

## CMGE announces 2020 full-year results

- **CMGE Technology Group Limited (hereinafter referred to as “CMGE”)** released its performance announcement for the year ended December 31, 2020 on March 24. The revenue for the year ended December 31, 2020 reached RMB 3.82 billion, with a year-on-year growth of 25.8%. The adjusted net profit reached RMB 807 million, with a year-on-year growth of 32.1%.
- **Financial position**
  - As at December 31, 2020, the revenue for continuing operations reached RMB 3.82 billion, with a year-on-year growth of 25.8%. The adjusted net profit reached RMB 807 million, with a year-on-year growth of 32.1%.
- **Dividend situation:**
  - The share premium account of the Company paid the final dividend for the year ended December 31, 2020. The amount paid on each share was HKD 0.0928 (according to the average exchange rate in 2020, equivalent to RMB 0.0825).
- **Three business segments kept stable growth, and payment conversion rate increased**
  - As at December 31, 2020, the revenue of game publishing business reached RMB 2.978 billion, with a year-on-year growth of 16.6%; the revenue of game development business reached RMB 730 million, with a year-on-year growth of 73.4%; and the revenue of licensing business reached RMB 112 million, with a year-on-year growth of 81.3%.
  - As at December 31, 2020, the amount of newly registered game users was 102 million in total, with a year-on-year increase of 18.6%. Monthly paying users totaled 1.414 million, with a year-on-year increase of 17.8%. The average payment conversion rate was 7.7%, much higher than the average among peers.
- **Multiple game products were launched within the period, new products were outstanding in performance, and long-term operated products were stable in income.**

At present, CMGE has a huge IP storage, including 42 licensed IPs and 68 proprietary IPs, 110 in total. As at December 31, 2020, CMGE has 81 online operating games.

- The mobile game *Reborn!* rose to No.2 on the Top Free Game List on Apple Store in the first month of its launch.
- The mobile game *Xuan Yuan Sword - the Origin* rose to No.2 on the Top Free Game List on Apple Store in the first month of its launch.
- *The New Legend Of The Condor Heroes: Iron Blood and Loyal Heart* reached No.1 on the Top Free Game List and Top 5 on Best Selling List on Apple Store, in the first month of its launch in Mainland China.
- *World of Legend – Thunder Empire* kept stable continuously, and recorded the

highest monthly gross billing of RMB 110 million in the whole year.

- The new game *Dragon City* which was developed by the original team of *World of Legend – Thunder Empire* was popular after its launch.
  - *Demon Rebirth* ranked No.1 among new games recommendation of 360 Webgame Platform.
  - *Dragon Ball-Awakening, One Piece – the Road of the Strong, The Story of the Flying Mortal H5, The National Gunlord – The Frontier* and many other online IP games still kept stable revenue.
  - As at the end of the period, the Company has 42 licensed IPs and 68 proprietary IPs.
- **Multiple high-quality games gained excellent performance in Hong Kong, Macau and Taiwan**
    - The mobile game *Reborn!* ranked No.1 on the Top Free Game List on Apple Store in the first day of its launch in Hong Kong, Macau and Taiwan.
    - The *Xuan Yuan Sword - the Origin* rose to No.3 on the Top Free Game List on Apple Store in the first week of its launch in Hong Kong, Macau and Taiwan. No.1 in the Best Selling Game List on Google Play.
    - *The New Legend Of The Condor Heroes: Iron Blood and Loyal Heart* reached No.1 on the Top Free Game List on Apple Store, in the first month of its launch in Hong Kong, Macau and Taiwan.
- **Strengthened IP operation, and made efforts in enriching IP universes and increased IP popularity**
    - Started to develop the literature content of “the universe of *The Legend of Sword and Fairy*” to establish a complete and abundant sword world view.
    - Started a series of activities of “25<sup>th</sup> Anniversary of The Legend of Sword and Fairy”, and cooperated with many music activities such as Chinese Style Music Festival by Miman Culture Media, and The Most Beautiful Night of 2020 Annual Party by Bilibili.
    - Released the theme song of The Legend of Sword and Fairy VII, and hit the list in three music platforms under TME for one month.
    - Operated officially the Shop of The Legend of Sword and Fairy in Tmall, with the sales of peripheral products over RMB 5 million.
    - The subsidiary Beijing Softstar reached cooperation with Perfect World to develop mobile game of The Legend of Sword and Fairy IP, i.e., the PC game IPs of 1-6 series of the original, a prequel and a plus of The Legend of Sword and Fairy will be used in a turn-based MMO mobile game in the theme of myth and chivalry.
- **The Company has also reached in-depth exclusive agency cooperation with top traffic platforms in China, strengthening arrangement in the IP games ecosystem.**
    - An IP-authorized card tower defense mobile game, *Monster List: Past and Present*

