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Arrail Group Limited
瑞爾集團有限公司

(Incorporated in the British Virgin Islands with limited liability and continued in the Cayman Islands)

(Stock Code: 6639)

**CONNECTED TRANSACTION IN RELATION TO
AMENDMENT TO THE LOAN AGREEMENT**

AMENDMENT TO THE LOAN AGREEMENT

References are made to the announcements of the Company dated September 29, 2022, June 27, 2023, June 26, 2024, November 29, 2024, June 27, 2025 and July 24, 2025 (collectively, the “**Announcements**”) in relation to the Loan Agreement (as amended by the Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement) entered into between the Company (as the Lender) and Beier Holdings Limited (as the Borrower), pursuant to which the Lender agreed to provide a loan facility in an aggregate principal amount of US\$11 million (reduced to US\$7.5 million pursuant to the Third Amendment Agreement) to the Borrower for a term of 42 months commencing from September 30, 2022 (i.e. the Utilisation Date).

As disclosed in the Announcements, the ultimate beneficial owner of the Borrower, Mr. Zou, the controlling shareholder and executive Director of the Company, agreed to pledge 9,920,675 Shares held by the Borrower, 4,916,475 Shares held by Mr. Zou, 18,500,000 Shares held by Mingda and 18,000,000 Shares held by Rise Day to the Company, as security for the Loan. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

On April 10, 2026, the Lender and the Borrower entered into the Fourth Amendment Agreement, pursuant to which the parties agreed that, among others, the principal amount of the Loan shall be reduced from US\$7.5 million to US\$6,487,476, and the term of the Loan shall be extended for another three year (i.e. from 42 months to 78 months commencing from September 30, 2022 (i.e. the Utilisation Date)). Prior to the execution of the Fourth Amendment Agreement, the Borrower repaid US\$800,000 (comprising US\$498,640 in principal, US\$288,440 in accrued interest and US\$12,920 in default interest) to the Lender on April 10, 2026, reducing the outstanding principal amount of the Loan to US\$6,487,476. Save for the reduction of the principal amount of the Loan, the extended term of the Loan and other amendments disclosed herein, all the material terms and conditions of the Loan Agreement remain unchanged (including the interest rate remains at 5.5%) and in full force and effect.

PARTIAL RELEASE OF PLEDGED SHARES

In view of the reduction in the outstanding principal amount of the Loan, 18,000,000 Pledged Shares (being all the Shares held by Rise Day) will be released from the share mortgage arrangements. Following such release, the total number of Pledged Shares securing the Loan will be reduced from 51,337,150 Shares to 33,337,150 Shares (comprising 9,920,675 Shares held by the Borrower, 4,916,475 Shares held by Mr. Zou and 18,500,000 Shares held by Mingda), representing approximately 5.93% of the total issued share capital of the Company (excluding the treasury shares) as at the date of this announcement.

LISTING RULES IMPLICATIONS

As the Borrower is wholly owned by Mr. Zou, an executive Director and one of the controlling shareholders of the Company and therefore a connected person of the Company, the Fourth Extension of Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Fourth Extension of Loan are more than 0.1% but less than 5%, the Fourth Extension of Loan is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE FOURTH AMENDMENT AGREEMENT

On April 10, 2026, the Lender and the Borrower entered into the Fourth Amendment Agreement, pursuant to which the parties agreed that, among others, the principal amount of the Loan shall be reduced from US\$7.5 million to US\$6,487,476, and the term of the Loan shall be extended for another three years (i.e. from 42 months to 78 months commencing from September 30, 2022 (i.e. the Utilisation Date). Prior to the execution of the Fourth Amendment Agreement, the Borrower repaid US\$800,000 (comprising US\$498,640 in principal, US\$288,440 in accrued interest and US\$12,920 in default interest) to the Lender on April 10, 2026, reducing the outstanding principal amount of the Loan to US\$6,487,476. Save for the reduced principal amount of the Loan, the extended term of the Loan and other amendments disclosed herein, all the material terms and conditions of the Loan Agreement remain unchanged (including the interest rate remains at 5.5%) and in full force and effect.

The original termination date (the "**Original Termination Date**") under the Loan Agreement (as amended by the Third Amendment Agreement) was March 31, 2026. The Borrower had been actively arranging for the repayment prior to the Original Termination Date. However, certain funding arrangements originally expected to be available before the end of March 2026 were not materialised as scheduled, and the Borrower had to procure alternative financing sources as soon as it was aware of such situation. The Borrower arranged the partial repayment as set out above on April 9, 2026, being the earliest date on which the relevant replacement funds could be made available, and such repayment was completed on April 10, 2026.

The period from April 1, 2026 to April 9, 2026 (being 9 days) constitutes the period of delay. In accordance with the Loan Agreement, the Borrower has paid default interest of approximately US\$12,920 (being 9 days of interest calculated at the default interest rate of 7.5% per annum on the then outstanding principal amount) to the Lender on April 10, 2026.

