

CMGE 2025 Annual Results Key Highlights

CMGE Technology Group Limited (hereinafter referred to as “CMGE”) announced its annual results for the year ended December 31, 2025, on March 29. Total revenue for the year was RMB 1.390 billion (in RMB, same below). The adjusted net loss narrowed to RMB 1.471 billion from RMB 2.078 billion in the previous year, representing a reduction in loss compared to the same period last year. Notably, operating performance saw significant improvement starting from the second half of the year.

Financial Status

For the year ended December 31, 2025, the Group's total revenue was RMB 1.390 billion, with an adjusted net loss of RMB 1.471 billion. During the performance period, distribution revenue reached RMB 1.161 billion. Overseas revenue amounted to RMB 358 million, a year-on-year increase of 31.6%, accounting for 30.8% of distribution revenue. Overseas revenue achieved double-digit growth for two consecutive years, with its share of distribution revenue continuing to rise.

Summary Data

- As of December 31, 2025, distribution business revenue reached RMB 1.161 billion; self-developed business revenue reached RMB 116 million; licensing business revenue reached RMB 113 million.
- As of December 31, 2025, total new registered users for games reached 69.819 million; average monthly paying users (MPU) reached 801,000; ARPPU was RMB 144.6; average monthly active users (MAU) reached 11.942 million.
- Continued vigorous promotion of AIGC applications in game development, publishing, marketing, and operations, effectively reducing R&D costs and marketing expenses while improving operational efficiency. R&D expenses for 2025 decreased by 44.2% year-on-year.

Global Publishing Business in 2025

Domestic Game Publishing

- *New Romance of the Three Kingdoms: The Legend of Cao Cao* maintained a high rating of 8 (on a 10-point scale) on TapTap and approximately 4.5 (on a 5-point scale) on Huawei AppGallery during its first month. On the Apple App Store, the game's rating stabilized at 4.8 (on a 5-point scale), achieving a notable 3rd place on the App Store Strategy Games chart.

- *Naruto: Konoha Masters* ranked 1st on the Apple App Store Free Games chart in its first month.
- The mini-game *Chunqiu Mystery* achieved a cumulative gross revenue exceeding RMB 100 million within three months of launch, peaking at 10th on the WeChat Mini-Game Best-Selling Chart, surpassing revenue expectations. The game entered its profit recovery phase in 2025.
- *Sanqian Huanshi* and *Daily Life of Chat Group* underwent multiple rounds of version updates and optimizations, continuously improving profit recovery efficiency.

Overseas Game Publishing

- *Dynasty Warriors: Hegemony* ranked 1st on the Apple App Store Free Games chart in Japan during its first month.
- *Fights Break Firmament: Wushuan* ranked 1st on the Apple App Store Free Games chart and 28th on the Best-Selling chart in Taiwan, China; and 1st on the Free Games chart and 41st on the Best-Selling chart in Hong Kong, China, during its first month.
- *Soul Land: Shrek Academy* was licensed to a company under Shanghai Lingmu for release in Vietnam. In its first month, it ranked 1st on the Apple App Store Free Games chart and 9th on the Best-Selling chart in Vietnam, and 2nd on the Google Play Store Free Games chart and 15th on the Best-Selling chart. It launched in South Korea in August.
- *Soul Land: Space and Time Reversal* was licensed to Yishu Games for distribution in Hong Kong, Macau, and Taiwan, China. In its first month, it ranked 1st on the Apple App Store Free Games chart and 19th on the Best-Selling chart in Taiwan, China; and 3rd on the Free Games chart and 9th on the Best-Selling chart in Hong Kong, China. It launched in Southeast Asia in October.
- The mini-game *Tauren-T GO* successfully topped the Apple App Store Free Games chart in Hong Kong, Taiwan, China, and Singapore within four days of launch.
- Several games, including *One Piece: The Road of the Strong*, *Legend of Sword and Fairy: Wen Qing*, *One Piece: The Voyage*, *The National Gunlord – The Frontier*, *Battle of Ling Xiao*, *Happy Mahjong*, and *Dynasty Warriors: Hegemony*, have entered long-term operational phases. Through refined operations and

continuous content iteration, they contribute stable long-term operating income to the Group.

Game Self-Development Business in 2025

- *City Lord*, a Three Kingdoms-themed strategy game self-developed by Wenmai Hudong, was exclusively distributed in the domestic market by 37 Interactive Entertainment. Its overseas version, *Three Kingdoms: Heros of the Land*, was exclusively distributed by Hangzhou Play Heart. It launched in Vietnam in May; in Hong Kong, Macau, Taiwan, China, Singapore, and Malaysia in July, ranking 1st on the Apple App Store Free Games chart in Taiwan, China, in its first month; and launched in South Korea in November. As a Three Kingdoms strategy game, *Three Kingdoms: Heros of the Land* is expected to become a long-term overseas project for the Group.
- *Legend of Sword and Fairy: World* underperformed expectations after its launch in February. Regular maintenance and version updates are ongoing, with nearly 50 version updates completed to maximize the recovery of initial R&D investment.

