

*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 Codes: 9888 (HKD counter) and 89888 (RMB counter))**

## **ANNOUNCEMENT OF THE 2024 SECOND QUARTER RESULTS**

We hereby announce our results for the second quarter of 2024, which contains unaudited financial results for the three months and six months ended June 30, 2024 (“**2024 Second Quarter Results**”). This results announcement is also provided to shareholders as our interim report for 2024 under Rule 13.48(1) of the Listing Rules. The 2024 Second Quarter Results are available for viewing on the website of the Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at <https://ir.baidu.com>.

By order of the Board

**Baidu, Inc.**

**Mr. Robin Yanhong Li**

*Chairman of the Board  
and Chief Executive Officer*

Hong Kong, August 22, 2024

*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, Mr. Jixun Foo and Ms. Sandy Ran Xu as independent directors.*

## Baidu Announces Second Quarter 2024 Results

BEIJING, China, Aug 22, 2024 — Baidu, Inc. (NASDAQ: BIDU and HKEX: 9888 (HKD Counter) and 89888 (RMB Counter)), (“**Baidu**” or the “**Company**”), a leading AI company with strong Internet foundation, today announced its unaudited financial results for the second quarter ended June 30, 2024.

“AI Cloud continued to accelerate in the second quarter, offsetting the ongoing macro headwinds for online marketing revenue and resulting in modestly positive topline growth for Baidu Core. Operationally, we fast-tracked the renovation of Baidu search, which we believe will drive long-term success despite the short-term impact on monetization. We also achieved new breakthroughs with Apollo Go, which now offers 100% fully driverless ride-hailing services in practically the entire Wuhan municipality, and has started scalable testing of the latest RT6 vehicles,” said Robin Li, Co-founder and CEO of Baidu. “Gradually, the transformative impact of Gen-AI and foundation models is becoming more tangible in business and everyday life. Throughout all layers of our AI technology stack and with the rapid adoption of applications built on top of ERNIE, we are scaling AI to address real-world problems and generate substantial value both for external customers and our own product portfolio.”

“As we speeded up the AI-native transformation of our products in the second quarter, we continued to optimize our operations and maintained a healthy margin,” said Rong Luo, CFO of Baidu. “For AI Cloud in particular, we expect growth to maintain a strong momentum.”

### Second Quarter 2024 Financial Highlights<sup>1</sup>

(In millions except per ADS, unaudited)	Baidu, Inc.					
	Q2	Q1	Q2 2024		YOY	QOQ
	2023	2024				
	RMB	RMB	RMB	US\$		
<b>Total revenues</b>	34,056	31,513	33,931	4,669	(0%)	8%
<b>Operating income</b>	5,210	5,484	5,944	818	14%	8%
<b>Operating income (non-GAAP)<sup>2</sup></b>	7,334	6,673	7,500	1,032	2%	12%
<b>Net income to Baidu</b>	5,210	5,448	5,488	755	5%	1%
<b>Net income to Baidu (non-GAAP)<sup>2</sup></b>	7,998	7,011	7,396	1,018	(8%)	5%
<b>Diluted earnings per ADS</b>	14.17	14.91	15.01	2.07	6%	1%
<b>Diluted earnings per ADS (non-GAAP)<sup>2</sup></b>	22.55	19.91	21.02	2.89	(7%)	6%
<b>Adjusted EBITDA<sup>2</sup></b>	9,116	8,244	9,147	1,259	0%	11%
<b>Adjusted EBITDA margin</b>	27%	26%	27%	27%		

<sup>1</sup> Unless otherwise noted, RMB to USD was converted at an exchange rate of RMB7.2672 as of June 28, 2024, as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. Translations are provided solely for the convenience of the reader.

<sup>2</sup> Non-GAAP measures are defined in the Non-GAAP Financial Measures section (see also “Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures” for more details).

(In millions, unaudited)	Baidu Core					
	Q2	Q1	Q2 2024		YOY	QOQ
	2023	2024				
	RMB	RMB	RMB	US\$		
<b>Total revenues</b>	26,407	23,803	26,687	3,672	1%	12%
<b>Operating income</b>	4,568	4,538	5,608	772	23%	24%
<b>Operating income (non-GAAP)<sup>2</sup></b>	6,516	5,586	7,005	964	8%	25%
<b>Net income to Baidu Core</b>	5,012	5,150	5,462	752	9%	6%
<b>Net income to Baidu Core (non-GAAP)<sup>2</sup></b>	7,694	6,628	7,290	1,003	(5%)	10%
<b>Adjusted EBITDA<sup>2</sup></b>	8,229	7,118	8,617	1,186	5%	21%
<b>Adjusted EBITDA margin</b>	31%	30%	32%	32%		

## Operational Highlights

### Corporate

- Baidu expanded the ERNIE family of models with the launch of ERNIE 4.0 Turbo in June 2024, offering superior capabilities for typical use cases, and designed to run faster and at lower cost compared to ERNIE 4.0.
- Baidu returned US\$301 million to shareholders since the beginning of Q2 2024, bringing the cumulative repurchase to about US\$1.2 billion under the 2023 share repurchase program.
- Baidu earned a position in the China edition of the S&P Global Sustainability Yearbook, in recognition of its exceptional ESG performance. The selection stems from a comprehensive evaluation of 1,700 Chinese companies as part of the S&P Global 2023 Corporate Sustainability Assessment, underscoring Baidu's sustainability practices.

### AI Cloud

- PaddlePaddle and ERNIE developer community grew to 14.7 million in June 2024.

### Intelligent Driving

- Apollo Go, Baidu's autonomous ride-hailing service, provided about 899K rides in the second quarter of 2024, up 26% year over year. As of July 28, 2024, the cumulative rides provided to the public by Apollo Go surpassed 7 million.
- On June 19, Apollo Go started offering 100% fully driverless operations in practically the entire Wuhan municipality, its largest operational city, marking a significant milestone.
- The sixth-generation of our autonomous vehicle, the RT6, is now undergoing scalable testing.

- In June 2024, Baidu App's MAUs reached 703 million, up 4% year over year.
- Managed Page accounted for 51% of Baidu Core's online marketing revenue in the second quarter of 2024.

## **Second Quarter 2024 Financial Results**

**Total revenues** were RMB33.9 billion (\$4.67 billion), which was basically flat from last year.

- **Revenue from Baidu Core** was RMB26.7 billion (\$3.67 billion), increasing 1% year over year; **online marketing revenue** was RMB19.2 billion (\$2.64 billion), decreasing 2% year over year, and **non-online marketing revenue** was RMB7.5 billion (\$1.03 billion), up 10% year over year, mainly driven by AI Cloud business.
- **Revenue from iQIYI** was RMB7.4 billion (\$1.02 billion), decreasing 5% year over year.

