Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

INSPUR INTERNATIONAL LIMITED
浪潮國際有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 596)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

The board of Directors (the "Board") of Inspur International Limited (the "Company") is pleased to present the audited consolidated results (the "Audited Consolidated Results") of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTES	**2009** HK$'000	2008 HK$'000
Revenue	*2 & 3*	**2,155,705**	1,841,584
Cost of sales		**(1,657,302)**	(1,327,402)
Gross profit		**498,403**	514,182
Other income and gains	*4*	**132,870**	72,786
Administrative and operating expenses		**(129,619)**	(111,161)
Selling and distribution cost		**(106,571)**	(69,053)
Finance costs		**(15,963)**	(15,368)
Amortisation of other intangible assets		**(21,980)**	(23,976)
Fair value change in convertible note classified as liabilities at fair value through profit or loss		**(3,715)**	3,029
Impairment loss on goodwill and other intangible assets		**(79,332)**	-
Share of profits of associates		**14,502**	3,212
Profit before taxation		**288,595**	373,651
Taxation	*6*	**(36,064)**	(40,138)
Profit for the year	*5*	**252,531**	333,513
Profit for the year attributable to:			
Owners of the Company		**254,501**	311,633
Minority interests		**(1,970)**	21,880
		252,531	333,513
Earnings per share	*7*		
Basic		**HK7.37cents**	HK10.22 cents
Diluted		**HK5.62cents**	HK7.02 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 HK$'000	2008 HK$'000
Profit for the year	**252,531**	333,513
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**2,970**	34,960
Total comprehensive income for the year	**255,501**	368,473
Total comprehensive income attributable to:		
Owners of the Company	**256,989**	341,578
Minority interests	**(1,488)**	26,895
	255,501	368,473

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2009

	NOTES	**2009**	2008
		HK$'000	HK$'000
Non-current assets			
Property, plant and equipment		**86,662**	58,327
Goodwill		**74,364**	136,740
Other intangible assets		**67,981**	107,091
Available-for-sale investment		**567**	565
Interest in an associate		**141,333**	-
		370,907	302,723
Current assets			
Inventories		**261,561**	63,162
Trade receivables	*9*	**188,604**	125,814
Prepayments, deposits and other receivables		**35,307**	36,783
Amounts due from customers for contract work		**60,847**	67,183
Amounts due from fellow subsidiaries		**195,940**	80,099
Amount due from ultimate holding company		**42,538**	136,501
Taxation recoverable		**112**	112
Bank balances and cash	*11*	**918,347**	606,929
		1,703,256	1,116,583
Current liabilities			
Trade and bills payables	*10*	**214,121**	94,054
Other payables, deposits received and accrued expenses		**93,801**	114,251
Amounts due to customers for contract work		**15,962**	16,279
Amounts due to fellow subsidiaries		**20,026**	22,445
Amount due to ultimate holding company		**3,662**	439
Deferred income - government grant		**2,575**	-
Bank borrowings		-	67,401
Taxation payable		**31,757**	33,033
		381,904	347,902
Net current assets		**1,321,352**	768,681
Total assets less current liabilities		**1,692,259**	1,071,404
Non-current liabilities			
Deferred income - government grant		**8,449**	3,505
Redeemable convertible preferred shares		**187,676**	184,642
Convertible notes		**29,911**	55,421
Deferred tax liabilities		**25,589**	27,818
		251,625	271,386
		1,440,634	800,018
Capital and reserves			
Share capital		**7,540**	6,164
Reserves		**1,431,900**	780,984
Equity attributable to owners of the Company		**1,439,440**	787,148
Minority interests		**1,194**	12,870
Total equity		**1,440,634**	800,018

NOTES

1. Basis for preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA that are relevant to its operation and effective for the Group's financial year beginning on or after 1 January 2009.

The adoption of these new and revised HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods, except for the impact as described below.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments and has not changed the basis of measurement of segment profit or loss and segment assets (see note3).

Improving disclosures about financial instruments (Amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not early applied those new and revised HKFRSs that have been issued but are not yet effective.

The application of HKFRS 3 (Revised 2008) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at mortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company (the "Directors") anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

2. Revenue

Revenue represents the fair value of the consideration received and receivable for goods sold and services rendered by the Group less discounts, returns and allowances. An analysis of the Group's revenue for the year is as follows:

	2009	2008
	HK$'000	HK$'000
Sales of IT components	**526,588**	436,349
Sales of IT products	**145,671**	171,418
Revenue from software development contracts		
- Sales of IT peripherals and software	**994,774**	808,001
- Software development	**402,634**	342,185
Revenue from software outsourcing contracts	**86,038**	83,631
	2,155,705	1,841,584

3. Segment Information

The following is an analysis of the Group's revenue and results by reportable segments.

For the year ended 31 December 2009

	Trading of IT components	Manufacturing and sales of IT products	Information technology services: Software development and solution	Information technology services: Software outsourcing	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue (Note)	526,588	145,671	1,397,408	86,038	2,155,705
Segment profit (loss)	33,382	11,569	336,131	(87,368)	293,714
Other income and gains					6,264
Share of profits of associates					14,502
Central administration costs					(6,207)
Fair value change in convertible note classified as liabilities at fair value through profit or loss					(3,715)
Interest expenses					(15,963)
Profit before taxation					288,595

For the year ended 31 December 2008

	Trading of IT components	Manufacturing and sales of IT products	Information technology services: Software development and solution	Information technology services: Software outsourcing	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue (Note)	436,349	171,418	1,150,186	83,631	1,841,584
Segment profit	32,404	10,010	332,482	13,491	388,387
Other income and gains					5,383
Share of profits of associates					3,212
Central administration costs					(10,992)
Fair value change in convertible note classified as liabilities at fair value through profit or loss					3,029
Interest expenses					(15,368)
Profit before taxation					373,651

Note: All of the segment revenue reported for both years was from external customers.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment.

