



MobileMonday Shanghai China Mobile Gaming Market

**Interfax - Iris Hong, TMT Team
Leader
Sept 22, 2008**

- 34 Now playing
- 5 Coming attractions
- 15 In The Pipeline

About the company

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- Established in 1989
- 36 office locations worldwide, over 1,000 editors and journalists
- 3,000 news articles each day

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- Launched in March 2000
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- Publishes six weekly industry reports, two daily reports and six real time newswires (commodities, metals and mining, energy, pharmaceutical health and technologies, media and telecommunication industries)
- Customized research services

About the company

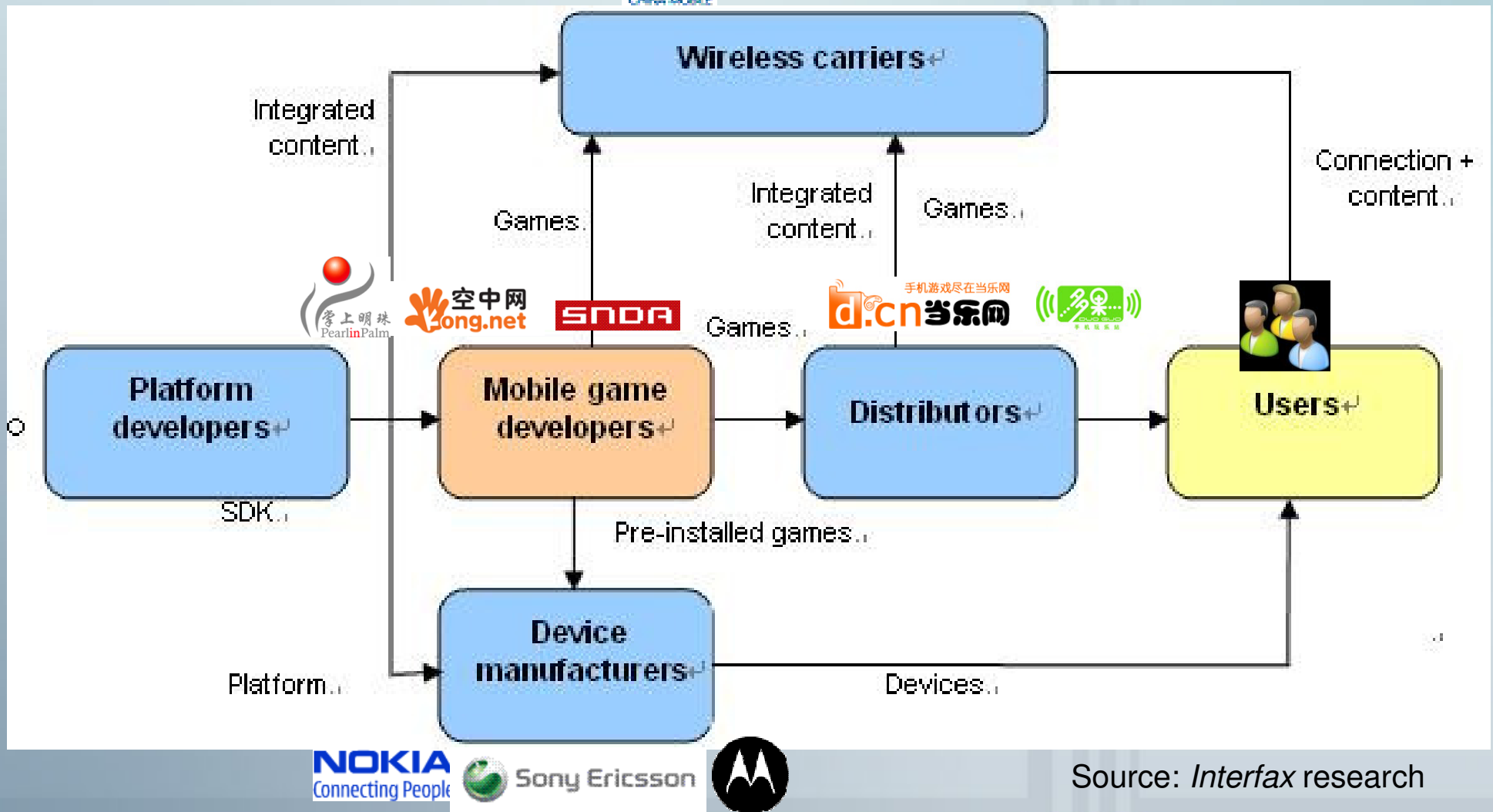
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 - ✓ Statistics

