THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tungtex (Holdings) Company Limited, you should at once hand this Circular together with 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 transferee.

TUNGTEX (HOLDINGS) COMPANY LIMITED
同得仕（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00518)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF TUNGTEX BUILDING AND NOTICE OF EGM

A letter from the Board is set out on pages 5 to 13 of this Circular.

A notice convening the EGM to be held at Langham Place Ballroom III, Level 7, Langham Place Hotel, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong on Monday, November 17, 2014, at 11:00 a.m. is set out on pages N-1 to N-2 of this Circular.

Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of Tungtex (Holdings) Company Limited, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

October 30, 2014

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In this Circular, the following expressions have the meanings set out below unless the context otherwise requires:

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Building Orders"	the building orders to which the Property is subject as at the date of the Sale and Purchase Agreement
"Business Day"	any day of the week when licensed banks in Hong Kong are open for business in Hong Kong, but excluding (a) Saturdays and Sundays; (b) public holidays; and (c) gale warning days or black rainstorm warning days as defined in Section 71(2) of the Interpretation and General Clauses Ordinance (Chapter 1 of the Laws of Hong Kong) and published in the Gazette
"China" or "mainland China" or "PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan for the purposes of this Circular
"Company"	Tungtex (Holdings) Company Limited (同得仕(集團)有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00518)
"Completion"	completion of the sale and purchase of the Property in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	January 12, 2015, the date scheduled for Completion
"Conditions Precedent"	conditions precedent for Completion under the Sale and Purchase Agreement
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration for the Disposal payable by the Purchaser to Dorcash

"Corona Investments"	Corona Investments Limited, a company incorporated with limited liability in the British Virgin Islands and the controlling shareholder of the Company, which is beneficially owned by Mr. Benson Tung Wah Wing (an executive Director) and his spouse Wong Fung Lin in equal shares
"Directors"	the directors of the Company
"Disposal"	the disposal of the Property by Dorcash to the Purchaser on and subject to the terms and conditions of the Sale and Purchase Agreement
"Dorcash"	Dorcash Industrial Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company and the vendor of the Property
"DTZ"	DTZ Debenham Tie Leung Limited
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal on the terms and conditions of the Sale and Purchase Agreement and the other transactions contemplated thereunder
"EUR"	Euro, the lawful currency of the member states of the European Union
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	October 27, 2014, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
"Leaseback Portions"	the first floor, the ninth floor and the twelfth floor and six car parking spaces nos. 1, 2, 3, 4, 5 and 6 on the ground floor of the Property that are to be leased by the Purchaser to Dorcash (or other members of the Group) upon Completion

"Let Out Portions"	the third to seventh floors, the tenth floor and two car parking spaces nos. 12 and 13 on the ground floor of the Property that are subject to lettings as at the date of the Sale and Purchase Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Prescribed Date"	December 5, 2014 (or such later date as the parties to the Sale and Purchase Agreement may agree in writing), being the timeline for fulfilment of the Conditions Precedent
"Property"	Tungtex Building, located at No. 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong erected on Kwun Tong Inland Lot No. 287
"Purchaser"	KINGWISE ENTERPRISES LIMITED
"Remaining Group" or "our" or "we"	the Group as if the Property had been disposed of and the Disposal had been completed
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the conditional formal agreement for sale and purchase dated October 16, 2014 entered into between Dorcash as vendor and the Purchaser as purchaser for the sale by Dorcash and purchase by the Purchaser of the Property which superseded the conditional provisional sale and purchase agreement dated September 26, 2014 signed by the same parties on the same subject matters as announced in the announcement of the Company dated September 29, 2014
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	holders of the Shares
"Shares"	ordinary shares in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"sq.ft."	square feet

"sq.m."	square metre
"Tenancies"	the tenancies to which the Let Out Portions are subject as at the date of the Sale and Purchase Agreement
"US$" or "USD"	the U.S. dollars, the lawful currency of the United States of America
"VAT"	valued-added tax
"VND"	Vietnamese Dong, the lawful currency of Vietnam
"%"	per cent.