At 31 December 2009

	Trading of IT components	Manufacturing and sales of IT products	Information technology services: Software development and solution	Information technology services: Software outsourcing	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS					
Segment assets	92,546	345,680	502,452	51,233	991,911
Property, plant and equipment					21,227
Interests in associates			`		141,333
Bank balances and cash					918,347
Other assets					1,345
Consolidated total assets					2,074,163
LIABILITIES					
Segment liabilities	46,193	70,379	227,853	3,817	348,242
Taxation payable					31,757
Redeemable convertible preferred shares					187,676
Convertible notes					29,911
Deferred tax liabilities					25,589
Other liabilities					10,354
Consolidated total liabilities					633,529

At 31 December 2008

	Trading of IT components	Manufacturing and sales of IT products	Information technology services: Software development and solution	Information technology services: Software outsourcing	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS					
Segment assets	66,507	175,233	390,040	176,400	808,180
Bank balances and cash					606,929
Other assets					4,197
Consolidated total assets					1,419,306
LIABILITIES					
Segment liabilities	27,622	22,248	185,385	7,982	243,237
Bank borrowings					67,401
Taxation payable					33,033
Redeemable convertible preferred shares					184,642
Convertible notes					55,421
Deferred tax liabilities					27,818
Other liabilities					7,736
Consolidated total liabilities					619,288

Other segment information

For the year ended 31 December 2009

Amounts included in the measure of segment profit (loss) or segment assets:

	Trading of IT components	Manufacturing and sales of IT products	Information technology services: Software development and solution	Information technology services: Software outsourcing	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Additions to non-current assets (note)	-	-	68,118	328	68,446
Depreciation of property, plant and equipment	-	1,107	21,105	5,668	27,880
Write-down of inventories	1,167	-	746	-	1,913
Amortisation of other intangible assets	-	-	16,240	5,740	21,980
Impairment loss on goodwill and other intangible assets	-	-	-	79,332	79,332
Impairment loss on amounts due from customers for contract work	-	-	5,684	-	5,684
Allowance for bad and doubtful debts	16	-	5,029	-	5,045

Note: Non-current assets included property, plant and equipment, goodwill and other intangible assets except for property, plant and equipment for administrative purpose.

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit (loss) or segment assets and not allocated to any reportable segment.

Interest in an associate	141,333
Share of profit of associates	14,502
Interest expenses	15,963

For the year ended 31 December 2008

Amounts included in the measure of segment profit or segment assets:

	Trading of IT components	Manufacturing and sales of IT products	Information technology services: Software development and solution	Information technology services: Software outsourcing	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Additions to non-current assets (note)	-	1,541	73,627	154,878	230,046
Depreciation of property, plant and equipment	-	307	15,567	2,907	18,781
Write-down of inventories	895	-	-	-	895
Amortisation of other intangible assets	-	-	15,882	8,094	23,976
Allowance for bad and doubtful debts	-	-	255	-	255

Note: Non-current assets included property, plant and equipment, goodwill and other intangible assets.

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets and not allocated to any reportable segment.

Share of profit of associates	3,212
Interest expenses	15,368

Geographical information

The Group's operations are currently carried out in the PRC (excluding Hong Kong), the country of domicile, and Hong Kong, except for some services rendered by the provision of outsourcing software development services division are located in other regions.

The Group's revenue from external customers and information about the Group's non-current assets by geographic location of markets, or customer irrespective of the origin of the goods/services:

	Revenue from external customers		Non-current assets	
	2009	2008	2009	2008
	HK$'000	HK$'000	HK$'000	HK$'000
Hong Kong	526,588	436,349	21,227	24
The PRC (excluding Hong Kong), (country of domicile)	1,549,942	1,353,841	348,965	301,881
Others	79,175	51,394	148	253
	2,155,705	1,841,584	370,340	302,158

Note: Non-current assets excluded available-for-sale investment.

4. OTHER INCOME AND GAINS

	2009	2008
	HK$'000	HK$'000
Interest income	5,115	2,650
Net foreign exchange gain	1,149	2,733
Value added tax refund (Note a)	43,465	38,988
Government subsidies and grants (Note b)	81,866	23,681
Dividend income from available-for-sale investments	824	1,027
Others	451	3,707
	132,870	72,786

Notes:

(a) Some subsidiaries of Group are engaged in the business of distribution of self-developed and produced software in China. Under the current PRC tax regulation, it is entitled to a refund of VAT paid for sales of self-developed software in the PRC.

(b) For the year ended 31 December 2009, the amount of approximately HK$81,335,000 of the Government Subsidies and grants (2008: HK$2,676,000) represent the subsidies received from the PRC Government for the purpose of encouraging the development of Group entities engaged in new and high technology sector.

