



Global Flex Holdings Limited
佳邦環球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 471)

ANNOUNCEMENT

The purpose of this announcement is to keep shareholders and investors informed of the situation of the Company. Due to difficulties encountered in its operating environment in the past few months as well as expected extraordinary write-offs associated with its recent business restructuring, the Company expects its current operating performance may not be comparable to the past. However, the Board has been taking steps to overhaul the situation and improve performance.

The Company is also considering a possible fund raising exercise with a view to strengthen its capital base, and prepare for new business initiatives.

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

This announcement is made in accordance with Rule 13.09(1) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (“**Board**”) of directors (“**Directors**”) of Global Flex Holdings Limited (“**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) wishes to inform shareholders of the Company and investors that in the past few months, the Group encountered some difficulties in its operating environment.

After a recent review by the Company of its overall business situation, it is currently expected that the performance of the Group by year-end may not be comparable to the past for the following reasons:

A) Extraordinary write-offs associated with business restructuring:

Due to deteriorating profit margin and intensified competition in the assembly and electronic manufacturing solutions business, the Company, under the new management, has decided to scale down and eventually terminate or subcontract such sector of business, which is currently operated under the wholly-owned subsidiary of the Company, Forever Jade Electronic (Suzhou) Co. Ltd. In addition, the Company is consolidating production capacities in rigid printed

circuit board (“**PCB**”) business in order to become more productive and cost-effective. As a result, a significant amount of the existing raw materials and work-in-progress inventories initially prepared in anticipation of customer order flow may have to be written off before the year-end.

B) Stringent situation in the traditional PCB sector

Traditional PCB industries are facing significant changes as lower end products are being phased out and replaced by higher end products. Such business segment is further exacerbated by rising labor and material cost, financing cost, as well as Renminbi appreciation. The Company has fairly substantial operation in such business. The management considered that this segment of PCB business would remain stringent for the rest of the year.

C) Price and volume drop in the orders from the Major Customer

There has been a significant decrease in demand and price offered by one of the Group’s major customers (“**Major Customer**”) because the Major Customer has been experiencing some difficulties in its mobile phone business. Although order flow from the Major Customer used to reach its peak during the fourth quarter of each year, the Company expects the volume and price offered by the Major Customer this year will be lower compared to that of the corresponding period in 2006.

Despite the above factors which are currently expected to have an adverse impact on the performance of the Group, our new senior management team has been formulating and implementing steps to enhance the production systems and financial performance of the Group. These steps include:

1) *Cost-cutting and business overhaul*

The Company has embarked on a series of reorganizational initiatives aimed at significant cost-cutting, operation streamlining, and financial management enhancement so as to lower overall cost, increase operating margin, and generate greater net profit.

2) *Re-focus on products with technology edge*

The Company is re-focusing and expanding its business in high-end flexible printed circuit board (“**FPC**”), rigid-flex, and high density interconnect (“**HDI**”) PCB products. The Company already commands top flexible circuit technology in the market and the management consider that such a business mix will best play out the Company’s technology competitiveness to capture dominance in the market. Other lower-end and/or traditional products will be phased out or terminated eventually.

3) *Diversify customer base*

The Company is actively diversifying its core customer base to include customers from around the globe including China so as to reduce our reliance on certain major customers and create more stable order flow and revenue.

4) *Research and development (“**R&D**”) and business development*

The Company is also adding R&D and product design capability through our new senior management in order to move our manufacturing base up the product value-chain. Such addition will enable the Company to have better command of product origination and product cycle and become a more value-added, solution-based, original design manufacturer (“**ODM**”) in mobile electronics.

5) *New business opportunities*

The Company will actively explore new business opportunities aiming at enhancing the Company’s value, such as through vertical integration, strategic alliance and/or mergers and acquisitions.

6) *Possible fund raising activity to strengthen capital base and prepare for new business initiatives*

The Company is also considering a possible fund raising exercise to strengthen its capital base, and prepare for new business development initiatives. Further announcement in respect of the fund raising activities (when carried out) will be made by the Company in accordance with the Listing Rules.

The Board and management of the Company are committed to create value for our shareholders, and we will continue to carry on our business in the best interest of the Company and its shareholders as a whole.

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
Global Flex Holdings Limited
Wong Chau Chi, Charles
Chief Executive Officer and Executive Director

Hong Kong, 5 November 2007

As at the date of this announcement, the Board comprises six executive Directors, namely Mr Lin Cheng Hung, Mr Hsu Chung, Mr Huang Lien Tsung, Mr Wong Chau Chi, Charles, Ms Lin Yi Ting and Mr Shao Yi, four non- executive Directors, namely Mr Chou Tsan Hsiung, Mr Nguyen Duc Van, Mr Yang Yi and Dr Li Jun, and three independent non-executive Directors, namely Mr Wang Wei-Lin, Mr Chow Chi Tong and Mr Liao Kuang Sheng