* *For identification purpose only*

Unless otherwise specified, amounts denominated in HK$ have been converted, for the purpose of illustration only, into VND as follows:

HK$1 = VND2651.29

No representation is made that any amounts could have been, or could be, converted in HK$, or vice versa, at such rate or any other rate on such date or any other date.

TUNGTEX (HOLDINGS) COMPANY LIMITED
同 得 仕 （集 團） 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00518)

Executive Directors
Mr. Benson Tung Wah Wing *(Chairman)*
Mr. Alan Lam Yiu On *(Managing Director)*
Mr. Raymond Tung Wai Man
Mr. Martin Tung Hau Man
Mr. Billy Tung Chung Man

Non-executive Directors
Mr. Tung Siu Wing
Mr. Kevin Lee Kwok Bun

Independent non-executive Directors
Mr. Johnny Chang Tak Cheung
Mr. Tony Chang Chung Kay
Mr. Robert Yau Ming Kim
Mr. Edwin Siu Pui Lap
Mr. Leslie Chang Shuk Chien

Registered office
12th Floor, Tungtex Building
203 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

October 30, 2014

To the Shareholders

Dear Sir or Madam

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF TUNGTEX BUILDING AND NOTICE OF EGM

INTRODUCTION

On September 29, 2014, the Board announced that Dorcash (a wholly-owned subsidiary of the Company) as vendor and the Purchaser as purchaser entered into the conditional provisional sale and purchase agreement dated September 26, 2014 in relation to the Disposal which was superseded by the Sale and Purchase Agreement dated October 16, 2014.

The Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules, to which the Company has to seek approval of the Shareholders at the EGM.

The purpose of this Circular is to provide you with, among others, further information regarding the Disposal, other information of the Group and to give you notice of the EGM.

THE DISPOSAL

The Sale and Purchase Agreement

Date	:	October 16, 2014.
Vendor	:	Dorcash Industrial Limited, a wholly-owned subsidiary of the Company and the legal and beneficial owner of the Property.
Purchaser	:	KINGWISE ENTERPRISES LIMITED. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.
Subject matter	:	The whole block of Tungtex Building, located at No. 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Please refer to the paragraph below headed "Information on the Property" for further information on the Property.
Consideration and payment terms	:	The Consideration is HK$485,000,000, which is to be paid by the Purchaser to Dorcash in the following manner: (a) HK$24,250,000, being 5% of the Consideration, as initial deposit has been paid to Dorcash's solicitors on September 26, 2014; (b) HK$24,250,000, being 5% of the Consideration, as further deposit has been paid to Dorcash's solicitors on October 16, 2014; (c) HK$24,250,000, being 5% of the Consideration, as further deposit is to be paid to Dorcash's solicitors on or before November 14, 2014; and

(d) the remaining balance of the Consideration in the sum of HK$412,250,000, being 85% of the Consideration, is to be paid to Dorcash no later than 5:00 p.m. on the Completion Date.

The deposits are to be held by Dorcash's solicitors as stakeholders which may be released to Dorcash provided that the balance of the Consideration is sufficient to discharge the existing legal charges/mortgages of the Property.

The Consideration was agreed after arm's length negotiation between Dorcash and the Purchaser having taken into consideration the prevailing market values of comparable properties in nearby locations and the valuation of the Property provided by DTZ, an independent valuer. The text of the valuation report on the Property prepared by DTZ is set out in Appendix III to this Circular.

Tenancies and leaseback : The Property is sold subject to the Tenancies in relation to the Let Out Portions. The Tenancies are due to expire in the period from May 2015 to December 2015.

The tenancies respecting a portion of the second floor and car parking space no.10 on the ground floor of the Property are to be terminated prior to Completion.

Conditional upon the Purchaser giving undertakings and indemnities to Dorcash in accordance with the terms of the Sale and Purchase Agreement, the rental deposits held under the Tenancies will be transferred to the Purchaser upon Completion.

