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Is There an Opportunity for AAA Games to Develop in China?

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Abstract: China's video game industry has grown rapidly, however high-budget, high-quality AAA games remain scarce compared to Western markets. This paper examines key obstacles facing AAA game development in China. The prevailing free-to-play business model conflicts with the AAA model. Government regulations and censorship create barriers. Negative public attitudes constrain the industry. Lower incomes and less leisure time mean weaker demand for expensive AAA games versus quick mobile games. The paper analyzes *Black Myth: Wukong*, an upcoming AAA title based on Journey to the West. As China's most anticipated AAA game, it benchmarks progress and potential for domestic AAA gaming. It could also showcase Chinese culture globally.

Keywords: Chinese game market, Technology dilemma, Mainland gamers, AAA game

1. Introduction

1.1. Research Background

The gaming market in China emerged around 1995 and has grown from a copycat to a leading developer in the international gaming industry after more than two decades [1]. According to the *China Gaming Industry Report 2021* released by *People's Daily*, the number of Chinese gamers reached 660 million in 2021. According to the *Global Gaming Market Report 2021* released by the Newzoo Data analysis platform, it can be seen that the number of global gamers reached 3 billion in 2021 [2]. The comparison between the two shows that in 2021, the number of Chinese gamers already accounts for one-fifth of the international gaming market. However, the Chinese gaming market is gradually becoming saturated. According to the *China Game Industry Report 2021,* the actual sales revenue of the Chinese game market in 2021 is described as RMB 296.513 billion, an increase of 6.4% year-on-year and a contraction of 15% year-on-year compared to 2020. In 2021, China's console game sales revenue was RMB 2.58 billion, up 22.34% year-on-year. According to the data provided by the *2022 China Game Industry Report*, the actual sales revenue of China's game market in 2022 was 265.884 billion yuan, down 10.33% year-on-year. The scale of game users was 664 million, down 0.33% year-on-year. Among them, actual sales revenue from mobile games accounted for 72.61% of the total revenue, showing the first decline in nearly five years, while PC games accounted for 23.08%.

A comparison of the two years' figures shows there is a downturn and even a gradual decline in the Chinese mobile as well as PC gaming market over the last two years. At the same time, interestingly, the share of sales of console games has seen a substantial increase. According to

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statistics from both market research firm *Niko Partners* and the *China Audio-Video and Digital Publishing Association* on console game sales in mainland China for five consecutive years from 2018 to 2022, it is apparent that console gaming is become a prosperous sector in China's gaming industry compared to the downturn in the mobile and PC gaming markets. According to Niko Partners Data, console game sales in mainland China were US$736 million in 2018, rising to US$997 million in 2019, US$1.84 billion in 2020, US$2.16 billion in 2021 and US$2.35 billion in 2022, maintaining a steady incremental increase in console game sales in China over five consecutive years.

However, compared to the international market, although there is a wide variety of Chinese console games, there is a lack of top AAA games as representative products of the industry, and they are mostly low-budget independent games made by independent game studios, so Chinese console games are still a weak terrain within the game industry.

According to industrial discourse, AAA games are games that require "a lot of time; a lot of money; a lot of resources" to produce. According to the former Sony CEO Shawn Layden, a AAA game will take about five years to develop; and it will cost between $80 million and $150 million which is merely the production fee but not including the marketing [3].

However, the top game companies in China's gaming market are still predominantly producing mobile games. For example, Tencent's *Glory of Kings* and *PUBG mobile* both earning US$2.8 billion globally in 2021, and MihaYu's *Original Gods* earning US$1.8 billion. But top Chinese game companies such as Tencent, NetEase and MihaYu do not seem to have any intention of developing their own AAA games, a phenomenon that will be analysed in this article.

1.2. Research Question

The paper will compare the Chinese game industry with the international game market and environment, and will use the first Chinese AAA game, Black Myth: WuKong, currently about to be released, as a case study to speculate and analyse the development of AAA games in China. This paper explores this specific question: What are the challenges that will come with the development of AAA games in China?

2. Literature Review

The structure of China's games industry is one of the most important issues for scholars who study issues related to games in China, as this element directly affects the development of Chinese games since 1995 to the present.

