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## China Literature Announces 2025 Interim Results

Hong Kong, August 12, 2025 – China Literature Limited ("China Literature" or "the Company", stock code: 0772), a leading online literature and intellectual property ("IP") incubation platform in China, today announced the unaudited consolidated results for the six months ended June 30, 2025.

**Results Highlights [1]**

- Total revenues were RMB3,190.6 million (USD445.7 million), compared with RMB4,190.9 million in the first half of 2024.
  - Revenues from online business increased by 2.3% year-over-year to RMB1,985.4 million (USD277.3 million), mainly due to the revenue growth of self-owned platform products.
  - Revenues from intellectual property operations and others decreased by 46.4% year-over-year to RMB1,205.2 million (USD168.4 million), mainly attributable to the absence of new TV series or film releases from New Classics Media ("NCM") in the first half of the year, reflecting the inherent development cycles and scheduling of TV series and film projects.
- **On an IFRS basis**:
  - Profit attributable to equity holders of the Company increased by 68.5% year-over-year to RMB849.8 million (USD118.7 million).
  - Basic earnings per share were RMB0.84. Diluted earnings per share were RMB0.83.
- **On a non-IFRS [2] basis**, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:
  - Profit attributable to equity holders of the Company was RMB507.8 million (USD70.9 million), compared with RMB702.1 million in the first half of 2024, influenced by the uneven release schedules for TV series and films of NCM within this year. Excluding this impact, non-IFRS profit attributable to equity holders of the Company increased by 35.7% year-over-year to RMB545.3 million (USD76.2 million).
  - Basic earnings per share were RMB0.50. Diluted earnings per share were RMB0.50.

Mr. Hou Xiaonan, Chief Executive Officer of China Literature, commented, "In the first half of 2025, our online reading content ecosystem continued to flourish, with revenues from online business increasing by 2.3% year-over-year to RMB1.99 billion. In terms of our IP operation business, China Literature's IPs have consistently excelled across premium TV series, animation, and comics. Additionally, we made breakthroughs in emerging segments such as short dramas and IP merchandising. The success rate of blockbuster short dramas saw significant improvement, and our IP merchandise business achieved a GMV of RMB480 million – nearly matching last year's annual total, underscoring its strong momentum of development.

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1. Figures stated in USD are based on USD1 to RMB7.1586.
2. Non-IFRS adjustments exclude share-based compensation, M&A related impact such as net gains or losses from investee companies, amortization of intangible assets and impairment provisions, as well as related income tax effects.
3. Certain figures included in this press release have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures shown in the breakdown items.
4. "Our literature platform", or "our platform" refers to all of online products, channels and content operated by China Literature, including but not limited to mobile apps, WAPs, websites and various channels.

Overall, the year 2025 will be a pivotal period for fostering strong growth momentum. The rapid rise of short dramas, the breakout popularity of trendy toys, and the spreading influence of goods culture are driving new types of content and consumption patterns into the mainstream at an unprecedented pace. This evolution not only highlights the vibrancy of the cultural consumption market but also reaffirms the fundamental core principle: major breakthroughs in growth are driven by the creative transformation and contextual development of premium IP. With this historic opportunity in front of us, we will capitalize on our vast IP library, extensive experience, and established cross-industry synergies we have cultivated over multiple years to reshape the industry landscape and drive its development. Looking ahead, we remain committed to becoming the key driving force and lead architect of China's evolving IP ecosystem."

**Financial Review** [3]

***Revenues*** were RMB3,190.6 million (USD445.7 million), compared with RMB4,190.9 million in the first half of 2024.

Revenues from online business increased by 2.3% year-over-year to RMB1,985.4 million (USD277.3 million).

i) Online business revenues from self-owned platform products increased by 3.1% year-over-year to RMB1,746.0 million (USD243.9 million), due to the Company's focus on improving core product operations and continuous production of high-quality content;

ii) Online business revenues from channels on Tencent products decreased by 25.6% year-over-year to RMB97.1 million (USD13.6 million), primarily due to a decline in advertising revenues associated with the continuous refinement of content distribution practices on Tencent channels and prioritization of distribution through core pay-to-read products; and

iii) Online business revenues from third-party platforms increased by 23.1% year-over-year to RMB142.2 million (USD19.9 million), reflecting the increasing value of the Company's high-quality content to partners.