- Research
- Company profiles
- Industry data

<http://tmt.interfaxchina.com>

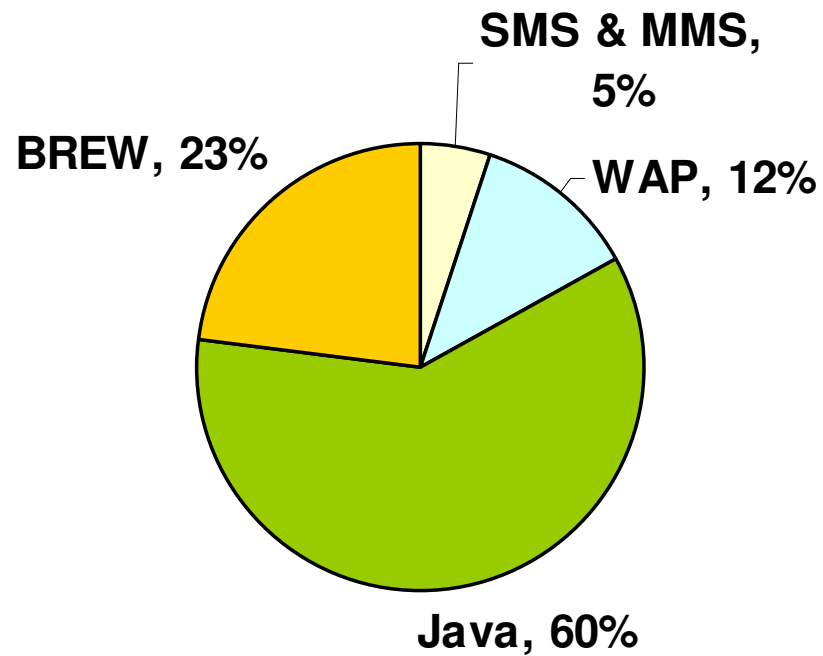
The screenshot shows the TMT China website interface. The header includes the Interfax China logo and the site title 'TMT China Telecoms, Media & Technology'. A navigation menu lists categories like News, Company Profiles, Industry Analysis, Subscription, Free Newsletter, and About Us. A secondary menu highlights specific sectors: Policy, Internet and Software, Wireless, Handsets, Gaming, Media, Fixed Line, Electronics and Hardware, and Statistics. The main content area features a lead story titled 'China Telecom reveals 3D community specs' and a list of latest stories including 'China Mobile to lead mobile online gaming boom in China' and '360quan to receive \$25 mln investment from Koolanoo'. A search bar and login section are visible on the right side.

