement and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Company, is nevertheless in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Settlement Agreement and the transactions contemplated thereunder.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 32 to 33 of this circular, which contains its recommendation to the Independent Shareholders as to the Settlement Agreement; and (ii) the letter from the Independent Financial Adviser set out on pages 34 to 57 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Settlement Agreement and reasons considered by it in arriving at its opinion.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the terms of the Settlement Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and the entering into the Settlement Agreement and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Company, is nevertheless in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommend that the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Settlement Agreement and the transactions contemplated thereunder.

12. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are qualified for attending and voting at the EGM, the register of members of the Company will be closed from 18 June 2026 to 24 June 2026 (both days inclusive), during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. (Hong Kong time) on 17 June 2026.

The record date for determining Shareholders' eligibility to attend and vote at the EGM will be 24 June 2026.

If you have any questions relating to the EGM, please contact the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, via the following:

Address:	17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email:	is-enquiries@vistra.com
Telephone:	+852 2980 1333
Fax:	+852 2810 8185

If typhoon signal No. 8 or above, a black rainstorm warning, extreme weather conditions or other similar event is in effect at 7:00 a.m. on the date of the EGM, the EGM would proceed as arranged on Wednesday, 24 June 2026 at 12:00 noon but the meeting venue will be changed to Rooms 1708–11, 17/F, Nan Fung Tower, 88 Connaught Road Central, Central, Hong Kong. Shareholders should make their own decision as to whether they wish to attend the EGM in bad weather conditions, at their own risk having regard to their own situation; and if they should choose to do so, they are advised to exercise care and caution. However, if there is no quorum present in accordance with the Articles, the EGM will be adjourned. The Company will post an announcement on its website (www.vala.life) and designated website of the Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the rescheduled meeting (where applicable).

13. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

Vala Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

3 June 2026

To the Independent Shareholders,

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE SETTLEMENT AGREEMENT REGARDING SHOUHUI KAIZHUO

We refer to the circular dated 3 June 2026 (the "**Circular**") issued by the Company to its Shareholders of which this letter forms part. Unless the context requires otherwise, the capitalized terms used herein shall have the same meanings as defined in the Circular.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether (i) the entering into the Settlement Agreement and the transactions contemplated thereunder is conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Settlement Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Further information of its advice is set out on pages 34 to 57 of the Circular. Your attention is also drawn to the letter from the Board set forth on pages 7 to 31 of the Circular.

Having considered the advice and recommendation of the Independent Financial Adviser, we are of the opinion that the terms of the Settlement Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned; and that the entering into the Settlement Agreement and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Company, is nevertheless in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Settlement Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. Ye Xiang **Mr. Xu Xuchu** **Mr. Shou Jian**
Independent non-executive Directors

The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

3 June 2026

To the Independent Board Committee and the Independent Shareholders

Vala Inc.
Rooms 1708–11, 17/F
Nan Fung Tower
88 Connaught Road Central, Central
Hong Kong

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE SETTLEMENT AGREEMENT REGARDING SHOUHUI KAIZHUO

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Agreement and the transactions contemplated thereunder, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 3 June 2026 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 5 February 2026 (after trading hours), Hangzhou Enniu, Hangzhou Zhenniu, Hangzhou Shangniu, Mr. Yang, the Yang Related Entities and members of the SK Group entered into the Settlement Agreement in relation to the Settlement.

As at the Latest Practicable Date, by virtue of the Nominee Arrangement, the Group is still the beneficial owner of the entire registered capital of Shouhui Kaizhuo, and it legally remains as a subsidiary of the Company. Mr. Yang is a director of Shouhui Kaizhuo, and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, each of Fanshan Jinshi and Shouhui Tianxia is ultimately controlled by Mr. Yang. As such, each of Fanshan Jinshi and Shouhui Tianxia is an associate of Mr. Yang and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Settlement Agreement and the transactions contemplated thereunder constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Settlement Agreement exceeds 5% but is less than 25%, the Settlement Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company, and will be subject to the reporting, announcement, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Ye Xiang, Mr. Xu Xuchu and Mr. Shou Jian, has been formed to advise the Independent Shareholders on whether (i) the entering into of the Settlement Agreement and the transactions contemplated thereunder is conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Settlement Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, Mr. Yang, the Yang Related Entities and the SK Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group, Mr. Yang, the Yang Related Entities or the SK Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Settlement Agreement. Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Settlement Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group or its substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering the fairness and reasonableness of the Settlement Agreement and the transactions contemplated thereunder, we have taken into account the principal factors and reasons set out below:

1. Background information on the Group

The Group is principally engaged in the provision of valalife services (comprising its vala automobile business and camping service), financial technology services, SaaS services and children's entertainment services.

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2025 ("**FY2023**", "**FY2024**" and "**FY2025**", respectively) as extracted from the annual reports of the Company for FY2024 and FY2025 (the "**2025 Annual Report**"):

(i) Financial performance

	FY2023 *RMB'000* (audited)	**FY2024** *RMB'000* (audited)	**FY2025** *RMB'000* (audited)
Total revenue	**217,158**	**224,649**	**243,027**
— Credit facilitation and service fee	70,227	58,607	33,274
— Children's entertainment revenue	—	31,447	29,048
— Credit card technology service fee	21,977	1,594	317
— SaaS service fee	57,833	75,024	36,733
— valalife service fee	33,941	16,367	102,178
— Other revenue	33,180	41,610	41,477
Origination and servicing expenses	(204,310)	(209,138)	(253,263)
General and administrative expenses	(52,918)	(56,287)	(56,145)
Research and development expenses	(18,319)	(41,196)	(47,521)
Sales and marketing expenses	(27,355)	(51,465)	(69,940)
Expected credit loss, net	(23,184)	(41,442)	(26,143)
Other gain, net	131,490	113,754	55,688
Share of net loss of associates accounted for using equity method	(13,240)	(298)	(2,371)
Fair value (loss)/gain of financial liabilities at fair value through profit or loss ("**FVPL**")	(25,999)	(10,170)	3,831
Finance income, net	3,320	2,453	105
Loss before income tax	**(13,357)**	**(69,140)**	**(152,732)**
Income tax credit	10,209	122	1,636
Profit/(loss) attributable to the Shareholders	**11,037**	**(60,156)**	**(150,699)**

FY2024 compared to FY2023

Total revenue of the Group increased by approximately 3.4% from approximately RMB217.2 million for FY2023 to approximately RMB224.6 million for FY2024, primarily attributable to (a) that the Group newly established the children's entertainment business in 2024, which generated revenue of approximately RMB31.4 million for FY2024; and (b) the increase in SaaS service fee by approximately RMB17.2 million as a result of the increase in the subscription income of Little Blue Book given that the Group has continuously expanded its industry-specific products, actively integrated into various industry ecosystems and further enriched its sales channels.

Despite the increase in revenue, the Group recorded a change from profit attributable to the Shareholders of approximately RMB11.0 million for FY2023 to loss attributable to the Shareholders of approximately RMB60.2 million for

FY2024. Such change was primarily attributable to (a) the increase in research and development expenses by approximately RMB22.9 million mainly due to the increase in research and development expenses related to vala automobile in FY2024 as a result of business development strategy changes; (b) the increase in sales and marketing expenses by approximately RMB24.1 million as a result of the enhanced marketing and promotion in vala automobile; (c) the increase in net expected credit loss by approximately RMB18.3 million mainly due to the increase in the expected credit loss related to quality assurance fund and contract assets; and (d) the decrease in net other gain by approximately RMB17.7 million mainly due to (1) the change from fair value gain on financial assets at FVPL of approximately RMB1.2 million for FY2023 to fair value loss on financial assets at FVPL of approximately RMB4.2 million for FY2024 as a result of the poorer-than-expected operating results of several investees; and (2) the regulatory fines in the PRC of approximately RMB5.6 million for FY2024 while no such expenses were incurred in FY2023.

FY2025 compared to FY2024

Total revenue of the Group increased by approximately 8.2% from approximately RMB224.6 million for FY2024 to approximately RMB243.0 million for FY2025, primarily attributable to the increase in valalife service fee by approximately RMB85.8 million mainly due to the increase in bulk delivery volume of vala automobile during FY2025.

