UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ROSEWOOD FUNERAL HOME INC., Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. BAIDU, INC., ROBIN YANHONG LI, and HAIJIAN HE, Defendants.	Case No. **CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS** **DEMAND FOR JURY TRIAL**

Plaintiff Rosewood Funeral Home Inc. ("Plaintiff"), individually and on behalf of all others similarly situated, by and through its attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, its counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Baidu, Inc. ("Baidu" or the "Company") with the United States ("U.S.") Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued by and disseminated by Baidu; and (c) review of other publicly available information concerning Baidu.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Baidu securities, including call options, between November 18, 2025 and August 17, 2026, inclusive (the "Class Period"). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the "Exchange Act").

2. Baidu is a Chinese technology company which operates the most popular internet search engine in China. Online Marketing Services is Baidu's core legacy business, which represented approximately 53.1% of total revenues for the third quarter of 2025. However, Online Marketing Services revenue for the third quarter of 2025 fell 17.6% compared to the third quarter of 2024. Despite this, Baidu assured investors that its new Core AI-powered Business growth had, and would continue to, meaningfully mitigate Baidu's Online Marketing Services decline.

3. However, on February 26, 2026, before the market opened, the Company reported fourth quarter and full year 2025 financial results, revealing that total revenue fell more than 4% year over year for the fourth quarter to RMB32.74 billion (or $4.68 billion) and fell more than 3% year over year for the full year to RMB129.079 billion (or $18.458 billion). However, Baidu

management assured investors its "AI-Powered Business"[1] grew 48% year over year to RMB40 billion for fiscal year 2025, mitigating this transition.

4. On this news, the price of Baidu American Depositary Shares ("ADS") fell $7.50 per share or 5.65%, to close at $125.15 per share on February 26, 2026, on unusually heavy trading volume.

5. Then, on August 18, 2026, before the market opened, the Company reported second quarter 2026 financial results, revealing that Baidu General Business revenue fell 4% year over year to RMB25.2 billion (or $3.71 billion), with Legacy Business revenue falling 23% year over year to RMB10.4 billion and total ***Online Marketing Services revenue falling 19% year over year to RMB13.1 billion***. Critically, the ***Baidu Core AI-powered business fell 8% quarter over quarter*** to RMB12.5 billion (or $1.86 billion), its year-over-year growth having decelerated from 49% in the first quarter of 2026 to 25%, and its largest component, AI Cloud Infra, having fallen 17% quarter over quarter from RMB8.8 billion to RMB7.3 billion.

6. On this news, the price of Baidu ADS fell $13.25 per share, or 12.73%, to close at $90.87 on August 18, 2026, on unusually heavy trading volume.

7. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had overstated the ability of its AI business to mitigate rapid declines in its legacy online marketing business; (2) that, as a result, the Company's revenue was reasonably likely to decline;

[1] Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

8. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

13. Plaintiff Rosewood Funeral Home Inc., as set forth in the accompanying certification, incorporated by reference herein, purchased Baidu securities during the Class Period,

and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant Baidu is incorporated under the laws of the Cayman Islands with its principal executive offices located in Beijing, the People's Republic of China. Baidu's American Depositary Shares trade on the NASDAQ Stock Market under the symbol "BIDU," with each ADS representing eight Class A ordinary shares.

15. Defendant Robin Yanhong Li ("Li") was the Company's Chief Executive Officer ("CEO") at all relevant times.

16. Defendant Haijian He ("He") was the Company's Chief Financial Officer ("CFO") at all relevant times.

17. Defendants Li and He (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Background

18. Baidu is a Chinese technology company which operates the most popular internet search engine in China. Online Marketing Services are Baidu's core legacy business. As reported on a consolidated basis in the Company's condensed consolidated statements of income, Online Marketing Services revenue represented approximately 53.1% of total revenues for the third quarter of 2025—RMB16.566 billion out of RMB31.174 billion in total revenues—and fell 17.6% compared to the third quarter of 2024, when it was RMB20.108 billion. At the Baidu Core segment level, online marketing revenue for the third quarter of 2025 was RMB15.3 billion, a decline of 18% year over year. Despite this, Baidu assured investors that its new Core AI-powered Business growth had, and would continue to, meaningfully mitigate Baidu's Online Marketing Services decline.

