

China Literature Starts Trading on the Main Board of SEHK

[8 November, 2017, Hong Kong] China Literature Limited (“China Literature” or the “Company”; stock code: 0772), a pioneer of China’s online literature market and operates the leading online literature platform, was successfully listed and commenced trading on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”) at 9:30a.m. today, under the stock code 0772 with a board lot of 200 shares.

Mr. Wu Wenhui, Co-Chief Executive Officer of China Literature stated, “China Literature has stepped into the international capital market and embarks a new journey as a listed company. The Offer Shares of China Literature have been over-subscribed significantly under both Hong Kong public tranche and International tranche, representing a tremendous recognition in the capital market. The outstanding result strongly revealed the confidence of the investors in the growth of the online literature industry in China and in China Literature. We believe the success of the listing will not only lead China Literature to the next milestone, but also lay a solid foundation for the long-term development of the Company.”

Mr. Liang Xiaodong, Co-Chief Executive Officer of China Literature stated, “Looking forward, China Literature will capitalize on market opportunities, continue to commit to our mission of “Create Value for Writers and to Bring Literature to People”, systematically attract, nurture and promote writers, further expand our online reading market share, unleash the monetization potential of our intellectual property, promote intellectual property protection in China, selectively pursue strategic alliances, investments and acquisitions, as well as expand our business internationally. We will further solidify our leadership position and create the long-term value to our investors.”

Mr. James Gordon Mitchell, Chairman of China Literature concluded, “We see great potential of further development in China’s online literature industry. The mobile era of online literature has witnessed tremendous increase in monetization formats as well as commercial potential of online literature content. With rising living standard and consumption power, customers are demanding high quality entertainment content. This accelerates the development of the pan-entertainment industries, and it in turn drives the demand for literary works for various content adaptations. All in all, there is tremendous room for future development which provides strong potential to the leaders in China’s online literature market.”

About China Literature Limited

China Literature Limited is a pioneer of China’s online literature market and operates a leading online literature platform as measured by the scale and quality of writers, readers and literary content offerings, according to Frost & Sullivan report. As of June 30, 2017, the Company had 6.4 million writers and 9.6 million online literary works. During the first half of 2017, the Company had on average 191.8 million monthly active users on its platform and its self-operated channels on partner distribution platforms.

China Literature's platform provides its online readers with easy access to its vast and diverse content library and enables a greater number of writers to create and publish original literary content online. At the same time, China Literature operates a multi-layered content distribution network and provides its content directly to the largest online audience for original online literary works in China. China Literature has nine major branded platforms, including "QQ Reading", "qidian.com", "qdm.com", "chuangshi.qq.com", "yunqi.qq.com", "xxy.net", "hongxiu.com", "readnovel.com" and "xs8.cn". Among which, the flagship product, QQ Reading, is a one-stop shop for high quality content across its products, while other branded products focus more specifically on individual genres and their respective user followings. China Literature's shareholder and strategic partner, Tencent, provides the Company with exclusive content distribution access via its suite of leading mobile and Internet products, including Mobile QQ, QQ Browser, Tencent News and Weixin Reading. China Literature also licenses the content to third-party partners such as Baidu, Sogou, JD.com and Xiaomi Duokan for distribution, thus further broadening its user reach.

According to the Frost & Sullivan report, among online literature-adapted domestic entertainment products, 13 of the top 20 films by box office, 15 of the top 20 most viewed TV series, 14 of the top 20 most viewed web series, 15 of the top 20 most downloaded online games and 16 of the top 20 most viewed animations, in each case released in China in 2016, were based on literary titles developed on China Literature's platform.