**China Literature Announces 2026 Interim Results**

Hong Kong, August 11, 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 its unaudited consolidated financial results for the six months ended June 30, 2026.

**Results Highlights** [1]

- Total revenues increased by 10.7% year-over-year to RMB3,531.4 million (USD518.5 million) in the first half of 2026.
  - Revenues from online business decreased by 7.3% year-over-year to RMB1,840.0 million (USD270.2 million).
  - Revenues from intellectual property operations and others increased by 40.3% year-over-year to RMB1,691.4 million (USD248.3 million).
- **On an IFRS basis**:
  - Profit attributable to equity holders of the Company was RMB135.4 million (USD19.9 million), compared with RMB849.8 million in the first half of 2025, primarily the result of RMB300 million (USD44.0 million) in tax-related payments incurred by a subsidiary of the Company and the high base effect set by a RMB512 million after-tax gain on the deemed disposal of an investee during the prior year period.
  - Basic earnings per share were RMB0.13. Diluted earnings per share were RMB0.13.
- **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 RMB258.8 million (USD38.0 million), compared with RMB507.8 million in the first half of 2025, primarily due to the RMB300 million (USD44.0 million) tax-related impact noted above.
  - Basic earnings per share were RMB0.26. Diluted earnings per share were RMB0.25.

Mr. Hou Xiaonan, Chief Executive Officer of China Literature, commented, "Today, two structural shifts are reshaping the entertainment industry: the continued rise of fragmented content consumption, and AI's disruptive impact on the broader content ecosystem. In response, we have continued to build on our core strengths while expanding our strategic presence in emerging sectors such as short dramas, AI-animated dramas, and IP merchandise. These efforts made solid progress and drove 41.9% year-over-year revenue growth in our IP operations business during the first half of the year.

In the first half of 2026, revenue from our short dramas and AI-animated dramas exceeded RMB430 million, representing a 2.3-fold year-over-year increase. This business now represents 27% of our IP operations revenue and has become a new growth engine. Notably, the proportion of our blockbuster short dramas

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1. Figures stated in USD are based on USD1 to RMB6.8109.
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.

was four times the market average; 46 AI-animated drama titles surpassed 100 million views each, and the proportion of titles with over one million views was five times the industry average. We also launched Qidian Theater (起点剧场) in China and ToonScroll overseas to cultivate premium platforms for AI-animated content. Meanwhile, our IP merchandise business maintained strong momentum, with GMV reaching RMB780 million, up more than 60% year-over-year. On the online content front, our premium reading ecosystem continued to flourish, attracting emerging writers and seeing established top-tier writers release new, high-quality works. We also introduced the Buddy series of vertical AI agents for creative industries, embedding AI across the entire content creation lifecycle. Looking ahead, powered by our 'IP + AI' engine, we are accelerating the high-quality transformation of stories from texts into visual content, leveraging the synergy between technology and creativity to unlock the next decade of IP value creation."

**Financial Review** [(3)(4)]

***Revenues*** increased by 10.7% year-over-year to RMB3,531.4 million (USD518.5 million).

Revenues from online business were RMB1,840.0 million (USD270.2 million), compared with RMB1,985.4 million in the first half of 2025.

i) Online business revenues from self-owned platform products were RMB1,623.4 million (USD238.4 million), compared with RMB1,746.0 million in the first half of 2025, mainly due to competitive pressure which led to increased proportion of lower-monetizing free-to-read content and a shift in content distribution from online reading to short dramas and AI-animated dramas on our self-operated products within the Weixin ecosystem.

ii) Online business revenues from channels on Tencent products were RMB84.9 million (USD12.5 million), compared with RMB97.1 million in the first half of 2025, primarily due to a decline in advertising revenues from free-to-read content on Tencent's channels.

iii) Online business revenues from third-party platforms were RMB131.7 million (USD19.3 million), compared with RMB142.2 million in the first half of 2025, mainly driven by lower revenues received from third-party distribution partners.