**Cost of revenues** was RMB16.4 billion (\$2.26 billion), increasing 1% year over year, primarily due to an increase in traffic acquisition costs and costs related to AI Cloud business.

**Selling, general and administrative expenses** were RMB5.7 billion (\$784 million), decreasing 9% year over year, primarily due to a decrease in expected credit losses, channel spending and promotional marketing expenses and personnel related expenses.

**Research and development expenses** were RMB5.9 billion (\$810 million), decreasing 8% year over year, primarily due to a decrease in personnel related expenses.

**Operating income** was RMB5.9 billion (\$818 million). **Baidu Core operating income** was RMB5.6 billion (\$772 million), and **Baidu Core operating margin** was 21%. **Non-GAAP operating income** was RMB7.5 billion (\$1.03 billion). **Non-GAAP Baidu Core operating income** was RMB7.0 billion (\$964 million), and **non-GAAP Baidu Core operating margin** was 26%.

**Total other income, net** was RMB771 million (\$106 million), decreasing 44% year over year, primarily due to a decrease in net foreign exchange gain and disposal gain, partially offset by the decrease in fair value loss and impairment loss from long-term investments.

**Income tax expense** was RMB1.1 billion (\$156 million), compared to RMB1.3 billion in the same period last year.

**Net income attributable to Baidu** was RMB5.5 billion (\$755 million), and diluted earnings per ADS was RMB15.01 (\$2.07). **Net income attributable to Baidu Core** was RMB5.5 billion (\$752 million), and net margin for Baidu Core was 20%. **Non-GAAP net income attributable to Baidu** was RMB7.4 billion (\$1.02 billion). **Non-GAAP diluted earnings per ADS** was RMB21.02 (\$2.89). **Non-GAAP net income attributable to Baidu Core** was RMB7.3 billion (\$1.00 billion), and **non-GAAP net margin for Baidu Core** was 27%.

**Adjusted EBITDA** was RMB9.1 billion (\$1.26 billion) and **adjusted EBITDA margin** was 27%. **Adjusted EBITDA for Baidu Core** was RMB8.6 billion (\$1.19 billion) and **adjusted EBITDA margin for Baidu Core** was 32%.

As of June 30, 2024, **cash, cash equivalents, restricted cash and short-term investments** were RMB162.0 billion (\$22.29 billion), and **cash, cash equivalents, restricted cash and short-term investments excluding iQIYI** were RMB155.0 billion (\$21.32 billion). **Free cash flow** was RMB6.3 billion (\$862 million), and **free cash flow excluding iQIYI** was RMB5.9 billion (\$810 million).

## **Conference Call Information**

Baidu's management will hold an earnings conference call at 8.00 AM on Aug 22, 2024, U.S. Eastern Time (8.00 PM on Aug 22, 2024, Beijing Time).

Please register in advance of the conference call using the link provided below. It will automatically direct you to the registration page of "Baidu Inc. Q2 2024 Earnings Conference Call". Please follow the steps to enter your registration details, then click "Register". Upon registering, you will then be provided with the dial-in number, the passcode, and your unique access PIN. This information will also be emailed to you as a calendar invite.

For pre-registration, please click:

<https://s1.c-conf.com/diamondpass/10040402-jgu7y6.html>

In the 10 minutes prior to the call start time, you may use the conference access information (including dial-in number(s), the passcode and unique access PIN) provided in the calendar invite that you have received following your pre-registration.

Additionally, a live and archived webcast of this conference call will be available at <https://ir.baidu.com>.

## **About Baidu**

Founded in 2000, Baidu's mission is to make the complicated world simpler through technology. Baidu is a leading AI company with strong Internet foundation, trading on NASDAQ under "BIDU" and HKEX under "9888". One Baidu ADS represents eight Class A ordinary shares.

## **Contacts**

Investors Relations, Baidu, Inc.

Tel: +86-10-5992-8888

Email: [ir@baidu.com](mailto:ir@baidu.com)

## Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident” and similar statements. Among other things, Baidu’s and other parties’ strategic and operational plans, contain forward-looking statements. Baidu may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in announcements made on the website of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including but not limited to statements about Baidu’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Baidu’s growth strategies; its future business development, including development of new products and services; its ability to attract and retain users and customers; competition in the Chinese Internet search and newsfeed market; competition for online marketing customers; changes in the Company’s revenues and certain cost or expense items as a percentage of its revenues; the outcome of ongoing, or any future, litigation or arbitration, including those relating to intellectual property rights; the expected growth of the Chinese-language Internet search and newsfeed market and the number of Internet and broadband users in China; Chinese governmental policies relating to the Internet and Internet search providers, and general economic conditions in China and elsewhere. Further information regarding these and other risks is included in the Company’s annual report on Form 20-F and other documents filed with the Securities and Exchange Commission, and announcements on the website of the Hong Kong Stock Exchange. Baidu does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of the date of the press release, and Baidu undertakes no duty to update such information, except as required under applicable law.



## Non-GAAP Financial Measures

To supplement Baidu's consolidated financial results presented in accordance with GAAP, Baidu uses the following non-GAAP financial measures: non-GAAP operating income, non-GAAP operating margin, non-GAAP net income attributable to Baidu, non-GAAP net margin, non-GAAP diluted earnings per ADS, adjusted EBITDA, adjusted EBITDA margin and free cash flow. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

Baidu believes that these non-GAAP financial measures provide meaningful supplemental information regarding its performance and liquidity by excluding certain items that may not be indicative of its recurring core business operating results, such as operating performance excluding non-cash charges or non-operating in nature. The Company believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing its performance and when planning and forecasting future periods. These non-GAAP financial measures also facilitate management's internal comparisons to Baidu's historical performance and liquidity. The Company believes these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision making. A limitation of using these non-GAAP financial measures is that these non-GAAP measures exclude certain items that have been and will continue to be for the foreseeable future a significant component in the Company's results of operations. These non-GAAP financial measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to the Company's data.

Non-GAAP operating income represents operating income excluding share-based compensation expenses, and amortization and impairment of intangible assets resulting from business combinations.