In their study, Cao and Downing [4] analyse the changes in the Chinese gaming industry through the history of the development of gaming in China. The 1980s witnessed the emergence of arcade games in mainland China after the country's reform and opening up, but soon after, they caused negative social sentiments. The society at the time believed that teenagers were addicted to the arcade halls on the streets and wasted time and energy in the game halls. By 2000, the negative coverage of video games in China's most authoritative media, *People's Daily*, reached a turning point [5]. Also in 2000, the Chinese government set strict policy restrictions on arcade games, allowing arcade halls to cater for young people only on holidays and to stay open for no more than 16 hours a day [4]. With such restrictions, other forms of video games began to flourish, such as home gaming consoles and online games. However, this also brought about the most serious piracy problem in the Chinese gaming industry. Little King and Yu Xing (two companies who are the main producers of pirated game console hardware in China) produced cheap console hardware and installed pirated Nintendo and Sega game software on their consoles. This cheap product made local Chinese pirate manufacturers a strong threat to the original manufacturers.

In the 1980s, single-player games entered the Chinese gaming market. However this game market

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was still full of pirated products [6]. It started with Japanese and Taiwanese games being infringed on rights, and later when computers became popular in mainland China, American and European games were also cracked and entered China's then pirated game market, which often came in the form of CD-ROMs. At the same time, however, this was also a period when China's own homegrown games were most active in the market. In 2001, there were ten homegrown games developed and published in-house within the Chinese game market, accounting for 40% of all games published in China at the time [7]. In those days, the basis for Chinese game companies to publish games was almost always on competing for good overseas imports, and the core of the company's operations was not on how to make games, but more on improving operational efficiency and building and expanding distribution channels that would accelerate and increase the revenue of the game company [8]. However, almost all of these games came from game studios formed by Chinese gamers on their own initiative, with few projects from major game companies. This has led the current Chinese game industry to be very resistant to the non-commercial game servers and non-commercial game service teams that were active in the Chinese game market at the time, as these non-commercial game studios destroyed the profits of game companies, which led to the demonisation of these non-commercial game development groups to the extent that most gamers today consider them to be the illegal pirate servers and pirated games predecessors. Because of this, the Chinese game industry was dominated by a large amount of foreign capital in the early stages of its growth [9].Because of loopholes in Chinese laws governing game piracy at the time, combined with the rapid development of online games over the same period and the boycott of these self-developed teams by large game companies. The lack of creativity of game designers has become a natural consequence of the continued development of the Chinese game industry. The development of Chinese single-player games almost came to a standstill. This is the main reason for the lack of quality single-player games in China today. Matthew M. Chew [7] argues that there are several reasons for the difficulties in the development of single-player games in China:

1. In the 1990s, Chinese government policy restrictions and rampant piracy prevented some of the companies and capital that should have been pioneers of Chinese games from prospering.
2. At the beginning of the 21st century, local Chinese indie single-player games had taken over most of the games market, but these game studios were not protected by Chinese copyright laws at the time and did not have enough capital to compete with the big players in terms of marketing strategies. This led to the extreme success of a relatively mediocre Korean MMO, *Legend*, which Shanda represented at the time in mainland China.
3. Later game companies in China have used the success story of *Shanda Games* as a template. This has led to a situation where commerciality is far more important than creativity in the games industry.
4. 2002-2005 ushered in a new dark age of localisation led by Chinese developers. They advertised their games as free, but this free was limited to downloading the game and entering the game world beforehand. Players needed to pay for a number of virtual game props in order to get the full gaming experience.

This article argues that it was at this time that the overall Chinese gaming industry was defined by capital in its commercialised nature, which led to domestic game makers starting to focus on how to spend the least amount of money to get the most out of it. So much so that you can now find a plethora of game designs that appeal to players' spending in every well known game that has been released within the Chinese gaming market. Examples of this include character fashions in *Glory of Kings* and *PUBGM*, ways to acquire characters in *Original Gods*, and even a 'pay to win' game model in some mobile games.

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2.1. The concept of AAA games

AAA-rated games were first used in the 1990s by some American game companies to describe the scale and standard of their own works at international gaming conferences. The usage of "A" derived from the American academic grading method: A is the highest [10]. There is also an expression that represents the three 'A lots of': A lot of money; A lot of time; A lot of resource.