The Group recorded loss attributable to the Shareholders of approximately RMB150.7 million for FY2025, representing an increase of approximately 150.5% as compared to that of approximately RMB60.2 million for FY2024. Such increase was primarily attributable to (a) the increase in origination and servicing expenses by approximately RMB44.1 million mainly due to the bulk delivery of vala automobile during FY2025, which lead to the recognition of vala automobile procurement costs of approximately RMB80.9 million for FY2025; (b) the increase in sales and marketing expenses by approximately RMB18.5 million as a result of the enhanced marketing and promotion of vala automobile; and (c) the decrease in net other gain by approximately RMB58.1 million mainly due to (1) the recognition of investment losses of approximately RMB36.3 million arising from the disposal of certain subsidiaries and investment in associates for FY2025, whereas no such losses were incurred for FY2024; and (2) the decrease in gains from recovery of overdue assets by approximately RMB17.0 million.

(ii) Financial position

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)
Non-current assets, including:	**282,997**	**300,455**	**218,973**
Property and equipment, net	108,096	154,262	131,273
Intangible assets	38,396	36,320	1,148
Investments accounted for using equity method	16,016	16,018	14,045
Financial assets at fair value through profit or loss	70,448	68,256	54,602
Current assets, including:	**881,969**	**775,296**	**646,193**
Prepayments and other receivables	118,736	122,051	170,486
Loans to customers, net	193,933	193,772	186,991
Restricted cash	121,679	89,167	54,620
Cash and cash equivalents	349,490	280,326	159,469
Total assets	**1,164,966**	**1,075,751**	**865,166**
Current liabilities, including:	**368,198**	**289,040**	**214,981**
Quality assurance fund payable	37,043	23,359	5,273
Payable to platform customers	54,625	48,755	46,321
Contract liabilities	18,767	25,609	33,222
Trade and other payables	76,132	43,456	33,162
Financial liabilities at fair value through profit or loss	76,480	86,007	81,876
Non-current liabilities	**87,198**	**7,189**	**884**
Net current assets	**513,771**	**486,256**	**431,212**
Total liabilities	**455,396**	**296,229**	**215,865**
Equity attributable to the Shareholders	**725,700**	**802,697**	**653,232**

As at 31 December 2025, total assets of the Group amounted to approximately 865.2 million, which primarily consisted of (a) property and equipment, net of approximately RMB131.3 million, mainly including computer and electronic equipment, leasehold improvements and building; (b) financial assets at fair value through profit or loss of approximately RMB54.6 million, mainly including investment in ordinary shares with preferential liquidation rights and investments in investment funds; (c) prepayments and other receivables of approximately RMB170.5 million, mainly including deposits and prepaid

expenses, loan to third parties and value-added tax receivables; (d) loans to customers, net of approximately RMB187.0 million, which were mainly personal loans made to individual borrowers through the consolidated trusts and a subsidiary of the Group as well as the new financial assets purchased from both individuals and institutional investors in prior years; (e) restricted cash of approximately RMB54.6 million; and (f) cash and cash equivalents of approximately RMB159.5 million.

As at 31 December 2025, total liabilities of the Group amounted to approximately RMB215.9 million, which primarily consisted of (a) payable to platform customers of approximately RMB46.3 million; (b) contract liabilities of approximately RMB33.2 million; (c) trade and other payables of approximately RMB33.2 million; and (d) financial liabilities at fair value through profit or loss of approximately RMB81.9 million, which represented the Group's redeemable equity instrument in Shenzhen Xiaolanben Network Technology Co., Ltd..

As at 31 December 2025, the Group had equity attributable to the Shareholders of approximately RMB653.2 million with net current assets of approximately RMB431.2 million.

(iii) Overall comment

Despite the increase in revenue and business diversification, the Group's financial performance deteriorated for FY2024 and FY2025 as a result of the increase in research and development expenses, sales and marketing expenses and origination and servicing expenses in relation to valalife business and the decrease in net other gain as a result of the poorer-than-expected operating results of several investees and the disposal of certain subsidiaries and investment in associates.

With reference to the 2025 Annual Report, through the official change its name from "51 Credit Card Inc." to "Vala Inc.", the Company has marked the new energy mobile lifestyle brand, valalife, as the strategic core for its future development, actively exploring new lifestyle domains with greater consumer potential and scenario versatility. For the SaaS business, the Little Blue Book, a commercial information searching tool and smart sales intelligence platform that generates subscription income from corporate customers and individual users, is devoted to developing artificial intelligence ("**AI**") engine optimisation technology based on AI search engines, helping enterprises reduce promotion costs and improve conversion efficiency across major AI search platforms. Overall, the Little Blue Book provides corporate customers with an all-in-one intelligent sales solution leveraging big data and AI technologies, covering prospect identification, lead nurturing, customer conversion and management. Through multi-dimensional filtering and intelligent scoring as well as leveraging on big data models, the Little Blue Book helps corporate customers to accurately acquire massive amounts of sales leads and build customised industry database and intelligence system to provide solid data support for market strategies and

business decisions. For the credit facilitation business, the Group has ceased to increase the size of this business since July 2025 in compliance with the latest industry regulations and in conjunction with its risk control measures.

Against this backdrop, the Group has carried out comprehensive cost optimisation arrangement in a timely manner and become more cautious in managing its liquidity risk by maintaining adequate cash reserves and banking facilities. Accordingly, we consider it preferable for the Group to maintain sufficient funds to prepare itself for capturing new business opportunities across its different business segments and meeting various regulatory requirements.

2. Reasons for and benefits of the entering into of the Settlement Agreement

With reference to the Letter from the Board, on 1 April 2017, in order to control Beijing Kubao which holds a valid payment license, the Group entered into the Acquisition Agreement with Shouhui Kaizhuo and all the then shareholders of Shouhui Kaizhuo (including Mr. Yang and the Yang Related Entities). Pursuant to the Acquisition Agreement, the Group acquired the entire equity interest of Shouhui Kaizhuo from its former shareholders (of which 53.957% equity interests in Shouhui Kaizhuo was acquired from Mr. Yang and the Yang Related Entities (the "**SK Interests**")) at an aggregate cash consideration of RMB466 million, 1.956% equity interest in Hangzhou Enniu and approximately 1.5455% shareholding interest in the Company. The Acquisition was completed in December 2017, upon which Hangzhou Enniu and Hangzhou Shangniu became registered shareholders of Shouhui Kaizhuo, and its results and financial position were consolidated into the financial statements of the Group as the Company's subsidiary. In accordance with the terms of the Acquisition Agreement, part of the cash consideration of approximately RMB259.3 million had been paid to the then-shareholders of Shouhui Kaizhuo (of which approximately RMB26.3 million had been paid to Mr. Yang and the Yang Related Entities and the remaining cash consideration of approximately RMB233 million had been paid by the Group to Tiantu Capital, Tianjin Tiantu Xinghua and 16 other minority shareholders of Shouhui Kaizhuo) and 1.956% equity interest in Hangzhou Enniu had been transferred to Fanshan Jinshi. Under the Acquisition Agreement, the balance of the consideration (of which approximately RMB92 million would be payable to Mr. Yang and the Yang Related Entities) would be payable after obtaining the confirmation on change of the de facto controller of Beijing Kubao in respect of its payment license from the People's Bank of China (the "**PBOC Confirmation**") as a post-closing obligation, and for which Mr. Yang and his affiliates were responsible for procuring. In this regard, an application had been filed by Beijing Kubao to the People's Bank of China regarding the change in de facto controller of its payment license.

