

Letter from NetEase CEO



China has the largest population in the world and is the largest developing country. Technology development is not only a grand strategy set at the national level, it has a profound impact on the lives of hundreds of millions of Chinese people.

NetEase has always believed in the power of technology and the deep social responsibility that comes with it. As we grew bigger, using technology to provide our users the best product experiences in education, entertainment, consumption, food safety and others, our social responsibilities grew even deeper. After more than two decades of operations, we know that it is our long-term commitments and responsibilities to our users, our employees and our communities that underpin our sustained leadership in a hyper-competitive and ever-changing market.

Users are at the heart of everything we do. Our absolute resolve to deliver the best-in-class user experience through constant product innovation is what defines us as a company. Our innovation is fueled by passion. Every employee we hire has a deep passion for what they do. Our talent is our most valuable asset, and we share with them our common respect for craftsmanship and entrepreneurship.

As a first-generation internet and technology company in China, we have experienced first-hand and played our own part in the evolution of China's internet space. We have lived through many important changes and challenges in the online market, both at home and abroad. We weathered the tech bubble in the early

2000s, overcame the financial crisis in 2008 and avoided many short-lived market digressions over the last two decades. Throughout the years, and with all the ups and downs of the internet and technology landscape, NetEase has remained relevant. We delivered continued growth and built up a strong balance sheet.

These achievements were made possible by maintaining a long-term vision with our strategic choices. We thank our employees for sharing the same goal toward product excellence, and we thank our Board of Directors for helping us navigate all the strategic options to make the appropriate decisions.

This year marks our 20th anniversary as a public company. It also comes at a time when the world is going through one of the worst health and economic crisis of our generation. We are fortunate that we operate in an industry that is less impacted by this pandemic. We will come out strong, supported by our one billion users, 21,000 employees and \$10 billion in cash. This gives us even more of a reason to consider others, help others, and act responsibly toward all our stakeholders, communities and environment.

This is our first ever ESG report. I invite you to take a closer look at our values and how we strive to live up to them. We are committed to an increasing focus on these topics and to regularly evaluating our growing portfolio of online products and services in light of our ESG goals, and challenging ourselves to continually improve.

William Ding