Non-GAAP net income attributable to Baidu represents net income attributable to Baidu excluding share-based compensation expenses, amortization and impairment of intangible assets resulting from business combinations, disposal gain, impairment of long-term investments, and fair value gain (loss) of long-term investments, adjusted for related income tax effects. Baidu's share of equity method investments for these non-GAAP reconciling items, amortization and impairment of intangible assets not on the investees' books, accretion of their redeemable non-controlling interests, and the gain or loss associated with the issuance of shares by the investees at a price higher or lower than the carrying value per share, adjusted for related income tax effects, are also excluded.

Non-GAAP diluted earnings per ADS represents diluted earnings per ADS calculated by dividing non-GAAP net income attributable to Baidu, by the weighted average number of ordinary shares expressed in ADS. Adjusted EBITDA represents operating income excluding depreciation, amortization and impairment of intangible assets resulting from business combinations, and share-based compensation expenses.

For more information on non-GAAP financial measures, please see the tables captioned “Reconciliations of non-GAAP financial measures to the nearest comparable GAAP measure.”



**Baidu, Inc.****Condensed Consolidated Statements of Income**

(In millions except for per share (or ADS) information, unaudited)

	Three Months Ended				Six Months Ended		
	June 30,	March 31,	June 30,	June 30,	June 30,	June 30,	June 30,
	2023	2024	2024	2024	2023	2024	2024
	RMB	RMB	RMB	US\$ <sup>(2)</sup>	RMB	RMB	US\$ <sup>(2)</sup>
<b>Revenues:</b>							
Online marketing services	21,081	18,490	20,625	2,838	39,053	39,115	5,382
Others	12,975	13,023	13,306	1,831	26,147	26,329	3,623
<b>Total revenues</b>	<b>34,056</b>	<b>31,513</b>	<b>33,931</b>	<b>4,669</b>	<b>65,200</b>	<b>65,444</b>	<b>9,005</b>
<b>Costs and expenses:</b>							
Cost of revenues <sup>(1)</sup>	16,167	15,291	16,398	2,257	31,319	31,689	4,361
Selling, general and administrative <sup>(1)</sup>	6,298	5,375	5,700	784	11,887	11,075	1,524
Research and development <sup>(1)</sup>	6,381	5,363	5,889	810	11,804	11,252	1,548
<b>Total costs and expenses</b>	<b>28,846</b>	<b>26,029</b>	<b>27,987</b>	<b>3,851</b>	<b>55,010</b>	<b>54,016</b>	<b>7,433</b>
<b>Operating income</b>	<b>5,210</b>	<b>5,484</b>	<b>5,944</b>	<b>818</b>	<b>10,190</b>	<b>11,428</b>	<b>1,572</b>
<b>Other income:</b>							
Interest income	1,948	2,091	1,993	274	3,863	4,084	562
Interest expense	(817)	(766)	(742)	(102)	(1,621)	(1,508)	(208)
Foreign exchange gain, net	1,176	401	93	13	1,070	494	68
Share of losses from equity method investments	(383)	(205)	(119)	(16)	(431)	(324)	(45)
Others, net	(555)	(275)	(454)	(63)	1,083	(729)	(100)
<b>Total other income, net</b>	<b>1,369</b>	<b>1,246</b>	<b>771</b>	<b>106</b>	<b>3,964</b>	<b>2,017</b>	<b>277</b>
<b>Income before income taxes</b>	<b>6,579</b>	<b>6,730</b>	<b>6,715</b>	<b>924</b>	<b>14,154</b>	<b>13,445</b>	<b>1,849</b>
Income tax expense	1,270	883	1,131	156	2,463	2,014	277
<b>Net income</b>	<b>5,309</b>	<b>5,847</b>	<b>5,584</b>	<b>768</b>	<b>11,691</b>	<b>11,431</b>	<b>1,572</b>
Net income attributable to noncontrolling interests	99	399	96	13	656	495	68
<b>Net income attributable to Baidu</b>	<b>5,210</b>	<b>5,448</b>	<b>5,488</b>	<b>755</b>	<b>11,035</b>	<b>10,936</b>	<b>1,504</b>

	Three Months Ended				Six Months Ended		
	June 30,	March 31,	June 30,	June 30,	June 30,	June 30,	June 30,
	2023	2024	2024	2024	2023	2024	2024
	RMB	RMB	RMB	US\$ <sup>(2)</sup>	RMB	RMB	US\$ <sup>(2)</sup>
Earnings per ADS							
(1 ADS representing 8							
Class A ordinary shares):							
— Basic	14.34	14.97	15.11	2.08	30.55	30.12	4.14
— Diluted	14.17	14.91	15.01	2.07	30.05	29.98	4.13
Earnings per share for							
Class A and Class B ordinary							
shares:							
— Basic	1.79	1.87	1.89	0.26	3.82	3.77	0.52
— Diluted	1.77	1.86	1.88	0.26	3.76	3.74	0.51
Weighted average number of							
Class A and Class B ordinary							
shares outstanding							
(in millions):							
— Basic	2,804	2,804	2,796	2,796	2,801	2,800	2,800
— Diluted	2,834	2,816	2,804	2,804	2,836	2,810	2,810

(1) Includes share-based compensation expenses as follows:

Cost of revenues	194	108	146	20	292	254	35
Selling, general and							
administrative	446	417	385	53	909	802	110
Research and development	1,403	618	981	135	2,231	1,599	220
Total share-based							
compensation expenses	2,043	1,143	1,512	208	3,432	2,655	365

(2) All translations from RMB to U.S. dollars are made at a rate of RMB7.2672 to US\$1.00, the exchange rate in effect as of June 28, 2024 as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System.

**Baidu, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In millions, unaudited)

	December 31, 2023	June 30, 2024	June 30, 2024
	RMB	RMB	US\$
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	25,231	43,534	5,990
Restricted cash	11,503	11,646	1,603
Short-term investments, net	168,670	106,821	14,699
Accounts receivable, net	10,848	11,112	1,529
Amounts due from related parties	1,424	1,396	192
Other current assets, net	12,579	12,757	1,756
<b>Total current assets</b>	<b>230,255</b>	<b>187,266</b>	<b>25,769</b>
<b>Non-current assets:</b>			
Fixed assets, net	27,960	29,154	4,012
Licensed copyrights, net	6,967	6,914	951
Produced content, net	13,377	14,320	1,970
Intangible assets, net	881	812	112
Goodwill	22,586	22,586	3,108
Long-term investments, net	47,957	46,193	6,356
Long-term time deposits and held-to-maturity investments	24,666	72,497	9,976
Amounts due from related parties	195	212	29
Deferred tax assets, net	2,100	2,342	322
Operating lease right-of-use assets	10,851	10,919	1,503
Other non-current assets	18,964	22,312	3,071
<b>Total non-current assets</b>	<b>176,504</b>	<b>228,261</b>	<b>31,410</b>
<b>Total assets</b>	<b>406,759</b>	<b>415,527</b>	<b>57,179</b>

