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If you are in any doubt as to any aspect of this circular, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Global Flex Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED CAPITAL REORGANISATION

A notice convening an extraordinary general meeting of Global Flex Holdings Limited to be held at 2nd Floor, Royal Hong Kong Yacht Club, Kellett Island, Causeway Bay, Hong Kong on Wednesday, 14 January 2009 at 3:00 p.m. is set out on pages at the end of this circular.

Whether or not you intend to attend the extraordinary general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

18 December 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings unless the context requires otherwise:

“Adjusted Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“associates”	has the same meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the nominal value of each Share in issue from HK\$0.10 to HK\$0.01 and canceling paid-up capital to the extent of HK\$0.09 for each issued Share
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction and the sub-division of each authorised but unissued Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	The Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Global Flex Holdings Limited (stock code: 471), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Conversion Price”	the conversion price initially at HK\$0.10 per Conversion Share, subject to automatically adjust and reset under the Market Price Re-set
“Conversion Share(s)”	the Shares to be issued by the Company as a result of the exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	the HK\$21 million convertible notes to be issued by the Company, carrying rights to convert the principal amounts into new Shares, to Subscribers pursuant to the Convertible Notes Subscription Agreement
“Convertible Notes Subscription Agreement”	the subscription agreement dated 28 November 2008 between the Company and the Subscribers in respect of issuance of the Convertible Notes

DEFINITIONS

“Court”	the Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider the Capital Reorganisation
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 December 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Market Price Re-set”	the arrangements provided in the conditions of the Convertible Notes to reset and adjust the Conversion Price automatically at three (3) months intervals by reference to the lower of (a) HK\$0.10 and (b) 80% of the value weighted average price per Share for the past 20 trading days ending at the end of such three months intervals in a year during the term of the Convertible Notes
“Share(s)”	ordinary share(s) of HK\$0.10 each in the existing share capital of the Company
“Share Option(s)”	the share options granted by the Company to eligible participants under the share option scheme of the Company adopted on 5 July 2005
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the two (2) corporate and fund investors who entered into the Convertible Notes Subscription Agreement with the Company on 28 November 2008, who and their respective beneficial owners are third parties independent from the Company and the connected persons of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%” or “per cent”	percentage or per centum

EXPECTED TIMETABLE

The following expected timetable takes into account the Court procedures for the Capital Reorganisation and tentative timing relating thereto. The expected timetable is indicative only and is subject to change. Further announcement will be made in the event of any changes.

2009

Latest time for lodging proxy forms for the EGM 3:00 p.m. on Monday, 12 January

EGM 3:00 p.m. on Wednesday, 14 January

Hearing of petition for confirmation of the Capital

Reduction by the Court (Note) Wednesday, 22 April

Effective date of the Capital Reorganisation after 4:10 p.m. on Friday, 24 April

Dealings in the Adjusted Shares commence 9:30 a.m. on Monday, 27 April

First day for free exchange of existing share

certificates for the Shares for new share certificates

for the Adjusted Shares Monday, 27 April

Last day for free exchange of existing share

certificates for new share certificates Friday, 29 May

Note: All references in this circular to time and dates are references to Hong Kong time and dates other than reference to the expected date for the hearing of petition for confirmation of the Capital Reduction by the Court, which refers to relevant time and date in the Cayman Islands. Cayman Islands time is twelve hours behind Hong Kong time.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lin Cheng Hung
Mr. Wong Chau Chi
Mr. Hsu Chung
Mr. Huang Lien Tsung

Non-executive Directors:

Mr. Yang Yi
Mr. Chou Tsan Hsiung
Mr. Nguyen Duc Van
Dr. Li Jun

Independent non-executive Directors:

Mr. Wang Wei-Lin
Mr. Chow Chi Tong
Mr. Yu Kam Kee, Lawrence BBS, MBE, JP

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

1701-1702, 17/F
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

18 December 2008

To the Shareholders

Dear Sir or Madam,

PROPOSED CAPITAL REORGANISATION

INTRODUCTION

On 26 August 2008, the Company announced the proposed Capital Reorganisation. The purpose of this circular is to provide you with additional information on the Capital Reorganisation and to give you the notice of the EGM to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganisation.

CAPITAL REORGANISATION

The Board proposes to put forward a proposal to the Shareholders to effect the Capital Reorganisation which involves:

- (i) reduction of the issued share capital of the Company by reducing the nominal value of each Share in issue from HK\$0.10 to HK\$0.01 and canceling paid-up capital to the extent of HK\$0.09 for each issued Share; and

LETTER FROM THE BOARD

- (ii) subdivision of each authorised but unissued Share into 10 Adjusted Shares.

