CHINA LITERATURE LIMITED
阅文集团
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 772)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE INTERIM REPORT FOR THE SIX MONTH ENDED JUNE 30, 2019

Reference is made to (i) the prospectus of the company dated October 26, 2017 in relation to, among other things, the global offering, and (ii) the interim report of the Company for the six months ended June 30, 2019 (the "**2019 Interim Report**") published on August 28, 2019. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the 2019 Interim Report.

In addition to the information provided in the 2019 Interim Report, the Board would like to provide further information in relation to the intended timetable for use of net proceeds of approximately RMB6,145 million (HKD7,235 million) raised from the IPO as follows:

Intended use of net proceeds	**Allocation of net proceeds**	**Amount of net proceeds utilized up to June 30, 2019**	**Balance of net proceeds unutilized as at June 30, 2019**	**Intended timetable for use of the unutilized net proceeds**
		(RMB in millions)		
(i) Expanding the Group's online reading business and sales and marketing activities	1,843.4	683.7	1,159.7	By/before December 31, 2020
(ii) Expanding the Group's involvement in the development of derivative entertainment products adapted from its online literary titles	1,843.4	258.5	1,584.90	By/before December 31, 2020
(iii) Funding our potential investments, acquisitions and strategic alliances	1,843.4	1,843.4	0	Not applicable

Intended use of net proceeds	Allocation of net proceeds	Amount of net proceeds utilized up to June 30, 2019	Balance of net proceeds unutilized as at June 30, 2019	Intended timetable for use of the unutilized net proceeds
		(RMB in millions)		
(iv) Working capital and general corporate purposes	614.5	0	614.5	By/before December 31, 2020
Total	6,144.7	2785.6	3,359.1	

By order of the Board
CHINA LITERATURE LIMITED
Mr. James Gordon Mitchell
Chairman of the Board and Non-executive Director

Hong Kong, October 10, 2019

As at the date of this announcement, the Board comprises Mr. Wu Wenhui and Mr. Liang Xiaodong as executive Directors; Mr. James Gordon Mitchell, Mr. Lin Haifeng, Mr. Cao Huayi and Ms. Chen Fei as non-executive Directors; Ms. Yu Chor Woon Carol, Ms. Leung Sau Ting Miranda and Mr. Liu Junmin as independent non-executive Directors.