Market overview - value chain



Source: Interfax research

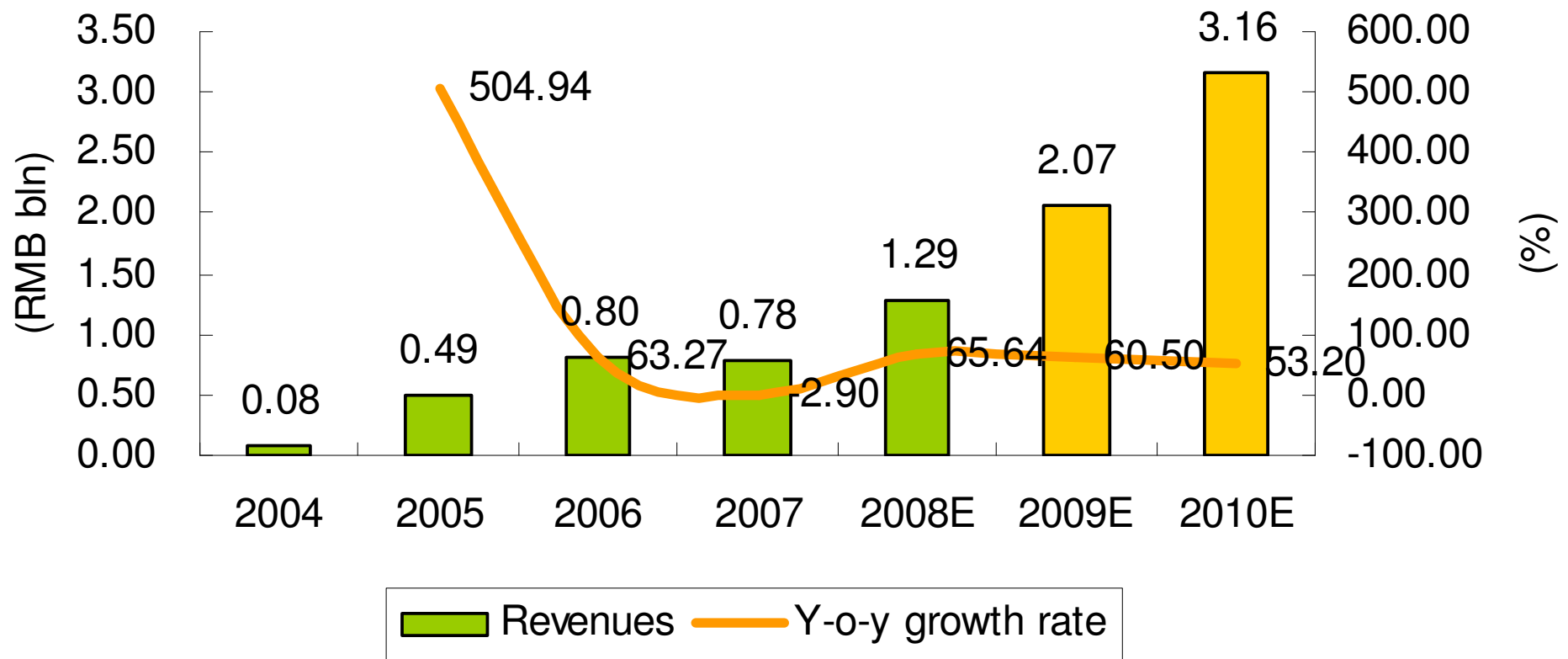
Market overview – breakdown of mobile gaming market by format