	December 31, 2023 RMB	June 30, 2024 RMB	June 30, 2024 US\$
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>			
<b>Current liabilities:</b>			
Short-term loans	10,257	12,514	1,722
Accounts payable and accrued liabilities	37,717	37,988	5,227
Customer deposits and deferred revenue	14,627	14,038	1,932
Deferred income	306	291	40
Long-term loans, current portion	2	29	4
Convertible senior notes, current portion	2,802	2,892	398
Notes payable, current portion	6,029	7,986	1,099
Amounts due to related parties	1,603	1,831	252
Operating lease liabilities	3,108	3,196	440
<b>Total current liabilities</b>	<b>76,451</b>	<b>80,765</b>	<b>11,114</b>
<b>Non-current liabilities:</b>			
Deferred income	200	287	39
Deferred revenue	481	520	72
Amounts due to related parties	77	67	9
Long-term loans	14,223	14,859	2,045
Notes payable	34,990	27,860	3,834
Convertible senior notes	8,144	8,408	1,157
Deferred tax liabilities	2,725	2,940	405
Operating lease liabilities	5,040	5,056	696
Other non-current liabilities	1,820	1,827	250
<b>Total non-current liabilities</b>	<b>67,700</b>	<b>61,824</b>	<b>8,507</b>
<b>Total liabilities</b>	<b>144,151</b>	<b>142,589</b>	<b>19,621</b>
<b>Redeemable noncontrolling interests</b>	<b>9,465</b>	<b>10,107</b>	<b>1,391</b>
<b>Equity</b>			
Total Baidu shareholders' equity	243,626	252,769	34,782
Noncontrolling interests	9,517	10,062	1,385
<b>Total equity</b>	<b>253,143</b>	<b>262,831</b>	<b>36,167</b>
<b>Total liabilities, redeemable noncontrolling interests, and equity</b>	<b>406,759</b>	<b>415,527</b>	<b>57,179</b>

**Baidu, Inc.**  
**Selected Information**  
(In millions, unaudited)

	Three months ended June 30, 2023 (RMB)				Three months ended March 31, 2024 (RMB)				Three months ended June 30, 2024 (RMB)				Three months ended June 30, 2024 (US\$)			
	Baidu Core	iQIYI	Elim & adj <sup>(2)</sup>	Baidu, Inc.	Baidu Core	iQIYI	Elim & adj <sup>(2)</sup>	Baidu, Inc.	Baidu Core	iQIYI	Elim & adj <sup>(2)</sup>	Baidu, Inc.	Baidu Core	iQIYI	Elim & adj <sup>(2)</sup>	Baidu, Inc.
<b>Total revenues</b>	<b>26,407</b>	<b>7,802</b>	<b>(153)</b>	<b>34,056</b>	<b>23,803</b>	<b>7,927</b>	<b>(217)</b>	<b>31,513</b>	<b>26,687</b>	<b>7,439</b>	<b>(195)</b>	<b>33,931</b>	<b>3,672</b>	<b>1,024</b>	<b>(27)</b>	<b>4,669</b>
YOY									1%	(5%)		(0%)				
QOQ									12%	(6%)		8%				
Costs and expenses:																
Cost of revenues <sup>(1)</sup>	10,553	5,774	(160)	16,167	9,839	5,631	(179)	15,291	10,888	5,678	(168)	16,398	1,498	781	(22)	2,257
Selling, general and administrative <sup>(1)</sup>	5,344	979	(25)	6,298	4,492	922	(39)	5,375	4,751	970	(21)	5,700	654	133	(3)	784
Research and development <sup>(1)</sup>	5,942	439	—	6,381	4,934	429	—	5,363	5,440	449	—	5,889	748	62	—	810
<b>Total costs and expenses</b>	<b>21,839</b>	<b>7,192</b>	<b>(185)</b>	<b>28,846</b>	<b>19,265</b>	<b>6,982</b>	<b>(218)</b>	<b>26,029</b>	<b>21,079</b>	<b>7,097</b>	<b>(189)</b>	<b>27,987</b>	<b>2,900</b>	<b>976</b>	<b>(25)</b>	<b>3,851</b>
YOY																
Cost of revenues									3%	(2%)		1%				
Selling, general and administrative									(11%)	(1%)		(9%)				
Research and development									(8%)	2%		(8%)				
Costs and expenses									(3%)	(1%)		(3%)				
<b>Operating income (loss)</b>	<b>4,568</b>	<b>610</b>	<b>32</b>	<b>5,210</b>	<b>4,538</b>	<b>945</b>	<b>1</b>	<b>5,484</b>	<b>5,608</b>	<b>342</b>	<b>(6)</b>	<b>5,944</b>	<b>772</b>	<b>48</b>	<b>(2)</b>	<b>818</b>
YOY									23%	(44%)		14%				
QOQ									24%	(64%)		8%				
Operating margin	17%	8%		15%	19%	12%		17%	21%	5%		18%				
Add: total other income (loss), net	1,603	(234)	—	1,369	1,508	(262)	—	1,246	1,011	(240)	—	771	139	(33)	—	106
Less: income tax expense	1,262	8	—	1,270	866	17	—	883	1,105	26	—	1,131	152	4	—	156
Less: net (loss) income attributable to NCI	(103)	3	199 <sup>(3)</sup>	99	30	11	358 <sup>(3)</sup>	399	52	7	37 <sup>(3)</sup>	96	7	1	5 <sup>(3)</sup>	13
<b>Net income (loss) attributable to Baidu</b>	<b>5,012</b>	<b>365</b>	<b>(167)</b>	<b>5,210</b>	<b>5,150</b>	<b>655</b>	<b>(357)</b>	<b>5,448</b>	<b>5,462</b>	<b>69</b>	<b>(43)</b>	<b>5,488</b>	<b>752</b>	<b>10</b>	<b>(7)</b>	<b>755</b>
YOY									9%	(81%)		5%				
QOQ									6%	(89%)		1%				
Net margin	19%	5%		15%	22%	8%		17%	20%	1%		16%				