In 1997, Squaresoft released *Final Fantasy VII* , which cost around $40-45 million to develop and was one of the first AAA games in the world [11]. With its unprecedented cinematic CG (in-game transitions), new gameplay and dynamic graphics, it was the most expensive game of its time. *Final Fantasy VII*'s marketing costs were unheard of, reaching $100 million in that year [12]. By the time of the seventh generation of video game consoles (the Xbox 360 and Play station 3 counterparts of Xbox) around the year 2005, AAA games on the market typically cost tens of millions of dollars to develop, with *Halo 3*, for example, estimated to cost $30 million to develop and $40 million to market at the time. In the subsequent development of AAA games, some gaming industry insiders believe that the development costs of AAA games will become a major challenge to the gaming industry [13].

After 2000, upon releasing a game product, some game makers would claim that they were producing an AAA game, and would invest heavily in its development and marketing (Orland Thomas & Steinberg 2007). In the games industry, the AAA rating represents the highest standard of investment and development costs for the top game companies of our time. It means that AAA games are the "masterpieces" of a game company in the game industry, such as Ubisoft's *Assassin's Creed* series or CAPCOM's *Monster Hunter* series. It is the top quality of these AAA games that has earned the trust of gamers in the international market to support these companies' titles and build the reputation for a game company in the industry.

But not all games that contain three 'A lots of' elements can be considered AAA. Tencent's *Honor Of Kings* has also invested a lot of time, money and resources, but because Tencent focuses more on its operation (e.g., marketing, promotion) than production (e.g., lack of original design such as in play methods), and because the game functions more as social activities (e.g., killing time together with friends) than serious Esports, I consider it only as a commercially successful mobile game in the global gaming market. Even in terms of investment, *Honor Of Kings* does not seem to be up to the standard of AAA games of the current era. According to Tencent, *Honor Of Kings* cost only 500 million RMB to produce, while *God of War*, the well-recognised representative of AAA games in recent years, cost 1.38 billion RMB to produce alone.

2.2. Research Methodology

The research methodology for this paper consists of literature research, mainly of the following types of literature:

Annual industry reports and statistics:

1. *2021 China Game Industry Report*
2. *2022 China Game Industry Report, etc.*

Academic papers related to the theme of the thesis:

1. *From "Electronic Heroin" to "Chinese Creation": The Changing Discourse of <People's Daily> Game Reporting (1981-2017).*
2. *A Critical Cultural History of Online Games in China, 1995-2015.*
3. *Business models and operational issues in the Chinese online game industry.*
4. *The evolution of the Chinese online gaming industry. Journal of Technology Management in China.*
5. *The realities of virtual play- video games and their industry in China, etc.*

Interviews with game industry professionals or magazines and journals

1. *Final Fantasy VII Remake - Cloud Strife's triumphant return.*
2. *Tencent invests in Game Science, the developer of Black Myth Goku, and receives a minority stake in GCORES, etc.*

And a case study used to analyse the AAA game market in mainland China: the birth of *Black Myth: WuKong*

3. AAA game industry in China

3.1. The obstacles of developing AAA games in China

After reviewing and analyzing the above listed documents, I argue that the obstacles of developing AAA games in China are as follow: the popularity of commercial games; the restrictions imposed by the Chinese government; the negative sentiment of the social environment towards games; the low level of consumption and the low amount of time spent on entertainment by the gamer community. These will all be upcoming problems for Chinese AAA games and their production companies.

3.1.1. The entrenched business model of the Chinese gaming industry

Based on the summary of the arguments in the literature review, two conclusions can be drawn about the commercialization of the Chinese game industry:

1: Game makers prefer to represent an already established foreign commercial IP and localize that IP rather than create a valuable new local game, thus keeping the game's development costs low, or even saving costs altogether and investing in higher marketing costs.

2: The overall status quo of the Chinese game industry is currently more commercial than creative, with most game companies preferring to adopt a free-to-play and pay-to-play prop business model.