Materially False and Misleading Statements Issued During the Class Period

19. The Class Period begins on November 18, 2025. On that date, Baidu announced its financial results for the third quarter ended September 30, 2025. The press release touted the Company's alleged financial results, and further purported to tout the manner in which legacy revenue declines were being meaningfully mitigated by its AI business. Specifically the press release stated as follows, in relevant part:

> "In the third quarter, ***we demonstrated AI's transformative value across our portfolio.*** AI Cloud maintained solid growth momentum, driven by broadening enterprise adoption of our AI products and solutions. Apollo Go significantly accelerated the scaling of its fully driverless operations and kept advancing global expansion, including entry into Switzerland, all while maintaining industry-leading safety standards. In our Mobile Ecosystem, AI-native monetization products such as agents and digital humans delivered rapid revenue growth, showing strong long-term potential," said Robin Li, Co-founder and CEO of Baidu. "We will continue

> pioneering AI innovations that create substantial value for users, enterprises, and society, cementing our leadership in the AI era."
>
> "***AI Cloud achieved healthy expansion in the third quarter, cushioning the impact from softness in our online marketing business,***" said Haijian He, CFO of Baidu. "Our strategic AI investments are yielding strong returns. Revenue from AI-powered businesses grew over 50% year-over-year to roughly RMB 10 billion in the third quarter of 2025, ***laying a solid foundation for sustainable long-term growth.***"
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> * * *
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> **Third Quarter 2025 Financial Results**
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> Total revenues were RMB31.2 billion ($4.38 billion), decreasing 7% year over year.
>
> Revenue from Baidu Core was RMB24.7 billion ($3.46 billion), decreasing 7% year over year; online marketing revenue was RMB15.3 billion ($2.16 billion), decreasing 18% year over year, and non-online marketing revenue was RMB9.3 billion ($1.31 billion), up 21% year over year, primarily driven by the boost of AI Cloud business.

20. The above statements identified in ¶ 19 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had overstated the ability of its AI business to mitigate rapid declines in its legacy online marketing business; (2) that, as a result, the Company's revenue was reasonably likely to decline; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

21. The truth began to partially emerge on February 26, 2026, before the market opened, when the Company reported fourth quarter and full year 2025 financial results, revealing that total revenue fell more than 4% year over year for the fourth quarter to RMB32.74 billion (or $4.68 billion) and fell more than 3% year over year for the full year to RMB129.079 billion (or

$18.458 billion). Specifically the Company issued a press release which stated as follows, in relevant part:

> "2025 marked a pivotal year as ***AI became the new core of Baidu***. AI Cloud Infra gained strong momentum, with our differentiated full-stack end-to-end AI capabilities earning growing enterprise recognition. Our portfolio of AI applications continued to scale, addressing diverse needs across enterprises and individuals. Apollo Go further reinforced its global leadership, operating at industry-leading scales while accelerating international expansion into new markets. Meanwhile, AI-native Marketing Services continued to grow, unlocking new possibilities for the long term," said Robin Li, Co-founder and CEO of Baidu. "As our AI-first strategy takes clear shape, we're confident in our ability to create lasting value in the AI era."
>
> "We delivered several key achievements this quarter. First, revenue from Baidu Core AI-powered Business exceeded RMB 11 billion in Q4, accounting for 43% of Baidu General Business revenue. Second, total revenue of Baidu General Business grew 6% sequentially and Non-GAAP operating income of Baidu General Business increased 28% quarter over quarter to RMB 2.8 billion. Third, operating cash flow for Baidu turned positive in the second half of 2025, generating RMB 3.9 billion combined, compared to negative cash flow in the first half. Fourth, the Kunlunxin spin-off and separate listing is progressing, which we believe will unlock significant value for shareholders. Finally, we announced a new share repurchase program with up to US$5 billion authorization and introduced our first-ever dividend policy, with the first payment potentially to be made by year-end 2026." said Haijian He, CFO of Baidu.

