

China Literature Announces 2025 Annual Results

Hong Kong, March 17, 2026 – 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 audited consolidated results for the year ended December 31, 2025.

Results Highlights ⁽¹⁾

- Total revenues were RMB7,366.2 million (USD1,048.0 million), compared with RMB8,121.1 million of 2024.
 - Revenues from online business were RMB4,047.0 million (USD575.8 million), compared with RMB4,030.6 million in 2024.
 - Revenues from intellectual property operations and others were RMB3,319.1 million (USD472.2 million), compared with RMB4,090.5 million in 2024, mainly attributable to scheduling delays that led to fewer releases of drama series and film projects in 2025.
- **On an IFRS basis:**
 - Operating loss was RMB804.5 million (USD114.5 million), compared with RMB336.1 million in 2024.
 - Loss attributable to equity holders of the Company was RMB776.1 million (USD110.4 million), compared with a loss of RMB209.2 million in 2024, primarily due to a RMB1.8 billion impairment loss of goodwill attributable to New Classics Media.
 - Basic loss per share was RMB0.76. Diluted loss per share was RMB0.76.
- **On a non-IFRS ⁽²⁾ basis**, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:
 - Operating profit was RMB735.2 million (USD104.6 million), compared with RMB985.4 million in 2024.
 - Profit attributable to equity holders of the Company was RMB858.5 million (USD122.1 million), compared with RMB1,141.7 million in 2024.
 - Basic earnings per share was RMB0.84. Diluted earnings per share was RMB0.84.

Mr. Hou Xiaonan, Chief Executive Officer of China Literature, commented, “In 2025, our premium content ecosystem delivered solid growth. For the first time, two blockbuster titles surpassed 300,000 average subscriptions per chapter, validating the massive, sustained demand for our premium content. We upgraded our IP operations by embracing new production models and technologies across our extensive library. This strategy drove robust results in traditional formats such as drama and animation, while sparking major breakthroughs in the fast-growing short drama and AI-animated drama formats. Our premium short drama strategy delivered frequent breakout hits, while the AI-animated drama business had a strong debut. Since the second half of 2025, we have released nearly 1,000 AI-animated dramas, with over 100 surpassing 10

⁽¹⁾ Figures stated in USD are based on USD1 to RMB7.0288.

⁽²⁾ Non-IFRS adjustments exclude share-based compensation, M&A related impact such as impairment provisions, net losses/(gains) from investee companies and amortization of intangible assets, 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.

million views and 12 exceeding 100 million views. Revenue from AI-animated drama in the second half of 2025 exceeded RMB100 million. Meanwhile, our IP merchandise business sustained rapid growth, with full-year GMV exceeding RMB1.1 billion, more than double the 2024 figure and a new record.

Looking ahead, we stand at the dawn of a new wave of transformation in the content industry. New business models are emerging, and AI is accelerating production workflows. Our leading ecosystems in literature, comics, and animation continue to thrive, and we are cultivating new content ecosystems in formats such as short drama and AI-animated drama. As we embrace AI, we are intensifying efforts to empower creators for the AI era. That said, regardless of how formats evolve, one timeless truth remains: high-quality content is and will always be at the core. This is the foundation of China Literature. We possess the industry's deepest IP library and the most robust creator ecosystem, now with AI as a powerful accelerator. Together, these strengths are unlocking new value-creation opportunities for premium IPs. We will continue to deepen AI integration across creative assistance, premium production, IP development, and global expansion to drive China Literature's sustainable, long-term, and high-quality growth."

Financial Review ⁽³⁾⁽⁴⁾

Revenues were RMB7,366.2 million (USD1,048.0 million), compared with RMB8,121.1 million of 2024.