To expedite the process to obtain the PBOC Confirmation, Hangzhou Enniu, the then-shareholders of Shouhui Kaizhuo and the members of the SK Group entered into a supplemental agreement on 25 June 2019 to the Acquisition Agreement, pursuant to which, among others, the Group transferred its entire equity interests in Shouhui Kaizhuo back to the former shareholders of Shouhui Kaizhuo who would, in

substance, hold such equity interest as nominee shareholders for the benefit of Hangzhou Enniu and Hangzhou Shangniu (i.e. the Nominee Arrangement). Mr. Yang was also registered as the legal representative, chairman of the board of director and manager of Shouhui Kaizhuo, with a view to restoring the registration status of Shouhui Kaizhuo to the pre-Acquisition so as to facilitate the application of the PBOC Confirmation. Under the Nominee Arrangement, despite the shareholding and personnel arrangements above, the Group would have the rights to determining all operating decisions and appointment of personnel of the Shouhui Kaizhuo, and the former shareholders would exercise all voting powers and other rights in respect of the registered capital of Shouhui Kaizhuo in such manner as the Group may from time to time direct. So far as the Group is aware of, the application process for obtaining the PBOC Confirmation was still underway, but no formal approval or rejection thereof or indeed, any other document, had been received from the People's Bank of China regarding the change in de facto control application up to the Latest Practicable Date. Given that the applicant had all along been Beijing Kubao, the Group did not have the requisite standing to make enquiries to the People's Bank of China as to the status of such application nor apply for withdrawal thereof on its behalf. Moreover, since the Group's loss of control over the SK Group on 3 August 2022, the Group has been unable to contact the management of the SK Group or obtain work reports from them, and so has not been in a position to monitor or obtain updates on the application process. Given such circumstances, and as the Group had never received any document or other acknowledgment from the People's Bank of China, the status of the application, the reasons for the long processing time and any outstanding items (if any) could not be ascertained.

The PBOC Confirmation has, since completion of the Acquisition, remained outstanding, and as such, the remaining cash consideration for the Acquisition payable by the Group remains unpaid. As disclosed in the Company's announcements dated 4 November 2022 and 9 January 2023, Mr. Yang has, among others, restricted the management of the SK Group from contacting the staff of the Group, and disrupted the business operation of the SK Group since 3 August 2022. Despite the Nominee Arrangement, the Group has ceased to control the operation and management of the SK Group since then. In light of this, the results and financial position of the SK Group had been deconsolidated from the Group's financial statements with effect from 3 August 2022 (the "**Deconsolidation**"). Please refer to the announcement of the Company dated 9 January 2023 for details of the Deconsolidation.

Before 3 August 2022, the Group had, as the shareholder of Shouhui Kaizhuo, advanced certain amount of loans to Shouhui Shidai and Beijing Kubao, being members of the SK Group. As at the Latest Practicable Date, the principal of the loans that remained outstanding amounted to RMB101,425,800 (the "**Debts**").

In response to this, the Group has proactively taken protective steps and measures to protect its interests. The Group has, among others, (i) commenced the Yang Arbitration Proceedings and arbitration proceedings against other former shareholders of Shouhui Kaizhuo to, among others, rescind the Acquisition and seek for damages for breach of contract, and commenced the Debts Proceedings against Shouhui Shidai

and Beijing Kubao for recovery of the Debts, including obtaining an order from the court to freeze the bank accounts of Shouhui Shidai and Beijing Kubao; (ii) entered into mediation with Mr. Yang and other former shareholders of Shouhui Kaizhuo to try to resolve the disputes under the Yang Arbitration Proceedings and the other arbitration proceedings. Up to the Latest Practicable Date, the Group had entered into a settlement agreement on 1 March 2024 for settlement with Tiantu Capital and Tianjin Tiantu Xinhua (who were respondents to such proceedings) (the "**Tiantu Settlement**"). For details of the Tiantu Settlement, please refer to the Company's announcement dated 1 March 2024 and the sub-section headed "2. Background — Background to the Settlement" in the Letter from the Board. The Group had also withdrawn claims against other respondents to such proceedings, with only the Yang Arbitration Proceedings remaining live as at the Latest Practicable Date; (iii) discussed with the members of the SK Group regarding the proposal for settlement of Debts after the relevant court held in favour of the Group in the Debts Proceedings; and (iv) taken out the Information Access Proceedings as a beneficial owner of the registered capital of Shouhui Kaizhuo.

As advised by the PRC Legal Advisers, there is uncertainty as to whether the HAC would rule in favour of the Group in the Yang Arbitration Proceedings. Having considered the advice from the PRC Legal Advisers, the Group has negotiated with Mr. Yang and the Yang Related Entities for possible settlement of the above disputes under the Yang Arbitration Proceedings and the parties have reached consensus to enter into the Settlement Agreement. In this regard, we have obtained and reviewed the legal opinion issued by the PRC Legal Advisers on the Yang Arbitration Proceedings and noted that based on their review and analysis of all the materials currently available including the claims and supporting documents of Mr. Yang and the Yang Related Entities, the PRC Legal Advisers advised that the Group's claim to rescind the Acquisition Agreement due to the default of Mr. Yang and the Yang Related Entities may not succeed and that there is an arbitration risk of that if the HAC would not rule in favour of the Group in the Yang Arbitration Proceedings, in which case, the Group would be unable to claim for any refund of the consideration paid or receive any compensation at the end while incurring additional time and legal costs in the meantime. Furthermore, if Mr. Yang and/or his affiliates manage to procure the PBOC Confirmation, the Group would be bound to perform its payment obligation in respect of the remaining cash consideration (of which approximately RMB92 million would be payable to Mr. Yang and the Yang Related Entities) in accordance with the terms and conditions of the Acquisition Agreement. The PRC Legal Advisers therefore suggested the Group to settle with Mr. Yang and the Yang Related Entities. Based on the above, we concur with the management of the Group that it would be more efficient to settle with Mr. Yang and the Yang Related Entities and the Settlement could (i) enable the Company to achieve a quick and amicable solution without incurring additional time, costs and efforts for advancing the Yang Arbitration Proceedings; (ii) mitigate the risk of losing the Yang Arbitration Proceedings; and (iii) ensure the Group's access to information relating to SK Group, including financial reports and bank confirmations. Although the SK Group will not be accounted for a subsidiary of the Company upon completion of the Settlement, it is stipulated as one of the major settlement terms under the Settlement Agreement that the SK Group shall ensure Hangzhou Enniu's

access to information relating to SK Group, including financial reports and bank confirmations, and cooperate with Hangzhou Enniu to complete its audit procedures in relation to Hangzhou Enniu interests in Shouhui Kaizhuo, until the Group ceases to hold any equity interests in Shouhui Kaizhuo and/or any Economic Benefit. If the SK Group fails to perform such obligation, the SK Group will be subject to a default payment of RMB1,000,000. As such, we consider it is feasible for the Company to have access to the information of the SK Group. Although Mr. Yang has attempted to retrieve control of the SK Group in disregard of the terms agreed under the Acquisition Agreement, as advised by the management of the Group, within three days after the Settlement Agreement becomes fully effective, the parties will apply to HAC for the issuance of an Arbitral Mediation Award in accordance with the provisions of the Settlement Agreement. Such Arbitral Mediation Award is legally binding on the parties to the relevant proceeding and failure by any relevant party to abide by such document would entitle the non-defaulting party to apply to the relevant court for enforcement under the relevant applicable PRC laws and to claim default payment pursuant to the Settlement Agreement without further proceedings. Based on the above, we consider that the existing clause is sufficient to protect the Company to get access to the information of the SK Group.

As discussed in the section headed "1. Background information on the Group" above, through the official change its name from "51 Credit Card Inc." to "Vala Inc.", the Company has marked the new energy mobile lifestyle brand, valalife, as the strategic core for its future development, actively exploring new lifestyle domains with greater consumer potential and scenario versatility. On the other hand, for the credit facilitation business, the Group has ceased to increase the size of this business since July 2025 in compliance with the latest industry regulations and in conjunction with its risk control measures. Despite the increase in revenue and business diversification, the Group's financial performance has deteriorated for FY2024 and FY2025 as a result of the increase in research and development expenses, sales and marketing expenses and origination and servicing expenses in relation to vala automobile and the decrease in net other gain as a result of the poorer-than-expected operating results of several investees and the disposal of certain subsidiaries. Accordingly, it is prudent for the Company to be more cautious in managing its liquidity risk by maintaining adequate funds to prepare itself for capturing new business opportunities across its different business segments and meeting various regulatory requirements. If the Acquisition Agreement remains valid and the PBOC Confirmation is ultimately obtained by Mr. Yang and/or his affiliates, the Group would have to continue to bear a substantial financial burden of paying the remaining balance of the consideration under the Acquisition Agreement. In this context, the entering into of the Settlement Agreement could help save the Group's arbitration costs and possible payments of the remaining balance of the consideration under the Acquisition Agreement, which is in line with the Group's business strategy to maintain adequate funds. Besides, the Group has marked the new energy mobile lifestyle brand, valalife, as the strategic core for its future development while streamlined the scale of its credit facilitation business as affected by the adjustment of financial regulatory policies. Therefore, the Group's continued

shareholding in the SK Group has become increasingly less relevant to, and synergistic with, the Group's existing core businesses given the direction of the future development plans of the Group as a whole.