Revenues from IP operations and others decreased by 46.4% year-over-year to RMB1,205.2 million (USD168.4 million).

i) Revenues from IP operations decreased by 48.4% year-over-year to RMB1,137.5 million (USD158.9 million), mainly attributable to the absence of new TV series or film releases in the first half of the year, reflecting the inherent development cycles and scheduling of TV series and film projects. Meanwhile, several new businesses have been developing rapidly, particularly the IP merchandise business, which generated strong growth with GMV increasing to RMB480 million in the first half of the year, nearly reaching the full-year total of RMB500 million in 2024; and

ii) Revenues from the "others" category, mainly generated by sales of physical books, increased by 41.9% year-over-year to RMB67.7 million (USD9.5 million).

***Cost of revenues*** decreased by 25.1% year-over-year to RMB1,578.2 million (USD220.5 million). The decrease was primarily due to the absence of new TV series or film releases in the first half of the year, which resulted in no corresponding production costs being recognized during the period.

***Gross profit*** was RMB1,612.4 million (USD225.2 million), compared with RMB2,083.2 million in the first half of 2024. Gross margin was 50.5%, compared with 49.7% in the first half of 2024.

***Interest income*** was RMB81.9 million (USD11.4 million), compared with RMB90.6 million in the first half of 2024.

***Net other gains*** were RMB582.5 million (USD81.4 million), compared with net other losses of RMB3.7 million in the first half of 2024. Net other gains of this period were primarily related to investment activities.

***Selling and marketing expenses*** decreased by 20.4% year-over-year to RMB922.4 million (USD128.9 million), mainly due to a decrease in marketing and promotional expenses associated with TV series and films.

***General and administrative expenses*** decreased by 11.0% year-over-year to RMB484.7 million (USD67.7 million), primarily due to lower employee-related expenses.

***Net reversal of impairment losses on financial assets*** was RMB6.2 million (USD0.9 million), mainly due to the recovery of previously impaired receivables related to IP operations.

***Operating profit*** increased by 92.7% year-over-year to RMB875.8 million (USD122.3 million). ***On a non-IFRS basis, operating profit*** was RMB448.7 million (USD62.7 million), compared with RMB624.2 million in the first half of 2024.

***Income tax expense*** was RMB149.5 million (USD20.9 million), compared with RMB99.1 million in the first half of 2024, primarily due to the increase in taxable income.

***Profit attributable to equity holders of the Company*** increased by 68.5% year-over-year to RMB849.8 million (USD118.7 million). ***On a non-IFRS basis, profit attributable to equity holders of the Company*** was RMB507.8 million (USD70.9 million), down from RMB702.1 million in the first half of 2024, influenced by the uneven release schedules for TV series and films of NCM within this year. ***Excluding this impact, non-IFRS profit attributable to equity holders of the Company*** increased by 35.7% year-over-year from RMB401.7 million in the first half of 2024 to RMB545.3 million (USD76.2 million).

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## Key Operating Information

- Average MAUs on self-owned platform products and self-operated channels on Tencent products were 141.3 million in the first half of 2025, compared with 176.0 million in the first half of 2024.
  - i) MAUs on self-owned platform products declined by 2.5% year-over-year from 105.3 million to 102.7 million but remained largely stable compared with 102.3 million on a six-month basis; and
  - ii) MAUs on self-operated channels on Tencent products were 38.5 million, compared with 70.7 million in the first half of 2024, primarily due to ongoing optimization of operational efficiency by concentrating more content distribution through core pay-to-read products which resulted in a decline in active users on free-to-read channels.
- Average MPUs on self-owned platform products and self-operated channels on Tencent products increased by 4.5% year-over-year to 9.2 million in the first half of 2025, driven primarily by the launch of additional membership content since the second half of 2024.
- Monthly ARPU for pay-to-read business decreased by 1.3% year-over-year to RMB31.3, mainly due to a mix effect from lower ARPU contributions from newly acquired membership users.