5. PROFIT FOR THE YEAR

	2009 HK$'000	2008 HK$'000
Profit for the year has been arrived at after charging:		
Allowance for bad and doubtful debts	5,045	255
Impairment loss on amounts due from customers for contract work	5,684	-
Research and development costs	8,467	1,227
Auditor's remuneration	1,906	2,803
Cost of inventories recognised as expenses in cost of sales (including write-down of inventories of HK$1,913,000 (2008: 895,000)	1,432,245	1,158,803
Depreciation for property, plant and equipment	27,893	18,790
Directors' remuneration		
Fees	240	240
Other emoluments	1,751	1,991
Other staff costs		
Salaries and other benefits	159,271	133,863
Retirement benefits scheme contributions	19,888	16,290
Share-based payments	-	818
	181,150	153,202
Interest expense on redeemable convertible preferred shares wholly repayable within five years	14,734	14,502
Interest expense on bank borrowings wholly repayable within five years	1,229	866
	15,963	15,368
Net loss on disposal of property, plant and equipment	174	167
Operating lease rentals in respect of office premises and staff quarters	12,550	11,924

6. TAXATION

	2009 HK$'000	2008 HK$'000
Current tax:		
Hong Kong Profits Tax	4,923	4,785
PRC Enterprise Income Tax	35,596	40,214
(Over)underprovision in prior years:		
Hong Kong Profits Tax	(52)	(25)
PRC Enterprise Income Tax	(2,128)	113
Deferred taxation	(2,275)	(4,949)
	36,064	40,138

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2009 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation

Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The statutory tax rate for PRC Enterprise Income Tax of 25% is applied to the Group's PRC subsidiaries except for Inspur Communication System Limited (“Inspur Communication”), Inspur Business System Limited (“Inspur Business System”) and Inspur Genersoft Software Limited (“Inspur Genersoft”). Inspur Communication, Inspur Business System and Inspur Genersoft are recognised as "New and High Technology Enterprise" and therefore entitled to apply a tax rate of 15%. Furthermore, Inspur Genersoft can enjoy additional 5% reduction in tax rate starting from the fiscal year ended 31 December 2005 because it is recognised as "State recognised software enterprise" (國家規則局內的重點軟件企業) since 2005. The entitlement of this tax benefit is subject to annual renewal by respective tax bureau in PRC.

Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiaries, Inspur Shandong Electronic Information Limited (“Inspur Shandong Electronic”), Inspur E-Government Software Limited (“Inspur E-Government”) and Inspur Communication are exempted from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. The first profit-making year for Inspur Shandong Electronic, Inspur E-Government and Inspur Communication are the fiscal year ended 31 December 2006, 31 December 2007 and 31 December 2004 respectively.

Pursuant to the Notice of Ministry of Finance and the State Administrative of Taxation concerning certain preferential policies on enterprise income tax <<財稅[2000]25號 <財政部、國家稅務總局、海關總署>關於鼓勵軟件產業和集成電路產業發展有關稅收政策問題的通知>>第二條, Inspur Worldwide (Shandong) Services Limited ("Worldwide Shandong"), Inspur Worldwide (Qingdao) Services Limited ("Worldwide Qingdao") and Inspur Guoyou (Shanghai) Services Incorporation ("Worldwide Shanghai"), which are recognised as "Software Enterprise", are exempted from PRC Enterprise Income Tax for two years starting from their respective first profit-making years, followed by a 50% reduction for the next three years. The first profit-making year for Worldwide Shandong, Worldwide Qingdao and Worldwide Shanghai are the fiscal year ended 31 December 2007, 31 December 2007 and 31 December 2008 respectively.

Pursuant to the <<北京市新技術產業開發試驗區暫行條例>> (京政發[1988]49號), Inspur Shijie (Beijing) Services Incorporation ("Shijie Beijing") is exempted from PRC Enterprise Income Tax for three years since its establishment in 2005, followed by a 50% reduction for the next three years.

The implementation of the EIT Law has no impact on the tax relief granted to the PRC subsidiaries.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2009 HK$'000	2008 HK$'000
Earnings		
Earnings for the purpose of basic earnings per share (Profit for the year attributable to owners of the Company)	254,501	311,633
Interest on redeemable convertible preferred shares	14,734	14,502
Fair value change in convertible notes classified as liabilities at fair value through profit or loss	3,715	(3,029)
Earnings for the purpose of diluted earnings per share	272,950	323,106

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,455,124	3,050,357
Effect of dilutive potential ordinary shares:		
- share options	186,958	361,251
- redeemable convertible preferred shares	1,171,398	1,171,398
- convertible notes	42,893	21,329
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,856,373	4,604,335

8. DIVIDEND

	2009 HK$'000	2008 HK$'000
Dividends recognised as distribution during the year:		
2008 Final dividend - HK$0.02 (2007 Final dividend - nil) per share	62,039	-

The final dividend of HK$0.01 in respect of the year ended 31 December 2009 (2008: final dividend of HK$0.02 in respect of the year ended 31 December 2008) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. TRADE RECEIVABLES

The Group allows an average credit period of 30 to 180 days (2008: 30 to 180 days) to its customers. The aged analysis of trade receivables net of allowance for bad and doubtful debts presented based on the invoice date at the end of the reporting period is stated as follows:

	2009	2008
	HK$'000	HK$'000
0 to 30 days	127,263	72,073
31 to 60 days	24,051	10,450
61 to 90 days	3,105	12,384
91 to 120 days	8,192	1,612
121 to 180 days	6,906	6,052
Over 180 days	19,087	23,243
	188,604	125,814

10. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables for the purchase of goods and services received presented based on the invoice date at the end of the reporting period:

	2009	2008
	HK$'000	HK$'000
0 - 30 days	175,329	70,237
31 - 60 days	12,491	7,838
61 - 90 days	4,803	2,462
Over 90 days	21,498	13,517
	214,121	94,054

11. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. At 31 December 2009, the bank balances and cash was HK$918,347,000, including approximately HK$867,258,000 (2008: HK$558,544,000) were denominated in RMB which is not freely convertible into other currencies.