Revenues from IP operations and others increased by 40.3% year-over-year to RMB1,691.4 million (USD 248.3 million).

i) Revenues from IP operations increased by 41.9% year-over-year to RMB1,613.9 million (USD237.0 million), primarily driven by rapid growth across multiple business lines, including short dramas, AI-animated dramas, TV series, and IP merchandise products. In particular,
   - Revenues from short dramas and AI-animated dramas exceeded RMB430 million (USD63.1 million), representing a year-over-year increase of 2.3 times, accounting for approximately 27% of IP operations revenues.
   - GMV of IP merchandise products increased by over 60% year-over-year to RMB780 million (USD114.5 million).

ii) Revenues from the "others" category, mainly generated by sales of physical books, increased by 14.4% year-over-year to RMB77.4 million (USD11.4 million).

***Cost of revenues*** increased by 10.2% year-over-year to RMB1,739.3 million (USD255.4 million). The increase was primarily driven by higher production costs for short dramas, AI-animated dramas, and TV and web series which were in line with revenue growth during a period of higher content releases.

***Gross profit*** increased by 11.1% year-over-year to RMB1,792.1 million (USD263.1 million). Gross margin increased from 50.5% to 50.7% year-over-year.

***Selling and marketing expenses*** increased by 9.6% year-over-year to RMB1,011.4 million (USD148.5 million), mainly driven by higher marketing and promotional spending to support the expansion of our IP businesses. As a percentage of revenues, selling and marketing expenses were 28.6% in the first half of 2026, compared with 28.9% in the prior year period.

***General and administrative expenses*** increased by 15.5% year-over-year to RMB560.0 million (USD82.2 million), primarily due to higher personnel and administrative expenses related to scaling our IP businesses. As a percentage of revenues, general and administrative expenses were 15.9% in the first half of 2026, compared with 15.2% in the prior year period.

***Net other losses*** were RMB25.0 million (USD3.7 million), compared with net other gains of RMB582.5 million in the first half of 2025. The change was mainly due to RMB134 million (USD19.6 million) of late-payment tax surcharges incurred by a subsidiary of the Company in the first half of 2026 (see income tax section for the full impact of this matter), compared with RMB597.6 million of net gains before tax recognized on the deemed disposal of an investee in the first half of 2025.

***Interest income*** was RMB81.3 million (USD11.9 million), compared with RMB81.9 million in the first half of 2025.

***Net provision for impairment losses on financial assets*** was RMB6.2 million (USD0.9 million) on a net basis, mainly related to IP businesses.

***Operating profit*** was RMB270.8 million (USD39.8 million), compared with RMB875.8 million in the first half of 2025. ***On a non-IFRS basis, operating profit*** was RMB367.2 million (USD53.9 million), compared with RMB448.7 million in the first half of 2025.

***Income tax expense*** increased from RMB149.5 million in the first half of 2025 to RMB224.9 million (USD33.0 million) in the first half of 2026, primarily due to RMB166 million (USD24.4 million) in supplementary income tax payments by a subsidiary of the Company. Together with the related late-payment tax surcharges of RMB134 million (USD19.6 million, recorded in other losses), these items reduced profit attributable to equity holders of the Company by RMB300 million (USD44.0 million).

***Profit attributable to equity holders of the Company*** was RMB135.4 million (USD19.9 million), compared with RMB849.8 million in the first half of 2025. ***On a non-IFRS basis, profit attributable to equity holders of the Company*** was RMB258.8 million (USD38.0 million), compared with RMB507.8 million in the first half of 2025, largely due to the RMB300 million (USD44.0 million) tax-related impact noted above.

**Key Operating Information**

- Average MAUs on self-owned platform products and self-operated channels on Tencent products were 134.1 million, compared with 141.3 million in the first half of 2025.
  i) MAUs on self-owned platform products increased by 0.8% year-over-year from 102.7 million to 103.5 million, remaining broadly stable.
  ii) MAUs on self-operated channels on Tencent products decreased by 20.5% year-over-year from 38.5 million to 30.6 million, primarily due to our continued shift of core content distribution to our own platform products, leading to lower activity on Tencent's channels.
- Average MPUs on self-owned platform products and self-operated channels on Tencent products were 8.2 million, compared with 9.2 million in the first half of 2025, primarily due to an increased proportion of free-to-read content on our self-owned platform products, resulting in a change in user mix and a corresponding decline in the number of paying users.
- Monthly ARPU increased by 4.5% year-over-year to RMB32.7, mainly due to a mix effect resulting from lower-ARPU users shifting to free-to-read content.

