

INDUSTRY OVERVIEW

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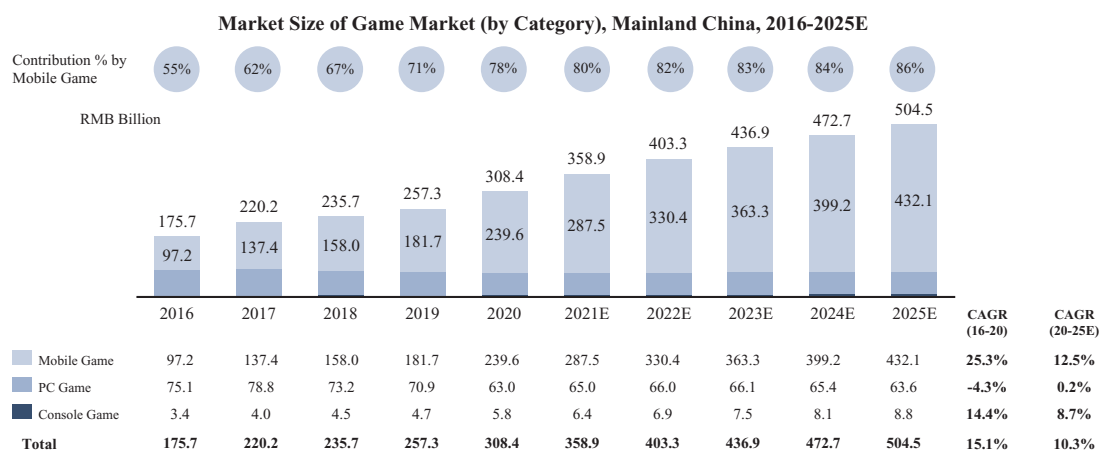
SOURCE OF INFORMATION

In connection with the [REDACTED], we have commissioned Frost & Sullivan, an independent third party, to conduct research and analysis of the mobile game markets in China and certain overseas markets and produce a relevant industry report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently. We have agreed to pay Frost & Sullivan a fee of RMB0.6 million for the preparation of this report, which we consider to be in line with market rates for similar reports. Except as otherwise noted, all data and forecasts in this section have been derived from the Frost & Sullivan Report and were based on literature review, expert interview and analysis by Frost & Sullivan. In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan made the following key assumptions: (i) government policies on mobile game industries in China discussed in that report will remain consistent during the forecast period, (ii) the global and China’s mobile game markets will be driven by the factors stated in the Frost & Sullivan Report, and (iii) the COVID-19 pandemic will affect the stability of economy in the short term. In this section, Frost & Sullivan presents certain historical market information for five years (2016 to 2020), which is a longer period than the Track Record Period. We believe this approach provides a more accurate reflection of the trends affecting our industry and markets.

OVERVIEW OF CHINA’S MOBILE GAME MARKET

Introduction to China’s Mobile Game Market

China’s game market has become the largest in the world, with a market size of RMB308.4 billion in 2020. It is expected that China’s game market will further grow to RMB504.5 billion in 2025, representing a CAGR of 10.3% from 2020 to 2025, outpacing the expected CAGR of 7.3% over the same period for the global game market. The following chart shows a breakdown of China’s game market in terms of revenue by game platform utilized and contribution of each mobile game market for the periods indicated.



