

Provided by: Inventec Appliances Corp

SEQ_NO	4	Date of announcement	2007/12/25	Time of announcement	17:54:52
Subject	IAC's Board Decided to Merge its Two Subsidiaries IASM with and into and IASM.				
Date of events	2007/12/25	To which item it meets	article 2 paragraph 11		
Statement	<p>1.Kind of merger/acquisition (e.g.merger, consolidation, spin-off ,acquisition, or receiving assignment of shares):Merger</p> <p>2.Date of occurrence of the event:2007/12/25</p> <p>3.Names of companies participating in the merger (e.g.name of the other company participating in the merger or consolidation, newly established company in a spin-off, acquired company, or company whose shares are taken assignment of):IAC plans to merge two of its subsidiaries, Inventec Appliances (Shanghai) International Marketing Corp. with and into Inventec Appliance (Shanghai) Corp.</p> <p>4.Counterparty (e.g.name of the other company participating in the merger or consolidation, company taking assignment of the spin-off, or counterparty to the acquisition or assignment of shares): Inventec Appliance (Shanghai) Corp. will be the surviving entity after it absorbs Inventec Appliances (Shanghai) International Marketing Corp.</p> <p>5.Relationship between the counterparty and the Company (investee company in which the Company has re-invested and has shareholding of XX%), and explanation of the reasons for the decision to acquire, or take assignment of the shares of, an affiliated enterprise or related person, and whether it will affect shareholders' equity: Two subsidiaries are all 100% owned by IAC. The merger would not affect shareholders' equity.</p> <p>6.Purpose/objective of the merger/acquisitionation: Restructuring to streamline organizations.</p> <p>7.Anticipated benefits of the merger/acquisition: Organizations restructured and streamlined.</p> <p>8.Effect of the merger or consolidation on net worth per share and earnings per share:None.</p> <p>9.Share exchange ratio and basis of its calculation: Inventec Appliance (Shanghai) Corp. will take over Inventec Appliances (Shanghai) International Marketing Corp.'s asset and liability.</p> <p>10.Scheduled timetable for consummation: The Consolidation date of the merger is depending upon the the approval from China Tax Authority.</p> <p>11.Matters related to assumption by the existing company or new company of rights and obligations of the extinguished (or spun-off) company:: Inventec Appliance (Shanghai) Corp. will take over Inventec Appliances (Shanghai) International Marketing Corp.'s asset and liability.</p> <p>12.Basic information of companies participating in the merger: Inventec Appliance (Shanghai) Corp. produces and sells calculators, phones, and MP3 players. Inventec Appliances (Shanghai) International Marketing Corp. sells telecommunication equipments, handsets, and offers maintenance services.</p> <p>13.Matters related to the spin-off (including estimated value of the business and assets planned to be assigned to the existing company or new company; the total number and the types and volumesof the shares to be acquired by the split company or its shareholders; matters related to the reduction, if any, in capital of the split company) (note: not applicable other than where there is announcementof a spin-off):None.</p> <p>14.Conditions and restrictions on future transfers of shares resulting from the merger or acquisition:None.</p> <p>15.Other important stipulations:None.</p> <p>16.Do the directors have any objection to the present transaction?:No.</p>				