* * *

	Q3	Q4	FY	FY	
(In billions)	2025	2025	2024	2025	YoY
	RMB	RMB	RMB	RMB	
Baidu Core AI-powered Business	9.6	11.3	27.0	40.0	48 %
- AI Cloud Infra	4.2	5.8	14.8	19.8	34 %
- AI Applications	2.6	2.7	9.8	10.2	5 %
- AI-native Marketing Services	2.8	2.7	2.4	9.8	301 %
% of Baidu General Business	39 %	43 %	26 %	39 %	

* * *

Fourth Quarter 2025 Financial Results for Baidu

Total revenues were RMB32.7 billion ($4.68 billion), increasing 5% quarter over quarter, primarily due to an increase in Baidu Core AI-powered Business.

* * *

Fiscal Year 2025 Results for Baidu

Total revenues were RMB129.1 billion ($18.46 billion), decreasing 3% year over year, primarily due to a decrease in Legacy Business, partially offset by an increase in Baidu Core AI-powered Business.

* * *

Starting this quarter, we redefined Baidu Core as Baidu General Business. Baidu General Business includes Baidu Core AI-powered Business, Legacy Business, and Others. Legacy Business mainly consists of traditional advertising services across Search, Feed and other properties. Fourth quarter 2025 revenues from Baidu Core AI-powered Business, Legacy Business, and Others were RMB 11.3 billion, RMB 12.3 billion, and RMB 2.5 billion, respectively, derived from the Company's internal management accounts and records, which have not been audited.

22. On this news, the price of Baidu ADS fell $7.50 per share or 5.65%, to close at $125.15 per share on February 26, 2026, on unusually heavy trading volume.

23. On March 17, 2026, the Company filed its annual report for the fiscal year ended December 31, 2025 on Form 20-F with the SEC (the "FY25 20-F"). The FY25 20-F affirmed the previously reported financial results and further purported to report the Company's online marketing services revenue. Specifically, the FY25 20-F stated as follows, in relevant part:

	For the year ended December 31, 2025							
	Baidu General Business		iQIYI		Intersegment eliminations		Consolidated	
	RMB	US$	RMB	US$	RMB	US$	RMB	US$
	(In millions)							
Revenue	**102,485**	**14,655**	**27,290**	**3,902**	**(696)**	**(99)**	**129,079**	**18,458**
Costs and expenses:								
Cost of revenue	51,498	7,364	21,541	3,080	(603)	(86)	72,436	10,358
Selling, general and administrative	22,071	3,156	3,857	552	(85)	(12)	25,843	3,696
Research and development	18,770	2,684	1,663	238	—	—	20,433	2,922
Impairment of long-lived assets	16,190	2,315	—	—	—	—	16,190	2,315
Total costs and expenses	**108,529**	**15,519**	**27,061**	**3,870**	**(688)**	**(98)**	**134,902**	**19,291**
Operating income (loss)	**(6,044)**	**(864)**	**229**	**32**	**(8)**	**(1)**	**(5,823)**	**(833)**
Total other income (loss), net	12,828	1,834	(289)	(41)	—	—	12,539	1,793
Income (loss) before income taxes	**6,784**	**970**	**(60)**	**(9)**	**(8)**	**(1)**	**6,716**	**960**
Income tax expense	1,115	159	144	21	—	—	1,259	180
Net income (loss)	**5,669**	**811**	**(204)**	**(30)**	**(8)**	**(1)**	**5,457**	**780**
Less: net income (loss) attributable to noncontrolling interests	(22)	(3)	3	—	(113)	(16)	(132)	(19)
Net income (loss) attributable to Baidu, Inc.	**5,691**	**814**	**(207)**	**(30)**	**105**	**15**	**5,589**	**799**

The following table presents the Group's revenue disaggregated by types of products or services:

