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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Inspur International Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE BY  
THE COMPANY OF ITS OWN SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED REFRESHMENT OF  
SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at Hong Kong International Trade & Exhibition Centre, Meeting Room 6, 7th Floor, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 28 April 2008 at 10:30 a.m. is set out on pages 19 to 23 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk).

Whether or not you intend to attend the annual general meeting, you are requested to complete the accompanying form of proxy and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting (or any adjourned meeting) if you so wish.

*This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

\* For identification purposes only

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on gem, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the re-election of Directors and the Proposed Refreshment
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Company”	Inspur International Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Directors”	the directors of the Company
“Eligible Person”	<p>any person belonging to any of the following classes of participants:</p> <ul style="list-style-type: none"><li>(a) any employee (whether full time or part time employee, including any executive directors) of the Company, any of its subsidiaries and any entity in which the Group holds any equity interest (the “Invested Entity”);</li><li>(b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;</li><li>(c) any supplier of goods or services to any member of the Group or any Invested Entity;</li><li>(d) any customer of the Group or any Invested Entity;</li><li>(e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and</li><li>(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity</li></ul>

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## DEFINITIONS

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“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of such resolution
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 March 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company pursuant to the written resolutions passed by all the Shareholders on 8 April 2004
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company at the date of the passing of such resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Share Option Scheme”	the share option scheme conditionally adopted by the Company pursuant to the written resolutions passed by all the Shareholders on 8 April 2004

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Subdivision”	the subdivision of every share of the Company of HK\$0.01 each to five Shares of HK\$0.002 each as approved by ordinary resolution passed by the Shareholders on 14 December 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Sun Pishu  
Mr. Zhang Lei  
Mr. Wang Miao  
Mr. Leung Chi Ho

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Non-executive Directors:*

Mr. Xin Wei Hua  
Mr. Wang Hung, Alex  
Mr. William James Fass

*Head office and principal place of  
business in Hong Kong:*

Room 726  
Nan Fung Commercial Centre  
19 Lam Lok Street  
Kowloon Bay  
Kowloon  
Hong Kong

*Independent non-executive Directors:*

Mr. Meng Xiang Xu  
Mr. Liu Ping Yuan  
Mr. Wong Lit Chor, Alexis

31 March 2008

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO  
ISSUE NEW SHARES AND REPURCHASE BY  
THE COMPANY OF ITS OWN SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED REFRESHMENT OF  
SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the AGM to be held at Hong Kong International Trade & Exhibition Centre, Meeting Room 6, 7th Floor, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 28 April 2008 at 10:30 a.m., resolutions will be proposed, among other matters:

- (a) to re-elect the Directors;

\* For identification purposes only

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## LETTER FROM THE BOARD

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- (b) to grant the General Mandate to the Directors;
- (c) to grant the Repurchase Mandate to the Directors;
- (d) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate; and
- (e) to approve the Proposed Refreshment.

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the re-election of the Directors and the Proposed Refreshment, and to give you the notice of the AGM.

### GENERAL MANDATE AND REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the GEM Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the GEM Listing Rules to be included in this circular is set out in Appendix I to this circular.

### General Mandate

The Company has in issue an aggregate of 3,030,500,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 606,100,000 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.



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## LETTER FROM THE BOARD

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The Directors have no immediate plans to issue any new Shares other than those Shares which may fall to be issued under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

### **Repurchase Mandate**

On pages 19 to 23 of this circular is the notice of the AGM. At the AGM, and as part of the special business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

### **CLOSURE OF REGISTER OF MEMBERS**

**In order to ascertain the entitlements to attend the AGM, the register of members of the Company will be closed from 24 April 2008 and 28 April 2008 (both dates inclusive) during which period no transfer of Shares will be registered.**

**Shareholders are reminded that in order to attend the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 23 April 2008.**

### **RE-ELECTION OF DIRECTORS**

Pursuant to Article 87(1), one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

In accordance with Article 87(1), Mr. Wang Miao, Mr. Leung Chi Ho, Mr. Xin Wei Hua and Mr. Liu Ping Yuan shall retire from their offices as Directors. Being eligible, each of Mr. Wang Miao and Mr. Leung Chi Ho will offer himself for re-election as executive Director, Mr. Xin Wei Hua will offer himself for re-election as non-executive Director and Mr. Liu Ping Yuan will offer himself for re-election as independent non-executive Director.

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## LETTER FROM THE BOARD

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At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Wang Miao and Mr. Leung Chi Ho as executive Director, Mr. Xin Wei Hua as non-executive Director and Mr. Liu Ping Yuan as independent non-executive Director.

Particulars relating to Mr. Wang Miao, Mr. Leung Chi Ho, Mr. Xin Wei Hua and Mr. Liu Ping Yuan are set out in Appendix II to this circular.