For the first point, take an example: Tencent's *PUBGM*, a multiplayer battle royale game developed by the South Korean studio of *KRAFTON Inc.* the game quickly took the world by storm, winning several world-class gaming awards in 2017.After the launch of the game, Tencent quickly signed an agency agreement with *KRAFTON Inc.* and released *PUBGM* (*PUBG* for mobile phones) in mainland China, competing with a large number of battle royale genre mobile games in the Chinese gaming market at the time, and quickly becoming the most popular and profitable battle royale mobile game in the Chinese mobile gaming market. This is how most Chinese game manufacturers choose to represent foreign IPs. They enter into representation agreements with the owners of some well-known IPs and copy these games into the Chinese game market, simplifying them into mobile or computer games and adding some skins or props that are exchanged for RMB in the Chinese represented versions. This approach not only saves the game company the investment of developing a game but also ensures the popularity and revenue of the represented game in the Chinese gaming market with the popularity of the IP.

Given this situation, developing AAA games requires Chinese game companies to invest a lot of time and money in developing their own IPs, and this business model of introducing already successful IPs puts great competitive pressure on game companies who are trying to develop their own IPs in the same genre.

For the second point, Chinese businessmen's commercial measures to "localise" video games have been well received by game companies in the commercial world and are beginning to appear in most games produced by European and American companies, such as Blizzard's *World of Warcraft* and *Ubisoft's Rainbow Six*. This made some Western gamers very uncomfortable and called these paid games "Asian games". This business model (free to play with lots of paid props) of games may be a great innovation in the commercial world, but in the gaming industry it is a nightmare [7]. One of the problems facing China's game industry now is this deep-rooted business model. It may bring more profits for some of the Chinese game companies, but it greatly limits the development of Chinese

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game autonomy.

In 2020, Shanghai-based *Mihayo Games* officially launched *Genshin Impact*, an open-world adventure game. With an estimated development and marketing cost of $100 million, *Genshin Impact*'s beautiful graphic design and gameplay make *Genshin Impact* comparable to Western mega-games [14]. *Genshin Impact*, a game developed and published by a Chinese game maker, has been awarded the *TGA* (The Game Awards *Genshin Impact* was nominated for Best Mobile Game and Best Role-playing Game in 2020, Best Mobile Game and Best Ongoing Game in 2021 and Voice of Gamers, Best Mobile Game and Best Ongoing Game in 2022 at the *TGA* (The Game Awards), the most prestigious video game awards in the world). As of today, *Genshin Impact* is by far the most highly acclaimed game from a Chinese game manufacturer. Although *Genshin Impact* also contains some of the drawbacks of Chinese commercial games, the "pay to win" aspect of *Genshin Impact* seems to be more pronounced than in PVP (multiplayer online competition) games, and the gambling nature of the in-game card draw system seems to be more pronounced. The gambling nature of the card draw system seems to be more pronounced as well. But the success of *Genshin Impact* is undeniably a shot in the arm for the Chinese gaming industry.

Given this situation, developing a AAA game requires a company to give up some of the "pay-to-win" benefits to develop a buy-to-play game, and requires the game company to invest a large amount of capital, even further increasing the risk of investment failure due to the large investment in AAA games. However, this 'pay-to-win' business model can bring far more profit to Chinese game companies than a AAA game can, which makes most Chinese game makers reluctant to take the risk of developing a AAA game.

3.1.2. Chinese government policy restrictions on gaming industry

Since the game industry entered the Chinese market in 1995, the Chinese government has tended to be more restrictive than supportive of the industry, and in 2000, the Chinese government passed a policy restricting the development of arcade games, with the then popular arcade halls restricted to young people on holidays and not opening for more than 16 hours a day [4]. In 2005, Interpretation of "Several Opinions of the Ministry of Culture and the Ministry of Information Industry on the Development and Management of Online Games" were issued which triggered a "net-cleaning campaign" within the Chinese gaming industry, with a large number of games containing violent, bloody or pornographic content being banned by the government and initial restrictions on the circulation of foreign imported games in the mainland [15]. Also in 2005, the mainland Chinese government issued Online game anti-addiction system development standards to the industry's top game companies at the time, requiring them to equip their games with anti-addiction systems for young people, and the policy was further strengthened in 2019. In 2009, China's game licensing policy was introduced and the Publication of domestic online game works approval document was released, limiting the number of Chinese domestic games that could be released on the mainland. 2019 saw the release of the Game amusement equipment management approach policy, which further enhanced the management of large electronic game halls.