FINANCIAL REVIEW

Capitalizing on its successful business transformation and synergies achieved in 2008, the Group further consolidated its major business by implementing strategies to become a leading integrated IT service provider in China. Principally engaged in solution provision, our integrated IT service business covers a wide range of industries and sectors, including ERP, taxation, telecom, finance, E-government, software outsourcing and digital media. During the year, turnover of IT service business made up about 69% of total turnover of the Group, representing an increase of over 20% as compared with the corresponding period of last year. Its segment results accounted for 85% of the overall results. With such significant results, the Group will continue to attach great efforts on IT service business in its future strategies.

(1) Turnover

During the year, turnover of the Group maintained a steady growth. The Group recorded a turnover of approximately HK$2,155,705,000 (2008: HK$1,841,584,000), representing an increase of 17% as compared with last year, which was mainly attributable to the increase in turnover of IT service business. During the year, IT service business recorded a turnover of approximately HK$1,483,446,000 (2008: HK$1,233,817,000), representing an increase of 20% as compared with last year. The increase was mainly due to the growth of ERP business and telecom IT services.

During the year, overseas sales of IT products had a turnover of approximately HK$145,671,000 (2008: HK$171,418,000), representing a decrease of 15% as compared with last year.

IT components trading had a turnover of approximately HK$526,588,000 during the year (2008: HK$436,349,000), representing an increase of nearly 21% as compared with last year.

(2) Gross profit

Gross profit of the Group was approximately HK$498,403,000 during the year (2008: HK$514,182,000), representing a decrease of 3.07% as compared with last year. The Group's consolidated gross profit margin for the year decreased by 4.8% to 23.12% (2008: 27.92%). The decrease was mainly due to the drop in gross profit margins mainly from ERP, financial IT service and software outsourcing business segments and also keen market competition.

(3) Selling and distribution cost

During the year, selling and distribution cost amounted to approximately HK$106,571,000 (2008: HK$69,053,000), representing an increase of 54.33% as compared with last year, which was mainly due to the increase in the marketing and promotion expenses in financial IT service and taxation business.

(4) Impairment Loss

During the year, the impairment loss on goodwill and other intangible asset amount to approximately HK$79,332,000(2008: Nil). Our management recognised the full impairment on Goodwill and partial on the other intangible asset arising in the acquisition of software outsourcing in 2008 as a result of the much lower-than-expected profit contribution and future economic benefits.

(5) Profit attributable to shareholders

Net profit attributable to shareholders for the year was approximately HK$254,501,000 (2008: HK$311,633,000), representing a decrease of 18.33% as compared with last year, which was primarily due to the decrease in gross profit margin of the Company and impairment loss on goodwill and intangible assets of software outsourcing business. Net margin of the Company for the year was 11.71%

(2008: 18.11%), representing a decrease of 6.4% as compared with 2008.

Basic and diluted earnings per share were HK$7.37 cents (2008: HK$10.22cents) and HK$5.62cents (2008: 7.02cents) respectively.

(6) Financial resources and liquidity

As at 31 December 2009, shareholder's funds of the Group amounted to HK$1,439,440,000 (31 December 2008: HK$787,148,000). Current assets amounted to HK$1,703,256,000, of which HK$918,347,000 was bank deposits and cash balance which were mainly denominated in Renminbi.

Current liabilities, including trade and bills payables, amounts due to fellow subsidiaries, other payables and accrued expenses and taxation payable, amounted to HK$381,904,000. The Group's current assets were around 4.46 times over its current liabilities (31 December 2008: 3.21 times).

As at 31 December 2009, the Group had no bank borrowings.

Gearing ratio of the Group, calculated as total interest-bearing borrowings divided by shareholders' equity, was 0.13 (2008: 0.32).

FOREIGN EXCHANGE EXPOSURE

All of the Group's purchase and sales are mainly denominated in United States Dollars and Renminbi. The Group has not used any derivative instrument to hedge against its currency exposures. The Directors believe that with its sound financial position, the Group is able to meet its foreign exchange liabilities as and when they become due.

CONTINGENT LIABILIITES

As at 31 December 2009, the Group had no material contingent liabilities (31 December 2008: Nil).

CAPTIAL STRUCTURE

The Group finances its operations mainly from shareholder equity, internal generated funds and funds raised through placing of shares in 2009.

On 1June 2009, the Company completed a placing of 310,000,000 ordinary shares to certain investors at a price of HK$1.40 per share, receiving net proceeds of approximately HK$420million.

ACQUISITIONS

Pursuant to an acquisition agreement dated 27 April 2009, the Group agreed to acquire additional 46.67% equity interests in Shandong Inspur E-Government Software Limited ("Inspur E-Government") at a consideration of RMB11,000,000. Inspur E-Government is principally engaged in the development and distribution of e-government software. The acquisition was completed during the period, since then the Group has owned the entire equity interests in Inspur E-Government.

Pursuant to an acquisition agreement dated 1 June 2009, the Group agreed to acquire the entire equity interests in Jinan Inspur Communication Limited ("Jinan Communication") at a consideration of RMB130,000,000. Jinan Communication is an investment holding company and holds 30% equity interests in Qingdao Lejin Inspur Digital Communication Limited ("Qingdao Lejin"). Qingdao Lejin is principally engaged in development, manufacturing and sales of wireless GSM mobile phones and value-added software for mobile phones. The acquisition was completed in July 2009.

Pursuant to an assets and business transfer agreement dated 3 September 2009, the Group agreed to purchase all assets and business owned by a digital media department at a consideration of RMB30,000,700. The digital media department focuses its efforts on the provision of integral solution for the transformation from traditional media to new media and the related consultancy services and has developed a series of information technology services on integral solution for the new media, digital TV system for integral translation solution, video-on-demand operation system and the related fields in new media, mounting a leading position in the domestic industry. The Group believes that the acquisition will prompt Inspur International to enter into the novel media industry and achieve synergies with other existing information technology industries of Inspur International, thereby consolidating its leading position in the provision of integrated IT services in the PRC. The acquisition was completed in September 2009.

