

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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MULTI FINELINE ELECTRONIX INC

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 31, 2006

MULTI-FINELINE ELECTRONIX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50812
(Commission File Number)

95-3947402
(IRS Employer
Identification No.)

3140 East Coronado Street

Anaheim, CA 92806

(Address of principal executive offices) (Zip Code)

(714) 238-1488

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01 Entry into a Material Definitive Agreement**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under and Off-Balance Sheet Arrangement of a Registrant**

On July 31, 2006, Multi-Fineline Electronix (Suzhou) Co., Ltd. (“MFC1”), a subsidiary of Multi-Fineline Electronix, Inc. (the “Company”), entered into a Comprehensive Credit Line Agreement (the “MFC1 Credit Line”) with Shanghai Pudong Development Bank Suzhou Branch (“SPDB”), providing for a line of credit to MFC1 in an amount of \$10,000,000, and Multi-Fineline Electronix (Suzhou No. 2) Co., Ltd. (“MFC2”), also a subsidiary of the Company, entered into a Comprehensive Credit Line Agreement (the “MFC2 Credit Line”) with SPDB, providing for a line of credit to MFC2 in an amount of \$10,000,000. Each of the MFC1 and MFC2 Credit Lines will mature on July 31, 2007 and bear interest at LIBOR (5.69% at June 30, 2006) plus 0.75%. SPDB will have the right to accelerate the Company’s obligations under the MFC1 and MFC2 Credit Lines in the event the Company defaults under either agreement. MFC1 and MFC2 also entered into Collaboration Agreements (the “MFC1 Collaboration Agreement” and “MFC2 Collaboration Agreement”) with SPDB, which set forth the material terms of the MFC1 Credit Line and the MFC2 Credit Line. A copy of each of the MFC1 Credit Line, MFC2 Credit Line, MFC1 Collaboration Agreement and MFC2 Collaboration Agreement are attached hereto.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

- 10.27 Comprehensive Credit Line Agreement by and between Multi-Fineline Electronix (Suzhou) Co., Ltd. and Shanghai Pudong Development Bank Suzhou Branch dated July 31, 2006.
- 10.28 Comprehensive Credit Line Agreement by and between Multi-Fineline Electronix (Suzhou No. 2) Co., Ltd. and Shanghai Pudong Development Bank Suzhou Branch dated July 31, 2006.
- 10.29 Collaboration Agreement by and between Multi-Fineline Electronix (Suzhou) Co. Ltd. and Shanghai Pudong Development Bank Suzhou Branch dated July 31, 2006.
- 10.30 Collaboration Agreement by and between Multi-Fineline Electronix (Suzhou No. 2) Co. Ltd. and Shanghai Pudong Development Bank Suzhou Branch dated July 31, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 3, 2006

MULTI-FINELINE ELECTRONIX, INC.

By:

/s/ Philip A. Harding

Philip A. Harding

Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
10.27	Comprehensive Credit Line Agreement by and between Multi-Fineline Electronix (Suzhou) Co., Ltd. and Shanghai Pudong Development Bank Suzhou Branch dated July 31, 2006
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Comprehensive Credit Line Agreement

Agreement No. 8901200600017

Credit Receiver (hereinafter called 'Party A'): MULTI-FINELINE ELECTRONIX (SUZHOU) CO., LTD**Legal address: Suning Industrial Estate Block, Wuzhong Economic Development Zone, Suzhou.PRC****Contact Address: Suning Industrial Estate Block A&B, Wuzhong Economic Development Zone, Suzhou.PRC****Credit Issuer (hereinafter called 'Party B'): SHANGHAI PUDONG DEVELOPMENT BANK SUZHOU BRANCH****Legal address: NO.1478 Renmin Road, Suzhou.PRC****Contact Address: NO.1478 Renmin Road, Suzhou.PRC**

According to pertinent stipulations by laws and regulations, such as the "Commercial Bank Law of the People's Republic of China" and the 'Provisional Rules on the Administration of Power of Attorney and Credit Line Authorization by Commercial Banks', Party A and Party B have, on the basis of equality, self-willingness and honesty and good faith, concluded the following agreement for mutual compliance through friend consultation.