Upon Completion, the Leaseback Portions are to be leased by the Purchaser to Dorcash (or other members of the Group) for one year commencing from the Completion Date at an aggregate monthly rental of HK$340,956 (exclusive of, inter alia, rates, Government rent and management fee) which was agreed after arm's length negotiation between Dorcash and the Purchaser having taken into consideration the market rental of properties comparable to the Leaseback Portions.

Other than the Let Out Portions and the Leaseback Portions, the Property is to be delivered to the Purchaser with vacant possession upon Completion provided that Dorcash shall not be required to deliver such vacant portions in bare shell condition.

Building orders and other orders	:	The Property is sold subject to the Building Orders and all future building orders, other orders, notices or demands as may affect the Property. As the Purchaser has agreed to purchase the Property subject to the Building Orders and to complete the Disposal notwithstanding the same under the terms of the Sale and Purchase Agreement, the Directors are of the view that the Building Orders have no impact to the Disposal.

Conditions precedent to Completion

Completion of the Sale and Purchase Agreement is conditional upon fulfillment of the following conditions:

(1) approval to the Disposal and all other transactions contemplated under the Sale and Purchase Agreement by the Shareholders at the EGM; and

(2) all necessary consents and approvals being obtained by the Company in compliance with the Listing Rules.

Dorcash undertakes to procure the holding of the EGM at the earliest opportunity for the purpose of obtaining the necessary consents and approvals without delay.

If the Conditions Precedent shall not have been fulfilled in full by the Prescribed Date, the Sale and Purchase Agreement shall terminate and Dorcash shall within 7 days after the Prescribed Date refund to the Purchaser the deposits paid by the Purchaser together with interest thereon from the date of payment of the relevant deposit to the date of its refund to the Purchaser at the prime lending rate from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited for Hong Kong dollar advances but without costs or other compensation and Dorcash and the Purchaser shall have no further claims or liability against each other.

Completion

Subject to the fulfillment of the Conditions Precedent, Completion is scheduled for on or before the Completion Date no later than 5:00 p.m.. In no event shall Completion take place on a day which is not a Business Day.

INFORMATION ON THE PROPERTY

The Property is a 13-storey (including ground floor) industrial building located at No. 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong erected on Kwun Tong Inland Lot No. 287.

The Property was acquired by Dorcash in 1988 with a total gross floor area of approximately 105,833 sq.ft., of which:

- the Leaseback Portions are occupied by the Group for its own use;
- the Let Out Portions are leased to independent third parties under the Tenancies;
- the tenancies respecting a portion of the second floor and car parking space no. 10 on the ground floor of the Property are to be terminated prior to Completion; and
- the remaining parts of the Property are vacant.

The unaudited net profits (both before and after taxation) of the Property for the past two financial years of the Company ended March 31, 2013 and March 31, 2014 immediately preceding the date of the Sale and Purchase Agreement are as follows:

	For the year ended March 31, 2013 *(HK$'000)*	**For the year ended March 31, 2014** *(HK$'000)*
Net profit before taxation	133,056	98,249
Net profit after taxation	111,109	155,068

As at March 31, 2014, the aggregate net book value of the Property was approximately HK$256,055,000 of which the carrying value of the portions of the Property occupied for self-use by the Group was HK$7,793,000 and the fair value of the portions of the Property that were under lease was HK$248,262,000. The excess of the Consideration over the said net book value of the Property is in the amount of approximately HK$228,945,000.

FINANCIAL EFFECTS OF THE DISPOSAL

It is expected that the Company will realise a gain on the Disposal before taxation of approximately HK$220,800,000, which is calculated with reference to the Consideration less (i) the aggregate net book value of the Property of approximately HK$256,055,000 as at March 31, 2014; and (ii) the estimated transaction costs and expenses attributable to the Disposal.