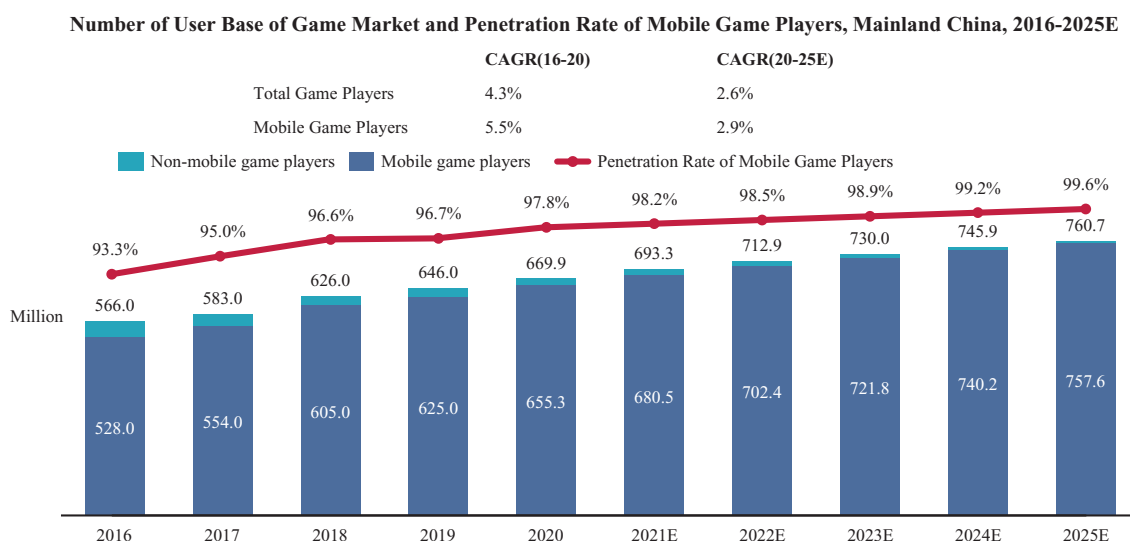
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Source: Frost & Sullivan, China Audio-video and Digital Publishing Association

Driven by the evolving mobile communication technologies, the increasing penetration of mobile users and the ensuing shift of entertainment consumption towards mobile devices, China’s mobile game market has become the fastest-growing and a strategically important segment within China’s game market. China’s mobile game market grew rapidly at a CAGR of 25.3% from RMB97.2 billion in 2016 to RMB239.6 billion in 2020 and is expected to reach RMB432.1 billion in 2025, representing a CAGR of 12.5% from 2020 to 2025. The mobile game market size as a percentage of China’s game market size increased from 55.3% in 2016 to 77.7% in 2020 and is expected to further increase to 85.6% in 2025.

Due to the COVID-19 pandemic and the quarantine policies of the governments in China and many other countries, people have spent more time on online entertainment and in-door activities, such as playing mobile phones, which has driven growth of China’s and the global mobile game markets. Accordingly, the size of China’s mobile game market increased by 31.9% from RMB181.7 billion in 2019 to RMB239.6 billion in 2020, and the global mobile game market grew by 23.6% from US\$87.6 billion in 2019 to US\$108.3 billion in 2020.

China’s game market has a large user base that is continuing to expand, driven by the increasing demand for cultural, leisure and recreational activities and the continuous innovation and development of the game industry. The total number of game players grew from 566.0 million in 2016 to 669.9 million in 2020 and is expected to reach 760.7 million by 2025. The following chart shows the increases in players of China’s game market for the periods indicated. Mobile game players accounted for a substantial majority of China’s game players.



Source: Frost & Sullivan, China Audio-video and Digital Publishing Association

Major Genres of Mobile Games

Mobile games generally can be classified into various genres, and a genre may consist of multiple types of games, based on factors including dynamic game rules, play experiences and tools. Set forth below are the major genres and types of mobile games:

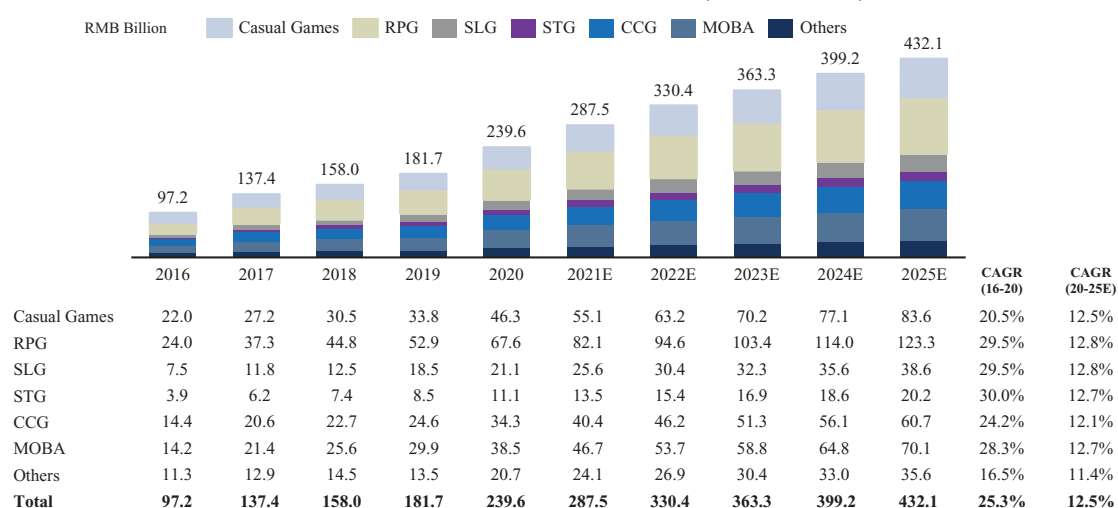
- **Casual games:** a genre of games that is typically designed with relatively simple but attractive gameplay in a minimalistic style, such as cartoons, played by users for recreational purposes, and generally have shorter gaming time per play compared to other mobile game genres. Idle games are an important type of casual games;
- **RPG (role-playing games):** a genre of games in which a player assumes the role of a character, interacts with each other in an evolving fantasy or fictional world and takes control over the character’s actions. Types of games under RPG include rogue-like RPG, ACT RPG (a type of RPG that has features of ACT games) and other RPG;