Source: *Interfax* research

Market overview – revenues

Sales revenues of Java/BREW mobile gaming industry



Source: Analysys International, *Interfax* research

Opportunities

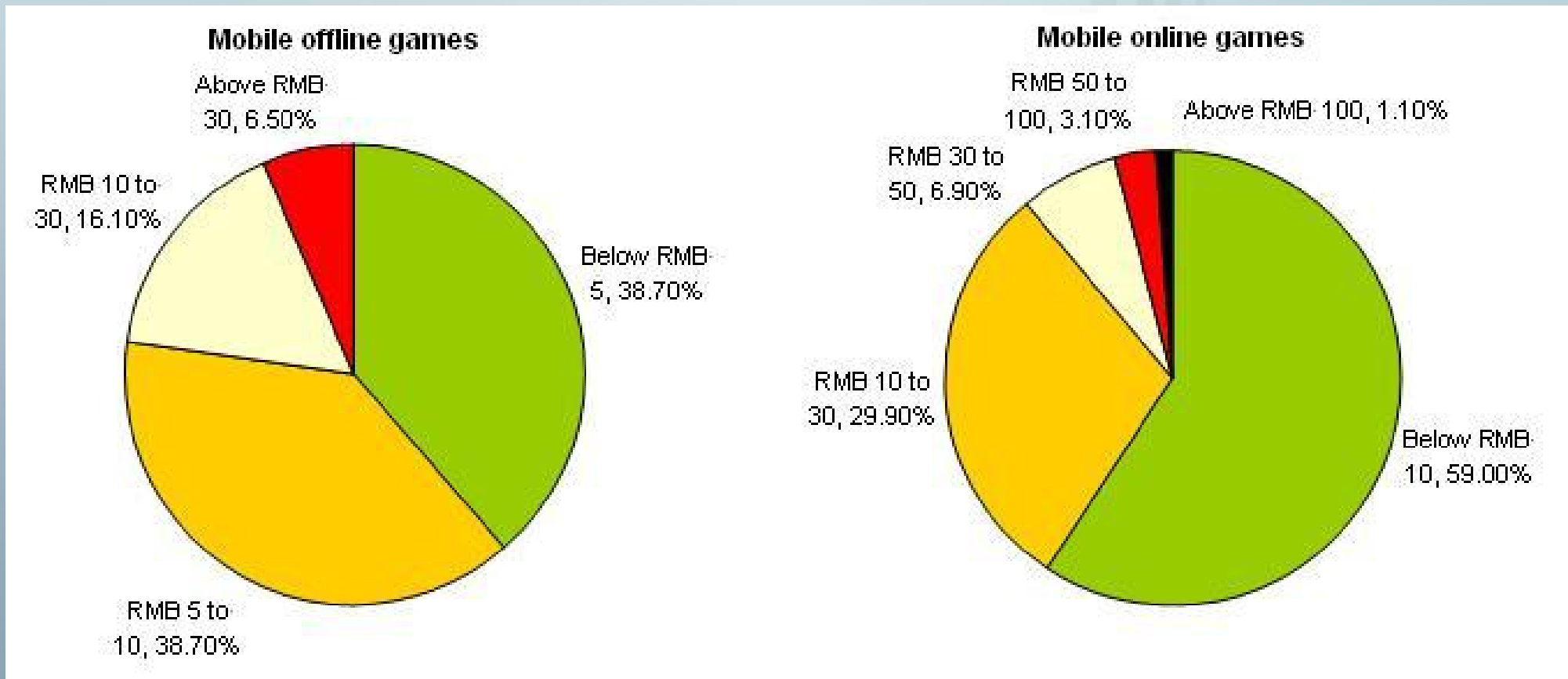
- China Mobile's new mobile online game platform
 - Almost one year of development and testing
 - Nine games launched on the platform in September 2008 (incl. games provided by KongZhong, Mtone Wireless, Pearl-in-Palm, 3GUU, DigiFun, among others)
 - Revenue sharing between gaming service providers and China Mobile (85-15)
 - New business model: Free to download, users can recharge their accounts
 - More convenient payment system
 - Independent from the M-Box system (primarily for offline games)
 - Stronger marketing: China Mobile responsible for marketing and billing. Gaming service providers responsible for operation and customer service

Opportunities

- Telecom industry restructure and 3G licensing
 - More operators to work with – three mobile operators compared with two
 - Faster network speed
 - Better graphic functions and user experience
 - Cheaper data fee – more competition between operators, operators' promotion of data-consuming applications