The Board considers that the short delay of partial repayment was reasonable and justified, taking into account the following:

- (a) the Borrower had taken active steps to arrange for the repayment prior to the Original Termination Date, and the short delay of 9 days was attributable to the changes in the timing and availability of certain third-party financing arrangement, which was out of the Borrower's control;
- (b) the Borrower has compensated the Lender by paying default interest at the rate of 7.5% per annum (representing a 2.0% premium over the contractual interest rate), which adequately protects the Company's interests;
- (c) the Company's interests were at all times secured by the Pledged Shares; and
- (d) the partial repayment of US\$498,640 in principal was completed on April 10, 2026, demonstrating the Borrower's good faith in fulfilling its repayment obligations.

As of the date of this announcement, the principal amount of approximately US\$4.51 million has been repaid by the Borrower to the Company. It is expected that the Borrower will pay off the loan within the term of the Fourth Amendment Agreement.

PARTIAL RELEASE OF PLEDGED SHARES

As disclosed in the Announcements, a total of 51,337,150 Shares (comprising 9,920,675 Shares held by the Borrower, 4,916,475 Shares held by Mr. Zou, 18,500,000 Shares held by Mingda and 18,000,000 Shares held by Rise Day) have been pledged to the Company as security for the Loan (the "**Original Pledged Shares**").

In view of the reduction in the outstanding principal amount of the Loan, the Lender and the Borrower have agreed that a total of 18,000,000 Pledged Shares (being all the Shares held by Rise Day) shall be released from the share mortgage arrangements (the "**Released Shares**"). Following such release, the remaining 33,337,150 Shares (comprising 9,920,675 Shares held by the Borrower, 4,916,475 Shares held by Mr. Zou and 18,500,000 Shares held by Mingda will continue to be pledged to the Company as security for the Loan (the "**Remaining Pledged Shares**"). The Remaining Pledged Shares represent approximately 5.93% of the total issued share capital of the Company (excluding the treasury shares) as at the date of this announcement.

Based on the closing price of HK\$1.83 per Share as at the Last Trading Day, the aggregate value of the Remaining Pledged Shares is approximately HK\$61 million (equivalent to approximately US\$7.79 million), which exceeds the outstanding Loan amount of approximately US\$6.49 million.

The Directors (including the independent non-executive Directors) consider that the release of the Released Shares is fair and reasonable, as the value of the Remaining Pledged Shares continues to provide adequate security coverage for the outstanding Loan.

REASONS FOR THE FOURTH EXTENSION OF LOAN

The Loan was used primarily by the Borrower to refinance the Borrower's acquisition cost of 9,920,675 Shares in series D-3 pre-IPO investment conducted in December 2017. In terms of the Fourth Extension of Loan, given that (i) the available resources for the Borrower to fulfill the repayment obligations under the Loan Agreement are limited; (ii) the interest rate of the Loan was 5.5% per annum in short term, which is much higher than the prevailing market interest rate of fixed deposits offered by commercial banks in the PRC, and the provision of Loan can broaden the source of income of the Group; (iii) the Company currently has sufficient cash flows and there is no substantial negative impact to the Company's operation and financial performance for the Fourth Extension of Loan; and (iv) the repayment obligations of the Borrower arising from the Loan continue to be secured by the Remaining Pledged Shares, the value of which exceeds the outstanding Loan amount based on the closing price of the Shares as at the Last Trading Day. The Company will continue to monitor the value of the Remaining Pledged Shares on an ongoing basis and, in the event that the value of the Remaining Pledged Shares falls or will fall below the outstanding Loan amount, the Company will take appropriate measures to protect its interests, including but not limited to requiring the Borrower to provide additional security or enforcing the Company's rights under the security documents, the Directors (including the independent non-executive Directors) consider that the Fourth Extension of Loan, although not in the ordinary course of business of the Company, is on normal commercial terms or better and the terms of the Loan Agreement and its amendments and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Furthermore, the Borrower has informed the Company that it has been proactively securing funds to facilitate the loan repayment. Taking into account the Company's sufficient working capital for the operation of its business, the Board (including the independent non-executive Directors) considers the Fourth Extension of Loan is appropriate.

In addition, the Board notes that the Borrower made a partial repayment of US\$498,640 in principal, reducing the outstanding principal to approximately US\$6.49 million. While such partial repayment was completed after the Original Termination Date, the Board is of the view that the delay was caused by the changes in the timing and availability of certain third-party financing arrangements, and the Borrower had been actively arranging financing for the repayment prior to the Original Termination Date. The Borrower has also paid default interest to the Lender in full at the rate of 7.5% per annum for such period of delay, which the Board considers adequate to protect the Company's interests. The short transitional period does not adversely affect the commercial rationale for the Fourth Extension of Loan.

