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)

FURTHER CHANGE OF USE OF PROCEEDS

Reference is made to the Prospectus issued by the Company dated 28 September 2005 in relation to the Listing and an announcement of change of use of proceeds dated 23 December 2005. The directors of the Company wish to announce that the Company has decided to further revise the use of Net Proceeds as more particularly set out in this announcement.

Reference is made to the prospectus issued by Global Flex Holdings Limited (the "Company", and together with its subsidiaries, the "Group") dated 28 September 2005 (the "Prospectus") in relation to the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing") and an announcement of the Company dated 23 December 2005 in relation to the change of use of proceeds ("Previous Announcement").

It was disclosed in the Previous Announcement that the amount of net proceeds from the new issue in connection with the Listing ("Net Proceeds") to be used for the purchase of machinery and equipment for the Group's Suzhou plant in order to expand the Group's manufacturing facilities would increase from approximately US$10 million to approximately US$13.6 million while the amount of Net Proceeds to be applied for the establishment of a new manufacturing plant for the production of flexible printed circuit boards, flexible printed circuit assembly, rigid printed circuit boards ("PCB") and rigid printed circuit board assembly in the Northern China would reduce from approximately US$20.2 million to approximately US$16.6 million.

As stated in the 2005 annual report of the Company, the Group then identified a desirable site in Dalian, Liaoning province in the People's Republic of China ("PRC") for the establishment of the new plant and has been evaluating operational factors such as labour costs and the weather in the Northern part of the PRC (which may impact transportation and operation costs). Subsequently, the management has carried out further evaluation which indicated that the labour and transportation costs involved in the Northern part of the PRC are higher than those expected and the adverse weather conditions in the area during January and February, being the peak season of the Group's business, would significantly affect the local transportation systems and the Group's operations. Also taking into account the fact that the Group's major competitor has been increasing its production capacity in Suzhou, the PRC, the board of directors (the "Board") of the Company considers that the Group's priority should be given to the expansion and enhancement of the operations of its major production plant in Suzhou so as to strengthen the Group's competitiveness, to maintain and continue expanding its customer base. As such, the Board has decided to first apply the funds previously planned to be used for the Group's investment plan in the Northern China, which amounted to approximately US$16.6 million, to invest in the development of the Suzhou plants.

It is currently intended that approximately US$14.6 million out of the USD16.6 million proposed to be re-allocated for the development of the Suzhou plants will be invested in the purchase of machinery and equipment for increasing the production capacity of high density interconnect ("HDI") PCB, thinfilm transistor ("TFT") liquid crystal display ("LCD") PCB and rigid-flex products. The Directors consider that the more advanced and contemporary handsets and electronic products use more HDI PCB, TFT LCD PCB and rigid-flex products and the demand for these products will continue to increase. The Group has successfully developed the technological know-how required for a stablilised production of HDI and rigid-flex products. However, the scale of the Group's production for such kinds of products was limited due to insufficient production capacity. The purchase of the required machinery and equipment will allow the Group to achieve higher production capacity in order to fulfill market demand for these products.

The remaining amount of approximately US$2.0 million out of the US$16.6 million will be invested in the purchase of machinery and equipment for the assembly of electronic component modules and supporting finished products of the Suzhou plants in order to further expand the scale of production and scope of operation of the Group's one-stop services to its customers.

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lin Cheng Hung, Mr. Hsu Chung and Mr. Huang Lien Tsung, three non-executive directors, namely Mr. Lee Cheng Few, Mr. Chou Tsan Hsiung and Mr. Nguyen Duc Van, and three independent non-executive directors, namely Mr. Wang Wei-Lin, Mr. Chow Chi Tong and Professor Liao Kuang Sheng.

By Order of the Board
Global Flex Holdings Limited
Lin Cheng Hung
Chairman

Hong Kong, 15 September 2006