The Disposal represents a disposal of asset which will give rise to a gain to the Remaining Group. The carrying value of the Property sold and the actual and estimated costs attributable to the Disposal will be charged to the Remaining Group's statement of profit or loss in arriving at the gain arising from the Disposal.

(a) Net assets value

Based on the unaudited pro forma consolidated statement of assets and liabilities of the Remaining Group as set out in Appendix II to this Circular which illustrates the effect of the Disposal on the financial position of the Remaining Group, on the basis of assumptions as stated in Appendix II to this Circular, the total assets of the Remaining Group would have been increased by approximately HK$217.0 million, while the total liabilities of the Remaining Group would have been decreased by approximately HK$2.0 million and the net assets value of the Remaining Group would have been increased by approximately HK$219.0 million, arising from the Disposal.

(b) Results

The audited consolidated net loss attributable to owners of the Company for the year ended March 31, 2014 was approximately HK$43.9 million as disclosed in the Company's 2014 annual report. Based on the unaudited pro forma consolidated statement of profit or loss of the Remaining Group as set out in the Appendix II to this Circular which illustrates the effect of the Disposal on the result of the Remaining Group, on the basis of the assumptions as stated in Appendix II to this Circular, the unaudited consolidated results of the Remaining Group for the year ended March 31, 2014 would have been changed from a consolidated net loss attributable to owners of the Company of approximately HK$43.9 million to a consolidated net profit attributable to owners of the Company of approximately HK$235.5 million. The net change in the unaudited pro forma consolidated results of the Remaining Group was mainly due to the estimated gain arising from the Disposal, the details of which are set out in Appendix II to this Circular.

The financial effects of the Disposal on the Remaining Group were prepared based on the unaudited pro forma financial information of the Remaining Group and are for illustration purposes only. As a number of assumptions have been made in the preparation of the unaudited pro forma financial information of the Remaining Group, the financial effects of the Disposal as elaborated above may not give the true picture of the actual financial effects of the Disposal on the Remaining Group.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and its principal activity is property holding.

INFORMATION ON THE COMPANY AND THE REMAINING GROUP

The Company is an investment holding company. Both the Group is and the Remaining Group will be principally engaged in the manufacture and sale of women garments. The Group's business will remain unchanged before and immediately after the Disposal. The Directors consider that the Disposal is not material to the Remaining Group's business operation.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF NET SALE PROCEEDS

The Directors consider that the Disposal is a good opportunity for the Company to yield a reasonable gain. From the realisation of the Property, flexibility in cash flow is generated with additional working capital provided to the Group.

The Board considers that the terms of the Sale and Purchase Agreement are fair and reasonable and the Disposal is in the interest of the Shareholders as a whole.

The Company intends to apply the sale proceeds from the Disposal, after deducting related expenses, in the amount of approximately HK$476,855,000 in payment of the redemption money (if any) and provision of replacement security as may require to be paid or otherwise provided to the existing mortgagees of the Property upon or prior to Completion and in payment of other indebtedness of the Group as the Board may from time to time determine and to retain the remaining balance as general working capital of the Group. As at the Latest Practicable Date and to the best knowledge of the Directors, details of breakdown of each of the proposed uses, subject to the requirements of the existing mortgagees of the Property at the relevant time, are as follows:

	HK$'000	*Approximate %*
In provision of replacement security as may require to be paid or otherwise provided to the existing mortgagee(s) of the Property upon or prior to Completion	112,000	23.5
In payment of other indebtedness of the Group as the Board may from time to time determine	100,000	21.0
As general working capital of the Group	264,855	55.5
Total	476,855	100

The Group's offices in Hong Kong are located at the Leaseback Portions, which will be leased to Dorcash (or other members of the Group) upon Completion in accordance with the terms of the Sale and Purchase Agreement. The Directors therefore do not expect the Disposal to have a material adverse impact on the business operations of the Group. The Board will consider and determine the relocation of the Group's offices in Hong Kong prior to expiry of the one-year leaseback period of the Leaseback Portions and will keep the Shareholders informed if and when appropriate.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Disposal is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Disposal. As such, no Shareholders or their respective associates are required to abstain from voting on the resolution to be proposed at the EGM to approve the Disposal on the terms and conditions of the Sale and Purchase Agreement and the other transactions contemplated thereunder.