EMPLOYEE INFORMATION

As at 31 December 2009, the Group had 2,774 employees (2008: 3,072), representing a decrease of 298 employees as compared with 2008. The decrease was mainly as a result of the market recession of software outsourcing business in 2009.

Total employee remuneration, including directors' remuneration and mandatory provident fund contributions, amounted to approximately HK$181,150,000 (2008: approximately HK$153,202,000).

According to a comprehensive remuneration policy, which was formulated by the Group and reviewed by the management, employees are remunerated based on their performance and experience. On top of basic salaries, discretionary bonus and share options may be granted to eligible employees with reference to the Group's and the employee's performance. In addition, the Group provides mandatory provident fund, medical and insurance schemes for employees. The Group also offers continuous education and training programmes to the management and other employees to enhance their skills and knowledge.

CHARGES ON ASSETS

As at 31 December 2009, none of the Group's assets was pledged (31 December 2008: Nil).

BUSINESS REVIEW

In 2009, global economy struggled under the financial crisis and the IT industry was no exception. The timely launch of the RMB4 trillion economic stimulus package and ten industries' revitalization plan by the PRC Government boosted overall economy. Signs of recovery are everywhere. Major fields of IT investment are on the right track to revive.

In 2009, the Group further expanded its business scale, refined its product mix and consolidated its business and operation modes as an integrated IT services provider with the provision of solution as its core business through a series of strategic acquisitions. In addition, the Group achieved the economic synergy through integrating IT service business and existing IT trading business. For customer relations management, the Group considered customers as our strategic assets by placing great emphasis on customer management and services. While exploiting existing customer resources, the Group proactively established new customer network. Apart from reinforcing research and development efforts, the Group also expanded new markets, products and industries to weather the financial crisis and achieve satisfactory results. With numerous domestic and overseas customers and a nationwide sales network, the Group became a leading IT services enterprise with competitive edges in ERP, taxation, telecom and E-government as at the end of the reporting period.

(1) IT services business

The IT services business of the Group covers ERP, telecom, taxation, finance and government sectors. Principally engaged in comprehensive solution provisions, its integrated IT services range from IT consultancy services, hardware, equipment to application of software, assembling of systems, operation maintenance and outsourcing.

ERP

As an experienced domestic management software provider, the Group has been in leading position in centralised group management software sector in terms of high-end market of China for the seventh consecutive year. In respect of our centralized group management solution, upon the successful launch of upgraded PS10 and GS5.0 products through the technical collaboration with Microsoft Corporation in 2008, the Group devoted to enhancing product stability, user-friendliness and features based on the verification results by various high-end customers. Ultimately, the Group released GS5.0.1, an upgraded version of GS5.0. GS5.0.1 is one of the most advanced ERP products in the PRC at present and is developed fully based on the GSP business and advanced SOA structure to facilitate the implementation of a centralized management model. It also leads the high-end development of informationization trend of China. In addition, adopting innovative virtualization technology and achieving green installation, this version strengthened the competitive edges of Inspur's ERP-GS series over major rivals in large-scale and concentrated applications.

The Company emphasized on technology innovation and reinforced investment in the research and development of GSP platform. The new features of GSP platform, including alert systems, interface services, data exchange services and safe search engine for enterprises, has been developed. In particular, the interface technology and data exchange technology are among the state-of-the-art technologies in the PRC. The Company established research guidelines and management standards based on the GSP business platform. It also fortified the research and development of vertical project management to enhance substantially the possibility of successful completion. In addition, based on the GSP platform, the Group maintained a management platform for research and development with synergy and high efficiency to bolster the entire life cycle management of products. The Company launched industry-focused products and solution based on GS version for major industries, including military, shipyard, infrastructure, coal mining, pharmaceutical, fast consuming goods and annuity etc, to establish a foundation to tap into these major industries.

With the addition of six module, namely, performance assessment, cost accounting, workshop costs, vertical supervision, facilitates management and loadometer management, Inspur's self-developed product, ERP-PS10, accelerates the realization of dynamic integration of finance, business and production through continuous optimization and upgrade. This product enhances the consistency, synchronization and completeness of logistics, information flow and capital flow. It also ensures the comprehensive data flow between financial budget, control and financial analysis while improving the transparency and standardization of business flow and streamlining production and management. PS10 is available in multi-language versions and is characterized by various innovative technologies. Inspur has applied for the national patent for PS10. The multi-language versions of PS10 was successfully implemented in the oversea subsidiaries of China Communications Construction Company (CCCC) Group and others, which facilitate our entry into the international market and exemplify the development of multi-language versions for other products.

In 2009, the Company established a team specialized for managing key customer information to strengthen strategic cooperation. The Company formed alliances with strategic customers to participate in their informationization three-to-five-years' strategic plan. We also set up an IT services department specialized for the IT services operation of the Company. "Inspur's ERP Implementation corporate service management system" has been established based on the customer satisfaction evaluation results mode. Through this evaluation mode, we can overall provide better informationization service and solutions, including IT planning and system maintenance for our customer.

The Company continued to consolidate its leading position in a variety of high-end sectors, such as group management, business intelligence and supply chain, by successfully entering into agreements of software supply and service with a number of famours enterprises directly under the SASAC, such as Sinopec, Sinograin, CCGRP, China Railway Group, CRCC, China Aerospace Science and Technology, Air China, COMAC, ADBC, Jiangnan Shipyard, China Hengtian Group and BOC, to ensure stable sales growth.