Revenues from online business were RMB4,047.0 million (USD575.8 million), compared with RMB4,030.6 million in 2024. A breakdown of this category is below:

- i) Online business revenues from our self-owned platform products increased by 0.9% year-over-year to RMB3,562.3 million (USD506.8 million). This was mainly driven by the Company's focus on improving core product operations and continuous production of high-quality content.
- ii) Online business revenues from our channels on Tencent products decreased by 22.3% year-over-year to RMB190.6 million (USD27.1 million). This was mainly driven by a decrease in advertising revenues associated with the continuous refinement of content distribution practices of Tencent channels and prioritization of distribution through the Company's core pay-to-read products.
- iii) Online business revenues from third-party platforms increased by 15.7% year-over-year to RMB294.2 million (USD41.9 million), primarily due to expanded collaboration with third-party distribution partners.

Revenues from IP operations and others were RMB3,319.1 million (USD472.2 million), compared with RMB4,090.5 million in 2024.

- i) Revenues from IP operations decreased by 20.0% year-over-year to RMB3,191.6 million (USD454.1 million). The decrease was primarily due to scheduling delays that led to fewer releases of drama series and film projects in 2025. Meanwhile, new businesses such as IP merchandise products, short dramas, and AI-animated dramas have been developing rapidly. In particular, the IP merchandise products business generated over RMB1.1 billion in GMV in 2025, over twice the RMB500 million in 2024; and our AI-animated dramas business generated over RMB100 million revenue in the second half of 2025.
- ii) Revenues from the "others" category, mainly generated by sales of physical books, increased by 28.4% year-over-year to RMB127.5 million (USD18.1 million).

Cost of revenues decreased by 5.5% year-over-year to RMB3,969.4 million (USD564.7 million), primarily due to lower production costs of drama series and films, in line with the decrease in revenues from fewer releases during the year.

Gross profit was RMB3,396.8 million (USD483.3 million), compared with RMB3,921.9 million in 2024. Gross margin was 46.1%, compared with 48.3% in 2024.

Selling and marketing expenses decreased by 11.1% year-over-year to RMB2,011.0 million (USD286.1 million), as a result of a decrease in marketing and promotional expenses associated with the lighter release schedule of drama series and film projects. As a percentage of revenues, selling and marketing expenses were 27.3% in 2025, compared with 27.8% in 2024.

General and administrative expenses decreased by 11.9% year-over-year to RMB1,007.3 million (USD143.3 million), primarily due to lower employee-related expenses. As a percentage of revenues, general and administrative expenses decreased to 13.7% in 2025, compared with 14.1% in 2024.

Net other losses were RMB1,245.8 million (USD177.2 million) in 2025, compared with net other losses of RMB973.9 million in 2024. The net other losses in 2025 were primarily due to a RMB1.8 billion impairment loss of goodwill attributable to New Classics Media, and was partially offset by gains from certain investee companies.

Interest income decreased by 6.4% year-over-year to RMB167.0 million (USD23.8 million).

Net provision for impairment losses on financial assets was RMB104.1 million (USD14.8 million) in 2025, primarily reflecting the provision for doubtful receivables associated with IP operation businesses.

Operating loss was RMB804.5 million (USD114.5 million) in 2025, compared with RMB336.1 million operating loss in 2024. **On a non-IFRS basis, operating profit** was RMB735.2 million (USD104.6 million), compared with RMB985.4 million in 2024.

Income tax expense increased by 44.7% year-over-year to RMB160.1 million (USD22.8 million), primarily due to an increase in taxable income.

Loss attributable to equity holders of the Company was RMB776.1 million (USD110.4 million) in 2025, compared with a loss of RMB209.2 million in 2024. **On a non-IFRS basis, profit attributable to equity holders of the Company** was RMB858.5 million (USD122.1 million), compared with a profit of RMB1,141.7 million in 2024.

Key Operating Information

- Average MAUs on the Company's self-owned platform products and self-operated channels were 137.8 million in 2025, compared with 166.6 million in 2024. A further breakdown of MAUs is below:

i) MAUs on our self-owned platform products remained stable on a year-over-year basis at 104.1

million, compared with 103.8 million in 2024; and

ii) MAUs on our self-operated channels on Tencent products were 33.7 million, compared with 62.8 million in 2024, primarily due to our ongoing optimization of operational efficiency by concentrating more content distribution through our core pay-to-read products which resulted in a decline in user acquisition through free-to-read channels.

