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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)**

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE AMENDMENT TO THE LOAN AGREEMENT AND PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDER**

Reference is made to the announcement of Arrail Group Limited (the “**Company**”) dated June 27, 2025 in relation to the Third Amendment Agreement and the pledge of additional Shares held by the Controlling Shareholder (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement. The Company would like to provide the Shareholders and potential investors of the Company with the following additional information in relation to the Third Amendment Agreement.

### **Additional Information in Relation to the Third Amendment Agreement**

Pursuant to the Third Amendment Agreement, among others, any interest accrued on the amounts payable by the Borrower under the Loan Agreement (as amended by the Amendment Agreement and as further amended by the Second Amendment Agreement and the Third Amendment Agreement) (the “**Default Interest**”) from the expiry date of the Second Amendment Agreement (i.e. April 1, 2025) up to the date of entering into the Third Amendment Agreement (i.e. June 27, 2025), which shall be in the amount of US\$53,041, was waived by the Lender (“**Waiver of the Default Interest**”).

### **Reasons for the Waiver of the Default Interest**

The Company granted the Waiver of the Default Interest taking into account the following reasons:

- The relevant parties had commenced negotiations regarding the extension of the Loan prior to the expiry of the Second Amendment Agreement, and therefore, the Company had a positive expectation of reaching a new extension agreement with the Borrower, which includes a proposed repayment plan provided by the Borrower to the Company.
- The Waiver of the Default Interest was granted based on certain commercial considerations, which include, but not limited to, maintaining long-standing relationship with the Borrower, prioritizing the repayment of principal amount under the Loan to avoid greater financial losses, and securing additional collateral through negotiations to offset the economic impact of forgoing the Default Interest.

- Specific circumstances were considered by the Company prior to granting the Waiver of the Default Interest, which primarily include: (i) the default period was relatively short, lasting less than three months; (ii) the amount of Default Interest involved was insignificant to the Company; and (iii) the interest rate of the Loan is 5.5% per annum, which is considered higher than the prevailing market interest rate of fixed deposits offered by commercial banks in the PRC.
- Considering that the Borrower has provided additional Pledged Shares as collateral and partially repaid the principal amount under the Loan, the risk associated with the principal default remains low, and therefore it is expected that the Waiver of Default Interest will not pose any material adverse impact to the Company's business operations or financial position.

Based on the above, the Directors consider that the Waiver of Default Interest is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, July 24, 2025

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