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT**

The Company conditionally adopted the Share Option Scheme pursuant to the written resolutions passed by all the Shareholders on 8 April 2004. Under the Share Option Scheme, the original number of Shares which may be issued upon the exercise of all Options granted or to be granted was 400,000,000 Shares, representing 10% of the issued share capital as at the date of adoption of the Share Option Scheme and the maximum number of Shares that might be issued upon the exercise of all Options under the Share Option Scheme As at the Latest Practicable Date, 4,200,000 options granted pursuant to the Share Options Scheme originally adopted remain outstanding.

Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the aforesaid Shareholders' approval.

Pursuant to the ordinary resolutions passed by the Shareholders on 26 June 2006, the Scheme Mandate Limit was refreshed so that the total number of Shares which may fall to be issued upon exercise of all Options to be granted under the Share Option Scheme shall not exceed 51,430,000 Shares, being 10% of the issued share capital of the Company as at 26 June 2006. As at the Latest Practicable Date, 51,430,000 Options under the Share Option Scheme as refreshed on 26 June 2006 were granted to certain employees of the Company, and all of which remain outstanding.

Besides the Share Option Scheme, the Company has adopted the Pre-IPO Share Option Scheme pursuant to the written resolutions passed by all the Shareholders on 8 April 2004. As at the Latest Practicable Date, all the 40,000,000 options under the Pre-IPO Share Option Scheme were granted of which 9,200,000 options had been exercised, 6,800,000 options had been cancelled and 24,000,000 options remain outstanding.

Following the Share Subdivision, adjustment has been made to the Options granted under the Share Option Scheme and the Pre-IPO Share Option Scheme pursuant to which each Option granted would entitle holder of which to subscribe for five Shares. As at the Latest Practicable Date, there is an aggregate of 79,630,000 Options remaining outstanding under the Share Option Scheme and the Pre-IPO Share Option Scheme and upon exercise of all these outstanding Options 398,150,000 Shares would fall to be issued.

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## LETTER FROM THE BOARD

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Pursuant to Rule 23.03 of the GEM Listing Rules, the total number of Shares which may be issued upon the exercise of all options to be granted under all of the share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. Options previously granted under the share option schemes (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

As at the Latest Practicable Date, the Company has issued 3,030,500,000 Shares. Pursuant to the terms of the Share Option Scheme and in compliance with the GEM Listing Rules, the maximum number of Shares which may be issued upon the exercise of all the Options to be granted under the Scheme Mandate Limit as refreshed should be 303,050,000 Shares (assuming no further issue or repurchase of Shares prior to the AGM), representing 10% of the issued share capital of the Company as at the date of approval of the Proposed Refreshment by the Shareholders at the AGM.

It is proposed that subject to the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of Option to be granted under the refreshed Scheme Mandate Limit and the passing of the relevant resolution at the AGM, the Scheme Mandate Limit be refreshed so that the total number of securities, which may be issued upon exercise of all options to be granted under all of the share option schemes of the Company, shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the AGM. No options can be granted under the Pre-IPO Share Option Scheme. Options previously granted under the Share Option Scheme and the Pre-IPO Share Option Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme at any time will not exceed 30% of the Shares in issue from time to time. The Board undertakes that no Options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

All the options of the Pre-IPO Share Option Schemes have been granted prior to the listing of Shares in April 2004 and the scheme mandate limit of the Pre-IPO Share Option Scheme has not been refreshed since its adoption.

The Company confirms that there is no grantee who has been granted with the Options or the options granted under the Pre-IPO Share Option Scheme, the exercise of which will result in the total number of Shares issued and to be issued to that grantee exceeding 1% of the issued share capital of the Company in the 12-month period up to and including the date of such grant pursuant to Rule 23.03(4) of the GEM Listing Rules.

The Board considers that the Proposed Refreshment will enable the Company to grant further Options to Eligible Persons so as to provide opportunities and incentives to them to work towards enhancing the values of the Company and Shares for the benefit of the Company and Shareholders as a whole.

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## **LETTER FROM THE BOARD**

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### **CONDITIONS OF THE REFRESHMENT OF THE SCHEME MANDATE LIMIT**

The Proposed Refreshment is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Options to be granted under the refreshed Scheme Mandate Limit.

### **RESPONSIBILITY STATEMENT**

This document, 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: (i) the information contained in this document is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable

### **ACTION TO BE TAKEN**

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the extension of the General Mandate, the proposed re-election of Directors and the Proposed Refreshment are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### GENERAL

Your attention is drawn to the information set out in the appendices to this Circular.

Yours faithfully  
For and on behalf of the Board of  
**Inspur International Limited**  
**Mr. Sun Pishu**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.