The credit arising from the Capital Reduction as described in (i) above shall be transferred to a distributable reserve account of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon fulfillment of the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders to approve the Capital Reorganisation at the EGM;
- (ii) compliance with any conditions which the Court may impose in respect of the Capital Reduction;
- (iii) the confirmation of the Capital Reduction by the Court and the registration by the Registrar of Companies in the Cayman Islands of a copy of the Court order and the minute containing the particulars required under the Companies Law; and
- (iv) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Adjusted Shares in issue.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,590,000,000 Shares are in issue and credited as fully paid. Upon the Capital Reorganisation becoming effective and assuming no further Shares will be issued or repurchased after the Latest Practicable Date, the authorised share capital of the Company will be HK\$500,000,000 divided into 50,000,000,000 Adjusted Shares, of which 1,590,000,000 Adjusted Shares will be in issue and credited as fully paid. Based on the number of Shares in issue at the Latest Practicable Date, as a result of the Capital Reduction, the issued share capital of the Company shall be reduced by HK\$143,100,000 from HK\$159,000,000 to HK\$15,900,000. A credit of HK\$143,100,000 will therefore arise as a result of the Capital Reduction, which will be transferred to a distributable reserve account of the Company.

Other than the expenses incurred or to be incurred relating to the Capital Reorganisation, implementation of the Capital Reorganisation will not, by itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Capital Reorganisation, by itself, will not have any adverse effect on the financial position of the Group and that on the date the Capital Reorganisation is to be effective, there are no reasonable grounds for believing that the Company would be unable to pay its liabilities as they become due.

LETTER FROM THE BOARD

Reasons for the Capital Reorganisation

Since the Shares have recently been trading at a level below their nominal value and the Company is not allowed to issue new Shares below their nominal value, the Board believes that the Capital Reorganisation will give greater flexibility to the Company to raise funds through the issue of new Shares in the future. As such, the Directors believe that the Capital Reorganisation is beneficial to the Company and the Shareholders as a whole.

Status of the Adjusted Shares

The Adjusted Shares will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Application for listing

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the Adjusted Shares arising from the Capital Reorganisation. The Shares are currently traded in board lot of 2,500 Shares and the board lot for trading of the Adjusted Shares will remain the same. No part of the equity or debt securities of the Company are listed on or dealt in any other stock exchanges nor is listing or permission to deal in the same being or proposed to be sought from any other stock exchanges.

Subject to the granting of the listing of, and permission to deal in, the Adjusted Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Adjusted Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the Adjusted Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Free exchange of certificates for Adjusted Shares

Subject to the Capital Reorganisation becoming effective, Shareholders may submit their existing certificates for the Shares (in orange colour) to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange for certificates for the Adjusted Shares (in blue colour) at the expense of the Company during 27 April 2009 to 29 May 2009. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time be allowed by the Stock Exchange) to be payable by Shareholders for each share certificate issued for the Adjusted Shares. Nevertheless, certificates for the Shares will continue to be good evidence of legal title and valid for trading, settlement and registration purposes and may be exchanged for share certificates for the Adjusted Shares at any time.

LETTER FROM THE BOARD

Shareholders should note that the current expected timetable on, among other things, the Court hearing date, the effective date of the Capital Reorganisation (as set out on page 3 of this circular) and the aforesaid period for free exchange of share certificates is indicative only. Further announcement will be made in the event of any changes thereto.

ADJUSTMENTS TO EXERCISE PRICES AND NUMBER OF THE SHARE OPTIONS TO BE ISSUED

Adjustments to the exercise prices and number of the outstanding Share Options may be required under the relevant terms of the share option scheme of the Company as a result of the Capital Reorganisation. Further announcement will be made by the Company after the necessary adjustments have been confirmed.

ADJUSTMENT TO THE CONVERSION PRICE OF THE CONVERTIBLE NOTES

On 28 November 2008, the Company entered into the Convertible Notes Subscription Agreement (“Subscription Agreement”) with the Subscribers in respect of the issuance of the Convertible Notes. It is provided in the conditions of the Subscription Agreement that the Conversion Price will be automatically adjusted and re-set under the Market Price Re-set every three (3) months in a year during the term of the Convertible Notes for so long as the principal amounts of the relevant Convertible Notes remain outstanding. The highest and the lowest Conversion Prices permitted under the Market Price Re-set shall be limited to HK\$0.10 and HK\$0.01 per Share respectively. The lower limit of the Conversion Price adjusted under the above Market Price Re-set is below the current HK\$0.10 par value of the Shares. Accordingly, such adjustments, including the Market Price Re-set arrangements, will not be effective unless and until the Capital Reorganisation becoming effective, such that the par value of the Shares shall be reduced to HK\$0.01 each, and other relevant conditions as set out in the Subscription Agreement, for compliance with the Listing Rules, the constitutional documents of the Company and applicable law and regulations are duly fulfilled.