## Other Key Information

- EBITDA was RMB318.2 million (USD44.5 million), compared with RMB501.5 million in the first half of 2024. Adjusted EBITDA was RMB386.9 million (USD54.0 million), compared with RMB587.6 million in the first half of 2024.
- As of June 30, 2025, the Company's net cash position was RMB9,573.0 million (USD1,337.3 million), compared with RMB9,935.7 million as of December 31, 2024.

## Business Review

During the first half of 2025, China's IP industry saw rapid growth and major transformations occurred throughout the ecosystem. The changes can be summarized across three key areas:

- Premium IP continues to increase in value. The traditional model of incubating high-quality TV series and film content based on literary IP remains robust and is consistently producing top-tier works with widespread influence and commercial success.

- The rapid emergence of short dramas is reshaping content consumption, driving higher conversion efficiency and creating powerful new monetization opportunities for the massive library of mid- and long-tail IP. This has significantly accelerated the unlocking of IP value and driven diversification in digital content consumption.

- Physical and scenario-based IP merchandise such as trendy toys, collectible cards, and goods continue to grow in popularity. This shows how IP is becoming deeply embedded into consumers' daily lives, serving as a key medium for emotional connection, companionship, and social identity – essentially functioning like a social currency.

Together, these trends highlight the rapid evolution of China's IP industry over the first half of 2025. As the industry pivots, our exceptional IP innovation capabilities and expansive IP library ideally position us to capitalize on the moment. Furthermore, we see an opportunity to play a leading role in the evolution of China's IP ecosystem and unlock new growth potential.

***IP Creation***

Our online reading content ecosystem continues to thrive. In the first half of 2025, our online reading platform added approximately 200,000 writers and 410,000 literary works, collectively contributing approximately 20 billion Chinese characters. High-quality writers and literary works on our platform are growing steadily, with the number of newly signed works generating over RMB1 million in revenue increasing by 63% year-over-year during the first half of the year. Additionally, the number of newly signed writers with over 10,000 average subscribers per chapter rose by 45% year-over-year. The vibrancy of our content ecosystem is reflected in community engagement metrics: the number of works receiving over 10,000 monthly votes during the first half of the year increased by 20% year-over-year, and those surpassing 1 million monthly votes surged by 200% year-over-year.

As a result of these initiatives, revenue from our online business grew by 2.3% year-over-year to RMB1.99 billion and MPU increased by 4.5% year-over-year to 9.2 million.

***IP Visualization***

In the premium TV segment, several top-tier series adapted from our IPs premiered in the first half of the year, including "Flourished Peony (国色芳华)," "Si Jin (似锦)," "The Glory (雁回时)," and "I am Nobody (异人之下之决战！碧游村)," which all consecutively ranked first in popularity during their respective broadcasting periods. According to Enlightent data, six out of the top 10 long-form dramas by cumulative views across all platforms in the first half of 2025 were adapted from our IPs. During the summer season in July, our self-produced premium drama series "The Narcotic Operation (扫毒风暴)" debuted on Tencent Video, achieving a popularity index of over 28,000 and earning favorable reviews from multiple mainstream media outlets. We have several additional premium drama projects planned for release in the second half of the year.

In the animation segment, we released new series from our classic animation franchises such as "Battle Through the Heavens (斗破苍穹)," "Stellar Transformations (星辰变)," and "Martial Universe (武动乾坤)." They all achieved top rankings on platform popularity charts during their respective broadcasting runs. Notably, the annual series "Battle Through the Heavens (斗破苍穹)" topped Tencent Video's paid content chart in the first half of this year. According to Enlightent data, eight out of the top 10 animation series by cumulative views across all platforms in the first half of 2025 were adapted from our IPs.

In the comics segment, we maintained market leadership through our premium IPs while expanding our content ecosystem with high-quality new titles. Established IPs like "The Outcast (一人之下)" and "The Fox Spirit Matchmaker (狐妖小红娘)" continued to thrive, highlighting their enduring influence. Meanwhile, standout new titles adapted from our IP performed strongly. Notably, "Dao of the Bizarre Immortal (道诡异仙)" broke into the top 20 paid bestsellers list within two months of release, setting an industry record for the fastest ascent by a new title. Another adaptation, "Martial Evolution: Start by Awakening the King of Monsters

(高武进化：从觉醒怪兽之王开始)" also topped new release charts for four consecutive months since debuting in April, reflecting strong market appeal and long-term growth potential.

