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**Baidu, Inc.**

百度集團股份有限公司

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 9888)

## **(1) ISSUE OF US\$300 MILLION 1.625% SENIOR NOTES DUE 2027 AND (2) ISSUE OF US\$700 MILLION 2.375% SENIOR NOTES DUE 2031**

Reference is made to the announcement of the Company dated August 17, 2021 in relation to the proposed issue of the Notes by the Company. The Board is pleased to announce that on August 18, 2021 (New York time), the Company and the Underwriters entered into an Underwriting Agreement in relation to the Notes Issue.

The net proceeds from the sale of the Notes, after deducting the Underwriters' discount and estimated pro rata expenses payable in connection with the offering of such notes will be approximately US\$0.99 billion.

The Group plans to use the net proceeds from the sale of the Notes for general corporate purposes, including repayment of certain existing indebtedness. The Notes are being issued as "Sustainability Bonds" under the Group's Sustainable Finance Framework (the "**Sustainability Notes**" under the "**Framework**"). The Group plans to use an equivalent amount of the net proceeds from the Sustainability Notes to finance or refinance, in whole or in part, one or more of the Group's new or existing Eligible Projects, pursuant to the Framework. The Framework has received a "second party opinion" by an independent consultant.

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Listing of the Notes on the Stock Exchange is not to be taken as an indication of the merits of the Notes or the Company.

**As the conditions to completion of the Underwriting Agreement may or may not be satisfied and the Underwriting Agreement may be terminated upon the occurrence of certain events, potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.**

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## **THE UNDERWRITING AGREEMENT**

Date: August 18, 2021

Parties: (a) the Company;  
(b) the Underwriters.

In connection with the Notes Issue, Goldman Sachs (Asia) L.L.C., BofA Securities, Inc., J.P. Morgan Securities LLC and China International Capital Corporation Hong Kong Securities Limited are the joint bookrunners, and BOCOM International Securities Limited is the co-manager. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Goldman Sachs (Asia) L.L.C., BofA Securities, Inc., J.P. Morgan Securities LLC, China International Capital Corporation Hong Kong Securities Limited and BOCOM International Securities Limited is an independent third party and is not a connected person of the Company.

The Company has an effective shelf registration statement on Form F-3 (including a base prospectus) on file with the SEC and has filed a related preliminary prospectus supplement with the SEC for the offering of the Notes. The offering of the Notes is being made only by means of the prospectus supplement and accompanying base prospectus. None of the Notes will be offered to the public in Hong Kong other than professional investors.

**No PRIIPs KID** — No PRIIPs key information document has been prepared as the Notes will not be available to retail investors in the European Economic Area.

**No UK PRIIPs KID** — No UK PRIIPs key information document has been prepared as the Notes will not be available to retail investors in the United Kingdom.

## **Principal Terms of the Notes**

The following is a summary of certain provisions of each series of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to provisions of the documents relating to the Notes.

Issuer:	the Company
Notes offered:	US\$300,000,000 aggregate principal amount of 1.625% notes due 2027 (the “ <b>2027 Notes</b> ”) and US\$700,000,000 aggregate principal amount of 2.375% notes due 2031 (the “ <b>2031 Notes</b> ,” together with the 2027 Notes, the “ <b>Notes</b> ”).
Maturity dates:	The 2027 Notes will mature on February 23, 2027 and the 2031 Notes will mature on August 23, 2031.
Public offering price:	2027 Notes: 99.953% of face amount 2031 Notes: 99.523% of face amount
Settlement date:	August 23, 2021
Interest rates:	The 2027 Notes will bear interest at a rate of 1.625% per year and the 2031 Notes will bear interest at a rate of 2.375% per year.
Interest payment dates:	August 23 and February 23, commencing February 23, 2022. Interest will accrue from August 23, 2021.