EGM

The Company will convene and hold the EGM at Langham Place Ballroom III, Level 7, Langham Place Hotel, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong on Monday, November 17, 2014 at 11:00 a.m. to consider and, if thought fit, approve the Disposal. A notice of the EGM is set out on pages N-1 to N-2 of this Circular.

The voting at the EGM will be taken by poll.

After the conclusion of the EGM, the poll results will be released on the websites of the Stock Exchange and the Company respectively.

A form of proxy for use in connection with the EGM is also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish.

RECOMMENDATION

The Disposal is, in the opinion of the Directors, fair and reasonable to the Company and in the interests of the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal on terms of the Sale and Purchase Agreement and all other transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Circular.

Yours faithfully,
For and on behalf of
Tungtex (Holdings) Company Limited
Benson Tung Wah Wing
Chairman

1. UNAUDITED PROFIT AND LOSS STATEMENT OF THE PROPERTY AND VALUATION OF THE PROPERTY

Unaudited Profit and Loss Statement of the Property

		Year ended March 31,			Five months ended August 31,
		2012	**2013**	**2014**	**2014**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*1*	7,250	7,220	7,969	3,505
Increase in fair value of investment property	*4*	53,000	132,000	98,000	–
Administrative expenses	*2*	(4,934)	(5,711)	(7,177)	(2,901)
Finance costs	*3*	(445)	(453)	(543)	(102)
Profit before tax		54,871	133,056	98,249	502
Income tax (expense) credit	*5*	(9,046)	(21,947)	56,819	–
Profit for the year/period		45,825	111,109	155,068	502

Notes:

1. Revenue includes inter-company rental income and building management income received from the Company and its subsidiaries of approximately HK$3,839,000, HK$3,545,000 and HK$2,966,000 for the years ended March 31, 2012, 2013 and 2014, respectively.

2. Administrative expenses include inter-company management fee paid to the Company of approximately HK$1,800,000, HK$1,800,000 and HK$3,440,000 for the years ended March 31, 2012, 2013 and 2014, respectively.

3. Finance costs include inter-company interest paid on the current account due to the Company of approximately HK$445,000, HK$453,000 and HK$543,000 for the years ended March 31, 2012, 2013 and 2014, respectively.

4. The increase in fair value of investment property represents the increase in fair value of the entire Property, as the entire Property was recorded as an investment property in the audited financial statements of Dorcash. However, the increase in fair value of investment property recognised in the audited consolidated financial statements of the Group is approximately HK$41,123,000 for the year ended March 31, 2014, as part of the investment property was treated as self-occupied property from the Group's point of view.

5. The income tax credit represent the deferred tax credit on the revaluation and the accelerated tax depreciation of the entire Property, as the entire Property was recorded as an investment property in the audited financial statements of Dorcash. However, the deferred tax credit recognised in the audited consolidated financial statements of the Group is approximately HK$20,037,000 for the year ended March 31, 2014, as part of the investment property was treated as self-occupied property from the Group's point of view.

Valuation of the Property

	As at March 31,			As at September 15,
	2012	2013	2014	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Valuation of the Property	240,000	372,000	470,000	470,000

Note:

1. The valuation of the Property as at March 31, 2012, March 31, 2013, March 31, 2014 and September 15, 2014 was based on respective property valuation reports issued by DTZ dated May 3, 2012 and June 3, 2013, Jones Lang LaSalle Limited, an independent professional property valuer, dated May 28, 2014 and DTZ dated October 30, 2014, respectively.

