

## **EXPANSION OF THE DISTRIBUTION BUSINESS**

For the purpose of expanding Maxifair Technology Limited (“Maxfair”) business coverage to Taiwan, the Group’s distribution business has reorganized its shareholding structure. On 8 February 2001, Maxfair Technology Holdings Limited (“Maxholdings”), a British Virgin Island company was incorporated. The shareholders of Maxfair transferred all their interests in Maxfair to Maxholdings at par value on 16 March 2001. Subsequent to the transfer, the shareholders subscribed shares of Maxholdings at the same ratio as they were holding Maxfair such that the Group’s minority interests in distribution business remain unchanged. Maxholdings had subsequently formed a 70% owned joint venture with a local Taiwanese company on 24 May 2001.