	Three months ended June 30, 2023 (RMB)			Three months ended March 31, 2024 (RMB)			Three months ended June 30, 2024 (RMB)			Three months ended June 30, 2024 (US\$)		
	Baidu Core	Elim & iQIYI adj <sup>(2)</sup>	Baidu, Inc.	Baidu Core	Elim & iQIYI adj <sup>(2)</sup>	Baidu, Inc.	Baidu Core	Elim & iQIYI adj <sup>(2)</sup>	Baidu, Inc.	Baidu Core	Elim & iQIYI adj <sup>(2)</sup>	Baidu, Inc.
<i>Non-GAAP financial measures:</i>												
<b>Operating income (non-GAAP)</b>	<b>6,516</b>	<b>786</b>	<b>7,334</b>	<b>5,586</b>	<b>1,086</b>	<b>6,673</b>	<b>7,005</b>	<b>501</b>	<b>7,500</b>	<b>964</b>	<b>70</b>	<b>1,032</b>
YOY							8%	(36%)	2%			
QOQ							25%	(54%)	12%			
<i>Operating margin (non-GAAP)</i>	25%	10%	22%	23%	14%	21%	26%	7%	22%			
<b>Net income attributable to Baidu (non-GAAP)</b>	<b>7,694</b>	<b>595</b>	<b>7,998</b>	<b>6,628</b>	<b>844</b>	<b>7,011</b>	<b>7,290</b>	<b>247</b>	<b>7,396</b>	<b>1,003</b>	<b>34</b>	<b>1,018</b>
YOY							(5%)	(58%)	(8%)			
QOQ							10%	(71%)	5%			
<i>Net margin (non-GAAP)</i>	29%	8%	23%	28%	11%	22%	27%	3%	22%			
<b>Adjusted EBITDA</b>	<b>8,229</b>	<b>855</b>	<b>9,116</b>	<b>7,118</b>	<b>1,125</b>	<b>8,244</b>	<b>8,617</b>	<b>536</b>	<b>9,147</b>	<b>1,186</b>	<b>75</b>	<b>1,259</b>
YOY							5%	(37%)	0%			
QOQ							21%	(52%)	11%			
<i>Adjusted EBITDA margin</i>	31%	11%	27%	30%	14%	26%	32%	7%	27%			

(1) Includes share-based compensation as follows:

Cost of revenues	160	34	194	76	32	108	117	29	146	16	4	20
Selling, general and administrative	356	90	446	353	64	417	292	93	385	40	13	53
Research and development	1,358	45	1,403	575	43	618	945	36	981	130	5	135
Total share-based compensation	1,874	169	2,043	1,004	139	1,143	1,354	158	1,512	186	22	208

(2) Relates to intersegment eliminations and adjustments

(3) Relates to the net income attributable to iQIYI noncontrolling interests

**Baidu, Inc.**
**Condensed Consolidated Statements of Cash Flows**

(In millions, unaudited)

	Three months ended June 30, 2023 (RMB)			Three months ended March 31, 2024 (RMB)			Three months ended June 30, 2024 (RMB)			Three months ended June 30, 2024 (US\$)		
	Baidu excl. iQIYI			Baidu excl. iQIYI			Baidu excl. iQIYI			Baidu excl. iQIYI		
	iQIYI	iQIYI	Inc.	iQIYI	iQIYI	Inc.	iQIYI	iQIYI	Inc.	iQIYI	iQIYI	Inc.
Net cash provided by operating activities	9,746	886	10,632	5,284	936	6,220	7,970	409	8,379	1,097	56	1,153
Net cash provided by (used in) investing activities	7,309	(421)	6,888	(2,893)	(223)	(3,116)	13,824	337	14,161	1,903	46	1,949
Net cash provided by (used in) financing activities	1,908	(1,176)	732	2,126	261	2,387	(9,946)	869	(9,077)	(1,369)	120	(1,249)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	496	128	624	154	15	169	66	22	88	9	3	12
Net increase (decrease) in cash, cash equivalents and restricted cash	19,459	(583)	18,876	4,671	989	5,660	11,914	1,637	13,551	1,640	225	1,865
Cash, cash equivalents and restricted cash												
At beginning of period	30,355	5,665	36,020	32,293	5,281	37,574	36,964	6,270	43,234	5,086	863	5,949
At end of period	49,814	5,082	54,896	36,964	6,270	43,234	48,878	7,907	56,785	6,726	1,088	7,814
Net cash provided by operating activities	9,746	886	10,632	5,284	936	6,220	7,970	409	8,379	1,097	56	1,153
Less: Capital expenditures	(2,693)	(13)	(2,706)	(2,016)	(22)	(2,038)	(2,090)	(28)	(2,118)	(287)	(4)	(291)
Free cash flow	7,053	873	7,926	3,268	914	4,182	5,880	381	6,261	810	52	862

Note: Baidu excl. iQIYI represents Baidu, Inc. minus iQIYI's consolidated cash flows.



**Baidu, Inc.**
**Reconciliations of Non-GAAP Financial Measures to the Nearest Comparable GAAP Measures**

(In millions except for per ADS information, unaudited)

