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China Education Group Holdings Limited
中國教育集團控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 839)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO INSIDE INFORMATION — UPDATE ON FY2026 FINANCIAL PERFORMANCE

This announcement is made by China Education Group Holdings Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 13 November 2026 in relation to the update on the financial performance of the Group for FY2026 (the "**Announcement**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the Group expects to record a net profit attributable to owners of the Company of approximately RMB630 million to RMB770 million for FY2026, as compared to approximately RMB977 million for FY2025, representing an expected decrease of approximately RMB207 million to RMB347 million, or approximately 21% to 36%. The Board wishes to provide further information on the principal factors contributing to the expected decrease.

Based on the information currently available, the expected decrease is primarily attributable to the net effect of the following factors. The amounts in paragraphs (b) to (d) below are presented on a consolidated basis, before taking into account the portion attributable to non-controlling interests:

(a) Decrease in Impairment Losses on Certain Non-current Assets

As disclosed in the Announcement, the Group expects to record a non-cash impairment loss, net of deferred tax, of approximately RMB1,060 million to RMB1,140 million for FY2026 on certain non-current assets relating to two cash-generating units in Sichuan and Henan provinces, China. After deducting the portion attributable to non-controlling interests, the impairment loss, net of deferred tax, attributable to owners of the Company is expected to be approximately RMB780 million to RMB840 million, as compared to approximately RMB1,091 million for FY2025, representing a decrease of approximately RMB251 million to RMB311 million. Although the impairment loss had a significant impact on the net profit attributable to owners of the Company for FY2026, it was lower than that for FY2025. Accordingly, on a year-on-year basis, the impairment loss did not contribute to the expected decrease in net profit attributable to owners of the Company; rather, it partially offset the effects of the factors set out in paragraphs (b) to (d) below.

(b) Increase in Administrative Expenses

Administrative expenses for FY2026 are expected to increase by approximately RMB150 million to RMB190 million (or approximately 13% to 16%) from approximately RMB1,159 million for FY2025, mainly attributable to higher indirect tax expenses, increased staff costs, and additional depreciation and utility expenses following the commencement of use of new campuses and buildings.

(c) Decrease in Gross Profit

Gross profit for FY2026 is expected to decrease by approximately RMB60 million to RMB100 million (or approximately 1.5% to 2.5%) from approximately RMB3,926 million for FY2025. Although revenue is expected to increase, cost of revenue is expected to increase at a higher rate, mainly due to the Group's increased investment in teachers and teaching following the expansion of campuses and curricula.

(d) Increase in PRC Enterprise Income Tax

The PRC enterprise income tax ("**EIT**") included in taxation for FY2026 is expected to increase by approximately RMB250 million to RMB290 million (or approximately 74% to 86%) from approximately RMB339 million for FY2025, mainly due to the increase in PRC EIT for the current year.

The remaining difference is attributable to a combination of other factors, none of which is individually material.

Save for the supplementary information disclosed above, all other information and content set out in the Announcement remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

CAUTIONARY STATEMENT

The information contained in this announcement is based on the Board's preliminary assessment of the Group's unaudited consolidated management accounts for FY2026 and the information currently available, which have not been audited by the Company's auditor and may be subject to adjustment. The Group's audited annual results for FY2026 are expected to be announced on or about 26 November 2026.

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

By order of the Board
China Education Group Holdings Limited
Chan Yuen Fung
Company Secretary

Hong Kong, 23 November 2026

As at the date of this announcement, the executive Directors are Dr. Yu Kai and Mr. Wang Rui, and the independent non-executive Directors are Dr. Gerard A. Postiglione, Dr. Rui Meng and Dr. Wu Kin Bing.