Taking into account that (i) the Settlement is expected to save time, costs and efforts the Group may need to incur for advancing the Yang Arbitration Proceedings; (ii) our understanding from the PRC Legal Advisers that the Group may face unfavorable outcome in the Yang Arbitration Proceedings in which case the Group may be unable to claim for any refund of the consideration paid or receive any compensation at the end while be bound to perform its payment obligation in respect of the remaining cash consideration in accordance with the terms and conditions of the Acquisition Agreement; (iii) the Settlement is in line with the advice and recommendation from the PRC Legal Advisers; (iv) the Settlement could ensure the Group's access to information relating to SK Group; and (v) the Group's continued shareholding in the SK Group has become increasingly less relevant to, and synergistic with, the Group's existing core businesses given the direction of the future development plans of the Group as a whole, we concur with the Directors that although the entering into of the Settlement Agreement is not conducted in the ordinary and usual course of the business of the Group, it is in the interest of the Company and the Shareholders as a whole.

3. Principal terms of the Settlement Agreement

Set out below is a summary of the principal terms of the Settlement Agreement. Independent Shareholders are advised to read further details of the Settlement Agreement as set out in the Letter from the Board.

Date: 5 February 2026

Parties:

(i) Hangzhou Enniu;

(ii) Hangzhou Zhenniu;

(iii) Hangzhou Shangniu;

(iv) Mr. Yang;

(v) The Yang Related Entities (i.e. Shouhui Tianxia and Fanshan Jinshi); and

(vi) Members of the SK Group (i.e. Shouhui Kaizhuo, Beijing Kubao, Shouhui Shidai and Yaku Shikong).

Each of Mr. Yang and the Yang Related Entities is a connected person of the Company.

Major settlement terms:

Conditional upon the satisfaction of the condition precedent of the Settlement Agreement, the parties have agreed that:

(i) the SK Interests, which were sold to the Group pursuant to the Acquisition and originally owned as to 38.6675% by Fanshan Jinshi, 14.2895% by Shouhui Tianxia and 1% by Mr. Yang, and which are currently registered under their names pursuant to the Nominee Arrangement, shall be transferred back to these former shareholders;

(ii) the consideration already paid by the Group to Mr. Yang and the Yang Related Entities for the acquisition of the SK Interests (being RMB26,324,892) shall be applied towards Hangzhou Enniu acquiring the Economic Benefit attributable to 4.3874% equity interests in Shouhui Kaizhuo to be owned as to 2.1094% by Shouhui Tianxia, 2.078% by Fanshan Jinshi and 0.2% by Mr. Yang upon completion of the transfer of the SK Interests as mentioned in sub-paragraph (i) above (collectively, the "**Tranche 1 Economic Benefit**"). The Group shall become entitled to the Tranche 1 Economic Benefit upon the Arbitral Mediation Award becoming effective;

(iii) after the Arbitral Mediation Award becomes effective and within 30 days of the written request issued by Hangzhou Enniu, Fanshan Jinshi shall transfer back to such member of the Group as designated by Hangzhou Enniu the 2.9061% *(Note)* equity interest in Hangzhou Enniu owned by Fanshan Jinshi (being the equity interest allotted to it as part of the consideration for the Acquisition) at nil consideration;

(iv) within five business days from the date on which the Arbitral Mediation Award becomes effective, Mr. Yang and the Yang Related Entities shall pay to Hangzhou Zhenniu a sum of RMB8,133,224.61 for and on behalf of the Shouhui Shidai and Beijing Kubao (the "**Repayment Sum**") which shall be applied towards repayment of the Debts. Thereafter, 93% of the outstanding balance of the Debts after deducting the Repayment Sum of RMB93,292,575.39 (the "**Net Debts**") (being RMB86,762,095.12) shall be waived in consideration of SK Group waiving its claims against Hangzhou Enniu and Hangzhou Shangniu for potential loss and damage caused by them to the SK Group (or by any director, supervisor and senior management nominated thereby to the SK Group) during the period under their management;

(v) within five business days of receipt of the Repayment Sum, Hangzhou Zhenniu shall apply to the relevant court to lift the freezing order over the bank account of Shouhui Shidai and Beijing Kubao and for the court to release the RMB979,806.84 so frozen by the court;

(vi) the remaining 7% of the Net Debts (being RMB6,530,480.28) shall be fully and finally settled by Fanshan Jinshi by transferring the Economic Benefit attributable to 8.5491% equity interests in Shouhui Kaizhuo to be owned by Fanshan Jinshi upon completion of the transfer of the SK Interests as mentioned in sub-paragraph (i) above (the "**Tranche 2 Economic Benefit**"). The Group shall become entitled to the Tranche 2 Economic Benefit upon the Arbitral Mediation Award becoming effective and when Hangzhou Zhenniu has received the Repayment Sum;

(vii) after the Arbitral Mediation Award has become effective and when Hangzhou Zhenniu has received the Repayment Sum, unless otherwise agreed under the Settlement Agreement, Hangzhou Zhenniu shall not apply to the relevant court for the enforcement of the judgment of the Debts Proceedings;

(viii) Mr. Yang and the Yang Related Entities shall use their endeavours to procure the sale of the entire equity interests of Shouhui Kaizhuo. Subject to the Group receiving the sale proceeds of such sale attributable to the Economic Benefit, Mr. Yang shall be entitled to a cash bonus of RMB5,833,300 (the "**Cash Bonus**") payable by the Group if the consideration of such sale is not less than RMB75,000,000 (the "**Agreed SK Valuation**"). Assuming the entire equity interests of Shouhui Kaizhuo can be sold at the aggregate consideration of RMB75 million, the sale proceeds attributable to the Group would be approximately RMB44.23 million; and

(ix) SK Group shall ensure Hangzhou Enniu's access to information relating to SK Group, including financial reports and bank confirmations, and cooperate with Hangzhou Enniu to complete its audit procedures in relation to Hangzhou Enniu interests in Shouhui Kaizhuo, until the Group ceases to hold any equity interests in Shouhui Kaizhuo and/or any Economic Benefit. After the Arbitral Mediation Award becomes effective, Hangzhou Enniu and Shouhui Kaizhuo shall enter into a settlement agreement with respect to the Information Access Proceedings to settle such proceedings.

Note: Pursuant to the terms of the Acquisition Agreement, it was agreed between the parties that part of the Consideration for the SK Interests would be settled by the acquisition of 1.956% equity interest in Hangzhou Enniu. Such acquisition was completed on 20 November 2017, and Fanshan Jinshi became the registered owner as to 1.956% equity interest in Hangzhou Enniu. In April 2018, as a result of non-proportional capital reduction carried out by Hangzhou Enniu, Fanshan Jinshi's shareholding increased to 2.9061%.

Condition precedent:

The major settlement terms of the Settlement Agreement shall become effective upon and subject to the Independent Shareholders' approval for the transactions contemplated under the Settlement Agreement having been obtained in accordance with the Listing Rules.

Within three days after the Settlement Agreement becomes fully effective, the parties will apply to HAC for the issuance of an Arbitral Mediation Award in accordance with the provisions of the Settlement Agreement.

As discussed in the section headed "2. Reasons for and benefits of the entering into of the Settlement Agreement" above, pursuant to the Acquisition Agreement, the Group acquired the entire equity interest of Shouhui Kaizhuo from its former shareholders at an aggregate cash consideration of RMB466 million, 1.956% equity interest in Hangzhou Enniu and approximately 1.5455% shareholding interest in the Company, among which part of the cash consideration of approximately RMB259.3 million had been paid to the then-shareholders of Shouhui Kaizhuo and 1.956% equity interest in Hangzhou Enniu had been transferred to Fanshan Jinshi. As a cash consideration of RMB466 million was used to acquire 75% of the equity interest of Shouhui Kaizhuo, Shouhui Kaizhuo was valued at approximately RMB600 million at the time of entering into of the Acquisition Agreement.

