

**GLOBAL FLEX HOLDINGS LTD:
AND SO IT CAME TO PASS ...**

As the share price of [Global Flex Holdings Ltd \(\)](#) (Code: 471, Main Board, The Stock Exchange of Hongkong Ltd) continues to drop to below 48 cents – more than 20 percent in the course of 5 business days – one is left with a rather bitter taste in one's mouth with regard to senior Management of this manufacturer of **Printed Circuit Boards (PCBs)**.

As the Chinese proverb goes, , the dumb man is unable to describe the bitter taste of the food that he has just tasted.

So it must appear to quite a number of the shareholders of Global Flex Holdings, who, on September 28, 2005, applied and were allotted shares in the Issued and Fully Paid-Up Share Capital of this company at its **Initial Public Offering (IPO)** at \$HK1.02 per share.

In last Wednesday's **TARGET** Intelligence Report, in the lead story, this medium questioned whether or not Global Flex Holdings would be able to live up to its financial obligations to pre-IPO investors, both in Singapore and in Taiwan.

At Page 4 of last Wednesday's report, **TARGET ()** stated:

'The 2006 Financial Situation

'The situation at Global Flex Holdings appears to be deteriorating nearly on a daily basis and, by the looks of things, today, the Net Profit Attributable to Shareholders for the Current Financial Year will be considerably lower than that of the 2005-Year.

*'The 2006-Year's Bottom Line could well be at least 40 percent lower than that of the 2005-Year, according to **TARGET**'s profit forecast for the company, based on published information ...*

*'If **TARGET**'s prognostications in respect of the 2006-Year's results are correct – and there is every indication that they are within spitting distance of about \$US10 million (about \$HK78 million) – then, that result would represent a drop, Year-On-Year, of at least 30 percent.*

'But between today and December 31, 2006, of course, anything is possible: The Bottom Line might not even be able to achieve that figure of \$US10 million and could end up at the low end of \$US5 million (about \$HK39 million)!'

Last Friday, Global Flex Holdings put out its Interim Report for the 6 months, ended June 30, 2006, indicating that, on a Turnover of about \$US111.56 million (about \$HK870.17 million), the Net Profit Attributable to Shareholders was about \$US4.62 million (about \$HK36.04 million), representing a fall of nearly 41 percent, Year-On-Year.

TARGET, also, stated in the final paragraph of Page 5 of last Wednesday's exclusive report:

'On December 23, 2005, the Chairman of Global Flex Holdings put out an official announcement which stated, inter alia:

“Since capital expenditure for the purchase of machinery and equipment for the Group's Suzhou plant in expanding the Group's manufacturing facilities

demand increase for the Group's development in 2006, the Company decides to increase the Net Proceeds used for the purchase of machinery and equipment for the Group's Suzhou plant from US\$10.0 million to US\$13.60 million".'

Last Friday, also, Global Flex Holdings stated that there had been yet another change in the usage of the net proceeds from its IPO of September 28, 2005.

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