**Other Key Information**

- EBITDA was RMB302.6 million (USD44.4 million), compared with RMB318.2 million in the first half of 2025. Adjusted EBITDA was RMB384.2 million (USD56.4 million), compared with RMB386.9 million in the first half of 2025.
- As of June 30, 2026, the Company's net cash position was RMB986.14 million (USD1,447.9 million), compared with RMB943.60 million as of December 31, 2025.

**Business Highlights**

***IP Creation***

**Our online reading ecosystem continues to serve as a "super reservoir" of premium content.**

In the first half of 2026, our platform attracted approximately 240,000 new writers, generated over 460,000 online literature works, and added more than 30 billion characters, securing a strong source of content supply. Emerging-generation writers are gaining momentum: among newly signed writers who generated more than RMB1 million in revenue during the first half of the year, those under 30 accounted for 57%, representing a 49% increase year-over-year. Promising works continued to emerge. On Qidian, the number of titles receiving user collections increased by 37% year-over-year, while the number of titles receiving monthly tickets grew 26% year-over-year. With the return of a series of top-tier Platinum and Phenomenal writers, two new titles attracted more than 200,000 readers each on their first day of launch, setting new records for debut performance on the platform.

***IP Visualization***

**We accelerated the transformation from text to visual content. In the first half of 2026, while solidifying our traditional strengths in film, drama series, and animation, we also stepped up our**

**efforts in emerging segments such as short dramas and AI-animated dramas, resulting in exceptional growth. Revenue from short dramas and AI-animated dramas exceeded RMB430 million, representing a 2.3-fold year-over-year increase.**

In the premium drama series and film segment, several drama series adapted from China Literature's IPs premiered this year, including top-tier titles such as "Blossoms of Power (百花杀)," "The Heir (家业)," and "Ashes to Crown (翘楚)." All of these titles ranked among the top titles on platform popularity charts during their respective broadcasting periods. Meanwhile, we also released our self-produced drama series "No Pain No Gain (年少有为)," "The Devil Between Us (除恶)," and "Lady Liberty (爱情没有神话)." These titles broke new ground across genres such as urban drama and crime drama, winning both critical acclaim and strong audience traction.

In the animation segment, we released sequels of classic animated titles, including "Battle Through the Heavens (斗破苍穹)," "The Outcast (一人之下)," "Almighty Mage (全职法师)," and "Stellar Transformations (星辰变)." All of these titles ranked among the top titles on platform popularity charts during their respective broadcasting periods. Among them, "The Outcast (一人之下)" achieved a popularity index of over 21,800 on Tencent Video, making it the most popular 2D animated series on the platform in the past three years. According to Enlightent, since the beginning of 2026, eight of the top 10 animation series by cumulative views across all platforms were adapted from China Literature's IPs, further demonstrating our market influence in animation content.

In the short drama and AI-animated drama segment, we achieved major breakthroughs. In the first half of 2026, we launched over 90 short dramas, including many breakout hits. In male-oriented genres, "The Invisible Bodyguard (隐身侍卫)" was a blockbuster, with a popularity index exceeding 100 million and total views across all platforms surpassing 5 billion. In female-oriented genres, sequels of our original "Sweet Wife (甜妻)" IP performed strongly, setting a benchmark for commercialization. In the AI-animated drama segment, our top-tier title "Three Thousand Shelters (三千庇护)" surpassed 3 billion views across all platforms, driving the original novel into the top 10 of the bestseller ranking on Qidian. We also explored opportunities to develop premium AI-animated drama platforms, launching "Qidian Theater (起点剧场)" and "ToonScroll" in China and overseas, respectively. All these achievements were driven by China Literature's extensive IP library, strong creator ecosystem, and robust capabilities in IP development across the industry chain.

***IP Commercialization and Monetization***

**In the first half of 2026, our IP merchandise business continued to maintain rapid growth, with GMV reaching RMB780 million, representing a year-over-year increase of more than 60%.** This growth was driven by our continued enhancement across four core areas: product, channel, operation, and ecosystem.

- **Product:** We strengthened our presence in the light-and-soft merchandise category, which is characterized by high-frequency purchases and strong repeat purchase rates, while expanding into new categories such as plush toys, lifestyle products, and precious metals. Our design excellence and supply chain efficiency enabled us to deliver a steady stream of high-quality products, positioning "Yuewen Goods" as one of the leading brands in China's anime merchandise market.