As the Group intends to transfer back the SK Interests to Mr. Yang and the Yang Related Entities, the consideration already paid by the Group to Mr. Yang and the Yang Related Entities (i.e. RMB26,324,892) and the equity interest in Hangzhou Enniu (i.e. approximately 1.956%) already transferred by the Group to Fanshan Jinshi should be transferred back to the Company. As such, pursuant to the Settlement Agreement, (i) the consideration already paid by the Group to Mr. Yang and the Yang Related Entities for the acquisition of the SK Interests (i.e. RMB26,324,892) shall be applied towards the Tranche 1 Economic Benefit; and (ii) Fanshan Jinshi shall transfer to such member of the Group as designated by Hangzhou Enniu the 2.9061% equity interest in Hangzhou Enniu owned by Fanshan Jinshi (being the equity interest allotted to it as part of the consideration for the Acquisition) at nil consideration. As advised by the management of the Group, the Tranche 1 Economic Benefit (i.e. approximately 4.3874% equity interests in Shouhui Kaizhuo) was determined with reference to (i) the cash consideration of RMB26,324,892 already paid by the Group to Mr. Yang and the Yang Related Entities for the acquisition of the SK Interests; and (ii) the valuation of Shouhui Kaizhuo of approximately RMB600 million at the time of entering into of the Acquisition Agreement. In other words, the Tranche 1 Economic Benefit was derived as the proportion of RMB26,324,892 in terms of RMB600 million. In respect of the equity interest in Hangzhou Enniu, the 1.956% equity interest in Hangzhou Enniu being transferred to Fanshan Jinshi under the Acquisition Agreement is currently equivalent to approximately 2.9061% equity interest in Hangzhou Enniu after the shareholding structure transformation in Hangzhou Enniu over the years. Taking into account that (i) the Tranche 1 Economic Benefit is determined with reference to the actual cash consideration paid by the Group and the valuation of Shouhui Kaizhuo at the time of entering into of the Acquisition Agreement; and (ii) the equity interest in Hangzhou Enniu allotted to Fanshan Jinshi as part of the consideration for the Acquisition would be transferred back to the Group at nil consideration, we consider the arrangement for transferring back the SK Interests to Mr. Yang and the Yang Related Entities under the Settlement Agreement to be fair and reasonable. The Tranche 1 Economic Benefit (i.e. approximately 4.3874% equity interests in Shouhui Kaizhuo) is used to disregard the Group's actual payment to Mr. Yang and the Yang Related Entities of RMB26,324,892 rather than the Group's actual payment to all the then-shareholders of Shouhui Kaizhuo of approximately RMB259.3 million as the purpose of the Settlement Agreement was to reach settlement with Mr. Yang and the Yang Related Entities. Given that the payment of RMB26,324,892 was

previously made to acquire approximately 4.3874% equity interests in Shouhui Kaizhuo at the time of entering into the Acquisition Agreement and it is reasonable for the Group to get what it has paid, we consider the Tranche 1 Economic Benefit to be fair and reasonable. Although the Tranche 1 Economic Benefit is determined based on the then valuation of RMB600 million whereas the Agreed SK Valuation is only RMB75 million, taking into account that (i) the Tranche 1 Economic Benefit is used to disregard the Group's actual payment of RMB26.3 million to Mr. Yang and the Yang Related Entities at the time of entering into of the Acquisition Agreement when the valuation of Shouhui Kaizhuo is approximately RMB600 million rather than acquire equity interests of the Shouhui Kaizhuo at the current stage at the current valuation; and (ii) it is not reasonable to use the current valuation to determine historical acquisition, we consider the Tranche 1 Economic Benefit based on the then valuation to be fair and reasonable and in the interests of the Company and its Shareholders.

In respect of the arrangement of the Debts, we have obtained and reviewed the summary of loans provided by the Group to the SK Group from 2019 to 2021 and noted that the principal of the loans that remained outstanding amounted to RMB101,425,800 (i.e. the Debts). As disclosed in the Letter from the Board, the Group has, among others, commenced the Debts Proceedings against Shouhui Shidai and Beijing Kubao for recovery of the Debts, including obtaining an order from the court to freeze the bank accounts of Shouhui Shidai and Beijing Kubao. The relevant court in the Debts Proceedings has made a final judgement on 10 May 2024 in favour of the Group and held that the SK Group shall repay the Loans and interests accrued thereon, and the Debts Proceedings have now entered the enforcement stage. Pursuant to the Settlement Agreement, Mr. Yang and the Yang Related Entities shall pay the Repayment Sum (i.e. RMB8,133,224.61) and transfer the Tranche 2 Economic Benefit (i.e. approximately 8.5491% equity interests in Shouhui Kaizhuo) to the Group while the majority of the Debts (i.e. RMB86,762,095.12) will be waived by the Group.

In assessing the reasonableness and fairness of the Tranche 2 Economic Benefit and the Repayment Sum, we have obtained and reviewed the audited reports of Shouhui Kaizhuo for FY2023, FY2024 and FY2025. Based on our review, we noted that Shouhui Kaizhuo recorded net loss of approximately RMB0.1 million, RMB12.8 million and RMB16.1 million for FY2023, FY2024 and the FY2025, respectively, indicating its deteriorating financial performance in recent years. As at 31 December 2025, Shouhui Kaizhuo had total assets and net liabilities of approximately RMB171.0 million and RMB111.0 million, respectively. Although the majority of the Debts (i.e. RMB86,762,095.12) will be waived by the Group, taking into account that (i) Economic Benefit over 12.9365% equity interests in Shouhui Kaizhuo was final and the maximum amount that Mr. Yang and the Yang Related Entities were prepared to offer to the Group for full settlement of all the disputes in relation to the Yang Arbitration Proceedings and the Debts Proceedings. The Tranche 2 Economic Benefit represents the maximum equity interests in Shouhui Kaizhuo that Mr. Yang and the Yang Related Parties were prepared to offer under the Settlement of 12.9365% less the Tranche 1 Economic Benefit. As such, the Tranche 2 Economic Benefit and the Repayment Sum are the maximum amount that the Group could obtain as confirmed by the management of the Group. Based on the feedback from the inquiry by the

relevant court in the Yang Arbitration Proceedings, there are insufficient enforceable funds available in the bank accounts of Mr. Yang and the Yang Related Entities to satisfy payment of damages sought by the Group in those proceedings; (ii) Shouhui Kaizhuo's financial performance has been deteriorated in recent years and it recorded net liabilities as at 31 December 2025 which is even greater than the Debts owed to the Group. Based on the feedback from the inquiry by the relevant court in the Debts Proceedings, there are insufficient enforceable funds available in the bank accounts of the SK Group to satisfy the repayment obligations under the relevant judgment. As such, there is significant uncertainty as to whether the Group would be able to recover the Debts or any associated costs and expenses, from the SK Group in whole or in part. At the end, the SK Group would need to rely on Mr. Yang and the Yang Related Entities to pay the Repayment Sum on its behalf; (iii) the waiver of the majority of the Debts (i.e. RMB86,762,095.12) was considered by the management of the Group to waive the SK Group's potential claims against Hangzhou Enniu and Hangzhou Shangniu for potential loss and damage caused by them to the SK Group (or by any director, supervisor and senior management nominated thereby to the SK Group) during the period under their management; (iv) while the Group has secured judgment in its favour in the Debts Proceedings, any further enforcement proceedings of the Debts Proceedings would require additional time and financial resources, and could ultimately result in the winding up of the SK Group without any realistic prospect of recovering any significant portion of the Debts. We consider that the arrangement for the Debts under the Settlement Agreement will be more beneficial to the Company than the winding up of the SK Group since the Group will be able to recover part of the Debts (i.e. RMB8,133,224.61) in cash under the Settlement Agreement while the Group may be unable to recover any part of the Debts in cash under the winding up of the SK Group in view of the latest net liabilities position of Shouhui Kaizhuo. In addition, we have obtained and reviewed the legal opinion issued by the PRC Legal Advisers on the Yang Arbitration Proceedings and noted that based on their review and analysis of all the materials currently available including the claims and supporting documents of Mr. Yang and the Yang Related Entities, the PRC Legal Advisers advised that the Group's claim to rescind the Acquisition Agreement due to the default of Mr. Yang and the Yang Related Entities may not succeed and that there is an arbitration risk of that if the HAC would not rule in favour of the Group in the Yang Arbitration Proceedings, in which case, the Group would be unable to claim for any refund of the consideration paid or receive any compensation at the end while incurring additional time and legal costs in the meantime. Furthermore, if Mr. Yang and/or his affiliates manage to procure the PBOC Confirmation, the Group would be bound to perform its payment obligation in respect of the remaining cash consideration (of which approximately RMB92 million would be payable to Mr. Yang and the Yang Related Entities) in accordance with the terms and conditions of the Acquisition Agreement. The PRC Legal Advisers therefore suggested the Group to settle with Mr. Yang and the Yang Related Entities; and (v) the arrangement for the Debts is an essential part for reaching settlement on the Yang Arbitration Proceedings while there is an uncertainty as to whether the HAC would rule in the Group's favour on the Yang Arbitration Proceedings. Should the HAC not rule in favour of the Group in the Yang Arbitration Proceedings, the Group will be unable to claim for any refund of the consideration paid or receive any compensation at the end while be bound to