- Average MPUs on our self-owned platform products and self-operated channels were 9.0 million in 2025, compared with 9.1 million in 2024. This was mainly due to an increase in promotional activities during the year, which led to some low-spending users being classified as free users over the period.
- Monthly ARPU for our pay-to-read business was RMB32.9, increased by 2.8% year-over-year from RMB32.0 in 2024, mainly due to a decline in the proportion of low-spending users.

Other Key Information

- EBITDA was RMB477.4 million (USD67.9 million), compared with RMB729.3 million in 2024. Adjusted EBITDA was RMB614.0 million (USD87.4 million), compared with RMB923.1 million in 2024.
- As of December 31, 2025, the Company's net cash position was RMB9,436.0 million (USD1,342.5 million).

Business Review

IP Creation

Our premium online reading content ecosystem continued to generate strong momentum. In 2025, our platform attracted 400,000 new writers, generated over 800,000 new novels, and added more than 42 billion characters, providing a steady pipeline of high-quality content. On our flagship Qidian Reading App, the number of new titles with over 100,000 average subscriptions per chapter grew 40% year-over-year, and for the first time, two blockbuster titles surpassed 300,000 average subscriptions per chapter, reflecting a material leap in top-tier creative output. Young writers showed strong commercial potential: writers born after 1995 accounted for 70% of new signers, and the number of post-2000 writers earning over RMB1 million annually surged by 150%, injecting strong momentum into our pipeline. Our community has also become more robust: works exceeding 100,000 collections increased by 80%, and titles receiving over 10,000 monthly tickets increased by 20%.

IP Visualization

In 2025, we delivered positive results across our traditional areas of strength, such as film, drama series, and animation, with China Literature's IPs dominating various major industry rankings. More importantly, we embraced new production models and technologies, leveraging our rich IP library to expand into emerging businesses like short drama and AI-animated drama, achieving significant progress and laying the foundation for an "IP + AI" creation ecosystem.

In the premium drama series and film segment, several top-tier series adapted from our IPs premiered in 2025, such as “A Record of a Mortal’s Journey to Immortality (凡人修仙传)”, “Flourished Peony (国色芳华)”, and “I am Nobody (异人之下之决战！碧游村)”, all of which ranked No.1 on platform popularity charts during their respective broadcast periods. According to Enlightent, five out of the top 10 long-form dramas by cumulative views across all platforms of 2025 were adapted from our IPs. Meanwhile, our self-produced premium series “The Narcotic Operation (扫毒风暴)” debuted on Tencent Video, reaching a popularity index above 28,000 and earning praise from multiple mainstream media outlets. In early 2026, we also released the drama series “The Richest Poor Guy (年少有为)” and “The Devil Between Us (除恶)”, both of which received critical acclaim and strong audience traction.

In the animation segment, sequel series such as “Battle Through the Heavens (斗破苍穹)”, “Stellar Transformations (星辰变)”, and “Candle in the Tomb (鬼吹灯)” consistently ranked among the top titles on platform popularity charts. According to Enlightent, nine out of the top 10 animation series by cumulative views across all platforms of 2025 were adapted from our IPs, reinforcing our clear leadership in animation.

Our IPs have also demonstrated their appeal through award-winning adaptations. At Tencent Video’s 2025 Golden Goose Honors, drama and animation adaptations of China Literature’s IPs—such as “Guardians of the Dafeng (大奉打更人)” and “Lord of the Mysteries (诡秘之主)”—won multiple awards.

In the short drama segment, we launched more than 120 short dramas in 2025, delivering strong results from our premium-content strategy with frequent breakout hits. One representative title set a record with gross revenue exceeding RMB80 million and ranked No.4 on Enlightent’s viewership charts in 2025 with more than 3.5 billion views. We have expanded beyond our strength in modern romance into male-oriented genres, period and costume dramas, and more—building a diversified, high-quality premium content matrix with long lifecycles. The success of short drama is rooted in China Literature’s rich IP reserve, robust creator network, and end-to-end IP development capabilities. We are also extending our short drama footprint through strategic investments, further strengthening our advantage in premium content.

