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INSPUR INTERNATIONAL LIMITED

浪潮國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8141)

SUBSCRIPTION FOR NEW SHARES AND RESUMPTION OF TRADING

On 24 September 2007, the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 50,000,000 Subscription Shares at a Subscription Price of HK\$0.94 per Subscription Share. The Subscription Agreements are not conditional upon each other.

The Subscription Price represents (i) the closing price of HK\$0.94 per Share as quoted on GEM on 21 September 2007, being the last trading day immediately prior to the date of the Subscription Agreements; and (ii) a premium of approximately 11.4% over the average of the closing prices of HK\$0.844 per Share as quoted on GEM for the last five consecutive trading days up to and including 21 September 2007.

The Subscription Shares in total represent (i) approximately 9.7% of the issued share capital of the Company as at the date of the Subscription Agreements; and (ii) approximately 8.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The net proceeds derived from the Subscription of about HK\$46.5 million will be applied for general working capital of the Group.

At the request of the Company, trading in the Shares on GEM has been suspended with effect from 10:02 a.m. on 24 September 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 25 September 2007.

SUBSCRIPTION AGREEMENTS

On 24 September 2007, the Company entered into the Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 50,000,000 Subscription Shares at a Subscription Price of HK\$0.94 per Subscription Share. The Subscription Agreements are not conditional upon each other.

The Subscribers

There are six subscribers, five of them are private individual investors and one of them is private corporate investor. The Subscribers and their respective ultimate beneficial owner(s) (if applicable), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons.

Number of Subscription Shares

The Subscription Shares represent:

- (i) approximately 9.7% of the issued share capital of the Company as at the date of the Subscription Agreements; and
- (ii) approximately 8.9% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Based on the closing price of HK\$ HK\$0.94 per Share as quoted on GEM on 21 September 2007, being the last trading day immediately prior to the date of the Subscription Agreements, the market value of the Subscription Shares is HK\$47 million.

Subscription Price

The Subscription Price of HK\$0.94 per Subscription Share represents:

- (i) the closing price of the Share as quoted on GEM on 21 September 2007, being the last trading day immediately prior to the date of the Subscription Agreements; and
- (ii) a premium of approximately 11.4% over the average of the closing prices of HK\$0.844 per Share as quoted on GEM for the last five consecutive trading days up to and including 21 September 2007.

The Subscription Price, after deduction of the relevant expenses, is approximately HK\$0.93 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the closing prices as shown above. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

Rights

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the general mandate to allot, issue and deal with unissued Shares granted to the Directors at the annual general meeting of the Company held on 26 April 2007 pursuant to which up to 102,860,000 Shares may be issued. Immediately before the entering into the Subscription Agreements, such general mandate has not been utilised.

Conditions of the Subscription

The Subscription is conditional upon (i) the GEM Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares; and (ii) all necessary consents and approval in respect of the Subscription having been obtained by the Company.

In the event that the conditions of the Subscription are not fulfilled on or before 15 October 2007 (or such later date as may be agreed between the Company and the Subscribers), the Subscription Agreements shall cease and terminate and neither the Company nor the Subscribers shall have any obligations and liabilities under the Subscription Agreements.

Completion of the Subscription

Completion of the Subscription will take place on the third business day after the conditions of the Subscription have been fulfilled (or such other date as may be agreed between the Company and the Subscribers).

Application for listing

Application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION

The Company is an investment holding company and its subsidiaries are principally engaged in the distribution, sourcing and reselling of information technology products in Hong Kong, the PRC and other overseas markets. The Group also provides information technology advisory services to complement the Group's distribution business.

The Board considers that the Subscription represents an opportunity to raise capital for the Group while broadening its shareholder and capital base. By entering into the Subscription Agreements, the Group raises further capital to strengthen its financial position. The net proceeds derived from the Subscription of about HK\$46.5 million will be applied for general working capital of the Group as to approximately HK\$17 million for the repayment of outstanding payables and as to the remaining for the purchase of inventory such as computer spare parts.

No fund raising exercise has been carried out for the past 12 months immediately prior to the date of this announcement.

CHANGE OF THE SHAREHOLDING STRUCTURE

The change of the shareholding structure of the Company as a result of the Subscription is as follows:

Shareholders	At the date of this announcement	Immediately after completion of Subscription
Inspur Electronics (HK) Limited	270,000,000 Shares (52.5%)	270,000,000 Shares (47.85%)
Wang Miao, an executive Director	15,000,000 Shares (2.92%)	15,000,000 Shares (2.66%)
Wang Hung, Alex, a non-executive Director	15,000,000 Shares (2.92%)	15,000,000 Shares (2.66%)
<u>Public Shareholders</u>		
Subscribers	—	50,000,000 Shares (8.86%)
Other public Shareholders	214,300,000 Shares (41.66%)	214,300,000 Shares (37.97%)
Total	514,300,000 Shares (100%)	564,300,000 Shares (100%)

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on GEM has been suspended with effect from 10.02 a.m. on 24 September 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 a.m. on 25 September 2007.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Company”	Inspur International Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to this term under Chapters 1 and 20 of the GEM Listing Rules
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, and for the purposes for this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	five private individual investors and one private corporate investor who, including their respective ultimate beneficial owners (if applicable), are independent of and not connected with the Company and its connected persons
“Subscription”	the subscription for the Subscription Shares by the Subscribers pursuant to the Subscription Agreements

“Subscription Agreements”	six subscription agreements all dated 24 September 2007 and entered into between the Company and the Subscribers in respect of the Subscription
“Subscription Price”	the Subscription Price of HK\$0.94 per Subscription Share under the Subscription
“Subscription Shares”	an aggregate of 50,000,000 new Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the board of directors of
Inspur International Limited
Sun Pishu
Chairman

Hong Kong, 24 September 2007

** For identification purpose only*

As at the date of this announcement, the Board comprised Mr. Sun Pishu, Mr. Zhang Lei, Mr. Wang Miao and Mr. Leung Chi Ho as executive Directors, Mr. Xin Wei Hua, Mr. Wang Hung, Alex, Mr. Marc Evan Brown and Mr. William James Fass as non-executive Directors, and Mr. Meng Xiang Xu, Mr. Liu Ping Yuan and Mr. Wong Lit Chor, Alexis as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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