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- **SLG** (simulation games): a genre of games that allows players to control characters and attempt to emulate various activities from real life in the game format, such as tower defense;
- **STG** (shooter games): a genre of games in which game players are engaged in combat with opponents by shooting, and progress through the game by carrying out quests. STGs often test players’ spatial awareness, reflexes, and speed in both single player mode and online multiplayer mode;
- **CCG** (collectable card games): also known as trading card games or customizable card games, which are played using specially designed sets of playing cards; and
- **MOBA** (multiplayer online battle arena): also known as ARTS (action real-time strategy), which originated from a sub-genre of real-time strategy in which each player controls a single character, usually on a map in an isometric perspective, as part of a team competing against another team of players.

The following chart shows the market size of China’s mobile game market in terms of revenue by game genre for the periods indicated.

Market Size of Mobile Games Market in Mainland China, Breakdown by Game Genre, by Revenue, 2016-2025E



Note: Others include ACT, sports games, racing games, among others.

Source: Frost & Sullivan

Casual games and RPG are the two most significant genres in terms of revenue, indicating their strategic importance and market potential. China’s casual games market is expected to grow from RMB46.3 billion in 2020 to RMB83.6 billion in 2025. China’s RPG market is expected to grow from RMB67.6 billion in 2020 to RMB123.3 billion in 2025. In addition, casual games also had the largest user base among all game genres in China in 2020 and is expected to remain the same in 2025.

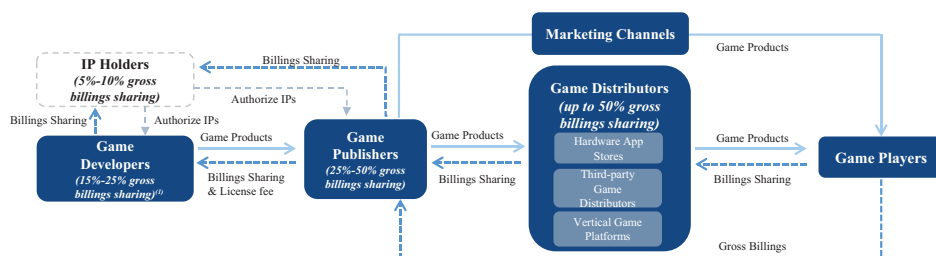
The major genres of mobile game consist of various types based on factors including dynamic game rules, play experiences, and tools. Idle games are often categorized as a type of casual games. Game players are able to play idle games for any interval of time to experience the core part of the game, while the game automatically continues for the rest of the day and progresses the players’ profiles in the game. Given such unique nature, idle games can accommodate more flexibility to combine with elements of other game genres to satisfy increasingly sophisticated players, and to better fit entertainment needs with fragmented leisure time. Idle games experienced booming growth in 2020, and many popular games such as *The Marvelous Snail* (最强蜗牛), *Hundred Scenes of Jiangnan* (江南百景图) and *AFK Arena* (剑与远征) came into the market and gained wide popularity. The market size of idle games increased at a CAGR of 38.0% from RMB2.5 billion in 2016 to RMB9.0 billion in 2020, and is expected to further rise to RMB22.7 billion in 2025, representing a CAGR of 20.3% from 2020 to 2025, faster than the overall mobile games market.