Save for Mr. Zou who has abstained from voting on the Board resolution(s) in relation to approving the Fourth Amendment Agreement and the transactions contemplated thereunder, no Director has a material interest or is required to abstain from voting on the said Board resolutions.

GENERAL INFORMATION

The Company is a company incorporated in BVI with limited liability and continued in the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the business of provision of dental services (including general dentistry, orthodontics and implantology) through operations of dental clinics and hospitals in the PRC.

Beier is a BVI company primarily engaged in investment holding and wholly owned by Mr. Zou. Mingda is a private company limited by shares incorporated in Hong Kong primarily engaged in investment holding. Mingda is wholly owned by Rise Day, which is in turn wholly owned by United Culture Assets Limited, a BVI company wholly owned by an independent trustee entrusted by Mr. Zou. A family trust was established over United Culture Assets Limited for the benefits of Mr. Zou and his family members accordingly, of which Mr. Zou acts as the protector and settlor. As at the date of this announcement, Mr. Zou is interested in approximately 31.53% of the issued share capital of the Company.

LISTING RULES IMPLICATIONS

As the Borrower is wholly owned by Mr. Zou, an executive Director and one of the controlling shareholders of the Company and therefore a connected person of the Company, the Fourth Extension of Loan constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Fourth Extension of Loan are more than 0.1% but less than 5%, the Fourth Extension of Loan is subject to the reporting and announcement requirements but is exempt from the circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITION

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

“Amendment Agreement”	the amendment agreement dated June 27, 2023 entered into between the Lender and Borrower in relation to the Loan Agreement
“Board”	board of Directors
“Borrower”	Beier Holdings Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Zou, and one of the controlling shareholders of the Company
“Company”	Arrail Group Limited, an exempted company registered by way of continuation under the laws of the Cayman Islands with limited liability on November 16, 2020, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6639)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Fourth Amendment Agreement”	the fourth amendment agreement dated April 10, 2026 entered into between the Lender and Borrower in relation to the Loan Agreement amended by the Amendment Agreement and further amended by the Second Amendment Agreement and the Third Amendment Agreement

“Fourth Extension of Loan”	the extension of the term of the Loan from 42 months to 78 months pursuant to the Fourth Amendment Agreement
“Group”	the Company and its subsidiaries and consolidated affiliated entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	November 28, 2025, being the last trading day of the Shares on the Stock Exchange immediately prior to the suspension of trading in the Shares with effect from December 1, 2025
“Lender”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the loan facility provided by the Lender to Borrower originally in the principal amount of US\$11 million pursuant to the Loan Agreement, as at the date of this announcement, the principal amount was reduced to US\$6,487,476 pursuant to the Fourth Amendment Agreement
“Loan Agreement”	the loan agreement dated September 28, 2022 entered into between the Lender and Borrower in relation to the provision of the Loan
“Mingda”	Mingda International Limited, a private company limited by shares incorporated in Hong Kong and indirectly wholly owned by Mr. Zou, the executive Director and one of the controlling shareholders of the Company
“Mr. Zou”	Mr. Zou Qifang (鄒其芳), our founder, chairman of the Board, Director and chief executive officer, and one of the controlling shareholders of the Company
“Pledged Shares”	all of the assignor’s right, title and interest from time to time in and to the Shares, which at that time are held in the custodian accounts and all related rights as defined in the Fourth Amendment Agreement entered into between the Borrower and the Lender in relation to the Loan Agreement
“PRC”	the People’s Republic of China, which shall for the purpose of this announcement exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Rise Day”	Rise Day Holdings Limited, a private company incorporated in BVI and wholly owned by United Culture Assets Limited, which is a BVI company wholly owned by an independent trustee entrusted by Mr. Zou. A family trust was established over United Culture Assets Limited for the benefits of Mr. Zou and his family members accordingly, of which Mr. Zou acts as the protector and settlor
“Second Amendment Agreement”	the second amendment agreement dated June 26, 2024 entered into between the Lender and Borrower in relation to the Loan Agreement amended by the Amendment Agreement
“Share(s)”	ordinary share(s) of US\$0.02 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Amendment Agreement”	the third amendment agreement dated June 27, 2025 entered into between the Lender and Borrower in relation to the Loan Agreement amended by the Amendment Agreement and further amended by the Second Amendment Agreement
“%”	per cent

By Order of the Board
Arrail Group Limited
Zou Qifang
Chairman

Hong Kong, April 10, 2026

As at the date of this announcement, the Board comprises Mr. Zou Qifang and Mr. Zhang Jincai as executive Directors, and Ms. Liu Xiaomei Michelle, Mr. Sun Jian and Mr. Zhang Bang as independent non-executive Directors.