阅文集团

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

PROFIT WARNING

This announcement is made by China Literature Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities from time to time, the "**Group**") pursuant to Rule13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") hereby informs the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended December 31, 2025 (the "**2025 Financial Year**") and the information currently available to the Board, the Group expects to record an IFRS (International Financial Reporting Standards) loss attributable to equity holders of the Company of approximately RMB750 million to RMB850 million for the 2025 Financial Year, compared to an IFRS loss attributable to equity holders of the Company of RMB209 million recorded for the year ended December 31, 2024, mainly attributable to an impairment of goodwill arising from the acquisition in 2018 of New Classics Media Holdings Limited ("**New Classics Media**"). The impairment charge is non-cash in nature, and therefore is not expected to affect the Group's cash flow, nor is it included in its measurement of non-IFRS financials.

The Group carried out a preliminary assessment of goodwill as of December 31, 2025 based on the indicators of impairment of assets identified. The Board considers that the recoverable amount of goodwill attributable to New Classics Media is lower than its carrying amount, and the Group will therefore record an impairment of goodwill of an estimated amount of approximately RMB1,800 million.

In recent years, audience expectations for high-quality long-form dramas and films have steadily increased. Short-form dramas, benefiting from fragmented viewing habits and shorter production cycles, continued to experience rapid growth in 2025 and significantly impacted the content creation ecosystem for long-form dramas and films. In response, New Classics Media has maintained its positioning as a top-tier content creator and continued to invest in high-quality long-form productions. At the same time, it has adopted a more cautious production strategy, moderating its creative pace to allow for more thorough refinement and higher content quality. This approach may extend the timelines for script development, pre-production, filming, and post-production, which could materially impact New Classics Media's profit projections. Given these developments, the Group conducted an impairment test on the goodwill and recognized an impairment loss, to fully write off the goodwill related to New Classics Media. As a result, there is no further goodwill from New Classics Media to be written down. From a strategic perspective, however, in an era of fragmented information consumption, the IP value and emotional resonance generated by premium long-form content remain a distinctive competitive advantage for the Group's IP ecosystem. The Group believes premium content will continue to hold irreplaceable value and status in both current and future markets. We expect New Classics Media to continue leveraging its core strengths and remain committed to its premium-focused strategy, by producing high-quality content to strengthen its industry-leading position, enhance intrinsic value, and ultimately generate greater long-term value for the Group's IP business.

The impairment charge on goodwill is not included in the Group's measurement of non-IFRS financials. The Board expects that the non-IFRS profit attributable to equity holders of the Company for the 2025 Financial Year will be approximately RMB800 million to RMB900 million, compared with RMB1,142 million for the year ended December 31, 2024, mainly due to a decline in profits from New Classics Media. The Company defines non-IFRS net profit as profit for the period adjusted by adding back share-based compensation, impairment provision of goodwill, net (gains)/losses from investments and acquisitions of certain investee companies, amortization of intangible assets resulting from acquisitions and the related tax effect.

The Board wishes to emphasize that the non-IFRS measures are neither required by nor prepared in accordance with IFRS. Management believes that, when presented alongside IFRS figures, these measures provide useful information about financial and business trends and assist in evaluating the Group's operating performance. However, they have limitations and should not be used in isolation or as a substitute for IFRS results. Such non-IFRS measures may be defined differently and therefore may not be directly comparable to similar measures reported by other companies.

As of the date of this announcement, the Company is in the process of finalizing its consolidated financial information for the 2025 Financial Year. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group for the 2025 Financial Year. Such consolidated management accounts have not yet been audited by the Company's auditor and shall be subject to finalization and necessary adjustments (if any). Shareholders and potential investors of the Company are advised to carefully read the announcement on the Group's annual results for the 2025 Financial Year, which is expected to be published on March 17, 2026.

Shareholders and potential investors should exercise caution when dealing with the securities of the Company.

By order of the Board
CHINA LITERATURE LIMITED
Mr. Pu Hai Tao
Chairman of the Board and Non-executive Director

Hong Kong, February 10, 2026

As at the date of this announcement, the Board comprises Mr. Hou Xiaonan and Mr. Huang Yan as Executive Directors; Mr. Pu Hai Tao, Mr. Cao Huayi and Mr. Xie Qinghua as Non-executive Directors; Ms. Yu Chor Woon Carol, Ms. Leung Sau Ting Miranda and Mr. Liu Junmin as Independent Non-executive Directors.