### ***Ranking of the Notes***

The Notes will be Company’s senior unsecured obligations issued under the Indenture. The Notes will rank senior in right of payment to all of the Company’s existing and future obligations expressly subordinated in right of payment to the Notes and rank at least equal in right of payment with all of Company’s existing and future unsecured and unsubordinated obligations (subject to any priority rights pursuant to applicable law). However, the Notes will be effectively subordinated to all of Company’s existing and future secured obligations, to the extent of the value of the assets serving as security therefor, and be structurally subordinated to all existing and future obligations and other liabilities of Company’s subsidiaries and consolidated affiliated entities.

### ***Events of Default***

Under the terms of the Indenture, each of the following constitutes an event of default for each series of the Notes:

- (i) failure to pay principal or premium in respect of any debt securities of that series by the due date for such payment;
- (ii) failure to pay interest on any debt securities of that series within 30 days after the due date for such payment;
- (iii) the Company defaults in the performance of or breach its obligations under the “— Consolidation, Merger and Sale of Assets” covenant under the Indenture;

- (iv) the Company defaults in the performance of or breach any covenant or agreement in the Indenture or under the debt securities of that series (other than a default specified in (i), (ii) or (iii) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the debt securities of that series then outstanding;
- (v) (a) there occurs with respect to any indebtedness of the Company, whether such indebtedness now exists or shall hereafter be created, (A) an event of default that has resulted in the holder thereof declaring the principal of such indebtedness to be due and payable prior to its stated maturity or (B) a failure to make a payment of principal, interest or premium when due (after giving effect to the expiration of any applicable grace period therefor, a “Payment Default”) and (b) the outstanding principal amount of such indebtedness, together with the outstanding principal amount of any other indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, is equal to or exceeds the greater of (x) US\$100,000,000 (or the dollar equivalent thereof) and (y) 2.5% of the Company’s total equity;
- (vi) one or more final judgments or orders for the payment of money are rendered against of the Company and are not paid or discharged, and there is a period of 90 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against the Company (net of any amounts that the Company’s insurance carriers have paid or agreed to pay with respect thereto under applicable policies) to exceed the greater of (x) US\$100,000,000 (or the dollar equivalent thereof) and (y) 2.5% of the Company’s total equity, during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (vii) the entry by a court having jurisdiction in the premises of (a) a decree or order for relief in respect of the Company or certain of its subsidiaries or consolidated affiliated entities in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law or (b) a decree or order adjudging the Company or certain of its subsidiaries or consolidated affiliated entities bankrupt or insolvent, or approving as final and nonappealable a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Company or certain of its subsidiaries or consolidated affiliated entities under any applicable bankruptcy, insolvency or other similar law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or certain of its subsidiaries or consolidated affiliated entities or of any substantial part of their respective property, or ordering the winding up or liquidation of their respective affairs (or any similar relief granted under any foreign laws), and in any such case the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive calendar days;
- (viii) the commencement by the Company or certain of its subsidiaries or consolidated affiliated entities of a voluntary case or proceeding under any applicable state or foreign bankruptcy, insolvency or other similar law or of any other case or proceeding to be adjudicated bankrupt or insolvent, or the consent by the Company or certain of its subsidiaries or consolidated affiliated entities to the entry of a decree or order for relief in respect of the Company or certain of its subsidiaries or consolidated affiliated entities in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law or the commencement of any

bankruptcy or insolvency case or proceeding against the Company or certain of its subsidiaries or consolidated affiliated entities, or the filing by the Company or certain of its subsidiaries or consolidated affiliated entities of a petition or answer or consent seeking reorganization or relief with respect to the Company or certain of its subsidiaries or consolidated affiliated entities under any applicable bankruptcy, insolvency or other similar law, or the consent by the Company or certain of its subsidiaries or consolidated affiliated entities to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or certain of its subsidiaries or consolidated affiliated entities or of any substantial part of their respective property pursuant to any such law, or the making by the Company or certain of its subsidiaries or consolidated affiliated entities of a general assignment for the benefit of creditors in respect of any indebtedness as a result of an inability to pay such indebtedness as it becomes due, or the admission by the Company or certain of its subsidiaries or consolidated affiliated entities in writing of their inability to pay the debts generally as they become due, or the taking of corporate action by the Company or certain of its subsidiaries or consolidated affiliated entities that resolves to commence any such action;

- (ix) the debt securities of that series or the Indenture is or becomes or is claimed by the Company to be unenforceable, invalid or ceases to be in full force and effect otherwise than is permitted by the Indenture; and
- (x) any other event of default described in the applicable prospectus supplement.