perform its payment obligation in respect of the remaining cash consideration in accordance with the terms and conditions of the Acquisition Agreement, we consider the arrangement for the Debts under the Settlement Agreement to be fair and reasonable.

In assessing the repayment ability of Mr. Yang, the Yang Related Entities and the SK Group, we have (i) obtained and reviewed audited reports of the SK Group for FY2023, FY2024 and FY2025, and noted the net liabilities position of the SK Group as at 31 December 2025; (ii) obtained and reviewed the Notices of Property Preservation (財產保全事項通知書) issued by the relevant People's Courts on Mr. Yang, the Yang Related Entities and the principal operating subsidiaries of the SK Group, and we noted that there were insufficient enforceable funds available in the bank accounts of Mr. Yang, the Yang Related Entities and the principal operating subsidiaries of the SK Group to satisfy the full repayment of the Debts. The aggregated amount of enforceable funds in the bank accounts of Mr. Yang, the Yang Related Entities and the principal operating subsidiaries of the SK Group as disclosed in the Notices of Property Preservation amounted to approximately RMB7.5 million. Although the aggregated amount of enforceable funds of approximately RMB7.5 million is slightly lower than the Repayment Sum of approximately RMB8.1 million, as the Repayment Sum is offered by Mr. Yang and the Yang Related Entities who have assessed their own payment ability before the offer and the difference is not large, we consider the Repayment Sum is fair and reasonable; and (iii) discussed with the management of the Group and understood that Tranche 2 Economic Benefit and the Repayment Sum are the maximum amount that the Group could obtain from Mr. Yang and the Yang Related Entities based on their discussion on the HAC.

As stipulated under the Settlement Agreement, Mr. Yang shall be entitled to a Cash Bonus of RMB5,833,300 payable by the Group if the consideration of the sale of the entire equity interests of Shouhui Kaizhuo is not less than RMB75,000,000 (i.e. the Agreed SK Valuation).

In assessing the fairness and reasonableness of the Agreed SK Valuation, we have, based on our search on Bloomberg, identified an exhaustive list of companies (the "**Comparable Companies**") which are (i) principally engaged in the provision of payment services in the PRC, accounting for more than 50% of its total revenue in the latest financial year; and (ii) publicly listed in the PRC or Hong Kong. Based on the aforesaid criteria, we have identified five Comparable Companies. The basis for adopting 50% of revenue as a threshold for identifying the Comparable Companies is because such revenue proportion generally indicates the Comparable Companies' principal business, and is generally considered as an objective benchmark widely adopted in identifying Comparable Companies.

Price-to-earnings ("**P/E(s)**"), price-to-book ("**P/B(s)**") and price-to-sale ("**P/S(s)**") multiples are the three most commonly used benchmarks in valuing a company. Taking into account that (i) P/E is considered not appropriate as Shouhui Kaizhuo has recorded net loss for FY2025; (ii) P/B is considered not appropriate as Shouhui Kaizhuo has recorded net liabilities as at 31 December 2025; and (iii) P/S is

appropriate as Shouhui Kaizhuo has generated positive revenue in recent years, we consider that P/S is the most appropriate multiple to value Shouhui Kaizhuo as compared with other valuation multiples.

The following table sets out the details of the Comparable Companies:

Company name (stock code)	**Principal activities**	**Market capitalisation as at 5 February 2026 (being the date of the Settlement Agreement)** *(RMB million)*	**P/S as at 5 February 2026** *(times)*
Lakala Payment Co., Ltd. (300773.CH)	Provision of digital payment services in the PRC	20,993.3	3.6
Rendong Holdings Group Co., Ltd. (002647.CH)	Provision of third-party payment services in the PRC	10,183.9	8.8
Lianlian DigiTech Co., Ltd. (2598.HK)	Provision of digital payment services in the PRC	6,311.1	4.8
Yeahka Limited (9923.HK)	Provision of payment services and business services in the PRC	3,077.2	1.0
MOG Digitech Holdings Limited (1942.HK)	Provision of digital payment solutions related business in the PRC	329.0	0.3
		Maximum	8.8
		Minimum	0.3
		Median	3.6
		Mean	3.7

Source: Bloomberg and financial reports of the Comparable Companies for its latest financial year

As shown in the table above, the P/Ss of the Comparable Companies as at 5 February 2026 (being the date of the Settlement Agreement) range from approximately 0.3 time to 8.8 times with a median and mean of approximately 3.6 times and 3.7 times, respectively. Based on (a) the Agreed SK Valuation of RMB75,000,000; and (b) the SK Group's revenue of approximately RMB1.7 million for FY2025, the P/S multiple implied by the Agreed SK Valuation is approximately 44.6 times (the "**Implied P/S**"). Taking into account that the Implied P/S of approximately 44.6 times is higher than all the P/Ss of the Comparable Companies, we consider that the Agreed SK Valuation is determined at a level favourable to the Company, and thus fair and reasonable.

Based on our review on the recent circulars published by companies listed on the Stock Exchange which involves the acquisition of equity interests in private companies, we noted that it is common to use market approach to determine the market value of the acquisition targets which are private companies. Although the scale of Shouhui Kaizhuo is significantly smaller than that of the Comparable Companies, we consider the Comparable Companies provide a useful reference on the market valuation of the Chinese payment services providers based on their revenue under the current market conditions. Based on the above, we consider it is appropriate to use market approach in assessing the Agreed SK Valuation.

As disclosed in the Letter from the Board, based on negotiations between the parties, Economic Benefit over 12.9365% equity interests in Shouhui Kaizhuo was final and the maximum amount that Mr. Yang and the Yang Related Entities were prepared to offer to the Group for full settlement of all the disputes in relation to the Yang Arbitration Proceedings and the Debts Proceedings, and the Tranche 2 Economic Benefit represents the maximum equity interests in Shouhui Kaizhuo that Mr. Yang and the Yang Related Parties were prepared to offer under the Settlement of 12.9365% less the Tranche 1 Economic Benefit. In other words, the level of the Agreed SK Valuation has no direct bearing on the percentage of equity interest in Shouhui Kaizhuo that Mr. Yang and the Yang Related Entities are willing to cede to the Group as partial settlement of the Debts for and on behalf of the SK Group. Against such backdrop and in light of that (i) the Implied P/S of approximately 44.6 times is higher than all the P/Ss of the Comparable Companies; (ii) the Group has considered its historical and expected resources in investing in Shouhui Kaizhuo, the Yang Arbitration Proceedings and any further enforcement proceedings which would likely be incurred if settlement is not reached. In particular, up to the Latest Practicable Date, the Group had already paid approximately RMB259.3 million as part of the consideration under the Acquisition Agreement. The Yang Arbitration Proceedings have already been in progress for approximately four years and the Group has incurred aggregate legal costs of approximately RMB3.2 million; (iii) the grant of Cash Bonus by the Group to Mr. Yang to incentivize Mr. Yang to improve the business operation and financial performance of Shouhui Kaizhuo and maximise the value of Shouhui Kaizhuo, and (iv) the Settlement is the most feasible solution to secure partial settlement of the Debts and to promote the sale of Shouhui Kaizhuo and is beneficial for the Group to have the opportunity to recoup part of its investment in the SK Group and devote its time and resources to the expansion of the Group's principal business, we consider the Agreed SK Valuation, as a part of the Settlement Agreement, is fair and reasonable and beneficial to the Company.

