

CMGE Released Its Interim Results Announcement of 2020

- **CMGE Technology Group Limited (hereinafter referred to as "CMGE") released its interim financial results of 2020 on August 26. In the first half of 2020, its revenue reached CNY 1.714 billion, with a period-to-period increase of 12.1%, and its adjusted net profit reached CNY 342 million, with a period-to-period increase of 27.6%.**
- **Financial Breakdown**
 - As of June 30, 2020, the revenue from continuous operation reached CNY 1.714 billion, with a period-to-period increase of 12.1%, and its adjusted net profit reached CNY 342 million, with a period-to-period increase of 27.6%.
- **Three major business segments maintained a steady growth, with an increase of average monthly paying users ("MPU") of 11.6%**
 - As of June 30, 2020, the incomes from Game publishing business, self-developed business and IP licensing business reached CNY 1.489 billion, CNY 221 million and CNY 4.2 million, increased 13.9%, 1.1% and 16.7% period-to-period respectively.
 - As of June 30, 2020, the average number of monthly active users reached 15.503 million. As of June 30, 2020, there were 54.358 million new registered game users, with an increase of 36.4% period-to-period. The average number of monthly paying users has reached 1.135 million, with a period-to-period growth of 11.6%.
- **A couple of new game products have been released within the period, showing impressive revenue performance. The flow of long-term products remains stable.**

By now, CMGE has been equipped with a giant reserve of IP, including 39 licensed IPs and 68 self-owned IPs, totaling 107. As of June 30, 2020, CMGE has operated 80 online games.

 - The mobile game *Xuan Yuan Sword - the Origin* ranks second on the free list of Apple store in the first month of its launch.
 - The mobile game *Reborn!* ranks second on the free list of Apple store in the first month of its launch.
 - Self-developed *Demon Rebirth* ranks first in terms of new game recommendation on the wan.360.cn game platform.
 - Self-developed *The World of Legend - Thunder Empire* maintains stable operation, recording the highest monthly gross billing of CNY 107.7 million in the first half of the year.
 - Self-developed *War Song - the Creation* remained stable at 1.53 million MAU per month with monthly average gross billings of more than RMB20 million, which continued to contribute profit.
 - As of June 30, 2020, the cumulative sales of the self-developed *Monopoly 10*, has

achieved an accumulated sales volume of 468,000 sets on the Steam platform, and the number of online users of this game on the Steam platform ranked among the top 50 in the world.

- *Dragon Ball - Awakening, One Piece - the Road of the Strong, Martyn Palace, Naruto - Ninja Master, The Story of the Flying Mortal H5, Dragon Hunter H5* and other games still contributed stable gross billing and profit to the Group.
- **CMGE has reached an in-depth cooperation regarding exclusive distribution with top domestic traffic platforms and continuously strengthened the construction of IP game ecosystems.**
 - ByteDance is the exclusive agency to release IP game masterpieces *One Piece: The Voyage* and *The King of Fighters: All Stars*.
 - Tencent Games is the exclusive agency to release *Dynasty Warriors: Hegemony* and *Monster List: Past and Present Lives*.
 - As of June 30, 2020, the Company has invested in 22 high-quality developers, including Love Games established by Cheng Liangqi, Huanyu Jiuzhou established by Zhang Fumao, and EZFun, the developer of *Dynasty Warriors: Hegemony*.
 - The company has completed the investment of Pre-A round in Welink, a cloud-based game technology service provider.
- **In the second half of the year, CMGE will continue to invest in IP resources and excellent developers, and propose to release several hot-cake games.**
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 - CMGE proposes to release a couple of self-developed games in the second half of the year, including *The New Legend Of The Condor Heroes: Iron Blood and Loyal Heart*, *Life and Death Sniper: Zombie Frontier*, *A Record of a Mortal's Journey to Immortality*, *Hua Jiang Hu: Bei Mo Ting*, *Soul Land: God of Battle Arise*, and *Legend of Immortal: Sharing the Sky*.
 - In terms of self-developed games, CMGE plans to launch *Legend of Dragon City*, *Code: Dragon*, *Lord of Sabuk*, *Code: Blood*, *Legend of Sword and Fairy 7*, *Legend of Sword and Fairy-the Magnificence*, and the Switch version of *Monopoly 10*.
 - In terms of overseas market, CMGE plans to launch multiple new games within this year, including *Reborn!*, *The New Legend Of The Condor Heroes: Iron Blood and Loyal Heart*, *Soul Land: God of Battle Arise*, *Xuan Yuan Sword - the Origin*, *Last Hero*, and *Hua Jiang Hu: Bei Mo Ting*, thus scaling up the overseas market.
 - The IP licensing business is expected to benefit from the large-scale events throughout the 25th anniversary of *Legend of Sword and Fairy* in 2020 and obtain an increased revenue. CMGE has reached cooperation with Perfect World relating to *Legend of Sword and Fairy* IP development. In such cooperation, the first to sixth series, the prequel and the outreach series of *Legend of Sword and Fairy* will be used for the development of one massive multiplayer online (MMO) mobile game theme

Xianxia .

- With regard to investment business, CMGE will continue its investment in IP resources and excellent game developers to provide strong support for its IP game ecosystem.
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- **CMGE has actively assume its social responsibilities to help Hubei fight against COVID-19**
 - During the fight against COVID-19 in Hubei Province, CMGE initiated the donation campaign, with a total of more than CNY 1.4 million from the group and employees.
 - CMGE is promoting the program of "CMGE Dream Library". On June 12, 2020, the sixth CMGE Dream Library was established at Xinquan School, Xinquan Street, Xinquan Town, Luxi County, Pingxiang City, Jiangxi Province with the concerted efforts of CMGE and the "Library Program" of Wuxi Lingshan Charity Foundation.
 - CMGE will continue to extend charity activities for children with special needs, so as to further achieve its charity culture and to take on more social responsibilities. .