Chapter One Definition and Interpretation

Article 1. Except requested for other interpretation by the context herein, the following terms in this Agreement shall be interpreted as follows:

Party A: refers to MULTI-FINELINE ELECTRONIX (SUZHOU) CO., LTD**Party B:** SHANGHAI PUDONG DEVELOPMENT BANK SUZHOU BRANCH, including its successor.**Comprehensive credit line:** refers to conditional credit support to Party A committed by Party B in one or a few credit categories.**Duration of Credit:** refers to the period, from 31 July, 2006 to 31 July, 2007, in which Party A may apply to Party B for recycled use of its comprehensive credit line;

however, the terminating date of the duration of credit shall not be interpreted as the maturity or expiration date for any one or more specific credit transactions that have already happened.

Specific Transaction: refers to businesses transactions offered by Party B to Party A based on the comprehensive credit line granted by Party B, such as short-term cash flow loan, acceptance of Banker' s acceptance drafts, and issuing of L/C for goods import, etc. (for each Banker' s acceptance draft/ L/C issuing, a deposit amounting to 0% of the face value of this bank draft or L/C will be paid).

Comprehensive Credit Line: refers to the total balance amount, combining the balance at the peak of short-term cash-flow credit principals that Party A may apply to Party B for use according to terms herein during the credit period stipulated in this Agreement, based on the comprehensive credit line to Party A as determined by Party B, and the balance at the peak of total open position (i.e. cumulative open positions) for the banker' s acceptance draft/import L/C opening.

The signing of this Contract does not necessarily mean that the Credit Receiver must be given the credit according to the credit line. If the Credit Receiver wants to use the credit line under this Contract, it shall make applications case-by-case by using the Appendix One hereto, i.e. 'Application Form for the Use of Comprehensive Credit Line' . Only with agreement by the Credit Issuer, plus its signing of a specific business contract, can the Credit Receiver start to use the credit line.

Open Position: refers to the amount of balance after deducting the paid deposit for the banker' s acceptance draft / import L/C from the face value of the same banker' s acceptance draft / the full value of the import L/C.

Specific Credit Line: refers to the balance amount at the peak of short-term cash-flow credit principals that Party A can use during the credit period hereunder within the comprehensive credit line, or the balance of maximum total open position (i.e. cumulative open positions) of the banker' s acceptance draft accepted by Party B or the L/C issued by Party B that can be used by Party A. Name of the specific credit line shall be determined by each business product. For instance, short-term credit line, acceptance credit line and L/C opening credit line, etc.

Used Credit Line: refers to Party A' s balance of principals for outstanding short-term cash-flow loans occurred during the credit period as set forth herein, or the total balance of the banker' s acceptance draft already accepted by Party B for Party A' s credit business but not yet paid, or the total balance of open position for the L/C already issued by Party B for Party A' s credit business but not yet paid. Except otherwise stipulated in writing by the two Parties hereto, the used credit line shall not exceed the specific credit line for a certain business.

Applicable Credit Line: refers to the difference between the specific credit line for certain business of Party A and the credit line already used for this business.

Specific Business Contract: refers to contracts or agreements signed by Party A and Party B regarding the use of specific credit line, including but not limited to application form and its appendixes submitted by Party A and approved and committed by Party B for certain specific businesses, as well as series of 'short-term loan contract', 'acceptance agreement on banker's acceptance draft' and 'L/C Opening Agreement for Imported Goods with Deposit Exemption or Reduction' signed between Party A and Party B.

Actual Happening Date: refers to the commencing date for actual operations when a certain business transaction has been applied for by Party A and approved by Party B. Actual happening date of the credit business refers to the date on which the loan is issued; actual happening date of the acceptance business for banker's acceptance draft refers to the accepting date, and that of the import L/C opening business refers to the date the L/C is issued.

Chapter Two Comprehensive Credit Line and Specific Credit Line

Article 2. During the credit period defined herein, Party A may apply to Party B for the use of its comprehensive credit line, i.e. USD TEN MILLION ONLY (in words).

Article 3. Specific credit line (if distinguishable) is as follows:

Credit line: RMB/USD N/A ONLY (in words);

Acceptance line: RMB N/A ONLY (in words), i.e. the maximum balance amount of the total open position (i.e. cumulative sum of each open position) for the banker's acceptance draft accepted by Party B and useable by Party A shall not exceed RMB N/A ONLY (in words).

L/C opening limit: RMB/USD N/A ONLY (in words), i.e. the maximum balance amount of the total open position (i.e. cumulative sum of each open position) of the L/C issued by Party B that can be used by Party A shall not exceed RMB/USD N/A ONLY (in words).

