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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: 596)

INSIDE INFORMATION — POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Company for the year ended 31 December 2018, it is expected that the Company will see a significant increase in profit as compared with the corresponding period last year, and will record a profit of more than HK\$300.00 million.

As the Company is still in the process of finalizing its annual results for the year ended 31 December 2018, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Inspur International Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of the directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Company for the year ended 31 December 2018, it is expected that the Company will see a significant increase in profit attributable to shareholders of over 150% as compared with the corresponding period last year (approximately HK\$113,051,000), and will record a profit of more than HK\$300.00 million.

The Board considers that such profit increase was mainly due to:

- (1) the steady increase in income from the management software and cloud services business of the Company, as well as the improved gross profit margin during the reporting period;
- (2) increase in profit resulted from the acquisition of Inspur Tianyuan Communications System Co., Ltd. during the reporting period; and
- (3) the significant increase in the Company's gains from investment in an associate.

As the Company is still in the process of finalizing its annual results for the year ended 31 December 2018, the information contained in this announcement is only based on the preliminary assessment by the Board on the management accounts of the Group and information currently available to the Group, which has not been audited or reviewed by the auditors and/or audit committee of the Company and may be subject to amendments or adjustments. Shareholders of the Company and potential investors are advised to refer to detailed financial information to be disclosed in the Company's announcement in respect of the annual results for the year ended 31 December 2018, which is expected to be published in March 2019.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Inspur International Limited
Wang Xingshan
Chairman

Hong Kong, 17 January 2019

As at the date of this announcement, the Board comprised Mr. Wang Xingshan, Mr. Lee Eric Kong and Mr. Jin Xiaozhou, Joe as executive Directors and Mr. Dong Hailong as non-executive Directors and Ms. Zhang Ruijun, Mr. Wong Lit Chor, Alexis and Mr. Ding Xiangqian as independent non-executive Directors.