In the AI-animated drama segment, we launched four major initiatives to build a dedicated ecosystem.

- **IP resources:** We opened our IP library, including annual top-ten hits and diverse genre content, for creators and production teams.
- **Creative support:** We established a RMB100 million creation fund to support writers’ cross-media experimentation and facilitate the growth of high-quality teams.
- **Technology support:** We launched AIGC tools such as the “AI-Animated Drama Assistant (漫剧助手)”, providing end-to-end support from content analysis to asset production and significantly accelerating adaptation workflows.
- **Industry collaboration:** We implemented full-stack support across production, distribution, and IP partnerships to build an open, efficient, and mutually beneficial AI animated drama ecosystem.

These initiatives fueled rapid growth of our AI-animated drama business. Since its official launch in the

second half of 2025, revenue from AI-animated drama series has surpassed RMB100 million, showing strong momentum and promising market potential.

IP Commercialization and Monetization

We achieved historic breakthroughs and accelerated our systematic build-out in 2025. GMV of the IP merchandise products business exceeded RMB1.1 billion, more than double the figure of 2024. This was driven by four core engines: product, channel, operation, and ecosystem.

- **Product:** Our design capabilities and supply chain efficiency improved further, achieving industry-leading speed and quality. We expanded into new categories such as precious metals, vinyl plush toys, bags and accessories, and introduced new sales mechanics such as Ichiban Kuji draws.
- **Channel:** We refined our self-operated e-commerce matrix comprising “self-operated live streaming rooms + flagship online stores + mini-programs”, and continued to expand offline self-operated stores across 10 core cities nationwide. We also teamed with over 10,000 channel partners to reach users across everyday consumption scenarios.
- **Operation:** We ran a series of online and offline campaigns around multiple top IPs to strengthen IP influence and fan engagement.
- **Ecosystem:** We advanced our “IP + Consumer” strategy by entering into licensing partnerships with over 200 leading consumer brands, embedding our IP across diverse everyday scenarios.

In the game segment, we continued to license high-quality IPs to partners. Our flagship title “Douluo Continent: Soul Hunting World (斗罗大陆猎魂世界)” recorded RMB300 million in gross billings in its first month after launching in the summer break of 2025. Several new games also secured publication licenses, including “Battle Through the Heavens (斗破苍穹)”, “Douluo Continent (斗罗大陆)”, “The Hidden Ones (异人之下)”, “Lord of the Mysteries (诡秘之主)”, “Dao of the Bizarre Immortal (道诡异仙)”, and “A Record of a Mortal’s Journey to Immortality (凡人修仙传)”.

New Technology Explorations and Practices

In 2025, we embedded AI across our entire content-production chain and built a suite of AI solutions spanning the full IP lifecycle.

- **Online literature:** Our “Writer Assistant (作家助手)” creation platform received a major upgrade with the integration of the “Smart Pen Tongjian (妙笔通鉴)” AI engine, which can perform real-time, in-depth analysis of tens of millions of words to support writers. The tool is now officially available industry-wide.
- **IP adaptation:** We launched the “Copyright Assistant (版权助手)”, which deep mines China Literature’s library of millions of works and accurately matches titles to meet downstream adaptation needs, significantly accelerating the sourcing, screening, and development of high-quality IP assets.

- **AI-animated drama:** Our “AI-animated Drama Assistant (漫剧助手)” integrates with multiple leading multimodal large models, supporting a full production workflow from text to visuals, significantly improving adaptation efficiency and greatly lowering the barrier to animated drama production.
- **Global expansion:** AI translation has substantially expanded the international reach of Chinese-language works. As at the end of 2025, more than 17,000 AI-translated works were available on WebNovel, with revenue increasing by 39% year-over-year and contributing more than one-third of the platform’s total revenues, making AI translation a key driver of overseas growth.

We believe the synergy between IP and AI will continue to power the industry forward. IP is the soul, AI is the engine. The role of technology is to maximize the impact of exceptional stories. From leading deployment in new formats such as AI-animated drama to systematic improvements in IP development efficiency and value creation, our “IP + AI” ecosystem will serve as a scalable engine that amplifies content value and drives China Literature’s sustainable, long-term growth.