	Three months ended June 30, 2023 (RMB)			Three months ended March 31, 2024 (RMB)			Three months ended June 30, 2024 (RMB)			Three months ended June 30, 2024 (US\$)		
	Baidu Core	iQIYI	Baidu, Inc.	Baidu Core	iQIYI	Baidu, Inc.	Baidu Core	iQIYI	Baidu, Inc.	Baidu Core	iQIYI	Baidu, Inc.
<b>Operating income</b>	<b>4,568</b>	<b>610</b>	<b>5,210</b>	<b>4,538</b>	<b>945</b>	<b>5,484</b>	<b>5,608</b>	<b>342</b>	<b>5,944</b>	<b>772</b>	<b>48</b>	<b>818</b>
Add: Share-based compensation expenses	1,874	169	2,043	1,004	139	1,143	1,354	158	1,512	186	22	208
Add: Amortization and impairment of intangible assets <sup>(1)</sup>	74	7	81	44	2	46	43	1	44	6	—	6
<b>Operating income (non-GAAP)</b>	<b>6,516</b>	<b>786</b>	<b>7,334</b>	<b>5,586</b>	<b>1,086</b>	<b>6,673</b>	<b>7,005</b>	<b>501</b>	<b>7,500</b>	<b>964</b>	<b>70</b>	<b>1,032</b>
Add: Depreciation of fixed assets	1,713	69	1,782	1,532	39	1,571	1,612	35	1,647	222	5	227
<b>Adjusted EBITDA</b>	<b>8,229</b>	<b>855</b>	<b>9,116</b>	<b>7,118</b>	<b>1,125</b>	<b>8,244</b>	<b>8,617</b>	<b>536</b>	<b>9,147</b>	<b>1,186</b>	<b>75</b>	<b>1,259</b>
<b>Net income attributable to Baidu</b>	<b>5,012</b>	<b>365</b>	<b>5,210</b>	<b>5,150</b>	<b>655</b>	<b>5,448</b>	<b>5,462</b>	<b>69</b>	<b>5,488</b>	<b>752</b>	<b>10</b>	<b>755</b>
Add: Share-based compensation expenses	1,872	169	1,949	1,003	139	1,066	1,353	158	1,425	185	22	196
Add: Amortization and impairment of intangible assets <sup>(1)</sup>	61	7	65	42	2	43	41	1	41	6	—	6
Add: Disposal (gain)	(919)	(89)	(959)	(458)	—	(458)	(30)	—	(30)	(4)	—	(4)
Add: Impairment of long-term investments	270	155	340	36	71	68	26	17	34	4	2	5
Add: Fair value loss (gain) of long-term investments	1,239	(4)	1,237	725	(23)	714	531	2	531	73	—	73
Add: Reconciling items on equity method investments <sup>(2)</sup>	296	(9)	292	280	—	280	83	—	83	11	—	11
Add: Tax effects on non-GAAP adjustments <sup>(3)</sup>	(137)	1	(136)	(150)	—	(150)	(176)	—	(176)	(24)	—	(24)
<b>Net income attributable to Baidu (non-GAAP)</b>	<b>7,694</b>	<b>595</b>	<b>7,998</b>	<b>6,628</b>	<b>844</b>	<b>7,011</b>	<b>7,290</b>	<b>247</b>	<b>7,396</b>	<b>1,003</b>	<b>34</b>	<b>1,018</b>

	Three months ended June 30, 2023 (RMB)			Three months ended March 31, 2024 (RMB)			Three months ended June 30, 2024 (RMB)			Three months ended June 30, 2024 (US\$)		
	Baidu Core	iQIYI	Baidu, Inc.	Baidu Core	iQIYI	Baidu, Inc.	Baidu Core	iQIYI	Baidu, Inc.	Baidu Core	iQIYI	Baidu, Inc.
<b>Diluted earnings per ADS</b>			<b>14.17</b>			<b>14.91</b>			<b>15.01</b>			<b>2.07</b>
Add: Accretion of the redeemable noncontrolling interests			0.50			0.55			0.57			0.08
Add: Non-GAAP adjustments to earnings per ADS			<u>7.88</u>			<u>4.45</u>			<u>5.44</u>			<u>0.74</u>
<b>Diluted earnings per ADS (non-GAAP)</b>			<b>22.55</b>			<b>19.91</b>			<b>21.02</b>			<b>2.89</b>

- (1) This represents amortization and impairment of intangible assets resulting from business combinations.
- (2) This represents Baidu's share of equity method investments for other non-GAAP reconciling items, amortization and impairment of intangible assets not on the investee's books, accretion of their redeemable noncontrolling interests, and the gain or loss associated with the issuance of shares by the investees at a price higher or lower than the carrying value per share.
- (3) This represents tax impact of all non-GAAP adjustments.

## Reconciliation between U.S. GAAP and International Financial Reporting Standards

Ernst & Young was engaged by the Company to conduct limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (“**ISAE 3000 (Revised)**”) issued by the International Federation of Accountants (“**IFAC**”) on the ‘Reconciliation between U.S. GAAP and International Financial Reporting Standards’ as set out on pages 20 to 25 of the 2024 Second Quarter Results (together, the “**GAAP Difference Reconciliation**”).

Ernst & Young’s engagement did not involve independent examination of any of the underlying financial information. The work carried out in accordance with ISAE 3000 (Revised) is different in scope from an audit or a review conducted in accordance with International Standards on Auditing or International Standards on Review Engagements issued by the IFAC and consequently, Ernst & Young did not express an audit opinion nor a review conclusion on the GAAP Difference Reconciliation. Ernst & Young’s engagement was intended solely for the use of the Directors in connection with the above purpose for this 2024 Second Quarter Results and may not be suitable for another purpose.

The procedures performed by Ernst & Young were based on their professional judgment, having regard to their understanding of the management’s process on preparing the GAAP Difference Reconciliation, nature, business performance and financial information of the Company and its subsidiaries (“**the Group**”). Given the circumstances of the engagement, the procedures performed included:

- (i) Comparing the relevant financial information in the columns “Amounts as reported under U.S. GAAP” as disclosed in the GAAP Difference Reconciliation with the respective line items in the Group’s unaudited interim condensed consolidated statement of income for the six months ended June 30, 2024 and the unaudited condensed consolidated balance sheet as at June 30, 2024 (the “**Interim Financial Statements**”) prepared in accordance with the accounting principles generally accepted in the United States of America (the “**U.S. GAAP**”), as appropriate;
- (ii) Evaluating the assessment made by the board of directors in identifying the differences between the accounting policies in accordance with the U.S. GAAP and the International Financial Reporting Standards (the “**IFRSs**”), and the evidence supporting the adjustments made in arriving at the “Amounts under IFRSs” as disclosed in the GAAP Difference Reconciliation; and
- (iii) Checking the arithmetic accuracy of the computation of the Group’s financial information in the columns “Amounts under IFRSs” as disclosed in the GAAP Difference Reconciliation.

The procedures performed by Ernst & Young in this limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, Ernst & Young do not express a reasonable assurance opinion.

Based on the procedures performed and evidence obtained, Ernst & Young has concluded that nothing has come to their attention that causes them to believe:

- (i) the amounts in the columns “Amounts as reported under U.S. GAAP” as disclosed in the GAAP Difference Reconciliation for the six months ended June 30, 2024 are not, in all material respects, in agreement with the respective line items in the Interim Financial Statements prepared in accordance with the U.S. GAAP;
- (ii) the IFRSs adjustments as disclosed in the GAAP Difference Reconciliation, do not reflect, in all material respects, the different accounting treatments according to the Group’s accounting policies in accordance with the U.S. GAAP and the IFRSs of the relevant period; and
- (iii) the computation of the amounts in the columns “Amounts under IFRSs” as disclosed in the GAAP Difference Reconciliation are not arithmetically accurate.