	For the years ended December 31,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US$
		(In millions)		
Online marketing services	81,203	78,563	67,837	9,701
Others [1]	53,395	54,562	61,242	8,757
Revenue	**134,598**	**133,125**	**129,079**	**18,458**

24. The FY25 20-F further purported to warn of risks which "***could***" or "***may***" negatively impact the Company, including those related to its online marketing services, including as follows in relevant part:

> ***If we fail to retain existing customers or attract new customers for our online marketing services, our business, results of operations and growth prospects could be seriously harmed.***
>
> Our online marketing customers will not continue to do business with us if their investment does not generate sales leads and ultimately consumers, or if we do not deliver their web pages in an appropriate and effective manner. Our online marketing customers may choose to discontinue their business with us, which are not subject to fixed-term contracts. In addition, third parties may develop and use certain technologies to block the display of our customers' advertisements and other marketing products on our Baidu platform, which may in turn cause us to lose customers and adversely affect our results of operations. Furthermore, as our P4P services enable our customers to bid for priority placement of their paid sponsored links, we may lose customers if they find the bidding mechanism not cost effective or otherwise not attractive. Additionally, if our users do not increase their engagement on our platform, or our content ecosystem fails to offer rich and quality content that meets users' tastes and preferences, or our users spend more time with or otherwise satisfy their content consumption demands on competing platforms, or we otherwise experience user traffic decline due to any reason, it would be

difficult for us to attract new customers or retain existing customers. If our customers determine that their expenditures on our platform do not generate the returns they expect, they may allocate a greater portion or all of their advertising budgets to other advertising channels, such as other online marketing platforms, television and outdoor media, and reduce or discontinue business with us. Since most of our customers are not bound by long-term contracts, they may amend or terminate their advertising arrangements with us with little advance notice under certain circumstances. Failure to retain our existing customers or attract new customers for our online marketing services could seriously harm our business, results of operations and future prospects. We have recorded substantial customer deposits and deferred revenue received from certain customers of our online marketing services. If we are unable to fulfill our obligation in respect of such customer deposits and deferred revenue, we may have to refund the balance to our customers and our cash flow and liquidity position would be materially adversely affected.

25. The FY25 20-F further stated the following regarding the Company's "Growth Initiatives" and Baidu's "Core AI-powered Business" as follows in relevant part:

Baidu Core AI-powered Business

We introduced an AI-native view that cuts across our traditional business groups to provide greater visibility into Baidu's AI portfolio and the key drivers within our current product offerings. This AI-native view highlights a broad range of AI-powered assets across our company.

The categories presented below represent selected ***Baidu Core AI-powered Business with meaningful revenue contribution in 2025:***

• AI Cloud Infrastructure. This comprises AI infrastructure and platform services within AI Cloud that serve enterprises and the public sector. Our AI accelerator infrastructure enables highly efficient and cost-effective training and inference across diverse enterprise workloads.

• AI Applications. This comprises AI-native or AI-powered product offerings addressing specific use cases for individuals and enterprises, such as our flagship software products, Baidu Wenku, Baidu Drive, and Digital Employee. Most of Baidu's AI applications are based on sticky subscription models, delivering high-quality revenue.

• AI-native Marketing Services. This comprises AI-native online marketing products and services, including agents and digital humans. AI-native Marketing Services gains strong traction with customers seeking performance-driven AI-native solutions and willing to pay a premium for cutting-edge AI technologies that enhance productivity and marketing returns.