- **Channel:** We strengthened our self-operated online sales network, including mini-programs, live-streaming rooms, and flagship e-commerce stores. We also optimized our offline store network and deepened collaboration with our channel partners. These efforts led to improvements in both channel profitability and brand control. We also continued to enhance our sales velocity and supply chain management, improving inventory turnover efficiency and translating sales growth into solid profit contribution.

- **Operation:** We launched campaigns around iconic IP characters, driving deeper fan engagement and stronger consumer conversion. During the first half of the year, we organized the "Glory Pilgrimage (荣光巡礼)" pop-up event in four cities to celebrate the birthday of Ye Xiu, the leading character of "The King's Avatar (全职高手)." We also launched "The Outcast Boy Group (异人男团)," bringing "The Outcast (一人之下)" IP to a broader audience through idol-style marketing and deepening the emotional connection between the IP and users.

- **Ecosystem:** We accelerated the expansion of our overseas channels. Together with our partners, we opened our first global collectible toy concept store in Singapore, while selected products on the overseas online store for "Lord of the Mysteries (诡秘之主)" sold out shortly after launch. The popularity of our hit merchandise further amplified the appeal of our IPs, driving users back to our content ecosystem spanning online reading, animation, and drama series.

In the game segment, we launched multiple IP crossover collaborations in the first half of the year, all of which were well received. Partnerships including "The King's Avatar (全职高手)" × "Peacekeeper Elite (和平精英)" and "Soul Land (斗罗大陆)" × "Peacekeeper Elite (和平精英)" generated strong market buzz and engagement. Looking ahead, game adaptations of major IPs such as "Lord of the Mysteries (诡秘之主)" and "My Heroic Husband (赘婿)" are expected to be launched soon.

***Widespread Application of AI Technology***

**At China Literature, AI is not confined to a single application. We have deeply integrated it into every stage of the content creation journey, from creative ideation to global user reach.**

We launched the Buddy series of AI agents, purpose-built for the creative content industry, and upgraded three core products: NovelBuddy (作家助手), DramaBuddy (漫剧助手), and IPBuddy (版权助手), to provide content creators and operators with a comprehensive suite of AI-powered tools.

- **NovelBuddy:** Designed for online literature creators, NovelBuddy provides AI-assisted writing support, as well as copyright protection and anti-plagiarism services, helping safeguard creators' rights.

- **DramaBuddy:** Focusing on AI-animated drama production, DramaBuddy covers the entire process, including creative ideation, content production, and project management, enabling the scalable production of premium AI-animated dramas.

- **IPBuddy:** Serving as the “all-seeing eye” of our in-house copyright team, IPBuddy enables the value assessment of a title within minutes and greatly improves the efficiency of selecting IP for adaptation and commercialization.

Meanwhile, AI has accelerated our global expansion. As of June 30, 2026, more than 30,000 AI-translated works were available on our WebNovel platform, contributing 40% of the platform’s novel revenue during the first half of the year. AI also facilitated a 160% year-over-year increase in revenues for WebNovel’s works in less-commonly spoken languages, enabling Chinese stories to reach global multilingual audiences more efficiently.

***Outlook***

Over the past two decades, the internet has lowered the barriers to literary creation and underpinned China Literature’s growth into the company it is today. We believe that over the next two decades, AI will become a crucial tool for extending creators’ capabilities and unlocking a step change in value across the content ecosystem. Deeply integrating AI into the creation process and driving growth through technology form our core strategy for the future, as well as a vital path to amplifying IP value. Through AI, we aim to help great stories realize their full potential. At the same time, we recognize that, as AI becomes more capable, original human creativity will become even scarcer and more valuable. That is why China Literature will continue to strengthen its support for original creators, ensuring that technology empowers creativity and that great stories can flourish for generations to come.

