

## The billion-dollar race to become China's Amazon Twitch

Cameras flashed and fans screamed, as Liu Mou stepped into the spotlight on a **sweltering** summer evening. Liu and his fans were on a waterfront for a carnival celebrating the industry, hosted by one of China's largest game-streaming companies, Douyu. Liu is its biggest celebrity.

sweltering 闷热的

intertwined 缠绕的

Liu and Douyu's fate are **intertwined** by the challenge: to prove their spectacular rise is more than a **fad** but can **withstand** competition and cash burn. Analysts predict the industry could grow to be a \$3 billion business in China.

fad 时尚; 狂热

withstand 抵抗

**Twitch**, acquired by Amazon for nearly \$1 billion in 2014, is the dominant game-streaming platform in the U.S. Unlike Twitch, which has multiple revenue streams like subscriptions and ads, Chinese platform operators live and die on virtual gifts from fans.

twitch 抽搐; 晃动

Ninety-one percent of Douyu's revenue came from virtual gifts in the quarter ended March. Liu alone may have contributed as much as 3% of Douyu's revenue in the second quarter, according to Ke Yan, a Singapore-based analyst with Aequis Research.

The battle to be the biggest game-streaming platform is costly. The cash burn on marketing and retaining top performers has caused investors to question the **business model**. Douyu's **arch nemesis**, Huya, is trading at only half of its June peak last year.

business model 商业模式

arch 主要的

nemesis 敌人

That doesn't bode well for Douyu. Despite having a larger user base and more top performers, Douyu **lags** behind Huya on margin and revenue.

lag 落后

Douyu's founder is looking for a second act. China's game streaming industry has been experiencing a slowdown in growth.

At Douyu's headquarters in Wuhan's *Optics Valley* tech hub, a pair of Siamese fighting fish swim in the tank near the front desk. "One *tank* cannot house two fish, " a sign reminds visitors.

Optics Valley 光谷

tank 水槽