Opportunities

Users spend more money on mobile online games

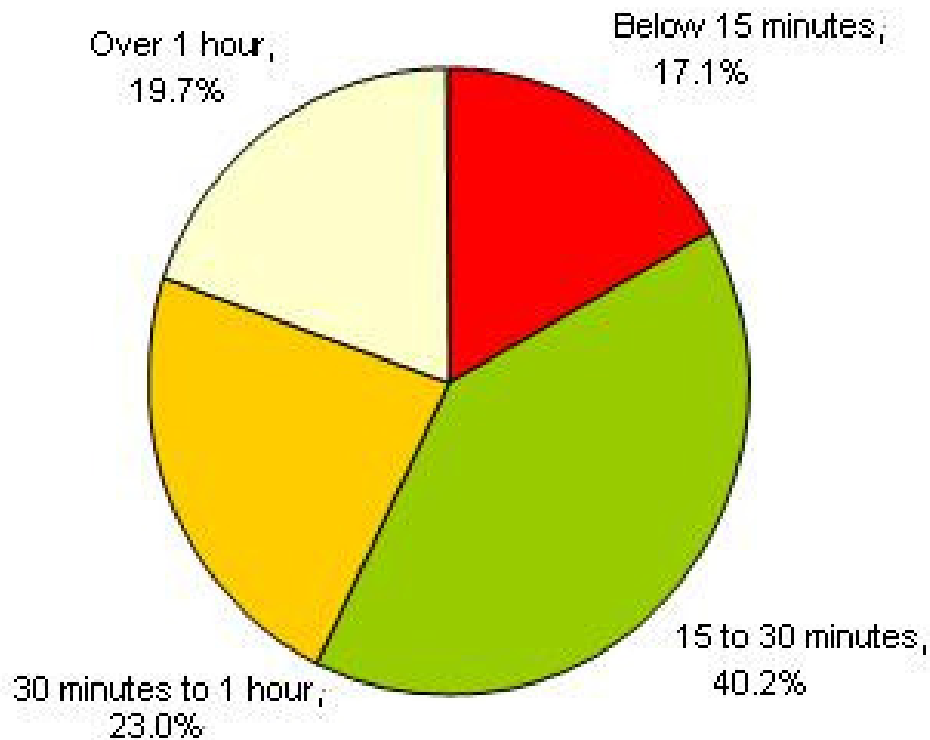


Source: Joyes.com survey (13,073 samples, October – December 2007)

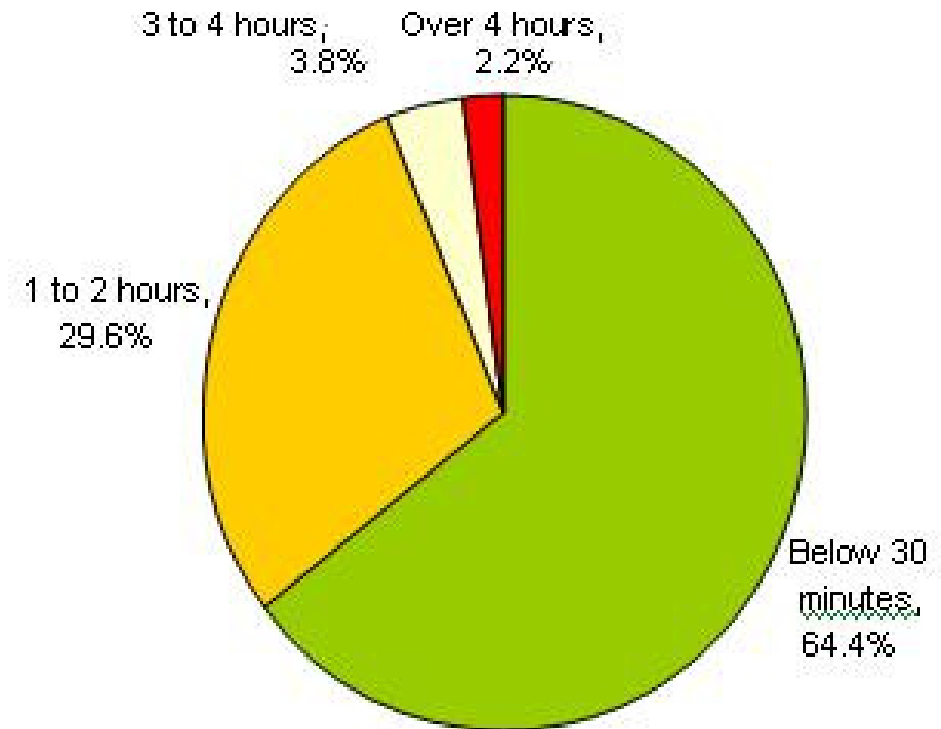
Opportunities

Users spend more time on mobile online games

Mobile offline games



Mobile online games



Source: Joyes.com survey (13,073 samples, October – December 2007)

Challenges

- Operators dominate the value chain
- Technical difficulties
 - Limitation in screen sizes, memories and platforms
 - Current network speed is low (difficult to download program of more than 1MB in size)
- High data fees, limited data packages
 - In Shanghai and Beijing: RMB 20 (\$2.90) for 50 MB, RMB 100 (\$14.70) for 800 MB.
 - In Guangdong province: RMB 15 (\$2.20) for 100 MB, RMB 40 (\$5.90) for 300 MB, RMB 80 (\$11.70) for 500 MB and RMB 100 (\$14.70) for 1 GB
- Business models



Thank you!

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