**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 period, non-IFRS net margin, non-IFRS profit attributable to equity holders of the Company, non-IFRS basic EPS, and non-IFRS diluted EPS, have been presented as additional financial measures 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 non-IFRS measures may be defined differently from similar terms used by other companies. In addition, non-IFRS adjustments include relevant adjustments for the Company's material associates based on available published financials of those associates, or estimates made by the Company's management based on available information, 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 INCOME STATEMENT**

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **(RMB in million, unless specified)** | |
| **Revenues** | | |
| Online business[1] | 1,840.0 | 1,985.4 |
| Intellectual property operations and others[2] | 1,691.4 | 1,205.2 |
| | **3,531.4** | **3,190.6** |
| Cost of revenues | (1,739.3) | (1,578.2) |
| **Gross profit** | **1,792.1** | **1,612.4** |
| ***Gross margin*** | ***50.7%*** | ***50.5%*** |
| Interest income | 81.3 | 81.9 |
| Other (losses)/gains, net | (25.0) | 582.5 |
| Selling and marketing expenses | (1,011.4) | (922.4) |
| General and administrative expenses | (560.0) | (484.7) |
| Net (provision for)/ reversal of impairment losses on financial assets | (6.2) | 6.2 |
| **Operating profit** | **270.8** | **875.8** |
| ***Operating margin*** | ***7.7%*** | ***27.4%*** |
| Finance income/(costs), net | 0.5 | (4.0) |
| Share of net profit of associates and joint ventures | 88.8 | 127.3 |
| **Profit before income tax** | **360.1** | 999.0 |
| Income tax expense | (224.9) | (149.5) |
| **Profit for the period** | **135.2** | **849.6** |
| ***Net margin*** | ***3.8%*** | ***26.6%*** |
| **Profit attributable to:** | | |
| Equity holders of the Company | 135.4 | 849.8 |
| Non-controlling interests | (0.2) | (0.2) |
| | **135.2** | **849.6** |
| **Earnings per share** | | |
| **(in RMB per share)** | | |
| - Basic earnings per share | 0.13 | 0.84 |
| - Diluted earnings per share | 0.13 | 0.83 |

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 drams, licensing of copyrights, operation of self-operated online games, sales of IP merchandise products and sales of physical books.

**CHINA LITERATURE**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **(RMB in million)** | |
| **Profit for the period** | **135.2** | **849.6** |
| **Other comprehensive income, net of tax:** | | |
| *Item that may be subsequently reclassified to profit or loss* | | |
| Share of other comprehensive income of an associate | – | 0.2 |
| Transfer of share of other comprehensive income to profit or loss upon deemed disposal of an associate | – | (1.3) |
| Currency translation differences | 29.2 | 49.9 |
| *Item that will not be reclassified to profit or loss* | | |
| Net (losses)/gains from changes in fair value of financial assets at fair value through other comprehensive income | (40.9) | 24.4 |
| Currency translation differences | (99.1) | (55.1) |
| | (110.8) | 18.1 |
| **Total comprehensive income for the period** | **24.4** | **867.7** |
| **Total comprehensive income attributable to:** | | |
| Equity holders of the Company | 24.6 | 867.9 |
| Non-controlling interests | (0.2) | (0.2) |
| | **24.4** | **867.7** |

**CHINA LITERATURE**

**SEGMENT INFORMATION**

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **(RMB in million, except percentages)** | |
| **Revenues** | | |
| Online business | 1,840.0 | 1,985.4 |
| Intellectual property operations and others | 1,691.4 | 1,205.2 |
| **Total revenues** | **3,531.4** | **3,190.6** |
| **Cost of revenues** | | |
| Online business | (874.9) | (995.9) |
| Intellectual property operations and others | (864.4) | (582.3) |
| **Total cost of revenues** | **(1,739.3)** | **(1,578.2)** |
| **Gross profit** | | |
| Online business | 965.1 | 989.5 |
| Intellectual property operations and others | 827.0 | 622.9 |
| **Total gross profit** | **1,792.1** | **1,612.4** |
| **Gross margin** | | |
| Online business | 52.5% | 49.8% |
| Intellectual property operations and others | 48.9% | 51.7% |
| **Total gross margin** | **50.7%** | **50.5%** |