Chapter Three Duration of Credit

Article 4. The duration for comprehensive credit line is for ONE year: from 31 July, 2006 to 31 July, 2007.

Chapter Four Application of Comprehensive Credit Line and Specific Credit Line

Article 5. Within the duration of credit, the comprehensive credit line and specific credit line under this Agreement, Party A may apply to Party B in writing, at one time or by several times step-by-step, to use each specific credit line. See Appendix One to this contract for the application form. Party B will sign a specific business contract with Party A in view of corresponding credit business based on Party A' s written application and in view of Party A' s credit position, Party B' s credit policy and the stipulations herein.

Article 6. The cumulative credit line used by Party A shall not exceed its comprehensive credit line. During the credit period, Party A may recycle the use of each specific credit line.

During the credit period, Party A shall apply for the use of specific credit lines. Upon maturity of the credit period, the applicable credit line will be cancelled automatically.

Article 7. Party A and Party B shall sign specific business contracts for specific business transactions. Should there be a discrepancy between this Agreement and the specific business contract, the latter shall apply. During the credit period as set forth herein, all contracts and agreements signed by Party A and Party B, such as 'Short-Term Loan Contract' , "Acceptance Agreement on Banker' s Acceptance Draft" and 'L/C Opening Agreement for Imported Goods with Deposit Exemption or Reduction' , shall be deemed as have signed according to this agreement on the comprehensive credit line.

Article 8. The actual happening date of each specific business transaction shall not exceed the closing date of the credit period, and such a transaction shall not last for more than one year.

Chapter Five Charging Rates

Article 9. The interest rate, exchange rate and charging rate in various specific businesses under this Agreement on comprehensive credit line, and various fees chargeable by Party B shall apply the following:

1. Interest rate for short-term RMB loan shall be 10% downward the benchmark interest rate published by the People' s Bank of China for similar loans at the same time;

2. The charging rates and fee-collecting standard for other specific business transactions shall be determined within the scope ruled by the People's Bank of China on the part of Party B; if there is no such a rule, Party B may decide per business principles and market situations.

Fees for each specific business transaction shall observe stipulations in relative contract/agreement or record in relative business vouchers.

Chapter Six Adjustment of Comprehensive Credit Line and Specific Credit Line

Article 10. In any of the following situations, Party B shall have the right to immediately adjust the comprehensive credit line and duration of credit, and shall reserve the right to terminating the comprehensive credit-offering to Party A:

1. Significant adjustment on the country's currency policy;
2. There happened or has potential critical financial risks at Party A's region;
3. Significant change in the marketplace relative to Party A's businesses;
4. Party A is or will be under significant business difficulties or risks;
5. Party A has undergone significant organizational changes, e.g. business splitting, merger and termination, etc.;
6. Party A has not used the credit funds according to agreed purposes;
7. Party A is found to have hidden away its assets, withdrawn its funds or evaded its debt liabilities;
8. Party A violates the terms herein;
9. The guarantor under this Agreement has suffered serious fund shortage or business difficulties, which have significantly affected its guarantee ability;
10. Damage and lost of the mortgaged article or the pawn for guarantee purpose, which has endangered credit safety of Party B;
11. In any other occasions or situations, if, by Party B's analysis or judgment, it has led to or will soon lead to the degrading of Party A's debt-paying ability or the damage to Party B's rights and interests.

Chapter Seven Guarantee

Article 11. All credit businesses under this Agreement shall adopt the following guarantee methods:

1. N/A shall provide the full-value joint liability guarantee; name and number of the Guarantee Contract are: N/A
2. N/A shall provide mortgage (impawn) guarantee, name and number of the Mortgage (Impawn) Contract are: N/A

Article 12. Notwithstanding the above guarantee methods for the credit business under this Agreement, while processing specific businesses by Party A and Party B, if Party B so deems necessary, Party A will still need provide other guarantees, and Party A shall not refuse to provide other means of guarantee just because this Chapter already has stipulations on the guarantee.

Chapter Eight Party B' s Commitments

Article 13. If Party A applies for the use of a specific credit line under this Agreement, Party B shall process and approve Party A' s application in good time.

Chapter Nine Party A' s Commitments

Article 14. For the application of funds within the comprehensive credit line, it shall comply with pertinent laws, the terms herein and stipulations in specific business contracts, and be subject to Party B' s audit at any time.