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, games, short dramas and AI-animated dramas. 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, games, short dramas and AI-animated dramas, 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 year, 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.

**CHINA LITERATURE
CONSOLIDATED STATEMENT OF LOSS**

		Year ended December 31,	
		2025	2024
		(RMB in million, unless specified)	
Revenues			
Online business ⁽¹⁾		4,047.0	4,030.6
Intellectual property operations and others ⁽²⁾		3,319.1	4,090.5
		7,366.2	8,121.1
Cost of revenues		(3,969.4)	(4,199.1)
Gross profit		3,396.8	3,921.9
	Gross margin	46.1%	48.3%
Selling and marketing expenses		(2,011.0)	(2,261.0)
General and administrative expenses		(1,007.3)	(1,143.5)
Other losses, net		(1,245.8)	(973.9)
Interest income		167.0	178.3
Net provision for impairment losses on financial assets		(104.1)	(58.0)
Operating loss		(804.5)	(336.1)
	Operating margin	(10.9%)	(4.1%)
Finance costs, net		(12.7)	(1.8)
Share of net profit of associates and joint ventures		200.8	239.0
Loss before income tax		(616.3)	(98.9)
Income tax expense		(160.1)	(110.7)
Loss for the year		(776.4)	(209.6)
	Net margin	(10.5%)	(2.6%)
Loss attributable to:			
Equity holders of the Company		(776.1)	(209.2)
Non-controlling interests		(0.3)	(0.4)
		(776.4)	(209.6)
Loss per share			
(in RMB per share)			
- Basic loss per share		(0.76)	(0.21)
- Diluted loss per share		(0.76)	(0.21)

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; short dramas; AI-animated dramas; licensing of copyrights; operation of self-operated online games; and sales of IP merchandise products and physical books.

CHINA LITERATURE
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

	Year ended December 31,	
	2025	2024
	(RMB in million)	
Loss for the year	(776.4)	(209.6)
Other comprehensive income, net of tax:		
<i>Items that may not be reclassified to profit or loss</i>		
Net (loss)/gain from change in fair value of financial asset at fair value through other comprehensive income	(8.5)	2.0
Currency translation differences	(64.3)	79.4
<i>Items that may be subsequently reclassified to profit or loss</i>		
Transfer of share of other comprehensive income to profit or loss upon deemed disposal of an associate	(1.3)	-
Share of other comprehensive income/(loss) of associates and joint ventures	0.2	(0.4)
Currency translation differences	21.1	(18.9)
	(52.8)	62.1
Total comprehensive loss for the year	(829.1)	(147.5)
Total comprehensive loss attributable to:		
Equity holders of the Company	(828.8)	(147.1)
Non-controlling interests	(0.3)	(0.4)
	(829.1)	(147.5)

**CHINA LITERATURE
SEGMENT INFORMATION**

	Year ended December 31,	
	2025	2024
	(RMB in million, except percentages)	
Revenues		
Online business	4,047.0	4,030.6
Intellectual property operations and others	3,319.1	4,090.5
Total revenues	7,366.2	8,121.1
Cost of revenues		
Online business	(1,971.6)	(1,975.0)
Intellectual property operations and others	(1,997.8)	(2,224.1)
Total cost of revenues	(3,969.4)	(4,199.1)
Gross profit		
Online business	2,075.4	2,055.6
Intellectual property operations and others	1,321.4	1,866.4
Total gross profit	3,396.8	3,921.9
Gross margin		
Online business	51.3%	51.0%
Intellectual property operations and others	39.8%	45.6%
Total gross margin	46.1%	48.3%