In the short drama segment, we achieved robust growth in the first half of 2025, with a significant increase in the success rate of blockbuster productions. This success is underpinned by our rich IP library, strong creator partnerships, and deep engagement across the IP industry chain. According to Enlightent data, we produced two out of the top 10 short dramas by viewership across all platforms in June 2025. One title generated record-breaking revenue of over RMB80 million, ranking second on Enlightent's viewership charts with over 3 billion views this year. Another title topped Enlightent's weekly charts during its broadcasting run, surpassing 1 billion views in its first month of release. In March, we further upgraded our short drama business by opening more than 2,000 online literature IPs for high-quality adaptation. We released an initial batch of 300 IPs and invited screenwriters and producers across the industry to collaborate. Going forward, we remain committed to our "IP-centric, quality-driven" strategy, strengthening our competitive edge while driving the high-quality development of the short drama industry.

***IP Commercialization and Monetization***

In the first half of 2025, physical and scenario-based IP merchandise products such as trendy toys, collectible cards, and goods saw rapid growth, highlighting a major shift in mass cultural consumption habits. We responded by capitalizing on this trend, and as a result, our IP merchandise business achieved major breakthroughs.

Our IP merchandise business generated GMV of RMB480 million in the first half of the year, nearly matching last year's full-year total of RMB500 million. This rapid growth was driven by our continued dedication to product development, channel development, user engagement, and licensing expansion.

- Product Development: We made significant progress advancing rapidly across the entire value chain for product development, including original artwork, design, and craftsmanship. This enabled us to accelerate new product launches to 3-4 times the previous year's pace while simultaneously enhancing product quality.

- Channel Development: Our online live-streaming rooms and offline stores have expanded steadily. During the 618 shopping festival, our Tmall flagship store ranked first on Taobao's "Trending Goods Store Dark Horse List." We now partner with nearly 10,000 online and offline distributors. Additionally, we are offering our channel development capabilities to empower others.

- User Engagement: We strengthened connections with fans and generated strong social media engagement by hosting themed events around our premium IPs, including "The King's Avatar (全职高手)," "Lord of the Mysteries (诡秘之主)," and "Dao of the Bizarre Immortal (道诡异仙)," and seamlessly integrating them with new product launches.

- Licensing Expansion: We partnered with 230 brands to further expand the influence of our IPs.

In the gaming segment, we continue to license premium IPs to our partners. The flagship title "Douluo Continent: Soul Hunting World (斗罗大陆猎魂世界)" generated immense enthusiasm from gamers upon its launch in July this year. Additionally, several licensed adaptations, including “The Hidden Ones (异人之下)” and “Lord of the Mysteries (诡秘之主),” have obtained publication licenses and are expected to release in the near future.

***Exploration in New Technologies***

We have been actively embracing and integrating AI across our business.

In the first half of the year, we introduced the industry’s first AI-powered knowledge base for online literature, “Smart Pen Tongjian (妙笔通鉴),” built upon our existing AI tools available on the “Writer Assistant (作家助手)” creation platform. This feature enables full-text comprehension and Q&A for works spanning tens of millions of words, offering valuable support for writing, plot development, and inspiration for long-form content creation. Since its launch, interactions between writers and AI have increased by 40%, driving daily active users of “Writer Assistant (作家助手)” up by over 40% year-over-year, with weekly AI usage approaching 70%.

Our AI translation models have significantly accelerated the global spread of Chinese literary works. In the first half of 2025, revenue from AI-translated titles on our international reading platform, WebNovel, increased by 38% year-over-year, accounting for over 35% of total novel revenue on WebNovel. As of June 30, 2025, WebNovel offered overseas users over 10,000 Chinese translated works and approximately 770,000 locally created originals. The number of AI-translated titles reached 7,200, representing 70% of all Chinese translations.