Article 15. Party A shall open a settlement account with Party B, and guarantee that it will give Party B various account settlement businesses in view of the proportion of the funds and credit support obtained from Party B vs the company' s total credit volume.

Article 16. If Party A violates any stipulation herein or in any specific business contract, it will cause a default on this Agreement. Party B shall have the right to prematurely call back any financing funds under the comprehensive credit line, and terminate this Agreement and any specific business contract.

For any losses caused by Party A to Party B, Party A shall be held fully responsible for any compensation liabilities.

Chapter Ten Effect of the Agreement

Article 17. This Agreement is established and enters into effect upon signing or sealing by the legal representatives (or person-in-charge) of Party A and Party B or their duly authorized agents, together with sealing by the company chop.

Chapter Eleven Dispute and Its Settlement

Article 18. Should there be any dispute arising from the execution of this Agreement by Party A and Party B, they must first seek a solution through friendly negotiation. If no agreement can be reached, a lawsuit may be filed, and either Party may file a lawsuit with the court where Party B is located.

Chapter Twelve Integrity of the Agreement

Article 19. Any supplementary contracts or agreements signed between Party B and Party A regarding the application of specific credit line, and contracts for each specific business transaction shall be parts of this Agreement, and shall constitute the integrity of this Agreement.

The application documents arising from the transaction procedure, and the accounting vouchers issued by Party B according to business operation rules shall form evidences of debts and liabilities.

Article 20. Provided Party A fails to perform its obligations under a specific business contract entered into by Party A and Party B according to this Agreement, it will cause a default on this Agreement, and Party B has the right to terminating the Agreement hereof, and prematurely call back all outstanding credits.

Article 21. For any other issues unattended to herein, Party A and Party B shall conclude separate written agreements as appendixes hereto. The appendixes hereto are effective integral parts of this Agreement, and shall have the same legal power as the Agreement hereto.

Chapter Thirteen Appendixes

Article 22. This Credit Line Agreement is prepared in two original counterparts, to be held by Party A and Party B respectively, and a few copies for filing purposes.

Article 23. This Agreement is signed at Suzhou (city) on 31 July, 2006 (date).

Article 24. If Chinese Agreement does not accord with English Agreement, Party A and Party B will refer to Chinese Agreement.

Signature Page

Party A(seal)

Party B(seal)

/s/ Philip A. Harding

/s/ Yan Qi

Legal representative:

Person-in-Charge:

(delegated agent)(signing & seal)

(delegated agent)(signing & seal)

Comprehensive Credit Line Agreement

Agreement No. 8901200600016

Credit Receiver (hereinafter called 'Party A'): MULTI-FINELINE ELECTRONIX (SUZHOU NO.2) CO., LTD

Legal address: Dongwu Industrial Park, Wuzhong Economic Development Zone, Suzhou.PRC

Contact Address: NO.68 Nanhu Road, Dongwu Industrial Park, Wuzhong Economic Development Zone, Suzhou.PRC

Credit Issuer (hereinafter called 'Party B'): SHANGHAI PUDONG DEVELOPMENT BANK SUZHOU BRANCH

Legal address: NO.1478 Renmin Road, Suzhou.PRC

Contact Address: NO.1478 Renmin Road, Suzhou.PRC

According to pertinent stipulations by laws and regulations, such as the "Commercial Bank Law of the People's Republic of China" and the 'Provisional Rules on the Administration of Power of Attorney and Credit Line Authorization by Commercial Banks', Party A and Party B have, on the basis of equality, self-willingness and honesty and good faith, concluded the following agreement for mutual compliance through friend consultation.

Chapter One Definition and Interpretation

Article 1. Except requested for other interpretation by the context herein, the following terms in this Agreement shall be interpreted as follows:

Party A: refers to MULTI-FINELINE ELECTRONIX (SUZHOU NO.2) CO., LTD

Party B: SHANGHAI PUDONG DEVELOPMENT BANK SUZHOU BRANCH, including its successor.

Comprehensive credit line: refers to conditional credit support to Party A committed by Party B in one or a few credit categories.

Duration of Credit: refers to the period, from 31 July, 2006 to 31 July, 2007, in which Party A may apply to Party B for recycled use of its comprehensive credit line; however, the terminating date of the duration of credit shall not be interpreted as the maturity or expiration date for any one or more specific credit transactions that have already happened.

