

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Under our weighted voting rights structure, our share capital comprises Class A ordinary shares and Class B ordinary shares. Each Class A ordinary share entitles the holder to exercise one vote, and each Class B ordinary share entitles the holder to exercise 10 votes, respectively, on all matters subject to the vote at general meetings of the Company. Shareholders and prospective investors should be aware of the potential risks of investing in a company with a weighted voting rights structure. Our American depositary shares, each representing eight of our Class A ordinary shares, are listed on Nasdaq in the United States under the symbol BIDU.



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)

INSIDE INFORMATION PRIVATE PLACEMENT OF CONVERTIBLE NOTES ISSUED BY IQIYI

This announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

On August 30, 2022, iQiyi, Inc. (“**iQIYI**”), a controlled subsidiary of Baidu, Inc. (“**Baidu**”) listed on the Nasdaq Global Select Market, entered into definitive agreements with PAG Asia, PAG Pegasus and/or their affiliates, a leading investment firm in Asia (the “**Investors**”), pursuant to which the Investors will subscribe for convertible notes in an aggregate principal amount of US\$500 million to be issued by iQIYI. In addition, the Investors have an option, exercisable no later than two months from the closing date of the transaction, to subscribe for additional notes in an aggregate principal amount of up to US\$50 million, on the same terms and conditions.

The convertible notes will bear an interest rate of 6% per annum and will mature on the fifth anniversary of the issuance date. The notes may be convertible at the holder’s option into iQIYI’s American depositary shares (“**ADSs**”), each currently representing seven Class A ordinary shares of iQIYI, subject to the terms of the notes at a conversion premium of 20% above the volume weighted average price of the 20 trading days prior to, and including, August 29, 2022. Holders of the notes have the right to require iQIYI to repurchase for cash all or part of their notes shortly upon the third anniversary of the issuance date at a repurchase price equal to 120% of the principal amount of the notes. At the fifth anniversary of the issuance date, holders of the notes will be entitled to a maturity premium equal to 30% of the principal amount of the notes. Holders also have the right to require iQIYI to repurchase for cash all or part of their notes in the event of certain fundamental changes. Upon closing of the transaction and satisfaction of certain condition, PAG Asia shall be entitled to appoint one member to the board of directors of iQIYI.

The transaction is expected to close in the fourth quarter of 2022, subject to closing conditions. Upon closing and assuming the convertible notes are fully converted into iQIYI ADSs at the initial conversion price, Baidu will continue to hold controlling voting power in iQIYI and consolidate iQIYI's financial results.

The issuance of the securities in this transaction is exempt from registration under the Securities Act of 1933, as amended (the “**Securities Act**”) pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering and Regulation S under the Securities Act regarding offshore transactions. This announcement does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.

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

Hong Kong, August 30, 2022

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.