



Dear Ronald and Aditya,

We deeply appreciate your affirmation of our Group's value and in-depth support as our long-term shareholder. We attach great importance to the strategic suggestions you mentioned in your letter dated 2 Dec, 2021 which are fully in line with our IP strategy from our perspective.

1. Development of a metaverse ecosystem

CMGE is always committed to invest in research and development to serve high-quality IP-oriented games to global gamers. We are very excited to launch The Legend of Sword and Fairy: The World, which is target to be the first ancient Chinese style metaverse game. The Legend of Sword and Fairy is CMGE's self-owned IP, so no other metaverse game can look or feel the same. Our metaverse game's demo version is expected to be showcased in the ChinaJoy exhibition (around late July) in 2022.

As one of our most important development strategies, we are actively developing our The Legend of Sword and Fairy metaverse eco-system, including the development of a metaverse game, as well as continuous launches of its NFTs, virtual human and related virtual events such as virtual concerts. The gameplay will enable User Generated Contents as we have built in lots of easy-to-use tools for users to build and expand their "communities". We recognize the importance of intra-users engagement in the metaverse game and we have designed numerous social interaction functions. We are also opened to potential partnerships to grow our metaverse game ecosystem further and we would be delighted to discuss it further.

2. IP licensing and merchandise expansion

We share your view that licensing is critical in growing our IP fan base and longevity. As a game company with the largest IP reserve in China, we put strong emphasis on strengthening our proprietary IPs. We have cooperated with many reputable partners to develop music, TV shows, movies, animation and merchandises for The Legend of Sword and Fairy. We also cooperate with POPMART and have plans to jointly launch blind box products of The Legend of Sword and Fairy in 2Q2022.

We believe future cooperation with more toy retailers can be helpful in expanding our toys distribution. Separately, we also have observed a cross-marketing campaign between game and F&B companies.

3. E-sports opportunities in Hong Kong

Hong Kong is our key overseas market, and we agree with you on the city's strong proposition and potential as a E-sports hub in Asia. The Government has granted HK\$100m to Cyberport to grow E-sports industry. From various third party surveys, we also noticed positive supports from the community to support E-sports development in the city. CMGE will certainly consider the arrangement of E-sports competition.

We may work together with our strategic shareholders that have extensive experience in E-sports organization and broadcasting in China. We could also consider partnering with your media network to promote and broadcast the events in the GBA. The Company highly upholds community activities and engagement as part of our sustainability development plan. Opening opportunities for young E-sports talent is a form of our continuous plan to give back to the society.

Thanks again for Chartwell's deep understanding of our development strategy, and your great kindness on sharing your valuable resources with us. We look forward to building up strategic partnerships, accelerating the growth of CMGE and bringing more returns to our valuable shareholders like Chartwell.

*About CMGE: Founded in 2009, CMGE is now the largest Chinese publisher of mobile games developed based on IPs. CMGE was listed on the NASDAQ market in the United States from Sep 2012 to Aug 2015, and it was China's first mobile game company listed in an overseas stock exchange. CMGE was taken private from NASDAQ in Aug 2015 and relisted in Hong Kong Main Board in Oct, 2019.*

Yours sincerely,

Hendrick Sin



Co-Founder, Vice Chairman and Executive Director

(December 5, 2021)