Procedures have been carried out by Deloitte Touch Tohmatsu, the reporting accountant of the Company, on the unaudited profit and loss statement of the Property and valuation of the Property as shown in the above tables in accordance with Hong Kong Standard on Related Services 4400 "Engagements to perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants to assess whether such information was in agreement with the underlying books and records of the Group or the valuation reports prepared by DTZ and Jones Lang LaSalle Limited, both are independent firms of chartered surveyors. Deloitte Touche Tohmatsu, the reporting accountant of the Company, reported that they found that such information was in agreement with the underlying books and records of the Group or the valuation reports prepared by DTZ and Jones Lang LaSalle Limited.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on September 15, 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the Group had outstanding bank borrowings of approximately HK$321,929,000, which were guaranteed by the Company and its subsidiaries, including unsecured and secured borrowings of approximately HK$56,370,000 and HK$265,559,000 respectively.

As at the close of business on September 15, 2014, the Group had obligations under finance lease of approximately HK$163,000.

Apart from intra-group liabilities and normal trade payables in the normal course of business, as at the close of business on September 15, 2014, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees, or other material contingent liabilities.

3. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the financial resources available including the existing banking facilities of the Group, internally generated funds and the estimated net proceeds from the Disposal, the Group has sufficient working capital to satisfy its present requirements and for at least twelve months following the date of this Circular in the absence of any unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

The Board is not aware of any material adverse change in the financial or trading position of the Group since March 31, 2014, the date to which the latest published audited accounts of the Company were made up.

5. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group for the year ended March 31, 2014:

Business Review

During the fiscal year, the Remaining Group's apparel export business still could not emerge from the negative impacts of the meager global economy. In the United States, the largest market of our export business, the economic confidence was rebounding and ended up on a better footing in 2013. Nevertheless, the weak economic growth is further stumbled by the contraction recorded in the first quarter of 2014. The drop marked the economy's first contraction in the past three years, deferring the hope for a sustained pickup in growth. In Europe, the economy has successfully struggled to break free of the long recession but grew at a rate frustratingly slow. The flagging recovery, intertwined with deep fiscal austerity, could barely alleviate the economic hardship of the continent. Basing on segment analysis of our major export markets, total export sales to North America segment dropped by 9.2% to approximately HK$998 million, representing 72.7% of the Remaining Group's turnover in the fiscal year. The Remaining Group continued to strictly manage its United States wholesale brand "Zelda" which was operated in a restricted business scale. As for Europe and other markets segment, the Remaining Group recorded a decline of 9.0% to approximately HK$110 million, accounting for 8.0% of the Remaining Group's turnover.

Stringent manufacturing environment in China continued to be one of the Remaining Group's major challenges in the fiscal year. With RMB and wage level staying high, the Remaining Group suffered persistently from the elevated operating costs which could not be substantially migrated to our customers. Meanwhile, the restructuring that we weathered through during the year had impacts on sales and capacity which in turn affected the economy of scale of our production. As such, the Remaining Group's gross margin was unfavorably impacted.

This was an important year of transition in the Remaining Group's history. Consistent with the Remaining Group's long-term objective of maximizing shareholder's value and sustaining steady business development in the long run, the Remaining Group implemented several strategies in the fiscal year, including scaling down some of the business units with less competitive edges, developing the plant in Vietnam and planning to reallocate our resources and production capability to Dongguan.

Our plant in Vietnam grew steadily and started actual production in the fiscal year in line with the Remaining Group's plan. Remained in the development stage of raising production capacity, the plant's output only accounted for a small contribution to our overall capacity during the year. We have dedicated efforts to form a competent and cohesive team to operate the factory sophisticatedly and to enhance the skill levels and efficiency of the new workers. In spite of the anti-Chinese riots happened in Vietnam during the fiscal year, the region where our factory located was not affected.

In the mainland China, economic growth slipped to an eighteen-month low in the first quarter of 2014. The slowdown was putting an intense strain on our retail business with soaring rents and surging wages. Notwithstanding the worsened operating environment in the second half of the fiscal year, we concentrated our attention and resources to build up the brand value, lift the lure of our products and reformed the self-managed and franchised stores with less competitive advantages. In the fiscal year, the total retail sales of the Remaining Group was sustained at a steady growth of 12.8% and accounted for 16.6% of the Remaining Group's overall turnover. At the fiscal year end date, there were 150 directly managed stores and 193 franchised stores in operation.

