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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)

QUARTERLY UPDATE AND CONTINUED SUSPENSION OF TRADING

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Arrail Group Limited (the "**Company**", together with its subsidiaries and VIE entities, the "**Group**") pursuant to Rules 13.09 and 13.24A of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated November 28, 2025, January 21, 2026, February 15, 2026, March 2, 2026, April 9, 2026, June 1, 2026 and June 30, 2026 (collectively, the "**Announcements**") in relation to, among other things, (i) the delay in publication of the 2025 Interim Results and the delay in despatch of the 2025 Interim Report; (ii) the delay in publication of the 2025/26 Annual Results and the delay in dispatch of the 2025/26 Annual Report; (iii) the establishment of the Independent Investigation Committee and the launch of the Independent Investigation; (iv) the change of auditor of the Company; and (v) the Resumption Guidance and the quarterly update of the resumption progress. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and other investors regarding the following latest developments of the Company.

PROGRESS UPDATE ON INDEPENDENT INVESTIGATION

The Independent Investigation, which was launched on December 9, 2025 under the oversight of the Independent Investigation Committee (comprising all independent non-executive Directors), continues to be conducted by the Independent Investigators.

As at the date of this announcement, the Independent Investigators have substantially completed final-stage interviews with relevant current employees of the Group. The Independent Investigators have consolidated their factual findings and prepared a draft Investigation Report to the Independent Investigation Committee, with the final Investigation Report to be issued to the Independent Investigation Committee in early September 2026. Upon completion of the Investigation Report, the Company will submit the draft Investigation Report to the Stock Exchange for review. Further announcements on any material developments and/or findings of the Independent Investigation will be made in due course.

PROGRESS UPDATE ON INDEPENDENT INTERNAL CONTROL REVIEW

To address resumption condition (c) under the Resumption Guidance, the Company has engaged the Internal Control Consultant to carry out the Internal Control Review. As of the date of this announcement, the Internal Control Consultant has substantially completed the fieldwork and has provided improvement recommendations regarding internal control deficiencies identified during the Internal Control Review. The Company has been responding and implementing corresponding remedial measures based on the recommendations of the Internal Control Consultant. The Internal Control Consultant is concurrently conducting follow-up review to assess the implementation of the remedial measures. The Board will carefully consider the Internal Control Consultant's findings and recommendations and, where necessary, adopt further improvement measures as part of its remedial action plan. The Company will publish further announcements on the progress and results of the Internal Control Review as and when appropriate.

STATUS OF THE OUTSTANDING FINANCIAL RESULTS

HLB has commenced the review of the 2025 Interim Results since its appointment as auditor of the Company on February 14, 2026 and is in the process of auditing the 2025/26 Annual Results. As at the date of this announcement, HLB is performing their review and/or audit procedures on the Relevant Matters, to assess whether the Group's financial statement presentation and disclosures (including in respect of the investigation findings) are adequate and comply with the applicable accounting standards and the Listing Rules. Given HLB's remaining procedures in respect of the Relevant Matters, the Company expects to publish the 2025 Interim Results and the 2025/26 Annual Results around the end of September 2026.

UPDATE ON BUSINESS OPERATIONS

The Group is a leading dental medical service provider in the high-end private dental medical service market in China, offering quality dental medical services to diverse patient groups across multiple geographies under its "Arrail Dental" (瑞爾齒科) and "Rytime Dental" (瑞泰口腔) brands. Notwithstanding the suspension of trading and the matters disclosed above, the Group's dental clinics, dental hospitals and related business operations have continued to operate in the ordinary course since the commencement of the suspension on December 1, 2025, and the Board and management remain focused on maintaining the stability of the Group's operations and safeguarding the interests of patients, staff and other stakeholders.

As at the date of this announcement, the Group operates a nationwide network of 110 dental service points in mainland China, comprising 100 dental clinics and 10 dental hospitals, with an aggregate of 1,461 dental chairs installed.

The Group recorded an aggregate of approximately 507,612 patient visits from April 1 to June 30, 2026, representing an increase of approximately 4.4% as compared to the corresponding period of the previous year, indicating a steady recovery in patient throughput. Additionally, Arrail Dental recorded 126,158 patient visits, while Rytime Dental recorded 381,454 patient visits.

As at the date of this announcement, the Group had a total of 3,177 full-time employees, with the number of dentists reaching 969 as at June 30, 2026. The Group is continuing to invest in AI-assisted diagnosis and opportunity identification to enhance overall operational efficiency.

The repeat-visit rate of the Group's loyal customers (being patients who had received treatment again from the Group during the preceding 12 months) was approximately 46.7% as at June 30, 2026, compared to approximately 45.5% as at June 30, 2025, reflecting the resilience of the Group's patient base and brand recognition. The Group's major suppliers have remained stable and there has been no material change in the Group's principal supplier arrangements.

As at the date of this announcement, the Group maintains adequate cash reserves and a smooth cash flow position, sufficient to meet the requirements of its ordinary course business operations and ongoing project initiatives.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on December 1, 2025 and will remain suspended until the publication of the 2025 Interim Results, 2025/26 Annual Results and any other inside information that may be required to be disclosed under the Listing Rules. The Company will continue to publish quarterly updates pursuant to Rule 13.24A of the Listing Rules until resumption or cancellation of listing, whichever is earlier.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Arrail Group Limited
Zou Qifang
Chairman

Hong Kong, September 1, 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.