

Chinese Comics is Gaining Global Recognition

A: Team of Kuaikan Comics Q: Qu Jingfan

Q: What changes have occurred in terms of the readership and the overall business of Kuaikan Comics since the pandemic?

A: Currently, achieving profitability is our top priority, which will form the foundation for a positive and healthy industry cycle. Kuaikan is actively exploring new content, business models, and technological empowerment to facilitate the upsurge of high-quality comics in the market. The goal is to accelerate the creation of Chinese comic IPs with global influence.

As the works on Kuaikan increases, the variety of genres diversifies, and the age range of readers expands. This has led to an increase in the number of elderly readers. Kuaikan Comics has expanded into a comprehensive comics platform encompassing various genres such as romance, school life, action, fantasy, and science fiction. The proportion of male reader is growing, and the readership is gradually expanding and penetrating into rural cities.

Q: What are the main reasons for Kuaikan's rapid development?

A: The development can be attributed to two main factors: a professional approach to comics, and a deep understanding of users. The former results from a combination of Kuaikan's gradual establishment and refinement of a professional creation system, the mechanisms to discover new-generation comic creators, and diverse methods for commercializing IPs, which have also contributed to the maturation of China's comic ecosystem. The latter involves a deep understanding of the characteristics of the platform's post-00s readers, enabling Kuaikan to create more personalized comics that cater to their individualities, as well as entertainment lifestyles extending from comics.

In addition to the two long-term strategies of consistently producing high-quality content and exploring ways to amplify the influence and commercial value of the IPs, Kuaikan has also made strategic adjustments in various markets. This year, Kuaikan has introduced an approach of new content, new business, and new technology as a response to the current situation.

Q: Kuaikan Comics has now developed a distinct domestic comic style and become the largest "unicorn" in the comic industry, receiving multiple rounds of investment from top-tier institutions. In your opinion, what is the reason for the favor of top-tier institutions towards Kuaikan Comics?

A: Within the comic industry, Kuaikan Comics excels in numerous aspects, surpassing its competitors by a significant margin. It holds an absolute advantage in terms of market share, making it the largest domestic comic platform. Additionally, Kuaikan's professional comic production and development system, creator ecosystem, technological innovation, and user community are all vital factors that attract the attention of investors.

Q: What extensive experiences does Kuaikan have in the development of domestic comic content, platform operations, content production, and management?

A: In the realm of comics, the continuous creation of value for readers and the establishment of commercial value essentially revolves around a competition based on "quality". This principle has been established by Kuaikan's editorial department in response to the new environment. Guided by this



principle, we have defined a content-oriented development that emphasizes quality enhancement, specialization, and globalization.

Regarding quality enhancement, our approach is two-fold. Firstly, we refrain from blindly pursuing so-called major IPs or new works from renowned authors. Instead, we leverage the inherent strengths of comics to discover unique and distinctive content. Secondly, we align with the current domestic marketing channels and conditions, meticulously selecting works that can seamlessly integrate into the existing domestic business ecosystem and generate commercial value.

In terms of specialization, we've made significant strides over the past year. Firstly, we've established specialized standards for all stages of work creation to improve the success rate of our projects. Secondly, we've comprehensively upgraded in our organizational structure to enhance specialization. We have meticulously accumulated experience in defining categories, target audience, and comic themes. This extends to various aspects of different thematic works, including outlines, scripts, storyboards, drafts, and final coloring, with specialized standards for each key phase. Additionally, starting from the strategic central platform, we've restructured our organization to design professional selection centers, script centers, and production centers. As a systematic approach, it empowers editorial teams and authors across different directions. As an organizational structure adjustment, it fosters a more organic integration of data, business, and creativity.

In terms of globalization, the global comic market has undergone significant transformations, especially in more mature markets like Japan and South Korea. Currently, the commercial competitiveness of full-color commercial scroll comics has been rapidly expanding, achieving remarkable success. Kuaikan must firmly grasp this trend and create globally acclaimed works. Chinese domestic comics have frequently dominated the rankings in Japan, South Korea, and English-speaking countries. The speed and momentum of Chinese comic industry's global development have captured the attention of all comic-related institutions worldwide. Chinese comics is now being recognized by the world.

Q: How do you approach publishing and the diversification of IP development?

A: Kuaikan's achievements in book publishing in 2022 are the result of solid accumulation and strategic management in the realm of comic IP. The success in a relatively short period of time is attributed to three factors. Firstly, we comprehensively reviewed our existing works and carefully selected the most suitable ones for publishing from the thousands of available works. We also tailored specific publishing strategies to match different IPs. Secondly, we've changed from being passive to proactive by actively making high-quality publishing partners. We have been engaged in in-depth discussions with potential publishing partners, substantial collaborative efforts will soon be initiated.

In addition to the online popular works on Kuaikan Comics, we will initiate multi-faceted collaborations with publishing institutions. This will include jointly choosing comic topics, coordinating online and offline promotional activities, integrating marketing efforts between books and related merchandise, etc. Together, we aim to foster a positive cycle within the domestic comic ecosystem.

Q: Kuaikan's business has expanded to over 10 countries and regions abroad. What is the main cooperation model you adopt for overseas markets?

A: Kuaikan Comics has a solid foundation for internationalizing its publishing business. Firstly, our online expansion strategy is mature, and many works have already left positive impression on overseas readers. Secondly, the reading preferences of the global Gen Z readers are becoming increasingly convergent. Thirdly, we value specialized management.

We only launched our international publishing business in H2 2022, and in just one year, we have expanded into over 10 countries and regions, collaborating with nearly 20 overseas publishing institutions. Our primary cooperation models are the two most common ones in the book industry: agency and direct licensing. We start by thoroughly researching the publishing characteristics, reader preferences, and online reading infrastructure of relevant countries and regions. Then, we recommend targeted topics and fully explore available promotional channels. For instance, we provide insights of Kuaikan's works and publishing strategies to internal overseas business leaders and big book agencies, as well as participate in book industry's exhibitions and events.

Q: How was the increase of over 100% achieved in overseas distribution revenue in H1 2022?

A: Since Kuaikan Comics launched the "Columbus Program" in 2021, we have exported over 500 works to more than 200 countries and regions worldwide. During this process, Chinese comics have gained continuous recognition and favour from overseas comic readers, who are willing to pay for them. This has provided us with a richer understanding of the overseas market. Simultaneously, the number of Chinese creators is huge, thus Kuaikan's overseas partners recognize the substantial annual output of Chinese works. Therefore, there has been a significant growth in overseas distribution business. In 2022, there has been a notable change in Kuaikan's overseas distribution revenue, with over 65% of the income coming from revenue sharing of overseas works. This income not only gains favour from overseas platforms but also achieves increased sales among user groups.

Q: How does Kuaikan Comics utilize AI technology to empower Chinese comic creation and enhance user experience?

A: AIGC technology brings new vitality to the Chinese comic industry in two aspects: user experience and production capacity. We are actively researching how AIGC can greatly enhance creators' productivity. For instance, Kuaikan has developed an AI-integrated end-to-end digital workbench to assist creators during the creative process. This platform liberates creators from repetitive tasks, thereby boosting their productivity. Besides, it enhances the efficiency of various stages like comic promotion and operations through richer user experiences.