The most important restriction on the gaming industry in mainland China is the *Online game electronic publication approval*, which was officially promulgated and implemented by the State Administration of Press, Publication, Radio, Film and Television in 2009. After the promulgation of this policy, all online games, including imported online games and Chinese domestic online games, must be submitted to the Press and Publication Administration for review and approval before they can be officially launched into the Chinese gaming market. For imported and local video games and arcade games, they have to be reported to and reviewed by the Ministry of Culture of the People's Republic of China. The issuance of game license numbers in China was stopped once in 2018 and 2021 respectively. According to statistics, between July and December 2021, close to 14,000 small

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and medium-sized game companies were written off and closed down, with the suspension of the issuance of royalty numbers being one of the major reasons [16].

Today, China's games industry is moving away from relying solely on market forces and individual capital to survive and thrive, and the Chinese government is constantly adjusting its policies to promote and influence the development of China's games industry [4]. However, the Chinese government has been more restrictive and directional in its approach to the Chinese games market than other governments, and this has led to a gradual loss of creativity in the Chinese games industry. This conclusion can be drawn from the increasingly homogeneity of game genres and lack of excellence and innovation within the Chinese game market. The Chinese government's stringent restrictive policies have led most game companies to opt for a more conservative investment approach, i.e. to develop games of the same genre already on the market for a smaller investment and to release them in the Chinese game market in an easier way, thus reducing the risk of investment. This also allows game designers in most Chinese game companies to do their job without the need for creativity. However, creativity is an integral part of a AAA game, and a game with a high cost of production can only be called good (such as the high cost of *Wo Long: Fallen Dynasty*), but without innovative gameplay mechanics, it is still difficult to call it AAA. Almost all of the best AAA games in the market have created their unique gameplay mechanics, for example, the *Monster Hunter* series created a unique action-hunting game, and the *Assassin's Creed* series created a sneaky assassination mechanic. In China, strict policies and copyright regulations have led many game companies to favor mechanics that have already been successful, making it more difficult for a AAA game to appear in China.

3.1.3. Influence of public opinion

The Chinese gaming industry has been developing for over thirty years, but the discourse of game playing has always been in an awkward position in the public opinion of mainland China. When foreign media report on the video game industry, they often report in a positive light. For example, in *New York Times*, scholars have studied gaming-related coverage in the Times from 1980 to 2009, and found that while in the early years the Times' view was often that it enhanced motor skills or aided education, in the twenty-first century it has come to view gaming more as a unique aesthetic experience, an art that transcends entertainment [17] . In contrast, the official media in mainland China reported negatively on the gaming industry from 1989 until 2009, and neutrally from 2010 until now, with very little positive coverage in comparison [5]. This is a reflection of the popularity and acceptance of the medium in mainland China. To this day, many Chinese parents maintain an abhorrent attitude towards games, considering them to be a form of 'electronic heroin' that wastes the time and money of Chinese youth.

3.1.4. Gamer Factors

Another challenge is the lack of purchasing power of Chinese gamers for console/computer games. According to the *China Console Games Market Report 2022 published* by *Niko Partner*, a foreign statistical platform, 86% of Chinese gamers focus on mobile games, 30% are exposed to PC games (computer games and online games), and only 6% are exposed to console games. Moreover, according to *Niko Partner*, 80% of console revenue from Chinese games comes from the "grey area" (and imported console games, which can be purchased from console platforms such as Steam and do not require a Chinese game license). While the total revenue of the mainland console game market reached 2.58 billion yuan in 2021, an increase of 22.34% year-on-year, it is still a negligible figure compared to the 225.538 billion yuan in mobile game sales in the same year [18]. In contrast to the US console game market, it appears that the Chinese console game market has more room for upside. According to the American Entertainment Software Association and the NPD Group, the US console

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gaming market will have total sales of $43.5 billion in 2022, with software sales of $37.5 billion, console sales of $3.9 billion and the rest of peripheral or accessory sales totalling $2.1 billion. This is a result of the difference between the gamers' communities in the two countries. Chinese gamers are basically in their 20s and 30s due to policy restrictions, a time when they have less purchasing power and less free time, making it difficult for them to devote large amounts of time to console games and mostly use fragmented time to play games, when mobile games are undoubtedly a better choice than console games. US gamers, thanks to their higher salaries and more free time, have more spending power and desire to play console games, a medium that requires a lot of time and is more expensive per unit.