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Rogue-like RPG is a type of RPG. The rules and design of the games allow players to unlock new content step by step via different adventures. Randomness and surprises through treasure hunt, map discovery and other unpredictable events are embedded in the games, which creates intense, unexpected and exciting experience for the players. In addition, these games give players a sense of achievement as their game avatars grow and excel through their efforts. The market size of rogue-like RPG increased from RMB288 million in 2016 to RMB1.1 billion in 2020, representing a CAGR of 39.2%, benefiting from the overall development of RPG in China’s market and players’ desire for innovative gameplay and novel experiences. Iconic games, such as our *Gumballs & Dungeons* (不思議迷宫) and *Lantern and Dungeon* (提燈與地下城), have achieved great success through ingenious monetization methods, and therefore set the landmark for rogue-like RPGs. More game developers are inspired and expected to follow and enter the rogue-like RPG market according to Frost & Sullivan. The market size of rogue-like RPGs is expected to further rise to RMB4.0 billion in 2025, representing a CAGR of 30.2% from 2020 to 2025.

Industry Value Chain for Mobile Games and Recent Transformation

The major participants of the value chain for China’s mobile game market include IP holders, game developers, game publishers, distribution platforms, payment channels and game players, as illustrated by the following chart.



Note:

- (1) Typically, the fees received by game developers in the industry are (A) (i) a prescribed percentage (typically 20%-35% when game developers hold the IP) of the gross billings without netting certain costs and expenses, or (ii) a prescribed percentage (typically 30% to 75% when game developers hold the IP) of the gross billings net of certain costs and expenses; these costs and expenses mainly include commissions to payment and distribution channels as well as marketing and promotion expenses (which, in aggregate, typically account for 30% to 55% of the gross billings), and (B) in certain circumstances, an additional lump sum license fee.

Source: Frost & Sullivan

- **IP Holders:** typically game developers or publishers who own the intellectual property of mobile games.
- **Game Developers:** game development professionals who are generally responsible for game design and development, pre-launch testing, ongoing post-launch operations and technical support. Some game developers operate proprietary distribution channels as well.
- **Game Publishers:** mainly responsible for the marketing and promotion of the mobile games. Some publishers may be capable of game development.
- **Game Distributors:** include hardware app stores, third-party game distributors and vertical distribution channels, all of which are in charge of the sales and distributions of mobile games to end users.
- **Marketing Channels:** online channels such as Douyin, Kuaishou and other social media platforms, as well as offline channels, all of which can be used to market and promote mobile games.
- **Payment Channels:** mainly online third-party payment service providers such as Alipay, WeChat Pay, UnionPay, VISA, Mastercard, and Apple Pay.

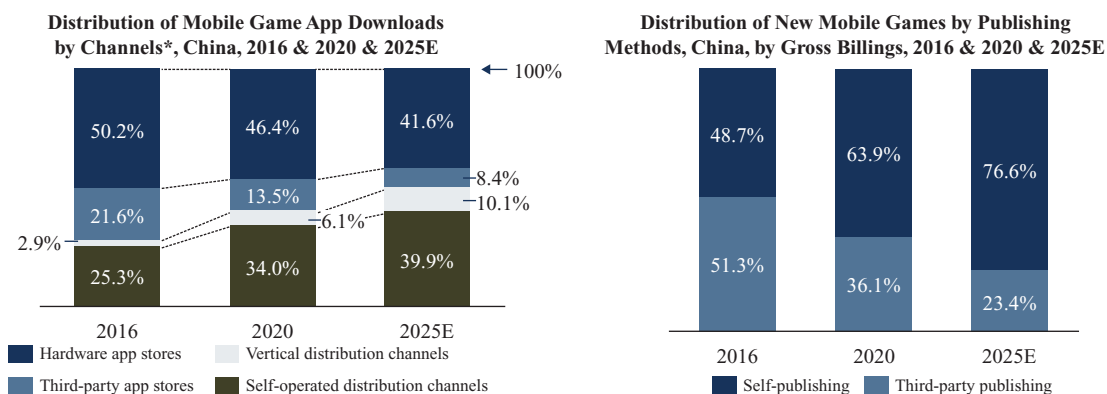
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Mobile game distributors (through which players access and download games) in China traditionally mainly consist of two types: hardware app stores of branded mobile phones and third-party app stores. They can be very influential and usually play a decisive role in the successful publication of a mobile game, as they possess a large number of user resources.