IP Licensing Business in 2025

Games

- In December, a new gameplay trailer titled “The Impermanence of Heaven” for *The Legend of Sword and Fairy 4 Remake* was released on the Bilibili platform. Views exceeded 2.4 million within 24 hours and climbed to 3 million within 48 hours, quickly topping platform trending lists.
- In collaboration with Kingnet Entertainment, a new licensing agreement was established for another card-based RPG game adapted from the *Legend of Sword and Fairy* IP, entering the development phase in 2026.
- For the already launched *Legend of Sword and Fairy: The New Beginning* and *Legend of Sword and Fairy: Wen Qing*, content continues to be iterated, featuring rich long-term operational activities and deep engagement with the fan community.
- Collaborative content was launched with top-tier games such as *Jianwang 3* and *Westward Journey*.

Anime, Series, Novels, Music

- The animated series *The Legend of Sword and Fairy 3*, co-produced with

Tencent Penguin Pictures, officially began airing on Tencent Video on December 30. Pre-release reservations on the platform exceeded 1 million, consistently ranking high on platform trending lists.

- The animated series *The Legend of Sword and Fairy 4*, co-produced with Bilibili, is in the development phase, with a style test video first released in November.
- An animated adaptation of the classic game *The Legend of Sword and Fairy 1* will be co-created with Bilibili.
- The novel adaptation of *The Legend of Sword and Fairy 1*, co-published with CITIC Press Group, was officially released in January.
- A new Yue Opera version of *The Legend of Sword and Fairy* was developed in collaboration with “Xiaojuchang,” aiming to convey the unique oriental aesthetics of the series through intangible cultural heritage and support the innovative development of traditional art forms.

IP Derivatives

- The 30th-anniversary Zhao Ling'er statue, co-produced with Guangnian Studio, officially opened for pre-orders. Statues of Han Lingsha and Liu Mengli, co-produced with STAREXVA Studio, opened for pre-orders and sold out within 24 hours. The Zhao Ling'er - Thunder Spirit 1/7 scale figure, co-produced with APEX-TOYS, also opened for pre-orders.
- A collaboration with Suplay, a trendy IP consumer goods company, led to the launch of the “Magic Life” mini blind box series, attracting a large number of buyers and collectors.

30th Anniversary & Location-Based Entertainment

- In 2025, the “One Side of Sword and Fairy” national touring comic convention series was launched, holding over ten large-scale offline events across ten provinces in China, with a total exhibition area of 50,000 square meters. Events were held in Hefei (Anhui), Beijing, Hangzhou (Zhejiang), Chengdu (Sichuan), Shenzhen (Guangdong), Nanning (Guangxi), Wuhan (Hubei), Shanghai, and Puyuan Town, Jiaxing (Zhejiang).
- In collaboration with Mochi Music, a deluxe box set of the original *The Legend of Sword and Fairy* soundtrack and other 30th-anniversary physical album series were released for fans to collect.
- In collaboration with Jingtian Technology, an Ant Group affiliate, the “30th

Anniversary of Sword and Fairy: Original Aspirations Collection Cards” were launched and sold out immediately upon release. Subsequent re-run sales of the digital cards also received positive market response.

- The 30th-anniversary theme song for Sword and Fairy, “Wandering Free Again” (Zai Xiaoyao), performed by Huang Zihongfan, topped the Guochao Music Chart on KuGou Music platform.

Business Outlook for 2026

In 2026, the Group will adhere to the development strategy of “low-cost trial and error, large-scale operation and promotion, and rapid iteration.” Leveraging the Group’s own IP resource advantages, it will focus on the “APP + Mini-Game” dual-end layout as its core business model. It will simultaneously advance global game publishing and the self-development of Legend game genres, aiming to create high-quality products with market competitiveness and long-term games with sustained profitability. Concurrently, the Group will continue to deeply cultivate the value of the *Legend of Sword and Fairy* IP, striving to elevate the Sword and Fairy IP into a world-class cultural IP, ultimately steering the Group’s operating performance back onto a track of stable growth.

Global Publishing Business in 2026

Domestic Game Publishing

- In March 2026, the Group entered a strategic partnership with Hangzhou Tianqiong Hudong Network Technology Co., Ltd., obtaining licenses for two classic IPs, *The Legend of Mir* and *Mir World*. A joint venture was established to further integrate resources and coordinate efforts. Two Legend genre games, *Moon Palace Legend* and *Asterisk Legend*, are planned for release in the first half of 2026.
- *Code: DreamWorks All Stars* obtained official IP licensing from Universal Pictures’ licensing arm and will enter the development and testing phase in 2026, with future global distribution by the Group.
- *Xiayao Jianghu* has obtained its publication number and entered the testing phase, with a planned release in Mainland China.
- *Code: New Shrouding the Heavens*, developed based on the official *Shrouding the Heavens* IP, is currently applying for its publication number and will be launched in Mainland China.
- *Code: New Soul Land*, developed based on the official *Soul Land* IP, is currently applying for its publication number and will be launched in Mainland China.

