

SEQ_NO	1	Date of announcement	2007/04/18	Time of announcement	15:37:00
Subject	Letter to the Customers and Shareholders of, and Colleagues at, Inventec Appliances Corp.				
Date of events	2007/04/18	To which item it meets	article 2 paragraph 48		
Statement	<p>1.Date of occurrence of the event:2007/04/18  2.Company name:Inventec Appliances Corp.  3.Relationship to the Company (please enter "head office" or " affiliate company"):Head offic  4.Reciprocal shareholding ratios:N/A  5.Cause of occurrence:N/A  6.Countermeasures:N/A  7.Any other matters that need to be specified:  Letter to the Customers and Shareholders of, and Colleagues at, Inventec Appliances Corp.  2007/04/18  In connection with recent media reports that the high-level management of Inventec Appliances Corp. ("IAC") has allegedly been involved in insider trading and subjected to large scale searches by prosecutors at IAC, as the Chairman, President and a number of the senior management are currently on business trips overseas, and in order to avoid doubts and not create misunderstandings by IAC's customers, shareholders and employees, IAC hereby state as follows to protect the interests of IAC and its shareholders:</p> <p>1. IAC always abides by the laws in its operations and insists on honesty and integrity. As the global OEM market is ever changing, frequent fluctuations between customer orders and actual shipments is part of the ordinary business. No company can easily ascertain the customers final requirements with precision. In addition, as the company is bound by confidentiality obligations to its customers in relevant contracts, IAC cannot unilaterally disclose the contents of its customers' orders. This is the custom and norm in the consumer electronics industry. IAC follows this international OEM business' mode of operation. There was no intentional concealment of material information whatsoever and IAC has been operated in a legitimate manner.</p> <p>2. To date, no shares in IAC held by the Chairman Jackson Chang or any other members of the board of directors, including President Daniel Lee, have been disposed. All members of the board have always maintained their positions and fully devoted in operation and production so as not to disappoint our customers, suppliers and shareholders.</p> <p>3. IAC shares were first listed on the Taiwan Stock Exchange on October 25, 2005. Whether any management of IAC or their family members have traded IAC shares in early 2006, after the expiry of the lock-up period on January 24, 2006, were entirely their respective personal finance and investment decisions. By law, IAC has no right to be involved or to inquire into such tradings. However, IAC fully respects the prosecution's investigations and remains willing to cooperate in that respect.</p> <p>4. IAC deeply regrets if this incident has caused troubles on IAC's customers, shareholders and employees. IAC thanks all of the colleagues who have stood by their works and further thanks the management for their sacrifices made in accommodating customer concerns and requirements as first priorities. Most of all, President Daniel Lee, owing to a scheduled visit to Asia by a significant and important international customer, although his immediate family members have been detained, he maintained his priorities for the business and thus was unable to</p>				

immediately return to Taiwan. IAC greatly respect such showing of devotions to IAC.

5. The media's widespread coverage has led to serious concerns from IAC's important customers and foreign investors. This has greatly impacted IAC's reputations. Chairman Jackson Chang, President Daniel Lee, and the management urgently need to communicate with IAC's major customers to make appropriate arrangements. As the prosecutors have issued subpoenas, the relevant persons after settling down customers and relevant overseas business units in the coming days will certainly return to Taiwan by the respective dates to make explanations to the prosecution in order to protect the interests of IAC's shareholders, customers and employees.

6. IAC is currently in full normal operations. IAC sincerely asks all our customers and suppliers to continue to support IAC at this time in view of our longstanding and close cooperations. IAC also hopes that the prosecution will swiftly investigate and confirm the truth so as not to damage IAC's long-established good image and reputation in the industry.

Jackson Chang  
Chairman