In 2010, adhering to our strategy "lead in the high-end market, focus on industry, breakthrough channel", the Group will adopt effective measures to fortify strategic alliance through self-innovation and external collaboration. The Group will cater for customers' requirement by enhancing the product features and applications. Through innovative research and development and sales and distribution models, the Group will promote the application of ERP among customers in top-tier industries. It will encourage the upgrade and value-added applications among existing PS customers through extended sales channel to exploit the SME market. We will support our sale channel to transform to value-added service provider. Keeping pace with the concurrent applications trend in SAAS, computing, 3G network, logistic network's application for 3G and RFID, the Group will follow up the integrated application of corporate ERP system so as to leverage the Group's integrated solution applications.

Telecom IT services

The year 2009 saw the debut of 3G operations in the PRC. The three major telecom operators in the PRC, namely, China Mobile, China Unicom and China Telecom, adopted moderate development strategies to establish a large-scale 3G network while maintaining and upgrading relevant 2G services. Being one of major service providers of these three telecom operators, the Company leveraged its accumulated industry experiences and market expansion capabilities to provide customers with integrated solutions focusing on business, operation and maintenance and services. In particular, the Group's professional and specialized team of technology experts offered localized technology supporting services for the three major operators in the PRC.

With the increasing application of 3G technology, the applications of mobile internet and data business are highlighted and the requirements of OSS and other relevant IT services are tightened. The Company grasped the opportunities to actively participate in the formulation of the OSS plan and standardization, laying a sound foundation for the future market development. Driven by both the increasing demand and the need for accelerated planning, the Company established an integrated OSS and accelerated the formation of new business.

In 2009, the Company participated in the formulation of TD network management and network optimization specification for China Mobile. The Company implemented TD network management access control in Inspur's delegated provinces. During debut competition in the Jiangsu Mobile TD network, the Company consolidated its TD integration solution capabilities. The Company participated in the application plan of network management at both provincial and headquarter level of WCDMA of China Unicom and formulated relevant standards. In Shandong, we completed the pilot establishment of WCDMA and passed the verification test. We also successfully bid for WCDMA networks management in Tianjin and Hainan provinces. The Company participated in the operation and maintenance of network management and completed the formulation of OSS planning at the provincial level and at headquarters of Unicom Group. The Company also conducted special investigations and coordination of alert systems, customer portals, operation and maintenance portals, relevant business processes and IT network management. Furthermore, the Company participated in network optimization of CDMA of China Telecom. It was responsible for compiling standards of topology, security management and key security module into the Functional Specification of Mobile Network Management System（移動網絡管理系統功能規範） guiding the establishment of mobile communication for China Telecom.

In 2009, the Company was granted the qualification of Grade A product agent by China Mobile Group. The Company constructed an intelligent multi-dimensional dispatch system (智能化多維調度系統） and achieved all-rounded command integrating 2G, TD and WLAN networks to ensure network quality, telecom service and telecom security, which secured the network quality of the 11th National Games of the People's Republic of China. The Company enhanced investment in research and development of new products, launched and promoted products of integrated resources management system. As at the date of this report, the integrated resources platforms constructed by the Company have already made its presence in seven provinces among those China Mobile has established integrated resources management system. The Group has surpassed its major rivals to be the leader in resource management of China Mobile Group.

Concentrating on its existing bases including Shandong, Jiangsu and Hunan, the Company endeavoured to extend its market reach and boost demand by entering into new projects and exploring new partnerships such as Sichuan Mobile and Liaoning Mobile. The Group's OSS has presence in the market of China Mobile in 16 provinces, the market of China Unicom in five provinces and the market of China Telecom in a number of provinces.

Apart from the above, the Group promoted the healthy business development through exploring demand of customers and markets. Taking new businesses such as data business as new focus, the Group actively engaged in the research and development of telecom management and other IT services value-added business. Besides, the Group consolidated overseas development strategy, expanded overseas telecom markets and enhanced localized applications of OSS in overseas markets through cooperation with large-scale telecom equipment providers. The group won of tenders and entered into contracts with telecom companies in numerous countries, such as Nigeria, Saudi Arabia, Indonesia, Chili, Canada and Libya. As at the date of this report, the Company's OSS has made presence in 15 countries. In particular, the contract in Canada marked the Group's entrance into developed countries in North America.

In the face of the 3G era and immense opportunities brought by the integration of computing and 3-network, trailing operators closely, the Group will seize the chance to engage in the research of new business support models of operators and focus the development of OSS. Besides, replying on the ONEOSS2.0 of China Mobile, the Group will consolidate the development of integrated resources products as well as develop and promote products such as integrated supervision, integrated analysis, integrated network optimization and standardization platform for information gathering. Furthermore, the Company will explore value-added businesses, including data business and mobile payment to lay a solid foundation for the sustainable development of the Company. The Company will further consolidate its existing business in the developed provinces and increase business scale in the region in order to extend its geographical coverage and expand its market share.

IT services for taxation

This business of the Group's IT services for tax management principally includes the provision of tax-collection cashier machines, tax management software and integrated tax-control solutions for taxation authorities and commercial customers. The Company has the capability to develop tax-related software products independently, including tax management, invoice management and data analysis management systems which have been launched and applied in Beijing, Guangxi, Hebei, Shandong and Anhui.