*Lives*, was jointly developed by the Group and exclusively published by Tencent Games. It ranked second in the Top Free Game List on Apple Store on the first day after its launch.

- The IP games *One Piece: The Voyage* and *The King of Fighters: All Stars* are exclusively published by Nuverse under ByteDance. These two games are expected to be released in the first half of 2021.
  - *Dynasty Warriors: Hegemony*, exclusively published by Tencent Games, has been pre-ordered by 4 million players on Tencent Gaming Platform. It is expected to be released this year.
  - As of December 31, 2020, the Company has invested in a number of high-quality developers, including Love Games founded by Cheng Liangqi, Huanyu Jiuzhou founded by Zhang Fumao, and EZFun, the developer of *Dynasty Warriors: Dominate*.
  - The Company completed a Pre-A round of investment in Welink, a cloud gaming technology provider.
- **In 2021, the Company will continue to focus on building high-quality games and further enhance a highly competitive IP game ecosystem.**
    - In 2021, the Company plans to publish several games on its own, including *Soul Land: God of Battle Arise*, *Rakshasa Street: Chosen One*, *Swallowed Star: Dawn*, *My Diary of Flying with a Sword*, *New Romance of the Three Kingdoms: The Legend of Cao Cao*, *Drawing Sword: My Independent team*, *Hua Jiang Hu: Bei Mo Ting*, *Code: Mountainous Seas*, *Code: Fairy Tale*, *Imperial Command*, *Legend of the Immortals: Sharing the Sky* and other new games.
    - Overseas independent release will be a highlight. The Company plans to release *Soul Land: God of Battle Arise*, *Rakshasa Street: Chosen One*, *Dynasty Warriors: Hegemony*, *The Legend of Sword and Fairy VII*, *Ultimate Judge: Bao Qingtian*, *Sword and Fairy – the Magnificence*, *Valonia & Puzzles*, *Doomsday Chariots*, *Hua Jiang Hu: Bei Mo Ting* and other new games in Hong Kong, Macau, Taiwan and overseas markets in 2021.
    - In terms of self-developed games, the Company plans to launch several MMORPG mobile games such as *Code: Dawn*, several H5 games such as *The Lord of Sabuk* and *Code: Blood*, and several PC webgames such as *Code: State*.
    - In terms of investment business, CMGE will continue to invest in IP resources and excellent game developers to strongly support its IP game ecosystem.
  - **Actively take social responsibility and help Hubei fight the COVID-19**
    - The Company launched a donation during the fight against COVID-19 in Hubei Province, and raised over RMB 1.45 million from the Group and its employees.
    - Continue to implement the “CMGE Dream Library” Program. On June 12, the sixth

and seventh "CMGE Dream Library", established by CMGE and Wuxi Lingshan Charity Foundation's "Library Project", was completed in Xinquan School, Xinquan Street, Xinquan Township, Luxi County, Pingxiang City, Jiangxi Province and Zhuying School, Huoqiu County, Lu'an City, Anhui Province respectively.

- The Group will also continue to carry out public welfare activities to care for special children groups, further uphold the public welfare culture and assume more social responsibilities.
- The Company have participated in the development of four standards, namely Entity Standards for on Online Game Jargon, *Regulations on Age Limit Notification in Games*, *Regulations on Content Internal Approval for the Gaming Industry* and *Regulations on Parent Monitoring Platforms*, contributing to the promotion and implementation of industry standardization.