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INSPUR DIGITAL ENTERPRISE TECHNOLOGY LIMITED

浪潮數字企業技術有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 596)

**CONTINUING CONNECTED TRANSACTION:
BUSINESS TRAVEL SERVICES FRAMEWORK AGREEMENT**

Business Travel Services Framework Agreement

The Board announces that, on 28 March 2024, the Company entered into the Business Travel Services Framework Agreement with Inspur Travel, pursuant to which Inspur Travel has agreed to provide certain business travel services to the Group for a term commencing from 28 March 2024 to 31 December 2024.

General

As at the date of this announcement, IPG is a controlling shareholder of the Company holding approximately 54.44% of the issued share capital of the Company, and thus is a connected person of the Company for the purposes of the Listing Rules. Accordingly, the transactions contemplated under the Business Travel Services Framework Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio under the Rule 14.07 of the Listing Rules in respect of the annual caps of the transactions under Business Travel Services Framework Agreement is expected to be more than 0.1% but less than 5%, the transactions contemplated under the Business Travel Services Framework Agreement are subject to reporting, annual review and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

The Board announces that, on 28 March 2024, the Company entered into the Business Travel Services Framework Agreement with Inspur Travel, pursuant to which Inspur Travel has agreed to provide certain business travel services to the Group for a term commencing from 28 March 2024 to 31 December 2024.

THE BUSINESS TRAVEL SERVICES FRAMEWORK AGREEMENT

The principal terms of the Business Travel Services Framework Agreement are set out as follows:

1. Date

28 March 2024

2. Parties

- (a) The Company; and
- (b) Inspur Travel

3. Term

From 28 March 2024 to 31 December 2024. Subject to compliance with the Listing Rules and other applicable laws and regulation, the parties may renew the term of the Business Travel Services Framework Agreement.

4. Scope of transactions under the Business Travel Services Framework Agreement

The Group may use the business travel platform maintained by Inspur Travel to purchase the following business travel services from time to time, including:

- (a) enquiry, booking, cancellation and changing of domestic flight tickets;
- (b) enquiry, booking, cancellation and changing of international flight tickets;
- (c) customer service, including but not limited to the provision of a hotline for the handling of enquiry, complaints, emergencies, and compiling and reporting of related business data; and
- (d) other related business travel services.

5. Pricing Basis and Pricing Policies

Pursuant to the Business Travel Services Framework Agreement, the service fee is determined through arm’s length basis by the parties with reference to the prevailing market rate or the commission rate charged by other independent third-party service providers or travel agencies, which provide the same or similar type of business travel services, as well as the service quality and other requirements for the specific type of business travel services. The supply of the business travel services is on normal commercial terms and the price of the business travel services is determined by reference to, amongst other factors, the prices at which Inspur Travel provides services to other independent third parties at that time.

ANNUAL CAPS

Historical Amounts

The transactions contemplated under the Business Travel Services Framework Agreement are new transactions between the Group and Inspur Travel, there was no historical transaction amounts in respect of such transactions between the parties.

Annual Cap and Basis of Determination

Set out below are the proposed maximum annual caps for the transactions contemplated under the Business Travel Services Framework Agreement for the years ending 31 December 2024:

(All amounts in RMB million)	Year ending 31 December 2024
Business travel service fees payable by the Group to Inspur Travel	30

In determining the proposed annual caps for the transactions contemplated under the Business Travel Services Framework Agreement, the Company has taken into account the scope of services contemplated thereunder, the estimated demand of business travel services required by the Group based on previous data, and the estimated fees of the relevant business travel services.

Internal Control Measures for the Transactions

As part of the Group's internal approval and monitoring procedures relating to the transactions with Inspur Travel, the Group has implemented adequate internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group's finance department for monitoring the annual caps of the relevant transactions. Furthermore, under the Business Travel Services Framework Agreement, if the actual annual transaction amounts reach a prescribed threshold of the proposed annual caps for the relevant year, Inspur Travel and the Group will discuss and consider suspending the services under the Business Travel Services Framework Agreement to ensure the Company's compliance with the Listing Rules.

The Directors (including independent non-executive directors of the Company) will review the transactions contemplated under the Business Travel Services Framework Agreement each year so as to confirm that the relevant terms are fair and reasonable, on normal commercial terms or better than those offered to or by the independent third parties and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE BUSINESS TRAVEL SERVICES FRAMEWORK AGREEMENT

The Group's employees require business travel services from time to time to attend work trips, and there is therefore a high demand for related business travel services throughout the year. By entering into the Business Travel Services Framework Agreement, the Group will be able to centralize the bookings from its employees and improve work and management efficiency. The Group would also be able to analyze data collected from the use of business travel platform to make better and more accurate managerial decisions.

As Inspur Travel is expected to handle bulk quantities of purchases due to the centralization of Group bookings, Inspur Travel has managed to partner with various airline companies and resource providers to obtain flight tickets directly at a competitive price. More specifically, there is a comprehensive savings rate of 5% from purchasing airline tickets directly from partnership airlines than through independent third-party travel services platforms. Other than facilitating a simplified and orderly booking process for the Group's employees, Inspur Travel also offers the Group a 60-day credit period for the settlement of costs and fees incurred from the services, thereby lowering the Group's administration costs as a whole.

The Board (including the independent non-executive Directors) considered that the Business Travel Services Framework Agreement was negotiated on an arm's length basis and entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the relevant terms and proposed annual cap thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, IPG is a company established in the PRC and is directly and indirectly interested in approximately 54.44% of the issued share capital of the Company. Inspur Travel is a subsidiary of IPG. Under the Listing Rules, Inspur Travel is a connected person of the Company and the transactions contemplated under the Business Travel Services Framework Agreement will constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio under the Rule 14.07 of the Listing Rules in respect of the aggregate annual cap of the transactions contemplated under the Business Travel Services Framework Agreement is expected to be more than 0.1% but less than 5%, the transactions and proposed annual caps are subject to reporting, annual review and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the transactions contemplated under the Business Travel Services Framework Agreement. No Director was required to abstain from voting on the Board resolutions of the Company approving the Business Travel Services Framework Agreement and the transaction contemplated thereunder.

INFORMATION OF THE PARTIES

The Company

The Company is a provider of enterprise software and SaaS cloud services, a service provider for enterprise digital transformation, and a provider of intelligent manufacturing solutions, providing digital transformation services for enterprises.

Inspur Travel

Inspur Travel is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Inspur Group. The principal businesses of Inspur Travel are to provide digital transformation product applications and solutions for tourism, smart venues and smart space services, etc.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Business Travel Services Framework Agreement”	The business travel services framework agreement dated 28 March 2024 entered into between the Company and Inspur Travel in relation to the provision of certain business travel services
“Company”	Inspur Digital Enterprise Technology Limited (浪潮數字企業技術有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 596)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“IPG”	Inspur Group Limited* (浪潮集團有限公司), a company established in the PRC with limited liability, a controlling shareholder of the Company
“Inspur Travel”	Shandong Inspur Smart Cultural Tourism Industry Development Company Limited* (山東浪潮智慧文旅產業發展有限公司), a subsidiary of IPG
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HKD0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

* *The English translation of certain Chinese names or words in this announcement is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By order of the Board
Inspur Digital Enterprise Technology Limited
Zhao Zhen
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprised Mr. Zhao Zhen, Mr. Wang Yusen and Mr. Cui Hongzhi as executive Directors, Ms. Li Chunxiang as non-executive Director and Ms. Zhang Ruijun, Mr. Wong Lit Chor, Alexis, and Mr. Ding Xiangqian as independent non-executive Directors.