The tax-collection cashier machine market in the PRC is large and has enormous potential. Since the introduction of the concept of "tax management based on invoices" and the relevant documents by the State Administrative of Taxation in 2005, a total of 12 provinces and municipalities have accomplished tender of tax-collection cashier machines. The Company has maintained its leading position in the industry as it was selected as the contractor for 10 provinces and municipalities, including Guangdong, Beijing, Shanghai, Liaoning, Jiangsu and Heilongjiang. In particular, the Company was the only tax management contractor which won the tenders of Guangdong, Shanghai, Beijing and Jiangsu, these four provinces with highest tax revenue in the PRC. The sales of the Group's tax-collection cashier machines ranked first in the PRC in seven consecutive years, which is far ahead other competitors.

The Company devotes in product innovation based on market demands. To cater for the transformation of taxation administration from management-oriented to service-oriented operation, the Company has developed the automatic ratepaying machines ("ARM"). Upon the further improvement, the ARM offers more than 20 automatic tax management functions and materialized the first integrated tax management platform for both national and local tax. It has commenced trial run in 12 provinces such as Shandong, Jilin, Shanxi, Hebei, Chongqing and Shanghai.

In 2010, the Group will closely monitor the latest development of tax management market, carry out in-depth investigation into the market competition and adopt measures to analyze, follow up and deal with the impacts of "information tax management" and "online tax reporting" on traditional tax management of "tax management based on invoices". The Group aims to consolidate its technological leading status in the tax management industry by leveraging on its differentiated competitive edges and technological advantages in both hardware and software. In order to optimize and strengthen the two core business, tax paying service and tax collection management, the Company will develop value-added services for tax bureau and tax payers through reallocation of tax business resources and centralized planning, and the construction of Golden Tax Project Phase III and the formulation of relevant standards. It is expected that related IT services of integrated solution for taxation management, such as software series for taxation, tax-collection cashier machines and ARMs will boost the growth of the Group's results.

Financial IT services

Financial business is the traditional business of the Company which serves financial institutions, such as Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and China Construction Bank. In 2009, after financial crisis, we have not figure out a more efficient coping strategies to fight with declining IT services procurement from financial industry. Our revenue and market shares shrunk under the vigorous market competition in 2009. The Company has to adopt effective measures for a turnaround in 2010.

In view of the lackluster operation environment of the entire financial sector, particularly in the first quarter of the year, the Group timely adjusted its market strategy with a focus on the financial IT services. The strategy aimed at network expansion and management improvement, especially for the IT integration solution of bank network and management. The Group enhanced its communication with existing customers and improved its services while entering into agreements with new customers such as China CITIC Bank, Ping An Insurance (Group), Agriculture bank of China Henan and Chongqing Branch, ICBC Hubei and Liaoning Branch, Chongqing Rural Commercial Bank and Shandong Rural Credit Cooperative Union etc to expand its customer base. To cater for IT market demands on product innovation and risk management from banks in face of financial crisis, We developed new products designated for agriculture, farmers and rural areas, including the credit risk management system, value and performance management system, CSAP, cash payment system, and online banking terminal software.

In the future, the IT construction of finance industry will recover following the steady growth of the China economy. Growth in IT construction of financial institutions which involved the agricultural sector will be noteworthy due to the policy of agriculture, farmers and rural areas. The Group aims to develop in this area. By introducing external forces, seeking for strategic cooperation, strengthening its teams and raising consultation capacity, the Group do strive to enhance its core competitiveness and capacity in integrated solutions as well as provide better services for financial customers. The application of the Company's products in relevant industries and fields will also be further expanded.

Governmental IT service - E-government

With the gradual promotion of government IT construction and the continuous market discipline improvement, the Company's leading position in the E-government approval prefect was strengthened. During the year, the Company enhanced and extended its customer base for continuous market coverage expansion while expanding the potential of its existing customers. It further enriched the ECGAP product line by launching a series of products including the urban Administrative Law Enforcement, the integrated monitoring system, the efficiency supervision system, the public resources system and the office system for discipline committee to facilitate its provision of system application and comprehensive solutions for new and existing customers. In 2009, the coverage of the Company's ECGAP product extended to Jiangxi, which is the first provincial customer and ten new prefectural-level cities, including Xiamen, Shijiazhuang, Shangqu , Foshan and Liu Pan Shui. As at the end of the reporting period, the Company's ECGAP product covered 14 provinces with approximately accumulated 60 prefectural-level cities, in which half of the prefectural-level cities in Shandong, Hebei and Fujian are using the Company's products. The Company has remained to be the largest player in terms of market shares.

The Company has planned to expand its market shares to 100 prefectural-level cities in the next two years. The Company will adopt a combination of product-oriented and customer-oriented strategies and endeavour in developing new products in order to achieve scale expansion and rapid development. It will grasp new and high-end customers while maintaining relationships with the existing customers. Investment in research and development will also increase to maintain competitiveness of products. The Company will strengthen project management and develop multi-product projects, which further diversify the product lines, enhance market sales capacities and also develop as a new income source of the Group.

Software outsourcing business

In respect of the software outsourcing business, the Group provided the IT outsourcing ("ITO") services (such as system application, development and maintenance services, software product and embedded software development, quality warranty and testing), the business process outsourcing ("BPO") services (such as data input and back office operation maintenance) and the product development outsourcing ("PDO") services (such as semi-finished parts and platform development) mainly for international customers. These services, ranging from low to high end, offered comprehensive technological support to customers.

In 2009, the adverse impacts of the financial tsunami on the Japanese, US and European markets induced a shrink in the global outsourcing market, and the market price of outsourcing services continued to decline due to fierce market competition. In face of such adversities, the Company adopted proactive initiatives to explore new opportunities through optimizing business structure, streamlining of staff structure. enhancing win-win co-operation, and actively expanding oversea and domestic market and service area in order to ward off risk. In the software testing and quality assurance business sector, we keep in with Microsoft and other strategic customers continuing in corporation in many areas. In the enterprise application R&D area, the Company also deepen corporation with Furukawa, Fitec, Mitsubishi etc. Meanwhile, in the mobile communications industry, Inspur also highlights its advantages in the operations supporting system development, the terminal application development, BPO services etc.