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The signing of this Contract does not necessarily mean that the Credit Receiver must be given the credit according to the credit line. If the Credit Receiver wants to use the credit line under this Contract, it shall make applications case-by-case by using the Appendix One hereto, i.e. 'Application Form for the Use of Comprehensive Credit Line' . Only with agreement by the Credit Issuer, plus its signing of a specific business contract, can the Credit Receiver start to use the credit line.

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contract with Party A in view of corresponding credit business based on Party A' s written application and in view of Party A' s credit position, Party B' s credit policy and the stipulations herein.

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During the credit period, Party A shall apply for the use of specific credit lines. Upon maturity of the credit period, the applicable credit line will be cancelled automatically.

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4. Party A is or will be under significant business difficulties or risks;
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6. Party A has not used the credit funds according to agreed purposes;
7. Party A is found to have hidden away its assets, withdrawn its funds or evaded its debt liabilities;
8. Party A violates the terms herein;
9. The guarantor under this Agreement has suffered serious fund shortage or business difficulties, which have significantly affected its guarantee ability;
10. Damage and lost of the mortgaged article or the pawn for guarantee purpose, which has endangered credit safety of Party B;
11. In any other occasions or situations, if, by Party B' s analysis or judgment, it has led to or will soon lead to the degrading of Party A' s debt-paying ability or the damage to Party B' s rights and interests.

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Article 11. All credit businesses under this Agreement shall adopt the following guarantee methods:

1. N/A shall provide the full-value joint liability
2. guarantee; name and number of the Guarantee Contract are: N/A
3. N/A shall provide mortgage (impawn) guarantee, name and number of the Mortgage (Impawn) Contract are: N/A

Article 12. Notwithstanding the above guarantee methods for the credit business under this Agreement, while processing specific businesses by Party A and Party B, if Party B so deems necessary, Party A will still need provide other guarantees, and Party A shall not refuse to provide other means of guarantee just because this Chapter already has stipulations on the guarantee.

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Article 20. Provided Party A fails to perform its obligations under a specific business contract entered into by Party A and Party B according to this Agreement, it will cause a default on this Agreement, and Party B has the right to terminating the Agreement hereof, and prematurely call back all outstanding credits.

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Chapter Thirteen Appendixes

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Signature Page

Party A(seal)

Party B(seal)

/s/ Philip A. Harding

/s/ Yan Qi

Legal representative:

(delegated agent)(signing & seal)

Person-in-Charge:

(delegated agent)(signing & seal)

COLLABORATION AGREEMENT

Party A: Shanghai Pudong Development Bank Suzhou Branch

Party B: Multi-Fineline Electronix (Suzhou) Co., Ltd

In view to further strengthen the close relationship between Party A (hereinafter called A) and Party B (hereinafter called B) and on the base of the principles of equality and mutual benefit, both parties, through friendly negotiation, have agreed to enter into the following agreement under the terms specified as followed:

I With the total amount of USD 10 million credit line, A facilitate with B with varied corporate financing types, including short-time loan, issuing of L/C, banking acceptance bills, etc.

If the loan currency is RMB, the loan' s interest rate is 10% downward the benchmark stipulated by the People' s Bank of China;

If the loan currency is foreign exchange, the loan' s interest rate is LIBOR (fluctuating everyday) plus 75 base points.

II With the minimum deposit amount of USD 3 million, the interest will be calculated with the interest rate of LIBOR minus 15 base points.

III L/C issuance will be charged on the basis of 0.72‰ per L/C.

COLLABORATION AGREEMENT

Party A: Shanghai Pudong Development Bank Suzhou Branch

Party B: Multi-Fineline Electronix (Suzhou No.2) Co., Ltd

In view to further strengthen the close relationship between Party A (hereinafter called A) and Party B (hereinafter called B) and on the base of the principles of equality and mutual benefit, both parties, through friendly negotiation, have agreed to enter into the following agreement under the terms specified as followed:

I With the total amount of USD 10 million credit line, A facilitate with B with varied corporate financing types, including short-time loan, issuing of L/C, banking acceptance bills, etc.

If the loan currency is RMB, the loan' s interest rate is 10% downward the benchmark stipulated by the People' s Bank of China;

If the loan currency is foreign exchange, the loan' s interest rate is LIBOR (fluctuating everyday) plus 75 base points.

II With the minimum deposit amount of USD 3 million, the interest will be calculated with the interest rate of LIBOR minus 15 base points.

III L/C issuance will be charged on the basis of 0.72‰ per L/C.