# Reconciliation of Condensed Consolidated Statements of Income (Extract)

		For the six months ended June 30, 2023								
		IFRS adjustments								
Amounts as		Investments	Investments	Equity		Redeemable			Amounts	
reported		in debt	measured at	method	Operating	preferred	Share-based	Convertible		
under U.S.		securities	fair value	investments	leases	shares	compensation	senior notes		
GAAP		(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vii))		under IFRSs
(RMB in millions)										
Cost of revenues	31,319	—	—	—	(63)	—	(87)	—		31,169
Selling, general and administrative	11,887	—	—	—	(46)	—	(50)	—		11,791
Research and development	11,804	—	—	—	(25)	—	(423)	—		11,356
Other income (loss):										
— Interest income	3,863	(950)	—	—	—	—	—	—		2,913
— Interest expense	(1,621)	—	—	—	(208)	—	—	470		(1,359)
— Others, net/Share of losses from equity method investments	652	1,185	239	(873)	—	(368)	—	(5,067)		(4,232)
<b>Income before income taxes</b>	<b>14,154</b>	<b>235</b>	<b>239</b>	<b>(873)</b>	<b>(74)</b>	<b>(368)</b>	<b>560</b>	<b>(4,597)</b>		<b>9,276</b>
Income taxes	2,463	40	19	—	(48)	15	15	—		2,504
<b>Net income</b>	<b>11,691</b>	<b>195</b>	<b>220</b>	<b>(873)</b>	<b>(26)</b>	<b>(383)</b>	<b>545</b>	<b>(4,597)</b>		<b>6,772</b>
Less: net income (loss) attributable to noncontrolling interests	656	—	36	28	3	—	49	(2,509)		(1,737)
<b>Net income attributable to Baidu, Inc.</b>	<b>11,035</b>	<b>195</b>	<b>184</b>	<b>(901)</b>	<b>(29)</b>	<b>(383)</b>	<b>496</b>	<b>(2,088)</b>		<b>8,509</b>

# Reconciliation of Condensed Consolidated Statements of Income (Extract)

		For the six months ended June 30, 2024							
Amounts as reported under U.S. GAAP	IFRS adjustments							Amounts under IFRSs	
	Investments in debt securities	Investments measured at fair value	Equity method investments	Operating leases	Redeemable preferred shares	Share-based compensation	Convertible senior notes		
	(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vii))		
(RMB in millions)									
Cost of revenues	31,689	—	—	—	(139)	—	(24)	—	31,526
Selling, general and administrative	11,075	—	—	—	(5)	—	(92)	—	10,978
Research and development	11,252	—	—	—	(44)	—	(202)	—	11,006
Other income (loss):									
— Interest income	4,084	(1,245)	—	—	—	—	—	—	2,839
— Interest expense	(1,508)	—	—	—	(158)	—	—	461	(1,205)
— Others, net/Share of (losses) income from equity method investments	(1,053)	1,110	(286)	3,087	—	475	—	217	3,550
<b>Income before income taxes</b>	13,445	(135)	(286)	3,087	30	475	318	678	17,612
Income taxes	2,014	(11)	(102)	(5)	8	(45)	—	—	1,859
<b>Net income</b>	11,431	(124)	(184)	3,092	22	520	318	678	15,753
Less: net income attributable to noncontrolling interests	495	—	(94)	—	(2)	1	16	371	787
<b>Net income attributable to Baidu, Inc.</b>	10,936	(124)	(90)	3,092	24	519	302	307	14,966

## Reconciliation of Consolidated Balance Sheets (Extract)

As of December 31, 2023								
Amounts as reported under U.S. GAAP	IFRS adjustments							Amounts under IFRSs
	Investments in debt securities	Investments measured at fair value	Equity method investments	Operating leases	Redeemable preferred shares	Share-Based compensation	Convertible senior notes	
	(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vii))	
(RMB in millions)								
Short-term investments, net	168,670	204	—	—	—	—	—	168,874
Long-term investments, net	47,957	—	725	(1,678)	—	—	—	47,004
Long-term time deposits and held-to-maturity investments	24,666	(44)	—	—	—	—	—	24,622
Operating lease right-of-use assets	10,851	—	—	—	(100)	—	—	10,751
Deferred tax assets, net	2,100	—	—	—	7	—	51	2,158
<b>Total assets</b>	<b>406,759</b>	<b>160</b>	<b>725</b>	<b>(1,678)</b>	<b>(93)</b>	<b>—</b>	<b>51</b>	<b>405,924</b>
Convertible senior notes, current portion	2,802	—	—	—	—	—	5,060	7,862
Convertible senior notes, non-current portion	8,144	—	—	—	—	—	(4,418)	3,726
Redeemable preferred shares	—	—	—	—	—	9,110	—	9,110
Deferred tax liabilities	2,725	42	44	(8)	—	71	—	2,874
<b>Total liabilities</b>	<b>144,151</b>	<b>42</b>	<b>44</b>	<b>(8)</b>	<b>—</b>	<b>9,181</b>	<b>—</b>	<b>154,052</b>
<b>Redeemable noncontrolling interests</b>	<b>9,465</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(9,465)</b>	<b>—</b>	<b>—</b>
<b>Total Baidu, Inc. shareholders' equity</b>	<b>243,626</b>	<b>118</b>	<b>400</b>	<b>(1,670)</b>	<b>(62)</b>	<b>101</b>	<b>51</b>	<b>242,273</b>
<b>Noncontrolling interests</b>	<b>9,517</b>	<b>—</b>	<b>281</b>	<b>—</b>	<b>(31)</b>	<b>183</b>	<b>—</b>	<b>9,599</b>
<b>Total equity</b>	<b>253,143</b>	<b>118</b>	<b>681</b>	<b>(1,670)</b>	<b>(93)</b>	<b>284</b>	<b>51</b>	<b>251,872</b>



