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阅文集团

CHINA LITERATURE LIMITED

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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 772)

VOLUNTARY ANNOUNCEMENT PROGRESS OF LITIGATION BY MIGU

This is a voluntary announcement made by China Literature Limited (the “**Company**”).

Reference is made to the Hong Kong prospectus of the Company dated October 26, 2017 (the “**Prospectus**”). In August 2017, Migu Digital Media Co., Ltd. (“**Migu**”) commenced legal proceedings against our consolidated affiliated entities, including Beijing Hongxiu Tianxiang Technology Development Co., Ltd. (北京紅袖添香科技發展有限公司) (“**Beijing Hongxiu**”), Shanghai Qiwen Information Technology Co., Ltd. (上海啟聞信息技術有限公司) (“**Shanghai Qiwen**”), Shanghai Xuanting Entertainment Information Technology Co., Ltd. (上海玄霆娛樂信息科技有限公司) (“**Shanghai Xuanting**”) and Xiaoxiang College (Tianjin) Culture Development Co., Ltd. (瀟湘書院(天津)文化發展有限公司) (“**Xiaoxiang College**”), in Hangzhou Intermediate People’s Court and Zhejiang Higher People’s Court in China for ceasing to update a number of literary products on Migu’s reading platform in purported breach of contract.

The Company received written notices from the relevant courts that they had received and approved (i) Migu’s withdrawal applications in relation to the above claims against Beijing Hongxiu, Shanghai Qiwen, Shanghai Xuanting and Xiaoxiang College, respectively; and (ii) the Company’s withdrawal applications in relation to its counterclaims against Migu. The Company is not required to pay any damages to Migu for the alleged breach of contract given the withdrawal of the litigation.

By Order of the Board
CHINA LITERATURE LIMITED
Mr. James Gordon Mitchell

Chairman of the Board and Non-Executive Director

Hong Kong, September 19, 2018

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, Ms. Li Ming and Mr. Yang Xiang Dong as Non-Executive Directors; Ms. Yu Chor Woon Carol, Ms. Leung Sau Ting Miranda and Mr. Liu Junmin as independent non-executive Directors.