With reference to the Letter from the Board, upon completion of the Settlement Agreement, Mr. Yang and the Yang Related Entities will remain as the majority shareholders of Shouhui Kaizhuo, and Mr. Yang will remain as the legal representative of Shouhui Kaizhuo, while the Group will no longer have control over the management, operation or strategic decisions of Shouhui Kaizhuo and will necessarily rely on Mr. Yang's continued involvement and cooperation. Accordingly, the future value and realisation of the Group's equity interests and the Economic Benefit in Shouhui Kaizhuo will depend materially on Mr. Yang's contribution. As a minority shareholder, the Group would be required to tag along with any disposal led by Mr. Yang, and the timing, structure and terms of such disposal would be materially influenced by him. Taking into account that (i) the Cash Bonus is intended to provide incentive to Mr. Yang to maximise the value of Shouhui Kaizhuo and to procure the sale thereof in a manner that enables the Group to realise value from its remaining interests; (ii) the Agreed SK Valuation is determined at a level favourable to the Company as discussed above; (iii) assuming that Shouhui Kaizhuo is sold at the Agreed SK Valuation, the Group is expected to receive gross proceeds of approximately RMB44.2 million from its equity interests and the Economic Benefit. The Cash Bonus of RMB5,833,300 only represents approximately 13% of such gross

proceeds, which is not material. The Cash Bonus is determined after arm's length negotiations between the Group and Mr. Yang taking into account the Agreed SK Valuation and the intention to provide incentive to Mr. Yang to maximise the value of Shouhui Kaizhuo rather than setting 13% of the gross proceeds as the Cash Bonus; and (iv) the Cash Bonus is payable only subject to the Group receiving sale proceeds attributable to the relevant Economic Benefit. On the other hand, if the disposal of Shouhui Kaizhuo does not materialise at all, the Group would be unable to recoup any investment returns from holding the equity interests and the Economic Benefit, we consider the Cash Bonus to be fair and reasonable.

Taking into account that (i) if the disposal of Shouhui Kaizhuo does not materialise at all, the Group would be unable to recoup any investment returns from holding the equity interests and the Economic Benefit. Under such circumstances, the Repayment Sum of approximately RMB8.1 million is the only monetary consideration the Company will receive at the time of executing the Settlement Agreement; and (ii) the Repayment Sum is determined as a part of the arrangement of the Debts (for details of the fairness and reasonableness of the arrangement for the Debts under the Settlement Agreement, please refer to our analysis above), we consider the Settlement Agreement with the cash compensation of only RMB8.1 million is fair and reasonable.

Although there is no fixed deadline for the disposal of the equity interests in Shouhui Kaizhuo, in view of that (i) as stipulated under the Settlement Agreement, Mr. Yang and the Yang Related Entities shall use their endeavours to procure the sale of the entire equity interests of Shouhui Kaizhuo and the Cash Bonus is payable only when the disposal of Shouhui Kaizhuo materialises and the disposal value is not less than the Agreed SK Valuation; and (ii) it needs time for Mr. Yang to improve the business operation and financial performance of Shouhui Kaizhuo and maximise the value of Shouhui Kaizhuo after the Settlement and a larger disposal value is beneficial for the Company. As advised by the management of the Group, Mr. Yang intends to improve the business operation and financial performance of Shouhui Kaizhuo through (a) expanding into vertical sectors such as cultural tourism and hotel supply chains to enhance customer base and offering tiered pricing; (b) strengthening AI real-time risk control and exploring the application scenario of "payment + AI"; and (c) optimising team structure and conducting regular training to improve professional capabilities to optimise costs, we consider such arrangement is fair and reasonable and in the interests of the Company and its Shareholders.

Overall speaking, taking into account that (i) since the Group's loss of control on the operation and management of the SK Group on 3 August 2022, the Group has commenced the Yang Arbitration Proceedings and arbitration proceedings against other former shareholders of Shouhui Kaizhuo. As at the Latest Practicable Date, the Group had entered into the Tiantu Settlement with only the Yang Arbitration Proceedings remaining live. In view of the lengthy time and costs already spent by the Group on Shouhui Kaizhuo's related proceedings, in particular the Yang Arbitration Proceedings, we concur with the management of the Group that it would be in the best interests of the Group to reach a settlement on the Yang Arbitration Proceedings to secure immediate repayment of at least part of the Debts on one hand, and to divest of

the loss-making SK Group soonest possible on the other hand so that it can better allocate its existing resources and focus on the development of its other businesses; (ii) the Tranche 1 Economic Benefit is determined with reference to the actual cash consideration paid by the Group and the valuation of Shouhui Kaizhuo at the time of entering into of the Acquisition Agreement and the equity interest in Hangzhou Enniu allotted to Fanshan Jinshi as part of the consideration for the Acquisition will be transferred back to the Group at nil consideration; (iii) Economic Benefit over 12.9365% equity interests in Shouhui Kaizhuo was final and the maximum amount that Mr. Yang and the Yang Related Entities were prepared to offer to the Group for full settlement of all the disputes in relation to the Yang Arbitration Proceedings and the Debts Proceedings. The Tranche 2 Economic Benefit represents the maximum equity interests in Shouhui Kaizhuo that Mr. Yang and the Yang Related Parties were prepared to offer under the Settlement of 12.9365% less the Tranche 1 Economic Benefit. As such, the Tranche 2 Economic Benefit and the Repayment Sum are the maximum amount that the Group could obtain as confirmed by the management of the Group. Based on the feedback from the inquiry by the relevant court in the Yang Arbitration Proceedings, there are insufficient enforceable funds available in the bank accounts of Mr. Yang and the Yang Related Entities to satisfy payment of damages sought by the Group in those proceedings; (iv) the Agreed SK Valuation is determined at a level favourable to the Company; (v) the Settlement is the most feasible solution to secure partial settlement of the Debts and to promote the sale of Shouhui Kaizhuo, allowing the Group an opportunity to recoup part of the Group's investments in SK Group; and (vi) the reasons for and benefits of the Settlement as discussed in the section headed "2. Reasons for and benefits of the entering into of the Settlement Agreement", we consider that the terms of the Settlement Agreement (including the waiver of the majority of the Debts of RMB86,762,095.12) and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

4. Financial effects of the Settlement

As disclosed in the annual report of the Group for the year ended 31 December 2022, the Group has deconsolidated the SK Group in its consolidated financial statements so that the Acquisition had a carrying value of RMB nil as at 31 December 2022 as recorded in the Group's consolidated balance sheet. As a result of the Deconsolidation, loss of approximately RMB31.0 million was recognised in the Group's income statement for the year ended 31 December 2022.

With reference to the Letter from the Board, assuming that the fair market value of Shouhui Kaizhuo as at the completion of the Settlement to be RMB75,000,000 (i.e., the Agreed SK Valuation), it is estimated that the Company will recognise a gain in financial assets at fair value through profit or loss of approximately RMB44.23 million from the acquisition of the 46.043% equity interests held by the Group in Shouhui Kaizhuo through the Nominee Arrangement and the Economic Benefit attributable to the 12.9365% equity interests of Shouhui Kaizhuo, and will recognise a one-off gain of RMB8,133,224.61, being the entirety of the Repayment Sum, upon receipt thereof on

the basis that the Group has already fully accrued the impairment on the entirety of the Debts, such that receipt of the Repayment Sum will be recognised as other income of the Group. The actual loss to the Company since the completion of the Acquisition and up to the date of the Settlement Agreement is estimated to be approximately RMB310 million.

Assuming that Mr. Yang and the Yang Related Entities are not successful in procuring the sale of the entire equity interests in Shouhui Kaizhuo and the disposal does not materialised, the expected loss to the Company would be approximately RMB353.6 million.

