



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: Updating on the recent performance of the Company

This announcement is made in accordance with Rule 13.09(1) of the Listing Rules and aims at keeping the public and shareholders of the Company informed on the recent performance of the Company.

Shareholders and investors of the Company 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 the public and the shareholders of the Company that the Group will continue its business restructuring and encountered difficulties in its operating environment and tight macro-economic policies of the government of the People’s Republic of China (“**PRC**”).

After preliminary review conducted by the management of the Company, it is currently expected that the performance of the Group for the six-month-period ended 30 June 2008 may not be comparable to that for the six-month-period ended 30 June 2007. It is mainly due to extraordinary write-offs associated with the business restructuring of the Group. However, the Group is wrapping up its business restructuring and has also embarked on new business development.

I. Termination of some of the unprofitable assembly and electronic manufacturing solutions businesses

The Group has largely terminated the unprofitable assembly and electronic manufacturing solutions businesses and taken steps for related plant closures, write-offs and downsizing. Furthermore, the Group has consolidated production lines, streamlined management, and implemented new financial controls. As a result, the Group’s platform has become more productive and less costly.

II. Major focus on Rigid-Flex Technology for Smart Phones

The Group has increased its focus on rigid-flex printed circuits technology for smart phones. The Company has been a pioneer in the rigid-flex technology in the PRC, and was among the first to apply such technology to mass production for global clients. Rigid-flex is a hybrid technology that combines rigid circuit and flexible circuit to improve density and reliability so as to enhance processing power within a compact space. It is a key technology that drives the new generations of smart phones, which require increasingly smaller size but more functionalities such as all-in-one computing, communication and video features. It is expected that most handsets will be switched to smart phones within two years. The growth of the rigid-flex demand is therefore expected to be immense.

III. Gaining Top Global Mobile Phone Makers for a Diversified Customer Base

In addition to the above, the Group has also secured several top global mobile phone makers as its core customers. Among them:

Key Supplier to Largest Taiwan Smart Phone Maker

The Group has become a key supplier to the largest smart phone maker in Taiwan and has been its technology partner in the development of rigid-flex technology. The smart phone maker in Taiwan is a pioneer in the application of rigid-flex technology and is expected to become a leading global player in the smart phone market.

Qualified vendor to a Japanese-European Mobile Phone Company

The Group has recently obtained the approval from a top Japanese—European mobile phone manufacturer to be its qualified vendor after almost half-a-year long negotiation process. The Company expects to ramp up considerable business volume in the next few months with products focusing on rigid-flex and multilayer flex to be supplied to that Japanese-European mobile phone manufacturer.

Certified Vendor to an American Smart Phone Manufacturer

The Group has also passed the technical audit and have obtained approval from a smart phone maker in the USA as its certified vendor. The Company is working with the said smart phone manufacturer in the USA on applying the rigid-flex design for its latest models which are now in sample-testing stage. They are expected to result in considerable business volume for the Group in the near future.

Business Development with Mobile Phone Manufacturers in South Korea

The Group has become a vendor to two top mobile phone manufacturers in South Korea with a modest scale since last year. The Group is increasing its efforts to forge

a closer partnership with them to compete with other suppliers for their overseas sourcing. As technology requirement is expected to shift towards rigid-flex technology, the Company expects to maintain favourable position in the negotiation with the said mobile phone manufacturers in South Korea and shall use its endeavors to become their overseas primary supplier.

III. Launching of New Green Product with Japanese Chemical and Electronic Companies

After a year of on-going negotiation with some chemical and electronic companies in Japan, the Company is commencing production of a new type of eco-friendly printed circuit board with base material called aluminum foil substrate (“**AFS**”). AFS is developed by the said chemical and electronic companies in Japan which have expertise in organic and inorganic materials. AFS will first be applied to upcoming light emitting diode (“**LED**”) related consumer products. The Company is currently the exclusive supplier of printed circuit board with AFS base materials worldwide.

AFS can dramatically improve thermal conductivity of electronic assemblies. It is based on a special polymer composite technology merged to an aluminum foil on which electronic circuits are etched. AFS can safely and reliably transfer large amounts of heat away from electronic devices that are both delicate and heat sensitive.

The major application of AFS is on LED. LED is a lighting technology that vastly improves brightness, energy efficiency and safety. Given the array of LED will produce enormous amount of heat, AFS is believed to be an ideal solution to heating problem for LED circuits.

Because of its heat reduction ability, potential application of AFS is numerous, including LED devices, audio equipment, power equipment, mobile phones, computers, power modules and public street lighting system. In addition, it will be applicable to operating environment which is very hot, such as under-hood in automotive electronics, industrial applications in harsh conditions, and hot climate outdoor power electronics. AFS’s ability to reduce heat and conserve energy makes it an ideal candidate and possibly an application standard in the upcoming trend for “Green Electronics”. The Company believes that the printed circuit board with AFS as the base material will bring considerable new business opportunities and income streams to the Company.

Going forward, the Company intends to pursue more of such eco-friendly and renewable energy related technologies and is in the course of planning to set up a new business division dedicated to such endeavors.

The Company is also considering possible fund raising exercises to strengthen its capital base, maintain healthy cash flow 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 its shareholders. The Group will continue to carry on its 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
Chairman

Hong Kong, 2 July 2008

As at the date of this announcement, the Board comprises five executive Directors, namely Mr Lin Cheng Hung, Mr Hsu Chung, Mr Huang Lien Tsung, Mr Wong Chau Chi and Ms Lin Yi Ting, 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