



## NetEase Provides Update on Status Under Holding Foreign Companies Accountable Act

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HANGZHOU, China, May 5, 2022 /PRNewswire/ -- NetEase, Inc. (NASDAQ: NTESE and HKEX: 9999, "NetEase" or the "Company"), one of China's leading internet and online game services providers, today provides an update on its status under the Holding Foreign Companies Accountable Act (the "HFCAA").

On May 4, 2022, the U.S. Securities and Exchange Commission (the "SEC") provisionally named the Company as a Commission-Identified Issuer after the Company filed its annual report on Form 20-F for the fiscal year ended December 31, 2021 with the SEC on April 28, 2022, which included an audit report issued by a public accounting firm that the Public Company Accounting Oversight Board (the "PCAOB") has determined that it is unable to inspect or investigate completely. The Company has previously disclosed that its auditor, the independent registered public accounting firm that issued the audit report included in its annual report filed with the SEC, is currently not inspected by the PCAOB, hence the identification by the PCAOB was expected.

In accordance with the HFCAA, if the SEC determines that a company has filed audit reports issued by a registered public accounting firm that cannot be inspected or investigated completely by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit its shares or American depositary shares (the "ADSs") from being traded on a national securities exchange or in the over-the-counter trading market in the United States. In addition, legislation is being considered in the United States to shorten the number of non-inspection years from three years to two.

The Company's ADSs, each of which represents five ordinary shares, continue to trade uninterrupted on the Nasdaq Global Select Market. In addition, the Company's ordinary shares trade on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEX") under the stock code "9999." The ordinary shares listed on HKEX are fully fungible with the shares represented by the Company's ADSs.

The Company will continue to monitor market developments and evaluate all strategic options, with the appropriate counsel and guidance. The Company also notes that this update has no impact on its business operations.

### About NetEase, Inc.

As a leading internet technology company based in China, NetEase, Inc. (NASDAQ: NTESE and HKEX: 9999, "NetEase") provides 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 majority-controlled subsidiaries *Youdao* (NYSE: DAO), China's leading intelligent learning company, and Cloud Village (HKEX: 9899), also known as *NetEase Cloud Music*, China's leading online music content community, as well as *Yanxuan*, NetEase's private label e-commerce platform. For more information, please visit: <http://ir.netease.com/>.

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