



NetEase Yanxuan Commences Sales of Kweichow Moutai, China's Most Prestigious Liquor Brand

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HANGZHOU, China, Oct. 21, 2020 /PRNewswire/ -- NetEase, Inc. (NASDAQ: NTESE; HKEX: 9999), one of China's leading internet and online game services providers, today announced that China's most prestigious liquor brand, Kweichow Moutai, is now available for sale on its e-commerce platform operated by its subsidiary NetEase Yanxuan ("Yanxuan"), marking a significant progress of a strategic partnership announced by the two companies recently.

As part of the strategic partnership, the classic 53% ABV Feitian Moutai, one of the most popular and sought-after liquors of all Kweichow Moutai's brands, can be purchased at the price of RMB1,499 (approximately US\$220) on Yanxuan. To ensure end consumers can access this highly popular product, Yanxuan has adopted strict technical measures designed to prevent purchases by product resellers.

With a market value of approximately US\$300 billion, Kweichow Moutai Co., Ltd. is the brand of choice for Chinese consumers. NetEase's large number of younger adult users and proven online marketing capabilities make the platform an attractive partner for Kweichow Moutai, which is proactively exploring wider opportunities among young consumers.

Following this launch of 53% ABV Feitian Moutai on Yanxuan, NetEase and Kweichow Moutai plan to pursue an even broader scope of cooperation in other business areas.

About NetEase, Inc.

As a leading internet technology company based in China, NetEase, Inc. (NASDAQ: NTESE and HKEX: 9999, "NetEase") is dedicated to providing premium online services centered around innovative and diverse content, community, communication and commerce. NetEase develops and operates some of China's most popular mobile and PC games. In more recent years, NetEase has expanded into international markets including Japan and North America. In addition to its self-developed game content, NetEase partners with other leading game developers, such as Blizzard Entertainment and Mojang AB (a Microsoft subsidiary), to operate globally renowned games in China. NetEase's other innovative service offerings include the intelligent learning services of its majority-controlled subsidiary, *Youdao* (NYSE: DAO); music streaming through its leading *NetEase Cloud Music* business; and its private label e-commerce platform, *Yanxuan*. For more information, please visit: <http://ir.netease.com>.

About NetEase Yanxuan

NetEase Yanxuan is one of China's leading private-label e-commerce brands providing a premium selection of high-quality and cost-effective lifestyle products for Chinese consumers. Established by NetEase, Inc. (NASDAQ: NTESE; HKEX: 9999) in 2016, NetEase Yanxuan pioneered a new e-commerce business model in China, which connects quality manufacturers to customers directly and eliminates the extraneous costs and third-party layers of distribution and retail. The creation of this new business model has both enhanced customers' shopping experience and created new demand for local factories, helping them to move up the value chain. Yanxuan also offers a selection of products from global brands designed to appeal to its growing customer base.

Please see <http://you.163.com/> for more information.

Forward Looking Statements

This announcement contains forward-looking statements. These statements are made under the "safe harbour" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "aim," "anticipates," "future," "intends," "plans," "believes," "may," "estimates," "potential," "continue," "ongoing," "goal," "targets," "guidance," "commits" and similar statements. Among other things, statements that are not historical facts, including statements about future growth, the Company's current and future position in the markets in which it operates, business plans and projections, the completion of transactions and the strategic goals of transactions, are or contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement. All information contained in this announcement is as of the date of this announcement and are based on assumptions believed to be reasonable as of this date. You should not rely upon these forward-looking statements as predictions of future events. The Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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