However, a default under (iv) of the preceding paragraph will not constitute an event of default until the Trustee or the holders of 25% or more in aggregate principal amount of the debt securities of that series then outstanding provide written notice to the Company of the default and it does not cure such default within the time specified in (iv) of the preceding paragraph after receipt of such notice.

If an event of default (other than an event of default described in (vii) and (viii) above) shall occur and be continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the debt securities of that series then outstanding by written notice as provided in the Indenture may, and the Trustee, upon instructions from holders of at least 25% in aggregate principal amount of the debt securities of that series then outstanding and subject to receipt of pre-funding, security and/or indemnity to its satisfaction, shall declare the unpaid principal amount of such debt securities and any accrued and unpaid interest thereon (and any Additional Amount payable in respect thereof) to be due and payable immediately upon receipt of such notice. If an event of default in (v) above shall occur, the declaration of acceleration of the debt securities shall be automatically annulled if the default triggering such event of default pursuant to (v) shall be remedied or cured by the Company or waived by the holders of the relevant indebtedness within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the debt securities of that series would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all events of default, other than the non-payment of principal, premium (if any) or interest on the debt securities of that series that became due solely because of the acceleration of the debt securities of that series, have been cured or waived. If an event of default in (vii) or (viii) above shall occur, the unpaid principal amount of all the debt securities then outstanding and any accrued and unpaid interest thereon will automatically, and without any declaration or other action by the Trustee or any holder of such debt securities, become immediately due and payable. After a

declaration of acceleration but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of at least a majority in aggregate principal amount of the debt securities of that series then outstanding may, under certain circumstances, waive all past defaults and rescind and annul such acceleration if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all events of default, other than the non-payment of principal, premium, if any, or interest on such debt securities that became due solely because of the acceleration of such debt securities, have been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an event of default shall occur and be continuing, the Trustee will be under no obligation to exercise any of the trusts or powers vested in it by the Indenture or enforce any provisions of the Indenture or the debt securities at the request, order or direction of any of the holders of debt securities, unless the requisite number of holders shall have instructed the Trustee in writing and offered to the Trustee pre-funding, security and/or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby. Subject to certain provisions, including those requiring pre-funding, security and/or indemnification of the Trustee, the holders of a majority in aggregate principal amount of the debt securities of a series then outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. No holder of any debt security of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the Indenture or the debt securities, or for the appointment of a receiver or a Trustee, or for any other remedy thereunder, unless (i) such holder has previously given to the Trustee written notice of a continuing event of default with respect to the debt securities of that series, (ii) the holders of at least 25% in aggregate principal amount of the debt securities of that series then outstanding have made written request to the Trustee to institute such proceeding, (iii) such holder or holders have offered pre-funding, security and/or indemnity satisfactory to the Trustee and (iv) the Trustee has failed to institute such proceeding, and has not received from the holders of a majority in aggregate principal amount of the debt securities of that series then outstanding a written direction inconsistent with such request, within 60 days after such notice, request and offer. However, such limitations do not apply to a suit instituted by a holder of a debt security for the enforcement of the right to receive payment of the principal of, premium (if any) or interest on such debt security on or after the applicable due date specified in such debt security.

### ***Covenants***

The Company will issue the Notes under an indenture with the Trustee. The indenture will, among other things, limit the Company's ability to incur liens and consolidate, merge, or sell all or substantially all of its assets.

These covenants will be subject to a number of important exceptions and qualifications and the Notes and the Indenture do not otherwise restrict or limit Company's ability to incur additional indebtedness or enter into transactions with, or to pay dividends or make other payments to, affiliates.