3.2. Black Myth: WuKong

Black Myth: WuKong is an ARPG (role-playing adventure game) in development since 2017 by Chinese game company *Game Science*. The scenario of the game is based on one of the four great Chinese novels *Journey to the West*. On August 20, 2020, *Game Science* released the first live demo of the game on the internet, as they were struggling to get the development team to move forward [19]. The release of this video has quickly sparked discussion in the Chinese gamer community, with many Chinese gamers calling it "China's first AAA game" [20].

Of course, the game's birth wasn't that easy; when *Game Science* decided to make it in 2017, it was just a project team of a few people working on the game in a small corner of the ground floor of their headquarters in Shenzhen. They later moved to Hangzhou, found a new office space and expanded the project team, but that came with high costs. According to Feng Ji, the founder of *Game Science* and the main leader of the *Black Myth: WuKong* project, the game could end up costing 15 to 20 million RMB per hour or more. The production team spent almost two months trying to make every detail of the game, combat, interaction and maps, look as fluid and natural as they do in life.

To the delight of Chinese gamers, *Black Myth: WuKong* doesn't seem to be trying to embrace the "commercialisation" of Chinese games. The production team has opened up a Q&A system on their website, and one of the questions was about the game's payment model, which they answered with the following text: "The classic single player payment model is a one-time buyout, with DLC and non-value based in-play content not excluded (For example, the game's character artwork or the game's soundtrack discs, These items are not relevant to the overall experience of the game, just that some players are willing to collect similar items to gain more insight into the details of the game's production) in the future. Also, we'd be happy to see people save a screenshot of this answer to keep us alerted in the future" [21]. This may result in the company losing money on the project, but countless Chinese gamers are looking forward to the day when a game like this can break away from the awkward definition of "commodity" in Chinese gaming.

The *Black Myth: WuKong* project team has maintained a frequency of two videos per year to raise its profile on social media since the first live trailer was released in August 2020. Each year, on both August 20th and New Year's Day, *Game Science* announces the latest progress of the game on the web, and so far three live demo videos and three New Year's greeting videos have been posted on all major platforms on the web under the *Game Science* account. Each year, the announcement of new gameplay footage brings a new wave of buzz to the *Black Myth: WuKong* IP. After three years of promotion, *Game Science* announced the game's release date of Summer 2024 in a greeting video in Chinese New Year 2023, and finally confirmed the game's overall production in the Unreal 5 engine to provide players with a better gaming experience.

And, the game *Black Myth: WuKong* is also ready to apply for a game license, as according to the China Copyright Protection Centre, the software copyright registration for *Black Myth: WuKong* was approved on March 2, 2023. A game's software copyright is a required piece of information for a game product to apply for a license, which means that if nothing else happens, *Black Myth: WuKong*

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is already to embark on the process of applying for a license. Perhaps it will be offered to mainland Chinese gamers directly rather than opting for the "grey area" (i.e. overseas distribution via console Hong Kong or Steam/Epic China) approach to the mainland gaming market.

In an article regarding the estimated sale of *Black Myth: WuKong* published on *Sina Finance* in 2020, this article argues that the final production cost of *Black Myth: WuKong* would be around US$100 million, based on the quality of the game as shown in the *Game Science* studio and promotional videos, while that the promotional costs are still unknown. *Sina Finance* believes that, based on the typical pricing of $200-300 per copy for AAA games on Steam, *Black Myth: WuKong* would need to sell at least 2.8 million copies to earn its cost back, and although the maximum number of single-player games sold in China in 2020 is only 2 million copies, combined with the explosive power of the IP of Monkey King and the increasing sales of single-player games in the mainland game market in recent years, it doesn't seem too difficult to guarantee a return on *Black Myth: WuKong* in the domestic market. However, if the game is to be considered as profitable product, it may still need to achieve significant results in the global gaming market. An prototype AAA game set in one of China's four great novels, *Journey to the West*, *Black Myth: WuKong* is not just generating a lot of buzz among gamers in mainland China during the period 2020-2023. In three years, the six videos released by the *Black Myth: WuKong* team on the Bili Bili video network (the mainland equivalent of Youtube) have been viewed more than 100 million times combined, with more than 28 million views of these videos on the IGN Youtube account and the Black Myth account. This probably indicates there is a solid foundation for the sales of *Black Myth: WuKong*.