We are also actively exploring AI applications across multiple content formats including animation, comics, video, audiobooks, radio dramas, and digital avatars, with the aim to unlock the vast potential of transforming mid- and long-tail text IPs into more multimedia formats.

## About China Literature Limited

China Literature is dedicated to building a deep and immersive intellectual property ("IP") universe for the Mandarin-speaking world. It incubates original IPs from its online literature platform, which are subsequently adapted to a range of digital entertainment mediums, including comics, animation, film, TV series, web series and games. The virtual world created by these digital offerings becomes an inseparable part of a user's daily life. China Literature creates and promotes IPs mainly through Qidian Reading and QQ Reading, its leading online literature platforms, as well as New Classics Media, a renowned film and TV drama series production house in China. China Literature collaborates with Tencent, its shareholder and strategic partner, as well as other third-party partners to distribute and develop IP content and to enhance the value of its IP. Many of the Company's online literature works have been successfully adapted into animation, TV series, web series, films and games, including Joy of Life, Candle in the Tomb, Soul Land, The King's Avatar and My Heroic Husband. China Literature's rich and extensive content library as well as its unparalleled capability and resources to adapt IP into various entertainment formats is a significant competitive advantage that lies at the core of its business model. For more information, please visit http://ir.yuewen.com/.

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## Non-IFRS Financial Measures

To supplement the consolidated financial statements of the Company prepared in accordance with IFRS, certain non-IFRS financial measures, namely non-IFRS operating profit, non-IFRS operating margin, non-IFRS profit for the period, non-IFRS net margin, non-IFRS profit attributable to equity holders of the Company, non-IFRS basic EPS and non-IFRS diluted EPS as additional financial measures, have been presented in this press release for the convenience of readers. These unaudited non-IFRS financial measures should be considered in addition to, and not as a substitute for, measures of the Company's financial performance prepared in accordance with IFRS. These unaudited non-IFRS measures may be defined differently from similar terms used by other companies. In addition, non-IFRS adjustments include relevant non-IFRS adjustments for the Company's material associates based on available published financials of the relevant material associates, or estimates made by the Company's management based on available information, certain expectations, assumptions and premises.

Our management believes that the presentation of these non-IFRS financial measures, when shown in conjunction with the corresponding IFRS measures, provides useful information to investors and management regarding the financial and business trends relating to the Company's financial condition and results of operations. Our management also believes that the non-IFRS financial measures are useful in evaluating the Company's operating performances. From time to time, there may be other items that the Company may include or exclude in reviewing its financial results.

## Forward-Looking Statements

*This press release contains forward-looking statements relating to the industry and business outlook, forecast business plans and growth strategies of the Company. These forward-looking statements are based on information currently available to the Company and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in future. Underlying the forward-looking statements is a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in our other public disclosure documents on our corporate website.*

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**CHINA LITERATURE**

**CONSOLIDATED INCOME STATEMENT**

| | Six months ended June 30, | |
|---|---|---|
| | **2025** | **2024** |
| | **(RMB in million, unless specified)** | |
| **Revenues** | | |
| Online business[1] | 1,985.4 | 1,940.4 |
| Intellectual property operations and others[2] | 1,205.2 | 2,250.6 |
| | **3,190.6** | **4,190.9** |
| Cost of revenues | (1,578.2) | (2,107.7) |
| **Gross profit** | **1,612.4** | **2,083.2** |
| ***Gross margin*** | ***50.5%*** | ***49.7%*** |
| Interest income | 81.9 | 90.6 |
| Other gains/(losses), net | 582.5 | (3.7) |
| Selling and marketing expenses | (922.4) | (1,158.9) |
| General and administrative expenses | (484.7) | (544.8) |
| Net reversal of/(provision for) impairment losses on financial assets | 6.2 | (12.0) |
| **Operating profit** | **875.8** | **454.4** |
| ***Operating margin*** | ***27.4%*** | ***10.8%*** |
| Finance costs, net | (4.0) | (2.1) |
| Share of net profit of associates and joint ventures | 127.3 | 150.6 |
| **Profit before income tax** | **999.0** | 603.0 |
| Income tax expense | (149.5) | (99.1) |
| **Profit for the period** | **849.6** | **503.9** |
| ***Net margin*** | ***26.6%*** | ***12.0%*** |
| **Profit attributable to:** | | |
| Equity holders of the Company | 849.8 | 504.3 |
| Non-controlling interests | (0.2) | (0.4) |
| | **849.6** | **503.9** |
| **Earnings per share** | | |
| **(in RMB per share)** | | |
| - Basic earnings per share | 0.84 | 0.50 |
| - Diluted earnings per share | 0.83 | 0.49 |