- In 2026, the Group will also launch several IP-based mobile games, including *New Rakshasa Street*, *Code: FR*, and *Code: YZ*, covering genres such as card games, RPGs, and MMORPGs, which are expected to contribute to performance growth in 2026.

Overseas Game Publishing

- *New Romance of the Three Kingdoms: The Legend of Cao Cao* officially launched on all platforms in Hong Kong, Macau, Taiwan, China, Singapore, and Malaysia on March 20, 2026. The game topped the App Store Free Games chart in Hong Kong and Macau, China, and ranked 5th on the App Store Free Games chart in Taiwan, China, shortly after launch.
- *Romance of the Three Kingdoms: Extreme Colors* is set to launch in Japan, with pre-registration starting in March 2026.
- *Start with an Island* is a casual mobile game featuring “Tower Defense + Card” gameplay, planned for overseas release.
- In 2026, the Group plans to launch *Soul Land: Shrek Academy* in Russia, *Fights Break Firmament: Wushuan* in Indonesia, Thailand, the Philippines, and Vietnam, *Code: KD* in Hong Kong, Macau, Taiwan, China, and Southeast Asia, *Code: DreamWorks All Stars* and *Legend of Sword and Fairy: World* in Hong Kong, Macau, Taiwan, China, Singapore, and Malaysia, *Code: SHSG* in Japan, and *Code: RS* in Europe and America.

Game Self-Development Business in 2026

- *Dark Night Legend*, a new Legend genre game self-developed by Wenmai Hudong, will be exclusively distributed by Play Heart and is scheduled to officially launch in 2026. Following meticulous polishing and multiple rounds of testing and optimization, it is expected to replicate the market performance of its predecessor, *Mir World: Thunder 霸业*, and become another significant self-developed title from Wenmai Hudong.

IP Licensing Business in 2026

Games

- The immersive interactive entertainment project, *AStation Sword and Fairy XR*, developed in collaboration with Beijing Huanyu Digital Research, is scheduled to enter the market in 2026, launching on Apple’s Apple Vision Pro.

Film & Television

- Preparations are underway for the first original live-action series based on the Sword and Fairy franchise, *The Legend of Sword and Fairy: The Return of the Wanderer* and *The Legend of Sword and Fairy 2: The Legend of Yi Ru*, which will build on the momentum of the three new Sword and Fairy TV series released in early 2024.
- A live-action short drama, *The Legend of Sword and Fairy 3: Dream of a Millennium*, co-created with Bilibili and Mahua FunAge, has been officially announced and is entering the preparatory phase.
- A radio drama adaptation of *The Legend of Sword and Fairy*, co-developed with ChineseAll, is also in production and is expected to be released in 2026.

Novels

- The official new edition novels for *The Legend of Sword and Fairy 3* and *The Legend of Sword and Fairy 3 Side Story*, along with original spin-off works such as the Fairy 3 side story *Yaotai Xue* and the Fairy 4 sequel *Qionghua Houzhuan*, are currently being written and are planned for release in 2026. Novels for *The Legend of Sword and Fairy 5*, *The Legend of Sword and Fairy 5 Prequel*, and *The Legend of Sword and Fairy 6* are also in progress and will be released sequentially.

IP Derivatives

- Statues of Yun Tianhe and Murong Ziying, co-produced with STAREXVA Studio, are scheduled for market release in 2026. Action figures of Li Xiaoyao and Zhao Ling'er in cloth costumes, co-produced with Feiwan Toys, and a figure of Chonglou, co-produced with Jiyue, will also be launched successively. Collaborations with the retail brand March Monster aim to expand offline channels, continuously creating a comprehensive, immersive IP derivative ecosystem to integrate Sword and Fairy culture into public life.

Large-Scale Application of AI AIGC Technology

- Continued vigorous promotion of AIGC technology applications in game development, publishing, marketing, and operations has effectively reduced R&D costs and marketing expenses.
- AIGC technology has been integrated into the Group's daily operations. During the reporting period, the Group's personnel, venue, and other fixed expenses decreased significantly, further improving overall operational efficiency.
- Further exploration of AI-native game concepts and production directions aims

to commercialize game ideas at lower costs and with greater speed and efficiency.

Corporate Social Responsibility

- Following its selection as a National Key Cultural Export Enterprise in 2021 and 2023, the Group was again selected for this honor in 2025.
- The 14th “CMGE Dream Building Library” was established at Hedong Central Primary School in Hedong Village, Hedong Township, Songxi County, Nanping City, Fujian Province.
- The proportion of the Group’s game revenue contributed by minors under the age of 18 has remained below 0.01% for six consecutive years.