

CMGE 2024 Annual Results Key Highlights

- CMGE released its 2024 annual results on March 27. Total revenue for 2024 reached RMB 1.93 billion, while adjusted net loss stood at RMB -2.08 billion. Overseas business accounted for 14.1% of total revenue. The loss was primarily due to delays in multiple projects, particularly the self-developed flagship game *Legend of Sword and Fairy: World*, which underperformed post-launch. Additionally, significant goodwill impairments, investment write-downs, and other non-operating expenses exerted substantial pressure on the 2024 financial results.

Financial Overview

- As of December 31, 2024, total revenue reached RMB 1.93 billion, with an adjusted net loss of RMB -2.08 billion. Overseas revenue contributed 14.1% to total earnings.
- Key operational data:
 - Publishing business revenue: RMB 1.66 billion
 - Self-developed game revenue: RMB 149 million
 - Licensing business revenue: RMB 116 million
 - Total new registered users: 74.536 million
 - Monthly paying users (MPU): 1.015 million
 - ARPPU: RMB 158.5
 - Average monthly active users (MAU): 14.713 million
 - AIGC adoption in R&D reduced costs, while AI-driven efficiency measures across operations led to effective cost control. R&D expenses decreased by 34% YoY in 2024.

Global Launch of Premium IP Games & Innovative Mini-Games

- *Soul Land: Shrek Academy*: Topped iOS free chart, ranked #24 on the grossing chart, and #1 on TapTap's popularity list at launch, with first-month revenue exceeding RMB 100 million.
- *Fights Break Firmament: Peak Confrontation*: Debuted at #2 on iOS free chart and #30 on grossing chart, earning Hardcore Alliance's "Ultra Star" recommendation.
- *Soul Land: Space and Time Reversal*: CMGE's third *Soul Land* IP adaptation, secured #1 on iOS free chart at launch.
- Mini-game *Smash Product*: Ranked #32 on WeChat's game grossing chart and #1 in the tower defense/match-3 category.
- Mini-game *My Lord, Don't Run*: Achieved multi-month revenue exceeding RMB 10

million during the reporting period.

- *Legend of Sword and Fairy: Wen Qing*: Topped iOS free charts in Hong Kong, Macau, and Taiwan at launch, while ranking #1 on Hong Kong/Macau and #3 on Taiwan's grossing charts.
- *Soul Land: Shrek Academy* (Overseas): Topped iOS free charts in Hong Kong, Macau, and Taiwan in its first week, with grossing rankings of #4 (HK) and #7 (Taiwan).
- Existing IP titles—*Legend of Sword and Fairy: Wen Qing*, *The Condor Heroes: Iron Blood and Loyal Heart*, *One Piece: The Voyage*, *Dynasty Warriors: Hegemony*, *One Piece: The Road of the Strong*—alongside mini-games like *Battle of Ling Xiao* and *The National Gunlord – The Frontier*, continued to generate steady revenue and profits in 2024.
- *Code: Dark Night Legend*, a new legend-style game developed by Wenmai Interactive, completed development and is set for release in H1 2025.

Legend of Sword and Fairy IP Operations

- TV series *Legend of Sword and Fairy 4* (co-produced with iQiyi) premiered in January.
- *Legend of Sword and Fairy 6* adaptation *Qin Jin Chao* (with Shandong Film Group) aired in January.
- *Legend of Sword and Fairy 1* remake *Once More Towards the Brink* (with Tencent Video) debuted in April.
- Collaborated with POP MART to globally launch blind box series: *Legend of Sword and Fairy Traditional Festival Collection* and *Traditional Instrument Collection*.
- Released IP merchandise including *Meng Li* figures, *Gift+* collectibles, and statues of characters like Anu, Zhao Ling'er, and Lin Yue-ru.
- Hosted the *Legend of Sword and Fairy* 29th Anniversary events in Hangzhou, Changzhou, and Chongqing.
- *Legend of Sword and Fairy* themed real-world attractions launched in Chongqing (December 2023), followed by Hangzhou and Changzhou in July 2024.
- Strategic partnerships with SuperGen Group (April) and HeSheng Commercial (June) to enhance IP commercialization and game distribution.

2025 Global Releases: Premium IP Games & Mini-Games

- Mini-game *Chunqiu Mystery*: Launched in January, surpassing RMB 100 million in revenue within two months.
- Mini-game *Sanqian Huanshi* (licensed by Tencent Comics): Ranked #2 on TapTap's pre-order chart; set for H1 release.
- *Naruto: Konoha Masters*: Began testing in December 2024; planned for H1 2025 launch.
- *New Romance of the Three Kingdoms: The Legend of Cao Cao*: Entered testing in

February; slated for 2025 release.

- *Ultraman: Warrior of Light*: Approved for release; full-channel pre-registration to begin soon.
- *Daily Life of Chat Group*: Approved; expected in H1 2025.
- *New Rakshasa Street*: Awaiting license; planned for H2 2025.
- *Tauren-T GO*: Topped iOS free charts in Hong Kong, Taiwan, and Singapore within four days of its January launch in Greater China and Southeast Asia.
- Regional expansions: *Fights Break Firmament: Peak Confrontation* (Greater China), *Soul Land* series (Asia), and *Dynasty Warriors: Hegemony* (Japan).
- In-development titles: *Code: Dream Factory All-Stars*, *Code: Disney All-Stars* (testing expected in 2025), and two unannounced mini-games (Code C/D) for mainland China, plus two mobile games (Code A/B) for Greater China.

2025 Self-Developed Games

- *Code: Dark Night Legend* (Wenmai Interactive): A new legend-style title following the success of *Legend World: Thunder Domination* (12-month average revenue exceeding RMB 100 million). After eight months of polishing, it is set for H1 2025 launch.
- *Legend of Sword and Fairy: World*: Officially launched on February 19, 2025, with ongoing optimizations and content updates to ensure long-term operation.

Legend of Sword and Fairy IP Expansion

- Animation: Partnered with Tencent Penguin Pictures for *Legend of Sword and Fairy 3* (2025 release) and *Legend of Sword and Fairy 1* anime series. *Legend of Sword and Fairy 4* anime (with Bilibili) in production.
- Literature: *Legend of Sword and Fairy 1* novel released in January 2025, followed by spin-offs *Yao Tai Xue* and *Qiong Hua Hou Zhuan*.
- Remakes: *Legend of Sword and Fairy 4* and *1* single-game remasters in progress.
- *Legend of Sword and Fairy: World* post-launch initiatives include creator collaborations and cross-media music expansions.
- Merchandise: Statues by TriEagles, Tianye Studio, and STAREXVA to debut.
- Offline: *Legend of Sword and Fairy: Immersive Theater* opened in Shanghai in January 2025, alongside the "30 Years of Destiny" fan event.

Corporate Social Responsibility

- Environmental commitment: Integrated sustainability into business decisions via ESG policies.
- Philanthropy: Built 13 "CMGE Dream Libraries" since 2017.
- Minor protection: Under-18 players contributed <0.01% to game revenue for five consecutive years.