Notes:

(1) Revenues from online business primarily reflect revenues from online paid reading, online advertising and distribution of third-party online games on our platform.

(2) Revenues from intellectual property operations and others primarily reflect revenues from production and distribution of TV, web and animated series, films, licensing of copyrights, operation of self-operated online games, distribution of short dramas, sales of IP merchandise products and sales of physical books.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Six months ended June 30, | |
|---|---|---|
| | **2025** | **2024** |
| | (RMB in million) | |
| **Profit for the period** | **849.6** | **503.9** |
| **Other comprehensive income, net of tax:** | | |
| *Item that may be subsequently reclassified to profit or loss* | | |
| Share of other comprehensive income/(loss) of an associate | 0.2 | (0.2) |
| Transfer of share of other comprehensive income to profit or loss upon deemed disposal of an associate | (1.3) | - |
| Currency translation differences | 49.9 | (19.0) |
| *Item that may not be reclassified to profit or loss* | | |
| Net gains from changes in fair value of financial assets at fair value through other comprehensive income | 24.4 | 1.4 |
| Currency translation differences | (55.1) | 47.9 |
| | 18.1 | 30.2 |
| **Total comprehensive income for the period** | **867.7** | **534.1** |
| **Total comprehensive income attributable to:** | | |
| Equity holders of the Company | 867.9 | 534.5 |
| Non-controlling interests | (0.2) | (0.4) |
| | **867.7** | **534.1** |

**CHINA LITERATURE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | As of | |
|---|---|---|
| | **June 30, 2025** | **December 31, 2024** |
| | (RMB in million) | |
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 83.3 | 97.8 |
| Right-of-use assets | 194.6 | 149.8 |
| Intangible assets | 6,137.7 | 6,158.8 |
| Investments in associates and joint ventures | 725.2 | 928.2 |
| Financial assets at fair value through profit or loss | 1,031.0 | 1,039.6 |
| Financial assets at fair value through other comprehensive income | 874.3 | 6.3 |
| Deferred income tax assets | 413.0 | 497.2 |
| Prepayments, deposits and other assets | 257.2 | 298.2 |
| Term deposits | 2,523.0 | 2,308.0 |
| | **12,239.2** | **11,484.0** |
| **Current assets** | | |
| Inventories | 676.3 | 693.0 |
| Television series and film rights | 839.8 | 529.8 |
| Financial assets at fair value through profit or loss | 2,945.7 | 3,252.9 |
| Trade and notes receivables | 1,352.7 | 1,703.4 |
| Prepayments, deposits and other assets | 1,045.0 | 907.4 |
| Restricted bank deposits | 4.5 | 4.5 |
| Term deposits | 2,074.6 | 1,106.2 |
| Cash and cash equivalents | 2,025.3 | 3,264.2 |
| | **10,963.8** | **11,461.4** |
| **Total assets** | **23,203.0** | **22,945.4** |
| | | |
| **EQUITY** | | |
| **Capital and reserves attributable to the equity holders of the Company** | | |
| Share capital | 0.6 | 0.6 |
| Shares held for RSU scheme | (14.6) | (14.6) |
| Share premium | 15,969.2 | 16,117.9 |
| Other reserves | 2,036.6 | 1,975.8 |
| Retained earnings | 1,166.4 | 294.7 |
| | **19,158.2** | **18,374.4** |
| **Non-controlling interests** | **1.6** | **1.7** |
| **Total equity** | **19,159.8** | **18,376.2** |