## *Optional Redemption*

The Company may at its option redeem the 2027 Notes at any time prior to January 23, 2027, and the 2031 Notes at any time prior to May 23, 2031, in each case, in whole or in part, at a price equal to the greater of 100% of the principal amount of the Notes to be redeemed and the make whole amount plus, in each case, accrued and unpaid interest on the Notes to be redeemed, if any, to (but not including) the applicable redemption date.

The Company may at its option redeem the 2027 Notes at any time from or after January 23, 2027, and the 2031 Notes at any time from or after May 23, 2031, in each case, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus, in each case, accrued and unpaid interest on the Notes to be redeemed, if any, to (but not including) the applicable redemption date.

The Company will give not less than 30 calendar day's nor more than 60 calendar days' notice of any redemption.

## **Proposed Use of Proceeds for the Notes**

The Group plans to use the net proceeds from the sale of the Notes for general corporate purposes, including repayment of certain existing indebtedness.

The Notes are being issued as “Sustainability Bonds” under the Group’s Sustainable Finance Framework (the “**Sustainability Notes**” under the “**Framework**”). The Group plans to use an equivalent amount of the net proceeds from the Sustainability Notes to finance or refinance, in whole or in part, one or more of the Group’s new or existing Eligible Projects, pursuant to the Framework. The Framework has received a “second party opinion” by an independent consultant.

## **Listing and Rating**

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Notes by way of debt issue to professional investors only. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Listing of the Notes on the Stock Exchange is not to be taken as an indication of the merits of the Notes or the Company.

Each series of Notes are expected to be rated “A3” by Moody’s Investors Service, Inc. and “A” by Fitch Inc., a subsidiary of Fimalac, S.A. Security ratings are not recommendations to purchase, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating organization. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

**As the conditions to completion of the Underwriting Agreement may or may not be satisfied and the Underwriting Agreement may be terminated upon the occurrence of certain events, potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“Board”	: the board of Directors
“2027 Notes”	: the US\$300 million aggregate principal amount of 1.625% senior notes due 2027, to be issued by the Company
“2031 Notes”	: the US\$700 million aggregate principal amount of 2.375% senior notes due 2031, to be issued by the Company
“Company”	: Baidu, Inc., a limited liability company incorporated in the Cayman Islands, the class A shares of which are listed on the Stock Exchange (stock code: 9888)
“connected person(s)”	: has the meaning ascribed to it under the Listing Rules
“Director(s)”	: the director(s) of the Company
“Eligible Projects”	: the investments and expenditures made by the Group in assets and projects that are aligned with one or more of the following project categories: (a) green buildings; (b) energy efficiency; (c) clean transportation; (d) renewable energy; (e) pollution prevention and control; and (f) access to essential services (healthcare)
“Group”	: the Company and its subsidiaries and consolidated affiliated entities
“Hong Kong”	: the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	: the indenture governing the Notes, to be entered into between the Company and the Trustee
“Listing Rules”	: the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notes”	: one or more series of US\$ denominated senior notes to be issued by the Company
“Notes Issue”	: the issue of the Notes

“PRIIPs”	: packaged retail investment and insurance-based products (as defined by Regulation (EU) No. 1286/2014, as amended, and as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018)
“professional investors”	: has the meaning ascribed to it in Chapter 37 of the Listing Rules
“SEC”	: United States Securities and Exchange Commission
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Trustee”	: The Bank of New York Mellon
“UK”	: the United Kingdom
“Underwriters”	: Goldman Sachs (Asia) L.L.C., BofA Securities, Inc., J.P. Morgan Securities LLC and China International Capital Corporation Hong Kong Securities Limited
“Underwriting Agreement”	: the agreement entered into between the Company and the Underwriters in relation to the Notes Issue
“U.S.” or “United States”	: the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	: United States dollars, the official currency of the U.S.

By order of the Board  
**Baidu, Inc.**  
**Mr. Robin Yanhong Li**  
*Chairman of the Board*  
*and Chief Executive Officer*

Hong Kong, August 19, 2021

*As at the date of this announcement, the board of directors of the Company comprises Mr. Robin Yanhong Li as director, and Mr. James Ding, Mr. Brent Callinicos, Mr. Yuanqing Yang and Mr. Jixun Foo as independent directors.*