However, in the past few years, other distribution channels have emerged quickly and represented an increasing share of game distribution, including vertical distribution channels such as TapTap and Bilibili, and official websites of mobile game developers or publishers. With a large user base or extensive traffic resources but different monetization approaches compared to traditional distributors, these channels provide diversified, accessible and cost-effective options to game developers and publishers, especially small-to-medium sized ones, to suit their needs and reach target players in an efficient way.

Hardware app stores remain the primary channel, but their contribution to the overall mobile game apps channels in terms of number of downloads decreased from 50.2% in 2016 to 46.4% in 2020. In addition, about 28.2% of the mobile game app downloads in China in 2016 were made through channels other than hardware app stores and third-party app stores, which grew to 40.1% in 2020. This trend alleviates the dominance of traditional distributors and their long-standing, demanding revenue sharing mechanism, thus providing a fertile ground for game developers to independently operate and/or publish their own games via cost-effective distribution channels.

In recent years, an increasing number of mobile game developers have chosen to publish the games they developed on their own. They have better understanding of these games and therefore are better at designing the games’ promotion strategies, while traditionally third-party game publishers are in charge of game promotion. As more game developers become capable of publishing games, the market has seen increasing integration of mobile game development and publishing. In China, in terms of gross billings, the proportion of self-published new mobile games as a percentage of overall new mobile games increased from around 48.7% in 2016 to around 63.9% in 2020, and is expected to further grow to 76.6% in 2025. The charts below set forth the distribution of mobile game app downloads by channel and by publishing method in China for the periods indicated.



Source: Frost & Sullivan

Note: Hardware app stores include Apple’s App Store, Huawei App Gallery and Oppo App Market; third-party app stores refers to non-hardware app stores, such as 360 and Yingyongbao; and vertical distribution channels refer to professional game platforms and communities such as TapTap and Bilibili.

Player Profile

China’s mobile game players are largely young generation. In 2020, mobile game players in China that are aged 30 or below were approximately 424.5 million, representing approximately 65% of China’s total mobile game players. The rising living and consumption standards have resulted in consumers’ demand for high-quality content of the games. In particular, players of the young generation that are aged 30 or below generally have strong desire for premium content, personal expression and distinctive experiences and they are generally more receptive to games with compelling storylines and renowned IP. They appreciate innovative plots and game

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rules, as well as spoof elements, and prefer to use their fragmented time to play mobile games. As a result, idle games and rogue-like RPGs with above mentioned features are well-received among the young generation. According to the Frost & Sullivan Survey, based on a total of 3,588 qualified responses, approximately 76% of QingCi Enthusiasts are aged 30 or below, significantly higher than the industry average of 65%.

Lifecycle

The lifecycle of mobile games typically includes three stages: growth, maturity and recession. In the growth stage (accounting for up to 30% of the game’s life span), the number of users and revenue generated by the game would experience a rapid growth, as a result of the comprehensive marketing and promotion campaigns at the early growth stage. In the maturity stage (accounting for approximately 50% to 60% of the game’s lifecycle), the game continues to generate revenue, and the user base tends to be stable. In the recession stage (accounting for about 20% of the game’s life span), the game faces loss of substantial active users and significant decrease in revenue as some users might lose their interest in the game.

Casual games are regarded as mid-core or light games, and the lifecycle for casual games (including idle games) is typically around 10 months. RPGs are generally considered as hard-core games, and RPGs (including rogue-like RPGs) typically have a lifecycle of around 12 months. High-quality popular casual games and RPGs typically can operate for a period significantly longer than the industry average, as the classic elements in these popular games can continuously attract the players to play the games and pay for a long period. For example, the top five casual games measured by gross billings in China in 2020 have been operating for over 51 months on average, and one of these casual games has been operating for over 161 months. In addition, one of the top ten casual games measured by gross billings in China in 2020 has been operating for over 96 months. The top five RPGs measured by gross billings in China in 2020 have been operating for over 31 months on average, and one of these RPGs has been operating for over 78 months. As these games still maintain strong performance and high popularity among players, they are expected to continue operating for a relatively long period in the future to the extent that the continuous high-quality operation activities can be maintained by the game operators.