EGM

The Capital Reorganisation is subject to, among others, the approval of the Shareholders. A notice convening the EGM to be held at 2nd Floor, Royal Hong Kong Yacht Club, Kellett Island, Causeway Bay, Hong Kong on Wednesday, 14 January 2009 at 3:00 p.m. is set out on pages 10 to 12 of this circular at which a special resolution will be proposed to consider and, if thought fit, approve the Capital Reorganisation. As no Shareholder has an interest in the Capital Reorganisation which is different from the other Shareholders, no Shareholder is required to abstain from voting in the EGM.

A form of proxy for use at the EGM is enclosed with this circular. You are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Procedure by which a poll may be demanded

Pursuant to article 72 of the articles of association of the Company, a resolution put to vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at such meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the rights to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who individually or collectively hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights at such meeting.

Recommendation

The Directors believe that the Capital Reorganisation is in the interest of the Company and the Shareholders as a whole and, accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Capital Reorganisation.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

By order of the Board
Global Flex Holdings Limited
Wong Chau Chi
Chairman

NOTICE OF THE EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Global Flex Holdings Limited (the “**Company**”) will be held at 2nd Floor, Royal Hong Kong Yacht Club, Kellett Island, Causeway Bay, Hong Kong on 14 January 2009 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as a special resolution, with or without modifications, of the Company:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the new ordinary shares of HK\$0.01 each in the issued share capital of the Company upon the Capital Reorganisation (as defined below) becoming effective; (ii) the confirmation of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the “**Court**”) and compliance with any conditions as may be imposed by the Court in relation to it; and with effect from the date when a copy of the Court order and a copy of the minute containing the particulars required under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands are filed with the Registrar of Companies in the Cayman Islands (the “**Effective Date**”):

- (i) the issued share capital of the Company be reduced by (1) cancelling issued and paid up capital to the extent of HK\$0.09 on each ordinary share of HK\$0.10 of the Company (“**Share**”) in issue on the Effective Date and (2) the nominal amount of all issued Shares be reduced from HK\$0.10 each to HK\$0.01 each (“**Adjusted Shares**”) (the “**Capital Reduction**”) such that any liability in respect of any unpaid capital of the Adjusted Shares shall be deemed to be extinguished and the nominal amount by which the issued share capital of the Company thus reduced shall be deemed to be unissued share capital available to the Company for issue of the Adjusted Shares to maintain the authorized share capital of the Company at HK\$500,000,000 divided into 50,000,000,000 Adjusted Shares; and
- (ii) each unissued Share of HK\$0.10 each in the authorized and unissued share capital of the Company be subdivided into 10 unissued Adjusted Shares of HK\$0.01 each (the “**Share Subdivision**”); and

NOTICE OF THE EGM

the directors of the Company be and are hereby authorised to transfer the credit arising from the Capital Reduction to a distributable reserve account of the Company to be applied for such lawful purposes as permitted under the articles of association of the Company and the law in the Cayman Islands and to do all such acts and things and to approve, sign and execute any other documents which in their opinion may be necessary, desirable or expedient to effect and implement the above matters in this resolution.”

By order of the board of Directors of
Global Flex Holdings Limited
Wong Chau Chi
Chairman

Hong Kong, 18 December 2008

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:

1701-1702, 17/F
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

Notes:

1. A form of proxy for use at the Meeting is enclosed under the circular of the Company dated the same date as this notice for use by the shareholders of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one proxy or, if he is the holder of two or more Shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be

NOTICE OF THE EGM

deposited at the Company's branch share registrar ("**Branch Registrar**") in Hong Kong, Computershare Hong Kong Investor Services Limited of Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint registered holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote.

As at the date of this notice, the board of Directors consists of 11 Directors, namely Mr. Lin Cheng Hung, Mr. Wong Chau Chi, Mr. Hsu Chung and Mr. Huang Lien Tsung all being executive Directors, Mr. Yang Yi, Mr. Chou Tsan Hsiung, Mr. Nguyen Duc Van and Dr. Li Jun all being non-executive Directors, and Mr. Wang Wei-Lin, Mr. Chow Chi Tong and Mr. Yu Kam Kee, Lawrence BBS, MBE, JP all being independent non-executive Directors.