### **1. REPURCHASE OF SHARES FROM CONNECTED PARTIES**

The GEM Listing Rules prohibit a company from knowingly purchasing Shares on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its Shares to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,030,500,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 303,050,000 Shares, representing 10% of the issued share capital of the Company as at date of the passing of the proposed resolution for the approval of the Repurchase Mandate.

### **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

### **4. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the laws of the Cayman Islands and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2007, being the date of its latest published audited consolidated accounts, in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

The highest and lowest closing prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

Month	Highest HK\$	Lowest HK\$
<b>2007</b>		
March	0.66	0.55
April	0.98	0.62
May	1.03	0.61
June	0.82	0.65
July	0.75	0.62
August	0.88	0.60
September	1.14	0.79
October	1.45	1.02
November	3.10	1.42
December	6.35	1.02*
<b>2008</b>		
January	1.74*	1.30*
February	1.90*	1.36*
March (up to the Latest Practicable Date)	1.55*	1.12*

\* After the Share Subdivision becoming effective.

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage holding</b>
Inspur Group Limited ( <i>Note</i> )	1,350,000,000	44.55%
Inspur Electronics (HK) Limited ( <i>Note</i> )	1,350,000,000	44.55%

*Note:* Inspur Group Limited is taken to be interested in 1,350,000,000 Shares due to its being 100% shareholder in the issued share capital of Inspur Electronics (HK) Limited.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

<b>Name</b>	<b>Percentage holding</b>
Inspur Group Limited	49.50%
Inspur Electronics (HK) Limited	49.50%

On the basis of the current shareholding of the above Shareholders, an exercise of the Repurchase Mandate in full will result in any of them becoming obliged to make a mandatory general offer under Rule 26 of the Takeovers Code. Microsoft Corporation held 234,279,559 class A senior redeemable voting preferred shares convertible into 1,171,397,795 Shares, representing 27.88% of the total enlarged voting rights in the Company. However, pursuant to the subscription deed entered into with Microsoft Corporation, Microsoft Corporation can only exercise up to 28% voting rights at general meeting of the Company.



The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders to make a mandatory general offer under the Takeovers Code.

Accordingly, save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any purchase made under the Repurchase Mandate. In addition, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

#### **7. SHARES REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The procedures by which the Shareholders may demand a poll at general meeting of the Company are set out in this Appendix.

According to Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting;
- (c) any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to attend and vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

The details of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

**Mr. Wang Miao**

Mr. Wang Miao, aged 45, is an executive Director and the deputy general manager of the Group. Mr. Wang has overall responsibility for the overall management planning, business development, sales and marketing and purchasing. Mr. Wang graduated from Shandong University in July 1984 with a Bachelor degree in Computer Science. He is one of the founders of the Group. Before joining the Group in August 1998, Mr. Wang worked in the group (the “**Inspur Group**”) of Inspur Group Limited and its subsidiaries since 1991 and assumed a senior management role in the business of the Inspur Group. Through its services in the Inspur Group and the Group, Mr. Wang has accumulated over 10 years of experience in trading and management in IT industry. Save as disclosed above, Mr. Wang does not hold any directorship in other public listed company in the past three years.

Mr. Wang has entered into a service agreement with the Company for a term of three years on 8 April 2004 and may be terminated by either party giving to the other not less than three months’ written notice. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to (i) a salary of HK\$20,000 per month under the said service agreement which is determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions; and (ii) a discretionary bonus which will depend on the financial results of the Company and on his performance.

As at the Latest Practicable Date, Mr. Wang was interested in 75,000,000 Shares and he has been granted an option to subscribe for 20,000,000 Shares (after the Share Subdivision) under the Pre-IPO Share Option Scheme. Save as disclosed above, Mr. Wang does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders.

There is no information relating to Mr. Wang that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Leung Chi Ho**

Mr. Leung Chi Ho, aged 48, is an executive Director. Mr. Leung is the chief technology officer of the Group responsible for the overall planning and development of IT advisory services. Mr. Leung graduated from the University of Hong Kong with a degree in Bachelor of Science (Engineering) majoring in electrical engineering in 1982. Before joining the Group in September 2002, Mr. Leung has worked for a number of companies in Hong Kong engaged in IT industry, focusing on the research and development of computer products and assuming senior engineer role, through which he has accumulated over 20 years of experience in IT industry. Save as disclosed above, Mr. Leung does not hold any directorship in other public listed company in the past three years.

Mr. Leung has entered into a letter of employment with the Company for a term of three years on 8 April 2004. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to (i) a salary of HK\$68,000 per month under the said letter of employment which is determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions; and (ii) a discretionary bonus which will depend on the financial results of the Company and on his performance.