## Reconciliation of Consolidated Balance Sheets (Extract)

		As of June 30, 2024							
Amounts as reported under U.S. GAAP	IFRS adjustments							Amounts under IFRSs	
	Investments in debt securities	Investments measured at fair value	Equity method investments	Operating leases	Redeemable preferred shares	Share-Based compensation	Convertible senior notes		
	(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vii))		
(RMB in millions)									
Short-term investments, net	106,821	(55)	—	—	—	—	—	106,766	
Long-term investments, net	46,193	—	447	1,544	—	—	—	48,184	
Long-term time deposits and held-to-maturity investments	72,497	77	—	—	—	—	—	72,574	
Operating lease right-of-use assets	10,919	—	—	—	(71)	—	—	10,848	
Deferred tax assets, net	2,342	—	—	—	(1)	—	51	2,392	
<b>Total assets</b>	<b>415,527</b>	<b>22</b>	<b>447</b>	<b>1,544</b>	<b>(72)</b>	<b>—</b>	<b>51</b>	<b>417,519</b>	
Convertible senior notes, current portion	2,892	—	—	—	—	—	4,456	7,348	
Convertible senior notes, non-current portion	8,408	—	—	—	—	—	(4,481)	3,927	
Redeemable preferred shares	—	—	—	—	—	8,890	—	8,890	
Deferred tax liabilities	2,940	31	(58)	(8)	—	4	—	2,909	
<b>Total liabilities</b>	<b>142,589</b>	<b>31</b>	<b>(58)</b>	<b>(8)</b>	<b>—</b>	<b>8,894</b>	<b>(25)</b>	<b>151,423</b>	
<b>Redeemable noncontrolling interests</b>	<b>10,107</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(10,107)</b>	<b>—</b>	<b>—</b>	
<b>Total Baidu, Inc. shareholders' equity</b>	<b>252,769</b>	<b>(9)</b>	<b>292</b>	<b>1,552</b>	<b>(39)</b>	<b>1,028</b>	<b>51</b>	<b>255,655</b>	
<b>Noncontrolling interests</b>	<b>10,062</b>	<b>—</b>	<b>213</b>	<b>—</b>	<b>(33)</b>	<b>185</b>	<b>—</b>	<b>10,441</b>	
<b>Total equity</b>	<b>262,831</b>	<b>(9)</b>	<b>505</b>	<b>1,552</b>	<b>(72)</b>	<b>1,213</b>	<b>51</b>	<b>266,096</b>	

Notes:

**(i) Investments in debt securities**

Under U.S. GAAP, the classification and measurement of debt securities are based on the entity's investment intent. Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity (HTM) securities and stated at amortized cost less allowance for credit losses. Debt securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and measured at fair value through profit or loss. Debt securities that are not classified as trading or as HTM are classified as available-for-sale (AFS) securities and measured at fair value with unrealized gains and losses recorded in other comprehensive income (loss).

Under IFRSs, the classification and measurement of debt instruments, including debt securities, depends on the instrument's contractual cash flow (CCF) characteristics and the business model under which they are managed. The assessment of the CCF determines whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt securities are measured at amortized cost if they pass the CCF characteristics test and are held with the objective of collecting CCF. Debt securities are measured at fair value through other comprehensive income (loss) if they pass the CCF characteristics test and are held with the objective of both collecting CCF and selling financial assets. Debt securities that are not measured at amortized cost or fair value through other comprehensive income (loss) is measured at fair value through profit or loss. Therefore, adjustments were made to the debt securities that should be classified as fair value through profit or loss because they did not meet CCF under IFRSs.

**(ii) Investments measured at fair value**

Under U.S. GAAP, for equity securities without readily determinable fair value and do not qualify for the net asset value per share practical expedient, the Group elects to use the measurement alternative to measure these investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any.

Available-for-sale debt investments are convertible debt instruments and investments in preferred shares that are currently redeemable at the Group's option. Under U.S. GAAP, these available-for-sale debt investments are measured at fair value. Interest income is recognized in earnings. All other changes in the carrying amount of these debt investments are recognized in other comprehensive income (loss).

Under IFRSs, these investments were classified as financial assets at fair value through profit or loss and measured at fair value with changes in fair value recognized through profit or loss.

**(iii) Equity method investments**

The Group as the investor recorded its share of earnings or losses from its equity method investees in accordance with U.S. GAAP. Under IFRSs, the accounting policies of the equity method investees must be the same as those of the investor. Therefore, adjustments were made to the Group's share of earnings or losses of the investees, from U.S. GAAP to IFRSs, for the IFRS reconciliation.

**(iv) Operating leases**

Under U.S. GAAP, at lease commencement date, the Group classifies a lease as a finance lease or an operating lease. For operating leases, the lease liability is based on the present value of the remaining lease payments using the discount rate determined at lease commencement date, while the right-of-use asset is remeasured at the amount of the lease liability, adjusted for the remaining balance of any lease incentives received cumulative prepaid or accrued rents, unamortized initial direct costs and any impairment. This treatment under US GAAP generally results in expenses being incurred on a straight-line basis over the lease term.

Under IFRSs, all leases are accounted for similar to finance leases under U.S. GAAP where right-of-use assets are generally depreciated on a straight-line basis while lease liabilities are measured under the effective interest method, which results in higher expenses at the beginning of the lease term and lower expenses towards the end of the lease term.

**(v) Redeemable preferred shares**

Under U.S. GAAP, the Group classified the redeemable preferred shares in redeemable noncontrolling interests (mezzanine-equity), in the consolidated balance sheets, initially recorded at fair value, net of issuance costs. The Group elects to use the effective interest method to account for the changes of redemption value over the period from the date of issuance to the earliest redemption date of the preferred shares.

Under IFRSs, these investments were classified as financial liabilities at fair value through profit or loss and measured at fair value with changes in fair value recognized through profit or loss. The amounts of changes in fair value of the redeemable preferred shares that were attributed to changes in credit risk of the redeemable preferred shares were recognized in other comprehensive income (loss).

**(vi) Share-based compensation**

Under U.S. GAAP, the Group elects to recognize share-based compensation using the straight-line method for all share-based awards issued with no performance obligations. Under U.S. GAAP, the Group elects to determine the total fair value of the share options by estimating the value of the option subject to graded vesting as a single award using an average expected life.

Under IFRSs, the accelerated method is required to recognize compensation expense for all employee equity awards granted with graded vesting. Under IFRSs, the total fair value of the share options is required to be determined by estimating the value of each vesting tranche separately using a separate expected life.

**(vii) Convertible senior notes**

Under U.S. GAAP, the convertible debts are measured at amortized cost, with any difference between the initial carrying value and the repayment amount recognized as interest expenses using the effective interest method over the period from the issuance date to the maturity date.

Under IFRSs, the convertible debts were designated as at fair value through profit or loss. The convertible debts were initially recognized at their fair value. Subsequent to initial recognition, changes in fair value of the convertible debts were generally recognized in the profit or loss, except for the portion of change in fair value attributable to changes in credit risk of the convertible debts, which is recognized in other comprehensive income (loss).

Under U.S. GAAP, the classification of the convertible debts as current or non-current is not affected by the holder's option to convert the convertible debts into an equity instrument. Under the amendments to IAS 1 in 2024, the convertible debts are classified as current if the holder has an option to convert the host liability into the Group's own equity instruments at any time before maturity, as the Group does not have the right to defer settlement for at least twelve months from the reporting date. The Group applied the amendments retrospectively as required by the amendments to IAS 1.