Nevertheless, affected by the global economic downturn, the volume and price of outsourcing business from major customers has down. The turnover of IT software outsourcing for 2009 decreased by approximately 36% compared to last year. The software outsourcing business was acquired by the Group in 2008, the profit in 2009 and future economic benefit is far lower than the expectation and forecast made upon its acquisition. As such, the Company has accounted impairment loss for all goodwill and partial of intangible assets of such business. The IT software outsourcing business recorded loss in this year.

In 2010, in view of the current market condition and economic development overseas, the outsourcing business will still face certain difficulties. The Company is looking forward to the revival of outsourcing business from the haze of financial crisis following the gradual recovery of economy in Europe, United States and Japan. Under the current market circumstances, the Company has planned to consolidate the cooperation with existing customers and explore other marketing channels and business fields. It will also expand new market channels and business fields in China while placing emphasis on the Microsoft and Japanese business. The Company is eager to seek for new business opportunities and new income source by expanding its outsourcing business mode through flexible ways such as strategic cooperation, joint venture and acquisitions.

(2) **International sales of IT products**

The Group's international sales of IT products cover the provision of IT products and services to South American markets. During the reporting period, this business grew steadily. Turnover amounted approximately to HK$145,671,000 (corresponding period of last year: HK$171,418,000), representing a decrease of around 15% over last year. The amount accounted for 6.76% of total turnover of the Group and contributed to 3.94% of segment results. The Company intends to establish new sales network through expansion of overseas businesses with international sales of IT products. With this network, new products and services will boost the growth of the overseas IT services business of the Company and materialize the target of internationalization of the Group.

(3) **IT components trading**

During the reporting period, components trading business recorded turnover of approximately HK$526,588,000, accounting for 24.43% of total turnover of the Group and contributing to 11.37% of segment results. The Company will maintain the stable development of IT components business through enlarging its customer base and sales channels.

Prospects

By reviewing our business last year, the Company clearly recognises the severe competition of the IT industry and the challenges and problems for its future development. Due to the lingering impacts of the financial crisis, the Group's business such as software outsourcing and sales of international IT products decreased significantly. The competitive edges of its financial IT services are obscure with insufficient competitiveness. As the Group's overall business scale is still relative small, its market presence remains insignificant. The inefficient integration of its existing structure should be improved through reinforcing coordination between departments and optmizing and enhancing comprehensive solutions and services. As such, the Group should make concrete preparation and launch efficient initiatives with determination for tackling each challenge.

In 2010, with the Chinese government's implementation of the stimulus policy for the information technology industry and the introduction of standards or plans for emerging industries such as computation, machine-machine and the integration of telecommunications networks, cable TV networks and the Internet, the industrialization and informationization of the PRC will be accelerated and will be favourable to the Group. On the other hand, in spite of the upturn of China's economy, the recovery of the real economy is unstable and subject to many uncertainties. In particular, the influx of overseas peers to China's market triggered by the slow recovery of overseas markets has intensified the competition of the domestic market in which the Company operates. The future development of the Company will be full of competition and challenges. To cope with the challenges and strive for improvement, the Company will be committed to maintaining its leading position through the cooperation of all its staff and implementation of various initiatives.

In the coming year, the Group will further optimize and adjust its existing organizational structure based on customer and market demands for enhancing its specialized management and coordination. More efforts will be put on the establishment of systems for market and product development for the expansion of its domestic and overseas markets and strengthen the scale and market share of its core business. Through its commitment to research and development, its competitiveness will be enhanced along with continuous improvement in its technological and service capability and efficiency. In respect of IT services and application, the Group will seize opportunities for merger and acquisition for its markets and products at home and abroad to integrate upstream and downstream resources and optimize its value chain. By reinforcing its joint venture and forming alliances with strategic partners, the Group will expand its core business and maintain its leading position in the IT services industry to achieve higher profitability and create better value for shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2009, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares during the year.

CODE ON COPRPORATE GOVERNANCE PRACTICES

The Group has complied with the applicable code provisions set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 of Listing Rules for Main Board throughout the period ended 31 December 2009, save as notice of at least 14 days, as required under Code A 1.3, was not adequately given for some regular board meeting which were scheduled on date such that most directors were able to attend. Also, the chairman of the Board, as required under Code E.1.2, was not able to attend the annual general meeting because of other conference committed.
The Company will improve its meeting scheduling and arrangement in order to ensure full compliance with Code A.1.3 and E.1.2 in future.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") set out in Appendix 10 of Main Board Listing Rule as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the requirement set out under the Model Code throughout the period ended 31 December 2009.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2009, including the accounting principles and practices adopted by the Group, and is of the opinion that the preparation of such results comply with applicable accounting standards and requirements, and that adequate disclosures have been made.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Thursday, 20 May 2010 to Wednesday, 26 May 2010 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday，19 May 2010.

By Order of the Board
Inspur International Limited
Sun Pishu
Chairman

Hong Kong, 8 Apr 2010

As at the date of this announcement, the Board comprised Mr. Sun Pishu, Mr. Wang Xingshan, Mr. Chen Dongfeng and Mr. Dong Hailong as executive Directors, and Mr. Meng Xiang Xu, Mr. Liu Ping Yuan and Mr. Wong Lit Chor, Alexis as independent non-executive Directors.

** For identification purposes only*