CHINA LITERATURE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of	
	December 31, 2025	December 31, 2024
	(RMB in million)	
ASSETS		
Non-current assets		
Property, plant and equipment	67.9	97.8
Right-of-use assets	173.5	149.8
Intangible assets	4,295.7	6,158.8
Investments in associates and joint ventures	577.4	928.2
Financial assets at fair value through profit or loss	1,324.1	1,039.6
Financial assets at fair value through other comprehensive income	648.1	6.3
Deferred income tax assets	458.1	497.2
Prepayments, deposits and other assets	188.4	298.2
Term deposits	1,709.0	2,308.0
	9,442.0	11,484.0
Current assets		
Inventories	576.6	693.0
Television series and film rights	649.4	529.8
Financial assets at fair value through profit or loss	2,735.3	3,252.9
Trade and notes receivables	1,905.0	1,703.4
Prepayments, deposits and other assets	1,283.0	907.4
Restricted bank deposits	4.5	4.5
Term deposits	3,303.5	1,106.2
Cash and cash equivalents	1,683.7	3,264.2
	12,141.1	11,461.4
Total assets	21,583.1	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	2,117.7	1,975.8
(Accumulated losses)/Retained earnings	(547.0)	294.7
	17,526.0	18,374.4
Non-controlling interests	1.4	1.7
Total equity	17,527.4	18,376.2

	As of	
	December 31, 2025	December 31, 2024
(RMB in million)		
LIABILITIES		
Non-current liabilities		
Lease liabilities	116.8	85.0
Long-term payables	16.3	10.8
Deferred income tax liabilities	124.7	129.4
Deferred revenue	19.6	21.9
	277.4	247.2
Current liabilities		
Lease liabilities	64.5	81.2
Trade payables	1,210.4	1,044.6
Other payables and accruals	1,102.0	1,662.0
Deferred revenue	989.7	1,148.9
Current income tax liabilities	232.6	217.7
Financial liabilities at fair value through profit or loss	179.0	167.6
	3,778.3	4,322.0
Total liabilities	4,055.7	4,569.3
Total equity and liabilities	21,583.1	22,945.4

CHINA LITERATURE
RECONCILIATION OF OPERATING LOSS TO EBITDA AND ADJUSTED EBITDA

	Year ended December 31,	
	2025	2024
	(RMB in million)	
Reconciliation of operating loss to EBITDA and adjusted EBITDA:		
Operating loss	(804.5)	(336.1)
Adjustments:		
Interest income	(167.0)	(178.3)
Other losses, net	1,245.8	973.9
Depreciation of property, plant and equipment	38.1	40.3
Depreciation of right-of-use assets	63.6	72.0
Amortization of intangible assets	101.2	157.5
EBITDA	477.4	729.3
Adjustments:		
Share-based compensation	131.2	126.4
Expenditures related to acquisition	5.4	67.5
Adjusted EBITDA	614.0	923.1

CHINA LITERATURE
RECONCILIATIONS OF IFRS TO NON-IFRS RESULTS

Year ended December 31, 2025						
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 (loss)/profit	(804.5)	131.2	1,389.4	19.0	-	735.2
(Loss)/profit for the year	(776.4)	131.2	1,389.4	19.0	94.9	858.2
(Loss)/profit attributable to equity holders of the Company	(776.1)	131.2	1,389.4	19.0	94.9	858.5
(Loss)/earnings per share (RMB per share)						
- basic	(0.76)					0.84
- diluted	(0.76)					0.84
Operating margin	(10.9%)					10.0%
Net margin	(10.5%)					11.7%

Year ended December 31, 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 (loss)/profit	(336.1)	126.4	1,174.8	20.3	-	985.4
(Loss)/profit for the year	(209.6)	126.4	1,174.8	20.3	29.4	1,141.3
(Loss)/profit attributable to equity holders of the Company	(209.2)	126.4	1,174.8	20.3	29.4	1,141.7
(Loss)/earnings per share (RMB per share)						
- basic	(0.21)					1.13
- diluted	(0.21)					1.12
Operating margin	(4.1%)					12.1%
Net margin	(2.6%)					14.1%

Notes:

⁽¹⁾ Mainly includes goodwill impairment; the impairment provision, gains on disposal and deemed disposal, and fair value changes arising from our investee companies; the fair value changes of consideration liabilities related to the acquisition of NCM; 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.