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China Internet and Other Services | Asia Pacific

Lord of Mysteries Game Debut

What happened? Kuaishou's new game *Lord of Mysteries* (MMORPG) has been consistently ranking at 15-20 on the iOS best seller chart since debut on Aug 21st.

What's the impact to Kuaishou? If the good performance persists, we estimate this could translate into an annualized grossing of ~Rmb2bn with a high incremental margin, as 85% of grossings come from non-iOS channels (potentially a high contribution from the PC side) and relative low IP fees. This could bring upside to Kuaishou's 3Q26 and full-year guidance as the guidance does not factor in this title's contribution.

Read across to NetEase: This game might also present some competitive pressure to NetEase's evergreen title *Sword of Justice* due to a similar gameplay and gamers' time constraint, which we will continue to monitor. So far it is stable.

Read across to China Literature: We estimate licensing revenue at 3-5% of total game grossings, with 50-70% GPM (MSe). While earnings upside should be modest, we view the game's strong debut as further evidence of China Literature's IP monetization capability and growing commercial value in gaming.

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