| | As of | |
|---|---|---|
| | June 30, 2025 | December 31, 2024 |
| | (RMB in million) | |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Lease liabilities | 135.7 | 85.0 |
| Long-term payables | 13.5 | 10.8 |
| Deferred income tax liabilities | 127.1 | 129.4 |
| Deferred revenue | 20.8 | 21.9 |
| | **297.1** | **247.2** |
| **Current liabilities** | | |
| Lease liabilities | 70.8 | 81.2 |
| Trade payables | 1,101.5 | 1,044.6 |
| Other payables and accruals | 1,062.7 | 1,662.0 |
| Deferred revenue | 1,140.1 | 1,148.9 |
| Current income tax liabilities | 196.8 | 217.7 |
| Financial liabilities at fair value through profit or loss | 174.3 | 167.6 |
| | **3,746.2** | **4,322.0** |
| **Total liabilities** | **4,043.2** | **4,569.3** |
| **Total equity and liabilities** | **23,203.0** | **22,945.4** |

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**RECONCILIATION OF OPERATING PROFIT TO EBITDA AND ADJUSTED EBITDA**

| | Six months ended June 30, | |
|---|---|---|
| | **2025** | **2024** |
| | (RMB in million) | |
| **Reconciliation of operating profit to EBITDA and adjusted EBITDA:** | | |
| Operating profit | 875.8 | 454.4 |
| **Adjustments:** | | |
| Interest income | (81.9) | (90.6) |
| Other (gains)/losses, net | (582.5) | 3.7 |
| Depreciation of property, plant and equipment | 18.8 | 17.8 |
| Depreciation of right-of-use assets | 34.2 | 36.2 |
| Amortization of intangible assets | 53.8 | 79.9 |
| **EBITDA** | **318.2** | **501.5** |
| **Adjustments:** | | |
| Share-based compensation | 65.9 | 55.4 |
| Expenditures related to acquisition | 2.7 | 30.7 |
| **Adjusted EBITDA** | **386.9** | **587.6** |

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## CHINA LITERATURE

## RECONCILIATIONS OF IFRS TO NON-IFRS RESULTS

| | Unaudited six months ended June 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | | Adjustments | | | | |
| | As reported | Share-based compensation | Net (gains) from investments and acquisitions[1] | Amortization of intangible assets[2] | Tax effect | Non-IFRS |
| | (RMB in million, unless specified) | | | | | |
| Operating profit | 875.8 | 65.9 | (502.5) | 9.5 | - | 448.7 |
| Profit for the period | 849.6 | 65.9 | (502.5) | 9.5 | 85.2 | 507.6 |
| Profit attributable to equity holders of the Company | 849.8 | 65.9 | (502.5) | 9.5 | 85.2 | 507.8 |
| Earnings per share (RMB per share) | | | | | | |
| - basic | 0.84 | | | | | 0.50 |
| - diluted | 0.83 | | | | | 0.50 |
| Operating margin | 27.4% | | | | | 14.1% |
| Net margin | 26.6% | | | | | 15.9% |

| | Unaudited six months ended June 30, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | Adjustments | | | | |
| | As reported | Share-based compensation | Net losses from investments and acquisitions[1] | Amortization of intangible assets[2] | Tax effect | Non-IFRS |
| | (RMB in million, unless specified) | | | | | |
| Operating profit | 454.4 | 55.4 | 104.7 | 9.5 | - | 624.2 |
| Profit for the period | 503.9 | 55.4 | 104.7 | 9.5 | 28.0 | 701.7 |
| Profit attributable to equity holders of the Company | 504.3 | 55.4 | 104.7 | 9.5 | 28.0 | 702.1 |
| Earnings per share (RMB per share) | | | | | | |
| - basic | 0.50 | | | | | 0.69 |
| - diluted | 0.49 | | | | | 0.69 |
| Operating margin | 10.8% | | | | | 14.9% |
| Net margin | 12.0% | | | | | 16.7% |

Notes:

(1) This item mainly includes gains on disposal and deemed disposal, impairment provision and fair value changes arising from our investee companies, the fair value changes of consideration liabilities related to the acquisition of New Classics Media, and the compensation costs for certain employees and former owners related to acquisitions.

(2) Represents amortization of intangible assets and TV series and film rights resulting from acquisitions.