



NetEase Kaola Discusses the Increasing Popularity of Black Friday Promotions in China

HANGZHOU, China, Nov. 28, 2018 /PRNewswire/ -- NetEase Kaola, a leading Chinese cross-border e-commerce platform, recently discussed its growing role in the Black Friday e-commerce and larger cross-border online retail marketplace.

"China's cross-border e-commerce market is experiencing a rare window of opportunity, with the perception of and preference for global brands by Chinese consumers going through a transformation. We noticed this important emerging trend, especially on the Black Friday of this year, November 23, 2018. While shopping promotions on Black Friday continue to be a popular convention for online and offline retail platforms in the U.S. and Europe, notably, we observed burgeoning interest among consumers in China's cross-border e-commerce market as well," commented Ms. Lily Zhang, CEO of NetEase Kaola. "Sales from this year's Black Friday demonstrated in no uncertain terms that there is tremendous enthusiasm among Chinese consumers for imported goods, with our orders beginning to reflect this change in consumer behavior. We continue to position ourselves to be the premiere partner for overseas brands in China to bring them closer to Chinese consumers."

"In just a short time, the once infrequent consumption pattern has evolved into a daily habit. Further, data from our platform suggests that consumer shopping behavior in China has become more rational and more similar to habits in other parts of the world," Ms. Zhang continued. "We were also pleased to note that Black Friday purchases did not appear to be diminished by the recent Singles Day shopping festivities, given different product purchasing intentions associated with each day. We have observed that, typically, on Singles Day, shoppers stockpile large quantities of daily necessities such as baby and maternity products, cosmetics, health and personal care products, whereas on Black Friday, shoppers tend to have a preference for more fashionable goods, including affordable luxury items, fashion accessories and sportswear. We believe that there is tremendous potential in the assimilation patterns of these emerging Chinese consumer shopping dynamics, and given the recently announced governmental support of e-commerce, we believe these changes are favorable not only for Black Friday but also for the industry in general," Ms. Zhang concluded.

In China, Black Friday, as a loanword, historically has not attracted widespread public attention. With the development of China's online cross-border retail market, the country's consumers are increasingly buying higher-quality imported goods as a way of enhancing the quality of their everyday living. Further, after the first China International Import Expo ("CIIE") earlier this month, China's state-run media agencies, including People's Daily, Xinhua News Agency and CCTV, widely reported on the momentum surrounding Black Friday and its impact on the country's shopping habits.

The government has continued to indicate their supportive stance towards consumer e-commerce. On November 21, two days prior to Black Friday, at the Executive Meeting of the State Council chaired by Mr. Li Keqiang, Premier of the State Council of China, the decision was made to continue the implementation and enhancement of the country's retail import policy targeting cross-border e-commerce and expanding the scope of its applications, in order to further stimulate consumption. Specific benefits and favorable policies include expanding the number of pilot cities for cross-border preferential policies, adding new commodities that are eligible for preferential tax treatment and raising the upper limit for commodities eligible for the preferential treatment.

NetEase Kaola, launched in early 2015, was established by NetEase, one of the largest internet companies in China. Through self-support direct purchasing, bonded imports and other endeavors, it has rapidly grown into one of China's largest cross-border e-commerce platforms. According to a report by iiMedia Research, a Chinese third-party data-mining and integrated-marketing firm, NetEase Kaola has been ranked first for its trustworthiness and its share in the cross-border e-commerce market in each of the past three years.

About NetEase Kaola

NetEase Kaola, is a comprehensive e-commerce platform under NetEase concerning itself with high-quality consumption and well-selected items.

NetEase Kaola, launched in early 2015, is rapidly growing into China's largest cross-border import retail e-commerce platform, and has deep strategic partnership with thousands of world-class brand owners and suppliers. Based on a model of self-operation, bonded import model and business innovation, Netease Kaola provides Chinese consumers with high quality, cost-effective, convenient and efficient global channels for the purchase of high-quality goods.

Forward Looking Statements

This press release contains statements of a forward-looking nature. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including the risk that China's online music market may not grow as rapidly as expected, the ability of NetEase Cloud Music to access desirable content at favorable terms or at all, competition in the online music market, and other risks outlined in NetEase's filings with the Securities and Exchange Commission. NetEase does not undertake any obligation to update this forward-looking information, except as required under applicable law.

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