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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)**

## **VOLUNTARY ANNOUNCEMENT INVESTMENT IN WUXI TONGSHAN DENTAL HOSPITAL CO., LTD**

This announcement is made by Arrail Group Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) on a voluntary basis.

### **INVESTMENT IN WUXI TONGSHAN DENTAL HOSPITAL CO., LTD**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on July 8, 2022 (after trading hours), Shanghai Ruibin Management Consulting Co., Ltd. (上海瑞彬管理諮詢有限公司) (“**Shanghai Ruibin**”), a wholly-owned subsidiary of the Company, entered into an investment agreement (the “**Investment Agreement**”) with Wuxi Tongshan Hospital Management Co., Ltd (無錫通善醫院管理有限公司) (“**Wuxi Tongshan**”), Wuxi Shanxing Tianxia Investment Partnership (Limited Partnership) (無錫善行天下投資合夥企業(有限合夥)) (“**Wuxi Shanxing Tianxia**”) and Wuxi Tongshan Dental Hospital Co., Ltd (無錫市通善口腔醫院有限公司) (the “**Target Company**”), pursuant to which Shanghai Ruibin conditionally agreed to obtain 51% interest in the registered capital of the Target Company (the “**Investment**”).

Upon completion of the Investment, the Target Company and its subsidiaries (the “**Target Group**”) will become non-wholly owned subsidiaries of the Company. Accordingly, the financial results of the Target Group will be consolidated into the consolidated financial statements of the Group.

### **INFORMATION ABOUT THE TARGET GROUP**

The Target Company is a company established in the People’s Republic of China with limited liability. The Target Group currently operates its business under the name of “Tongshan Dental” (通善口腔) since 2017. Starting from 2001, the Target Group has been providing dental services in Wuxi of Jiangsu Province and nearby area under different names. Through decades of commitment and endeavors in the dental market, the Target Group has become a leading dental group in Wuxi and a well-known market player in eastern China.

## REASONS FOR AND BENEFITS OF THE INVESTMENT

The business of the Target Group aligns with our existing business. The Company is optimistic about the prospect of the Target Group and is confident that the Investment will create synergy to the Group in various aspects including but not limited to: (i) the training of existing dentist team; (ii) the recruitment of expert dentists under the Company's brand awareness; and (iii) the improvement of operation efficiency. Upon completion of the Investment, it will deepen our footprint in eastern China as well as further strengthen the Company's leading position as a national chain player in China dental market by having 11 facilities in total (including 2 existing Rytime clinics) operating in Wuxi of Jiangsu Province and nearby area.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company, Wuxi Tongshan and Wuxi Shanxing Tianxia and their respective ultimate beneficial owners are independent third parties.

## LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) in respect of the Investment are less than 5%, the Investment does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

**As completion of the Investment is conditional upon the satisfaction of the conditions precedent set out in the Investment Agreement, the Investment may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Arrail Group Limited**  
**Zou Qifang**  
*Chairman*

Hong Kong, July 8, 2022

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