26. The FY25 20-F alleged the Company is "***not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2025 that are reasonably likely to have a material and adverse effect on our total revenue***." Specifically the FY25 20-F stated as follows, in relevant part:

> **Trend Information**
>
> Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2025 that are reasonably likely to have a material and adverse effect on our total revenue, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

27. On May 18, 2026, the Company announced its financial results for the first quarter ended March 31, 2026. The press release touted the manner in which legacy revenue declines were being meaningfully mitigated by AI offerings. Although the Company disclosed in that release that Online Marketing Services revenue had fallen 22% year over year and 17% quarter over quarter to RMB12.6 billion, Defendants simultaneously represented that the Baidu Core AI-powered Business had grown 49% year over year and had for the first time exceeded half of Baidu General Business revenue, thereby reaffirming to the market that the AI transition was offsetting the legacy decline. Specifically the press release stated as follows, in relevant part:

> "In Q1, our Core AI-powered Business exceeded half of Baidu General Business revenue for the first time, marking a clear signal that ***AI has become the core driver of Baidu.*** AI Cloud Infra delivered exceptional momentum, powered by surging enterprise demand and the differentiated full-stack AI capabilities we have built over the years. Our AI Applications continued to gain traction across enterprises and individuals alike, further validating the commercial potential of our AI innovations. Meanwhile, Apollo Go sustained triple-digit growth in fully driverless rides while advancing its international expansion," said Robin Li, Co-founder and CEO of Baidu. ***"We see AI driving even greater value for Baidu in the quarters ahead."***
>
> "A few highlights from Q1: Revenue from Baidu Core AI-powered Business exceeded RMB 13.6 billion, up 49% year over year. Total revenue of Baidu General Business grew 2% year over year, returning to positive growth. Non-GAAP

operating income of Baidu General Business increased 39% quarter over quarter to RMB 4.0 billion. Operating cash flow for Baidu remained positive at RMB 2.7 billion in Q1, reflecting continued improvement in our operating efficiency and overall business health." said Haijian He, CFO of Baidu.

* * *

	Q1	Q4	Q1		
(In billions, unaudited)	2025	2025	2026	YoY	QoQ
	RMB	RMB	RMB		
Online Marketing Services	16.0	15.1	12.6	(22 %)	(17 %)
Online Marketing Services % of Baidu General Business	63 %	58 %	48 %		
Others	9.5	11.0	13.4	42 %	23 %
Others % of Baidu General Business	37 %	42 %	52 %		
Baidu General Business	25.5	26.1	26.0	2 %	0 %

Revenue was RMB32.1 billion ($4.65 billion), decreasing 2% quarter over quarter. Revenue from Baidu General Business was RMB26.0 billion ($3.77 billion), remaining flat quarter over quarter, among which the increase in others was primarily driven by the growth of AI Cloud business. Revenue from iQIYI was RMB6.2 billion ($903 million), decreasing 8% quarter over quarter.

28. The above statements identified in ¶¶ 21, 23-27 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that the Company had overstated the ability of its AI business to mitigate rapid declines in its legacy online marketing business; (2) that, as a result, the Company's revenue was reasonably likely to decline; and (3) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

<u>Disclosures at the End of the Class Period</u>

29. Then, on August 18, 2026, before the market opened, the Company reported second quarter 2026 financial results, revealing that Baidu General Business revenue fell 4% year over year to RMB25.2 billion (or $3.71 billion), with Legacy Business revenue falling 23% year over year to RMB10.4 billion and total ***Online Marketing Services revenue falling 19% year over year to RMB13.1 billion***. Critically, the ***Baidu Core AI-powered business fell 8% quarter over quarter*** to RMB12.5 billion (or $1.86 billion), its year-over-year growth having decelerated from 49% in the first quarter of 2026 to 25%, and its largest component, AI Cloud Infra, having fallen 17% quarter over quarter from RMB8.8 billion to RMB7.3 billion. Specifically, on that date, the Company issued a press release which stated as follows, in relevant part:

Baidu General Business

	Q2	Q1	Q2		
(In billions)	2025	2026	2026	YoY	QoQ
	RMB	RMB	RMB		
Baidu Core AI-powered Business[2]	10.0	13.6	12.5	25 %	(8 %)
- AI Cloud Infra	4.9	8.8	7.3	50 %	(17 %)
- AI Applications	2.5	2.5	2.5	3 %	3 %
- AI-native Marketing Services	2.6	2.3	2.6	0 %	11 %
% of Baidu General Business	38 %	52 %	50 %		
Legacy Business[2]	13.6	10.2	10.4	(23 %)	3 %
Others[2]	2.7	2.2	2.3	(15 %)	2 %
Baidu General Business	26.3	26.0	25.2	(4 %)	(3 %)