As at the Latest Practicable Date, Mr. Leung has been granted an option to subscribe for 20,000,000 Shares (after the Share Subdivision) under the Pre-IPO Share Option Scheme. Save as disclosed above, Mr. Leung does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Leung that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

#### **Mr. Xin Wei Hua**

Mr. Xin Wei Hua, aged 52, is a non-executive Director. Mr. Xin joined the Group in September 1999. Mr. Xin graduated from Shandong University with an Adult Higher Education Professional Certificate in Micro-computer Applications in 1990. He has assumed research supervisor and manager roles in the Inspur Group during its service in the Inspur Group since 1989, through which he has accumulated over 15 years of experience in management and research and development for electronics and computer products. Mr. Xin has engaged extensively in technological research in Hong Kong and Singapore, and has been granted the First Grade Advancement Award of provincial level (省級科技進步一等獎). He is a director of a number of companies of the Inspur Group. He is also the general manager of Inspur Electronic Information Industry Co., Ltd., a company listed on the Shenzhen Stock Exchange and a member of the Inspur Group. Save as disclosed above, Mr. Xin does not hold any directorship in other public listed company in the past three years.

Mr. Xin was appointed by way of letter of appointment on 8 April 2004 for a term of two years. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He will not receive any remuneration from the Company in his capacity as a non-executive Director.

As at the Latest Practicable Date, Mr. Xin has been granted an option to subscribe for 20,000,000 Shares (after the Share Subdivision) under the Pre-IPO Share Option Scheme. Save as disclosed above, Mr. Xin does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Xin that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Liu Ping Yuan**

Mr. Liu Ping Yuan, aged 72, is an independent non-executive Director. Mr. Liu joined the Group in March 2003. Mr. Liu has been in the IT related industry for over 40 years. He has undertaken a number of important positions in the PRC such as Ministry of Posts and Telecommunications (中華人民共和國郵電部), deputy chairman and secretary general of the Chinese Committee of the 22nd Meeting of International Postal Association (萬國郵政聯盟大會中國組委會) and member of the Ninth National Political Consultative Committee (中華人民共和國政治協商會議). He is currently chairman of Chinese Postal Association (中華全國集郵聯合會). Save as disclosed above, Mr. Liu does not hold any directorship in other public listed company in the past three years.

Mr. Liu was appointed by way of letter of appointment on 8 April 2004 for a term of one year. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to a monthly director fee of HK\$5,000 which is determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Liu does not have any relationship with any other Directors, senior management of the Company, management Shareholders, substantial Shareholders or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Liu that is required to be disclosed pursuant to Rules 17.50(2) (h) to (v) of the GEM Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

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## NOTICE OF THE AGM

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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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Inspur International Limited (the “**Company**”) will be held at Hong Kong International Trade & Exhibition Centre, Meeting Room 6, 7th Floor, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 28 April 2008 at 10:30 a.m. to transact the following ordinary business:

1. to receive and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of Company for the year ended 31 December 2007;
2.
  - (a) to re-elect Mr. Wang Miao as executive Director;
  - (b) to re-elect Mr. Leung Chi Ho as executive Director;
  - (c) to re-elect Mr. Xin Wei Hua as non-executive Director;
  - (d) to re-elect Mr. Liu Ping Yuan as independent non-executive Director; and
  - (e) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint the auditors of the Company and to authorise the board of Directors to fix their remuneration;
4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

\* *For identification purposes only*

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## NOTICE OF THE AGM

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- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (provided that resolution no. 6 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

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## NOTICE OF THE AGM

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”



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## NOTICE OF THE AGM

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6. “**THAT** subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 5.”
7. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Growth Enterprise Market of the Stock Exchange of the listing of and permission to deal in the Shares to be issued pursuant to the exercise of option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted on 8 April 2004, in the manner as set out in paragraph (a) of this resolution below,
- (a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By order of the Board  
**Inspur International Limited**  
**Mr. Sun Pishu**  
*Chairman*

Hong Kong, 31 March 2008

*Registered office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
Room 726  
Nan Fung Commercial Centre  
19 Lam Lok Street  
Kowloon Bay  
Kowloon  
Hong Kong

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## NOTICE OF THE AGM

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*Notes:*

1. A member entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the annual general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the annual general meeting or any adjournment thereof, should he so wish.
3. The register of members of the Company will be closed from Thursday, 24 April 2008 to Monday, 28 April 2008 (both days inclusive) for the purpose of determining Shareholders' entitlement to attend the annual general meeting of the Company, during which period no transfer of shares in the Company was effected. In order to attend the annual general meeting, all transfers, accompanied by the relevant share certificates, had to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 23 April 2008.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the GEM Listing Rules. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders.
5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to this circular.