Shareholders should note that the above amounts disclosed are based on the management's preliminary assessment, and that the actual amount of the gain arising from the Settlement to be recognised in the consolidated financial statements of the Group depends on the net assets to be recognised and the incidental transaction costs arising from the Settlement. Therefore, the actual amount of the gain arising from the Settlement will be subject to audit and may be different from the amount mentioned above.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Settlement Agreement and the transactions contemplated thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Settlement Agreement and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Company, is nevertheless in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the ordinary resolution(s) to be proposed at the EGM to approve the Settlement Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors, collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	The Company/name of associated corporation	Capacity/nature of interest	Number of Share(s) involved	Approximate percentage of shareholding[(1)]
Mr. Sun Haitao	The Company	Beneficial Owner	34,749,130[(2)]	2.13%
		Founder of a discretionary trust who can influence how the trustee exercises his discretion	161,159,464[(3)]	9.89%
	The Company	Other	120,969,142[(4)]	7.42%
Ms. Wu Shan	The Company	Beneficial Owner	1,689,770[(5)]	0.10%
Ms. Zou Yunli	The Company	Interest of spouse	130,000[(6)]	0.01%

Notes:

1. The calculations were based on the number of Shares as a percentage of the total number of issued Shares (i.e. 1,629,984,225 Shares) as at the Latest Practicable Date.

2. These Shares comprise (a) 13,010,000 Shares held by Mr. Sun; and (b) 21,739,130 Shares underlying restricted share units ("**RSUs**") granted under the 51 Stock Scheme on 20 March 2018 that vested on 20 March 2022 in accordance with the terms and conditions thereof.

3. Rising Sun Limited is the beneficial owner of the 161,159,464 Shares, and is wholly owned by Wukong Ltd.. Wukong Ltd. is beneficially wholly owned by Wukong Trust, which was established by Mr. Sun as the settlor. TMF (Cayman) Ltd. is the trustee of Wukong Trust. Mr. Sun, as the beneficiary of Wukong Trust, is taken to be interested in those Shares. Mr. Sun Haitao is a director of Rising Sun Limited.

4. The Company entered into a voting proxy agreement (the "**Voting Proxy Agreement**") with Rising Sun Limited, 51 Stock Limited and 51 Award Limited (other than the Company, each, a "**Party to the Voting Proxy Agreement**", collectively, the "**Parties to the Voting Proxy Agreement**"). Pursuant to the Voting Proxy Agreement, Rising Sun Limited is entitled to exercise, in its sole discretion, all the voting powers associated with the 142,708,272 Shares (out of which 21,739,130 are Shares underlying RSUs granted to and vested in Mr. Sun as a grantee under the 51 Stock Scheme of the Company) on behalf of the Parties to the Voting Proxy Agreement on all matters submitted to a vote of Shareholders at any meeting of Shareholders. Accordingly, Mr. Sun is interested in the 21,739,130 Shares underlying the RSUs granted to and vested in him, and, by virtue of the SFO, Mr. Sun is deemed to be interested in the 120,969,142 Shares and the share capital of its associated corporation in which Rising Sun Limited is or is deemed to be interested.

5. These Shares comprise (a) 920,000 Shares held by Ms. Wu; (b) 540,150 Shares underlying RSUs granted to Ms. Wu under the 51 Stock Scheme on 30 June 2015 that vested on 30 June 2019 in accordance with the terms and conditions thereof; (c) 129,620 Shares underlying RSUs granted to Ms. Wu under the 51 Stock Scheme on 30 December 2017 that vested on 30 December 2021 in accordance with the terms and conditions thereof; and (d) 100,000 Shares underlying RSUs granted to Ms. Wu under the 51 Award Scheme on 1 June 2021 and that vested on 1 June 2025 in accordance with the terms and conditions thereof.

6. Mr. Li Anxin, the spouse of Ms. Zou Yunli, is the beneficial owner of the 130,000 Shares. By virtue of the SFO, Ms. Zou Yunli is deemed to be interested in the Shares held by her spouse.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company has any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Furthermore, save for (a) Mr. Sun Haitao being an executive director of the Company and a director of Rising Sun Limited; and (b) Ms. Zou Yunli being an non-executive director of the Company and an executive director of Tiantu Capital, no other Director was a director or employee of a company that had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

4. INTEREST IN CONTRACTS AND ARRANGEMENTS OF SIGNIFICANCE

None of the Directors had material interest in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

5. INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors or their respective close associates have any other interest in a business which competes or may compete with the business of the Group.

6. INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which has since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. EXPERTS

The following are the qualifications of the experts who have given, or agreed to the inclusion of, their opinion or advice in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A licensed corporation under the SFO to carry type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
Zhejiang Wu Lian Law Firm	Legal advisers to the Group as to PRC laws

Each of the experts as set out above has given, and has not withdrawn, their respective written consents to the issue of this circular with the inclusion of their letter and/or opinion (as the case may be) and references to their names or summaries of opinions included herein in the form and context in which they respectively appear.

As at the Latest Practicable Date, the experts as set out above did not have any shareholding in any member of the Group, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did they have any direct or indirect interest in any asset which has since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has not been any material adverse changes in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Group were made up.

9. MISCELLANEOUS

(a) All references to dates and time in this circular refer to Hong Kong dates and time.

(b) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

10. DOCUMENTS ON DISPLAY

A copy of the Settlement Agreement will be available for display on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.vala.life) during the period of 14 days from the date of this circular (both days inclusive).

Vala Inc.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2051)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Vala Inc. (the "**Company**") will be held at Room 3, 10/F., United Conference Centre, United Centre, 95 Queensway, Admiralty, Hong Kong on Wednesday, 24 June 2026 at 12:00 noon for the purposes of considering and, if thought appropriate, approving the following ordinary resolution:

ORDINARY RESOLUTION

"**THAT**

(a) the conditional settlement agreement (the "**Settlement Agreement**") entered into among Hangzhou Enniu Network Technology Co., Ltd. (杭州恩牛網絡技術有限公司), Hangzhou Shangniu Investment Management Partnership (Limited Partnership) (杭州商牛投資管理合夥企業(有限合夥)), Hangzhou Zhenniu Information Technology Co., Ltd. (杭州振牛信息科技有限公司), Mr. Yang Fan (楊帆), Beijing Shouhui Tianxia Equity Investment Partnership (Limited Partnership) (北京首惠天下股權投資合夥企業(有限合夥)), Beijing Fanshan Jinshi Investment Development Partnership (Limited Partnership) (北京凡山金石投資發展合夥企業(有限合夥)), Beijing Shouhui Kaizhuo Technology Co., Ltd.* (北京首惠開桌科技有限公司), Beijing Shouhui Shidai Information Technology Co., Ltd.* (北京首惠時代信息技術有限公司), Beijing Kubao Payment Technology Co., Ltd.* (北京酷寶支付科技有限公司) and Beijing Yaku Shikong E-commerce Co., Ltd.* (北京雅酷時空電子商務有限公司) on 5 February 2026 (a copy of which has been produced to the meeting marked "**A**" and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, and the entering into the Settlement Agreement by the directors of the Company (the "**Directors**") for and on behalf of the Company be and is hereby approved, confirmed and ratified; and

(b) the Directors be and are hereby authorised to do and execute all such acts, matters, deeds, documents and things as they may in their absolute discretion consider necessary or desirable for or in connection with the implementation of the Settlement Agreement and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any

amendment or supplement to any of the provisions of the Settlement Agreement which is in their opinion not of a material nature and to effect or implement any other matters referred to in this resolution."

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

3 June 2026

Notes:

(a) Any shareholder of the Company ("**Shareholder**") entitled to attend and vote at the above meeting is entitled to appoint one or, if he/she/it is the holder of two or more Shares, more than one proxy to attend and vote on his/her/its behalf in accordance with the articles of association of the Company. A proxy needs not be a Shareholder.

(b) In order to be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the above meeting (i.e. by 12:00 noon on 22 June 2026) or any adjournment thereof.

(c) Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

(d) In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she/it was solely entitled thereto; if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.

(e) For the purpose of determining the Shareholders who are qualified for attending and voting at the above meeting, the Company's register of members will be closed from 18 June 2026 to 24 June 2026, both days inclusive, during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the above meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 17 June 2026. The record date for determining the Shareholders who are qualified for attending and voting at the above meeting shall be 24 June 2026.

(f) The Chinese translation of this notice is for information purposes only. In the event of any discrepancy between the English and Chinese versions, the English version shall prevail.

(g) References to time and dates in this notice are to Hong Kong time and dates.