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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)

ISSUE OF NEW SHARES PURSUANT TO THE RSU SCHEME

Reference is made to the announcement of the Company dated May 24, 2021 and the circular of the Company dated April 20, 2021 (the “**Circular**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Circular.

On May 24, 2021, the RSU Mandate was granted by the Shareholders to the Directors at the Annual General Meeting, pursuant to which the maximum number of new Shares which may be issued under the RSU Mandate is 45,710,177.

On July 12, 2021, the Board has resolved to issue a total of 3,220,870 new Shares (the “**New Shares**”) pursuant to the RSU Mandate in accordance with the 2020 Restricted Share Unit Scheme, for the purpose of delivering the 3,220,870 RSU Awards (the “**Granted RSU Awards**”) granted to 233 Participants (the “**Participants**”), who are all employees of the Company. The reasons for such award are to recognize the contributions made by the Participants and to attract and retain talent for the continuous operations and development of the Group. Pursuant to the 2020 Restricted Share Unit Scheme, the Company shall pay the subscription money of USD322.09 for the New Shares, representing the nominal value of the New Shares, from the Company’s resources.

The independent Trustee shall subscribe for the New Shares in cash. Pursuant to the terms of the 2020 Restricted Share Unit Scheme, the RSU awards shall either be acquired by the independent Trustee or be allotted to the independent Trustee under the RSU Mandate. Upon the allotment of the New Shares, the independent Trustee shall hold the New Shares in trust for the Participants and shall transfer such Shares to the Participants upon the satisfaction of the relevant vesting conditions specified by the Board at the time of granting the RSU awards. The vesting period of the Granted RSU Awards differs among the Participants.

Except for the issue of Shares as mentioned in this announcement, at the date of this announcement, no new Share has been issued or allotted under the aforesaid RSU Mandate.

The Trustee and all Participants are not connected persons of the Company.

The New Shares to be issued and allotted by the Company to the independent Trustee represent approximately 0.32% of the Company's issued shares as at the date of this announcement and approximately 0.32% of the Company's enlarged issued shares after the allotment. The New Shares, when issued and fully-paid, will rank *pari passu* among themselves and with the Shares in issue upon the allotment of the New Shares. Pursuant to the 2020 Restricted Share Unit Scheme, the independent Trustee does not exercise voting rights in respect of any Shares held under the trust or as the nominee.

The Company has not engaged in any fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the 3,220,870 Shares.

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

Chairman of the Board and Non-executive Director

Hong Kong, July 12, 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Cheng Wu and Mr. Hou Xiaonan as executive Directors; Mr. James Gordon Mitchell, Mr. Cao Huayi, Mr. Cheng Yun Ming Matthew and Mr. Zou Zhengyu as non-executive Directors; Ms. Yu Chor Woon Carol, Ms. Leung Sau Ting Miranda and Mr. Liu Junmin as independent non-executive Directors.