Market Drivers

The growth of China’s mobile game market is attributed to the following drivers:

- **Increasing demand for diversity and quality from game players.** To cater to the diversified market demands, different genres of mobile games have been released in recent years. Games with specialty or higher quality typically attract more game users. Compared with other genres, idle games and rogue-like RPGs have competitive advantages in their creative and high-quality game content and are thus able to attract a large number of players and maintain a stable user base.
- **Increasing consumption and willingness to pay by game players.** As per capita disposable income continues to grow in line with the consumption upgrade trend, players in China are increasingly willing to pay for in-game virtual items. The young generation generally are willing to share game experience with other players on various game community platforms, making these platforms an increasing important gathering place for game players. In addition, they generally respect copyright and are willing to pay for in-game items and game peripheral products, thus making IP a growth focus of the industry. On the other hand, the emerging monetization strategies of mobile game companies, such as the launches of battle passes and seasonal passes, are expected to attract more potential game players.
- **Expanding internet coverage and decreasing communication costs.** 4G network had covered 98% of the administrative villages and broadband had covered 96% of households in China by the end of 2020. The three major telecommunication operators in China have lowered 4G service and broadband charges recently, making mobile Internet and broadband more accessible and affordable for people in rural and remote areas. In the meanwhile, China has managed to cover all prefecture-level cities with 5G network by building approximately 0.6 million 5G base stations in 2020. The deployment of 5G drives up the internet speed. With faster internet connection and expanded internet coverage at affordable prices, mobile games will be accessible to a wider range of people, which is expected to further boost the growth of the mobile game market.

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- **Improving game technology to enhance game experience.** AI, VR/AR, holography and other new technologies are currently innovating people’s work and life and have gradually been applied in mobile games, as they are able to create immersive environments and thus provide users with a higher level of interactive experience that makes gameplay more appealing. As these technologies gradually become mature along with the increasing popularity of smart devices, especially wearable devices that act as vectors for technologies, users would be more willing to spend more time playing mobile games, thereby driving the growth of the mobile game market.

Key Success Factors

New entrants to the mobile game market need to manage the following factors to succeed:

- **Brand awareness and user base.** Mobile games that are developed based on popular IPs, such as movies, novels and TV series generally have better chances of being well received by the market and accumulating a large player base in a short period of time. Leveraging our established brand, the marketing and promotion of our mobile games may be more cost-effective. In comparison, for other newly developed mobile games without an existing fan base, it may take longer time and higher marketing investments to attract players.
- **Knowledge of users and the market.** To promote new game genres to meet various player demands, it is essential for mobile game companies to develop good knowledge of ever-changing player preferences, upgrade game versions, launch new game features or adjust distribution strategies timely according to feedback from players. Failure to keep pace with market dynamics may adversely affect new entrants to ramp up their mobile game business.
- **Technology know-how.** To develop high-quality mobile games that can attract and retain users and maintain a market-leading position, game developers need to equip themselves with strong R&D capabilities. Game developers rely on advanced technologies that provide a framework to simplify game development, testing and transplantation as well as a team of professional talent to develop games efficiently. However, it may take a long time to establish a professional team or acquire technology know-how for new entrants.
- **Acquisition and cultivation of talent.** It is important for game companies, particularly game developers and publishers, to have sufficient talent with in-depth understanding of the game market, player preferences and market trends. Game quality and updates are closely related to the in-house development and innovation capabilities of the game companies and can affect players’ stickiness and willingness to pay. New entrants might find it challenging to acquire sufficient talent and further cultivate and retain the talent in a short period of time.
- **Emerging mobile game publishing and distribution methods.** The emerging publishing and distribution methods of mobile games have dramatically influenced the mobile game industry. For instance, some game publishers place advertisements on Douyin, Kuaishou and other emerging live streaming platforms, efficiently attracting a vast number of users of these platforms. As a result, the traffic acquisition costs have largely decreased. In addition, the emergence of TapTap and other vertical distribution channels has forced traditional distribution channels to reduce their share of revenues to remain competitive in the market. The ability to follow and leverage these emerging distribution methods will be important to mobile game companies.

Competitive Landscape

Competition in China’s mobile game market is intense, with a few major market players dominating the market and tens of thousands of mobile game companies competing with each other. In China’s mobile game market, the top five market players collectively held a market share of 72.5% the top two market players held an aggregate market share of 60.4% in terms of revenue in 2020. We held a market share of 0.4% in terms of revenue in 2020, ranking 20th among all market players in China’s mobile game market.