* * *

	Q2	Q1	Q2		
(In billions, unaudited)	2025	2026	2026	YoY	QoQ
	RMB	RMB	RMB		
Online Marketing Services	16.2	12.6	13.1	(19 %)	4 %
Online Marketing Services % of Baidu General Business	62 %	48 %	52 %		
Others	10.0	13.4	12.1	21 %	(10 %)
Others % of Baidu General Business	38 %	52 %	48 %		
Baidu General Business	26.3	26.0	25.2	(4 %)	(3 %)

> Revenue was RMB31.3 billion ($4.62 billion), decreasing 2% quarter over quarter and 4% year over year. Revenue from Baidu General Business was RMB25.2 billion ($3.71 billion), decreasing 3% quarter over quarter and 4% year over year. Revenue from iQIYI was RMB6.3 billion ($927 million), increasing 1% quarter over quarter and decreasing 5% year over year.

30. On this news, the price of Baidu ADS fell $13.25 per share, or 12.73%, to close at $90.87 on August 18, 2026, on unusually heavy trading volume.

CLASS ACTION ALLEGATIONS

31. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Baidu securities between November 18, 2025 and August 17, 2026, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

32. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Baidu's shares actively traded on the NASDAQ.

While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Baidu shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Baidu or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

33. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

34. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

35. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Baidu; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

36. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

37. The market for Baidu's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Baidu's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Baidu's securities relying upon the integrity of the market price of the Company's securities and market information relating to Baidu, and have been damaged thereby.

38. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Baidu's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Baidu's business, operations, and prospects as alleged herein.

39. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Baidu's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment

of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

LOSS CAUSATION

40. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

41. During the Class Period, Plaintiff and the Class purchased Baidu's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER ALLEGATIONS

42. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Baidu, their control over, and/or receipt and/or modification of Baidu's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Baidu, participated in the fraudulent scheme alleged herein.

APPLICABILITY OF PRESUMPTION OF RELIANCE

(FRAUD-ON-THE-MARKET DOCTRINE)

43. The market for Baidu's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Baidu's securities traded at artificially inflated prices during the Class Period. On January 22, 2026, the Company's share price closed at a Class Period high of $162.52 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Baidu's securities and market information relating to Baidu, and have been damaged thereby.

44. During the Class Period, the artificial inflation of Baidu's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Baidu's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Baidu and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

45. At all relevant times, the market for Baidu's securities was an efficient market for the following reasons, among others:

(a) Baidu shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Baidu filed periodic public reports with the SEC and/or the NASDAQ;

(c) Baidu regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Baidu was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

46. As a result of the foregoing, the market for Baidu's securities promptly digested current information regarding Baidu from all publicly available sources and reflected such information in Baidu's share price. Under these circumstances, all purchasers of Baidu's securities during the Class Period suffered similar injury through their purchase of Baidu's securities at artificially inflated prices and a presumption of reliance applies.

47. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the

importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

NO SAFE HARBOR

48. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Baidu who knew that the statement was false when made.

FIRST CLAIM

Violation of Section 10(b) of The Exchange Act and

Rule 10b-5 Promulgated Thereunder

Against All Defendants

49. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

50. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing

public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Baidu's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

51. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Baidu's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

52. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Baidu's financial well-being and prospects, as specified herein.

53. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Baidu's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Baidu and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly

herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

54. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

55. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Baidu's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain

such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

56. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Baidu's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Baidu's securities during the Class Period at artificially high prices and were damaged thereby.

57. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Baidu was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Baidu securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

58. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

59. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM

Violation of Section 20(a) of The Exchange Act

Against the Individual Defendants

60. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

61. Individual Defendants acted as controlling persons of Baidu within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

62. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

63. As set forth above, Baidu and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members

of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.