Moreover, if to become a successful AAA game, *Black Myth: WuKong* will represent one of the top 'ninth art' titles, and can certainly serve as a vehicle for some Chinese culture [22]. If *Black Myth: WuKong* sells well in overseas markets, these players will be able to move from the game to the reality of the game and, based on the game's detailed descriptions or certain mythological backgrounds, extend their understanding of ancient Chinese culture and Chinese mythology. This is because when the player defeats an enemy or passes a level, they are exposed to snippets of in-game text that either reveal the overall world view of the game or relate to the plot that is about to take place. As players attempt to play the game as a whole or explore its plot, they are forced to deal with these textual details [23].And such information will allow players to build their own game worlds, rather than simply accepting what the game makers have set out to do, thus triggering these players to take a step further in understanding the cultural elements within the game in reality (For example, some details of the story in Journey to the West or the background of the story in Journey to the West) , leading to a more complete world view and a better gaming experience.

This is one of the reasons why China is in desperate need of a top AAA game. While Chinese gamers can learn about their culture and history through AAA games produced by top game companies from different regions, there can be almost no access to Chinese culture abroad. However, China's cultural export strategy could be modelled on Japan's Cool Japan strategy by choosing to use a Cool China style AAA game to spread China's cultural heritage abroad, so that more foreign players can learn more about Chinese culture through such a game. The success of Japan's Cool Japan strategy in this regard has been an inspiration for China's cultural development strategy [24]. If *Black Myth: WuKong* can fill the gap in the Chinese AAA genre by being a "Chinese single player", then it may become one of the gateways to Chinese culture for many foreign gamers.

4. Conclusion

At present, AAA games are a new and unexplored area in the Chinese game market, and it is common to see questions such as "when will there be AAA games in China" in the mainland gamer community. However, due to the aforementioned problems in the structure of the Chinese game industry, such asbusiness model, government policies and public factors, most Chinese game companies are unwilling or unable to take the risks producing a AAA game. Even senior figures within the Chinese game industry are very satisfied with the current game industry in China, and believe that Chinese game companies are achieving commercial success at a rate unmatched by other companies in the global market [25] .In contrast, Chinese gamers and game designers are not satisfied with the current state of the Chinese game industry, which is full of "commodity" games that are not very creative or playable compared to Japanese game companies or European or American game companies. These games are not very creative or playable.

This article attempts to analyse the definition of AAA games, which is still vague in the industry, and briefly discusses the origin of the name AAA games and the general criteria for distinguishing AAA games in the global gaming market. It also analyses the impact of the Chinese government's policies on the industry as a whole, clarifies how public opinion and gamer factors in mainland China will affect AAA games, and analyse the localisation and development prospects of AAA games in the Chinese market, using *Black Myth: WuKong*, the most likely AAA game in China, as a case study.

From this analysis we can conclude that AAA games are an emerging market that is essential for the Chinese games industry to continue to grow. With China's annual industry reports of rising single-player game sales, it is unlikely that the Chinese games market will remain in the hands of foreign titles and AAA games, and for this reason Chinese game companies will be releasing major AAA games of their own. Moreover, the best games will also flow into the global market, opening up new pathways between the Chinese game industry and the global game market. This will also be an important way for Chinese culture to spread abroad, just as gamers around the world have learned about Cool Japanese culture through games like Pokémon, Dragon Quest and Sekiro: Shadows Die Twice, and about European history and culture through Ubisoft's Assassin's Creed series. Perhaps, later on, these foreign gamers will also learn about Chinese culture through Chinese AAA games like *Black Myth: WuKong*.

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