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In 2020, we ranked third in China in terms of gross billings from casual games, and ranked second in China in terms of gross billings from idle games.

In the overall RPG market, there are a number of popular RPG with high gross billings. In the rogue-like RPG segment, we ranked second in China in terms of gross billings from self-developed rogue-like RPGs in 2020.

The following tables show the top five mobile game companies in China’s mobile game market in terms of gross billings from self-developed casual games, idle games and rogue-like RPGs, respectively, in 2020.

Ranking of Top Five Mobile Game Companies (by Gross Billings from Self-developed Casual Games), China, 2020				Ranking of Top Five Mobile Game Companies (by Gross Billings from Self-developed Idle Game), China, 2020				Ranking of Top Five Mobile Game Companies (by Gross Billings from Self-developed Rogue-like RPG), China, 2020			
Ranking	Company Name	Gross Billings from Self- developed Casual Games in 2020, RMB billion	Market Share ⁽¹⁾	Ranking	Company Name	Gross Billings from Self- developed Idle Games in 2020, RMB billion	Market Share ⁽¹⁾	Ranking	Company Name	Gross Billings from Self- developed Rogue-like RPG in 2020, RMB million	Market Share ⁽¹⁾
1	Company A ⁽²⁾	5.6	18.0%	1	Company B ⁽³⁾	4.3	53.2%	1	Company H ⁽⁹⁾	120.0	14.0%
2	Company B ⁽³⁾	4.3	14.0%	2	Our Company	1.4	16.7%	2	Our Company	73.8	8.6%
3	Our Company	1.4	4.4%	3	Company E ⁽⁶⁾	0.5	6.5%	3	Company I ⁽¹⁰⁾	65.5	7.7%
4	Company C ⁽⁴⁾	1.1	3.5%	4	Company F ⁽⁷⁾	0.5	5.5%	4	Company J ⁽¹¹⁾	60.3	7.1%
5	Company D ⁽⁵⁾	0.9	3.0%	5	Company G ⁽⁸⁾	0.3	3.7%	5	Company K ⁽¹²⁾	47.9	5.6%

Source: Frost & Sullivan

Notes:

- (1) Represents the market share in China’s mobile game market in terms of gross billings generated from its self-developed casual games, idle games and rogue-like RPGs, respectively, in 2020.
- (2) Established in 2003, Company A provides a range of diverse and integrated social entertainment services and products and digital content. Its game division develops and operates personal computer games and mobile games in and outside mainland China.
- (3) Established in 2013, Company B is a well-known mobile game development and operation company in China, which independently develops and operates multiple high-quality mobile games.
- (4) Established in 2007, Company C is a well-known game development and operation company in China, especially in chess and card mobile game markets in China.
- (5) Established in 2009, Company D is a well-known mobile game company in China with the business scope covering, among others, mobile games development, operation, animation works, licensed goods and music.
- (6) Established in 2009, Company E is a mobile game company in China, which focuses on developing and operating games and has expanded its business to overseas markets such as South Korea and Southeast Asian countries.
- (7) Established in 2011, Company F is a game company in China, which provides high-quality internet entertainment products and services.
- (8) Established in 2010, Company G is a game company in China, which focuses on developing mobile games and developing independent games in China.
- (9) Established in 2017, Company H is a mobile game company with business covering all kinds of mobile terminals, which provides new mobile game experience to game users. It has successfully launched more than 30 games of different types worldwide.
- (10) Established in 2018, Company I is an independent mobile game developer in China.
- (11) Established in 2004, Company J is a well-known game company in China, which specializes in game planning, research and development, and commercialization of online mobile games.
- (12) Established in 2013, Company K is a mobile game company in China, which mainly focuses on developing online mobile games and developing interactive entertainment products.

OVERVIEW OF CHINA’S MOBILE GAMES GOING OVERSEAS

The trend of increased market scales outside China has a sustained impact on China’s mobile game market. With increasing demand in the overseas mobile game markets, coupled with the decreasing demographic dividend and increasingly intense market competition in China’s mobile game market, market players are turning

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into markets outside China to seek for growth. Mature markets such as the U.S. and Japan contribute considerable overseas revenue with a large market size, while developing countries such as the Southeast-Asian region also have great foreseeable potential.

