



Baidu Enters into Definitive Agreements to Raise Financing for its Smart Living Business

September 30, 2020

BEIJING, Sept. 29, 2020 /PRNewswire/ -- Baidu, Inc. (NASDAQ: BIDU) ("Baidu" or the "Company"), a leading search engine, knowledge and information centered Internet platform and AI company, today announced that its Smart Living Group ("SLG") has entered into definitive agreements with CPE, Baidu Capital and IDG Capital for Series A financing at a post-money valuation of approximately RMB 20 billion, or \$2.9 billion, ("Transaction"). SLG operates DuerOS voice assistant and DuerOS-powered smart devices.

The Transaction is subject to certain closing conditions and is expected to be completed in the fourth quarter of 2020. Upon the completion of the Transaction, Baidu will hold super voting rights in SLG and is expected to continue to consolidate the financial results of SLG, as a majority shareholder.

"We are pleased to see the rapid growth of SLG since inception in 2017, to become a leading player in China (and globally) in the fast growing voice assistant and smart devices market by leveraging Baidu's AI capabilities," said Robin Li, Chairman and CEO of Baidu. "This transaction marks another milestone for Baidu to incubate new businesses with its leading technologies and strong synergies from Baidu Core, to capture large market opportunities."

About Baidu

Baidu, Inc. is a leading search engine, knowledge and information centered Internet platform and AI company. The Company's mission is to make a complicated world simpler through technology. Baidu's ADSs trade on the NASDAQ Global Select Market under the symbol "BIDU". Currently, ten ADSs represent one Class A ordinary share.

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. Baidu may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, 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. 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.

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