**CHINA LITERATURE**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | As of | |
|---|---|---|
| | **June 30, 2026** | **December 31, 2025** |
| | **(RMB in million)** | |
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 65.9 | 67.9 |
| Right-of-use assets | 160.6 | 173.5 |
| Intangible assets | 4,256.9 | 4,295.7 |
| Investments in associates and joint ventures | 442.2 | 577.4 |
| Financial assets at fair value through profit or loss | 936.7 | 1,324.1 |
| Financial assets at fair value through other comprehensive income | 669.6 | 648.1 |
| Deferred income tax assets | 481.6 | 458.1 |
| Prepayments, deposits and other assets | 186.6 | 188.4 |
| Term deposits | 2,212.2 | 1,709.0 |
| | **9,412.3** | **9,442.0** |
| **Current assets** | | |
| Inventories | 615.2 | 576.6 |
| Television series and film rights | 520.6 | 649.4 |
| Financial assets at fair value through profit or loss | 2,028.9 | 2,735.3 |
| Trade and notes receivables | 1,550.0 | 1,905.0 |
| Prepayments, deposits and other assets | 1,561.9 | 1,283.0 |
| Restricted bank deposits | – | 4.5 |
| Term deposits | 3,002.8 | 3,303.5 |
| Cash and cash equivalents | 2,617.4 | 1,683.7 |
| | **11,896.9** | **12,141.1** |
| **Total assets** | **21,309.2** | **21,583.1** |
| **EQUITY** | | |
| **Capital and reserves attributable to equity holders of the Company** | | |
| Share capital | 0.6 | 0.6 |
| Treasury shares | (151.9) | – |
| Shares held for RSU scheme | (14.6) | (14.6) |
| Share premium | 15,963.1 | 15,969.2 |
| Other reserves | 2,085.2 | 2,117.7 |
| Accumulated losses | (411.6) | (547.0) |
| | **17,470.8** | **17,526.0** |
| **Non-controlling interests** | **3.2** | **1.4** |
| **Total equity** | **17,474.0** | **17,527.4** |

| | As of | |
|---|---|---|
| | June 30, 2026 | December 31, 2025 |
| | (RMB in million) | |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Lease liabilities | 98.8 | 116.8 |
| Long-term payables | 19.0 | 16.3 |
| Deferred income tax liabilities | 123.3 | 124.7 |
| Deferred revenue | 18.5 | 19.6 |
| | **259.5** | **277.4** |
| **Current liabilities** | | |
| Lease liabilities | 57.7 | 64.5 |
| Trade payables | 1,241.1 | 1,210.4 |
| Other payables and accruals | 982.5 | 1,102.0 |
| Deferred revenue | 973.7 | 989.7 |
| Current income tax liabilities | 166.1 | 232.6 |
| Financial liabilities at fair value through profit or loss | 154.5 | 179.0 |
| | **3,575.6** | **3,778.3** |
| **Total liabilities** | **3,835.1** | **4,055.7** |
| **Total equity and liabilities** | **21,309.2** | **21,583.1** |

**CHINA LITERATURE**

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

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| | **(RMB in million)** | |
| **Reconciliation of operating profit to EBITDA and adjusted EBITDA:** | | |
| Operating profit | 270.8 | 875.8 |
| **Adjustments:** | | |
| Interest income | (81.3) | (81.9) |
| Other losses/(gains), net | 25.0 | (582.5) |
| Depreciation of property, plant and equipment | 18.4 | 18.8 |
| Depreciation of right-of-use assets | 29.3 | 34.2 |
| Amortization of intangible assets | 40.3 | 53.8 |
| **EBITDA** | **302.6** | **318.2** |
| **Adjustments:** | | |
| Share-based compensation | 78.9 | 65.9 |
| Expenditures related to acquisitions | 2.7 | 2.7 |
| **Adjusted EBITDA** | **384.2** | **386.9** |

**CHINA LITERATURE**

**RECONCILIATIONS OF IFRS TO NON-IFRS RESULTS**

| | Six months ended June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | | 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 | 270.8 | 78.9 | 7.2 | 10.2 | - | 367.2 |
| Profit for the period | 135.2 | 78.9 | 7.2 | 10.2 | 27.1 | 258.6 |
| Profit attributable to equity holders of the Company | 135.4 | 78.9 | 7.2 | 10.2 | 27.1 | 258.8 |
| Earnings per share (RMB per share) | | | | | | |
| - basic | 0.13 | | | | | 0.26 |
| - diluted | 0.13 | | | | | 0.25 |
| Operating margin | 7.7% | | | | | 10.4% |
| Net margin | 3.8% | | | | | 7.3% |

| | 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% |

Notes:

(1) This item mainly includes gains on disposal and deemed disposal, impairment provisions and fair value changes arising from our investee companies, fair value changes of consideration liabilities related to the acquisition of NCM, and 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.