Leveraging the deep industry experience and advantages accumulated through intense competition in the Chinese market, strong operation ability of mobile games, especially in player retention and game promotions, as well as game development capabilities and financing and marketing resources, Chinese mobile game companies generally are able to establish meaningful presence and realize relatively high revenue growth in overseas markets. The market share of Chinese mobile games in overseas markets, especially in North America, South Korea, and Japan, has increased significantly in recent years.

The global market of Chinese mobile games (including the China market) experienced stable growth over the past few years, increasing from US\$4.7 billion in 2016 to US\$11.3 billion in 2020, representing a CAGR of 24.5%, and the market is expected to further rise to US\$22.3 billion in 2025, representing at a CAGR of 14.6% from 2020. The following table shows the global market size of Chinese mobile games in major regions outside mainland China by revenue for the periods indicated.

Market Size of Chinese Mobile Games in Major Regions outside of Mainland China, by Revenue, 2016, 2020 and 2025E

<u>Country/Region</u>	<u>2016</u>	<u>2020</u>	<u>2025E</u>	<u>CAGR</u> <u>2016-2020</u>	<u>CAGR</u> <u>2020-2025E</u>
	<i>US\$ in millions</i>				
Hong Kong, Macau and Taiwan	157.5	554.5	876.9	37.0%	9.6%
Southeast Asia	198.2	966.9	1,883.7	48.6%	14.3%
Japan	426.3	2,005.2	3,702.0	47.3%	13.0%
South Korea	194.9	706.3	2,000.6	38.0%	23.1%
United States	319.9	1,609.2	3,434.4	49.8%	16.4%
Europe	310.5	1,372.1	2,691.3	45.0%	14.4%

Source: Frost & Sullivan

Hong Kong, Macau and Taiwan

The mobile game markets in Hong Kong, Macau and Taiwan have grown rapidly in recent years. The aggregate market size increased from US\$770.6 million in 2016 to US\$1.4 billion in 2020 and is expected to further increase to US\$1.9 billion in 2025. The market size of Chinese mobile games in these regions increased from US\$157.5 million in 2016 to US\$554.5 million in 2020 and is expected to reach US\$876.9 million in 2025. The market share of RPGs and casual games is expected to increase from 41.9% and 13.6% in 2020, respectively, to 44.7% and 15.5% in 2025, respectively.

Southeast Asia

The market size of the Southeast Asian mobile game market increased from US\$1.2 billion in 2016 to US\$2.3 billion in 2020, and is expected to further increase to US\$3.7 billion in 2025. The market size of the Chinese mobile games in this region increased from US\$198.2 million in 2016 to US\$1.0 billion in 2020, and is expected to grow to US\$1.9 billion in 2025.

Japan

The value chain of Japan’s game industry was complete and organized, laying a solid foundation for the smooth shift to the mobile game industry in recent years. From 2016 to 2020, Japan’s mobile game market size increased from US\$5.9 billion to US\$9.8 billion. Its estimated market size in 2025 is US\$15.5 billion. The market size of Chinese mobile games in Japan increased from US\$426.3 million in 2016 to US\$2.0 billion in 2020, which is expected to further rise to US\$3.7 billion in 2025.

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South Korea

The mobile game market in South Korea experienced stable development, with the total market size rising from US\$3.9 billion in 2016 to US\$6.3 billion in 2020. Its market size is expected to increase to US\$8.7 billion in 2025. The market of China’s mobile games in South Korea increased from US\$194.9 million in 2016 to US\$706.3 million in 2020, which is expected to further increase to US\$2.0 billion in 2025.

United States

The mobile game market in the U.S. is relatively mature. Its size increased from US\$7.1 billion in 2016 to US\$13.4 billion in 2020, and is expected to further increase to US\$23.8 billion in 2025. The market for Chinese mobile games in the U.S. also expanded rapidly. Its market size increased from US\$319.9 million in 2016 to US\$1.6 billion in 2020 and is expected to reach US\$3.4 billion in 2025.

Europe

The market size of the European mobile game market grew from US\$7.1 billion in 2016 to US\$13.0 billion in 2020, and is expected to further increase to US\$15.9 billion in 2025. The market size of the Chinese mobile games in Europe also increased from US\$310.5 million in 2016 to US\$1.4 billion in 2020, and is expected to grow to US\$2.7 billion in 2025.