Results

The Remaining Group has undergone a rigorous fiscal year with our export markets remained challenging amid frail financial environment. During the year under review, export demand was further contracted, undermining the Remaining Group's turnover and gross margin, while the Remaining Group's retail business was also impeded by economic slowdown and intense competition in mainland China. In addition, the Remaining Group scaled down some of the business units and factories strategically to improve its structural cost effectiveness. The short-term drawback was a further slide in the Remaining Group's turnover.

In the year ended March 31, 2014, the Remaining Group's turnover declined by 7.0% to approximately HK$1,373 million from that of last fiscal year. Profits attributable to owners of the Company and earnings per share were approximately HK$235.5 million and HK57.5 cents respectively.

Geographically, the decline in the Remaining Group's turnover was mainly due to the combined effect of decrease of 9.2% in export sales to North America segment and decrease of 9.0% in export sales to Europe and others segment. Meanwhile, total sales in Asia segment increased by 3.5%. The pre-tax segment loss attributable to the North America segment, Europe and other markets segment and Asia segment are approximately HK$31.1 million, HK$0.9 million and HK$21.6 million respectively.

In the fiscal year, the slide in the Remaining Group's turnover exerted negative impact on our factories' economy of scale and hindered the gross margin. Notwithstanding the solid initiatives imposed in all manageable areas including production, merchandising, sourcing and costs control during the year, the Remaining Group still failed to offset the rising manufacturing costs. Consequently, the percentage of consolidated cost of sales increased from 80.9% to 83.5% of total sales. With reinforced advertising and promotional activities, as well as the increase in store rentals and salaries of sales force in the Remaining Group's retail business in mainland China, selling and distribution costs raised by 18.4% to approximately HK$119.4 million. Close monitoring was imposed on our marketing programs which contributed to the result of strengthened market recognition and brand value as well as increased turnover in our retail business. Administrative expenses decreased to approximately 226.8 million, demonstrating sound progress in disciplined management of all ancillary operating expenses.

Capital Expenditure

During the year, the Remaining Group has incurred approximately HK$83.8 million capital expenditure (2013: approximately HK$68.0 million) including the addition of prepaid lease payments. Apart from the regular replacement and upgrade of production facilities, it mainly represented the acquisition of the factory premises in Dongguan, China, which was completed in April 2013.

Liquidity and Financial Resources

The Remaining Group continued to keep sight of its financial position prudently throughout the year under review. The Remaining Group's cash level was recorded at approximately HK$627 million. Most of the bank balance was placed in US$, HK$ and RMB short term deposits with major banks. Under the assumption that no bank borrowings would be required to be repaid after Completion, total bank borrowings of approximately HK$308 million, which were denominated in US$, HK$, RMB and EUR, consisted of approximately HK$249 million short-term bank borrowings and approximately HK$59 million long-term bank borrowings. The gearing ratio (total bank borrowings to total equity) was 42% and net cash balance was approximately HK$320 million. The Remaining Group is of the opinion that, after taking into consideration of the internal available financial resources and the current banking facilities, the Remaining Group has sufficient funds to finance its operations and to meet the financial obligations of its business. During the fiscal year, working capital cycle remained under stringent control. With the contraction in annual sales volume in the year under review, trade receivable turnover increased from last year's 43 days to 52 days. Inventory turnover increased from last year's 39 days to 54 days, partly due to higher inventory level required for the growth of the Remaining Group's retail business in mainland China. Current ratio was 2.2 and quick ratio was 1.8.

In early June of 2013, the Company raised net proceeds of approximately HK$53.8 million by issuing 70,346,259 new ordinary shares of HK$0.20 each on the basis of one rights issue for every five shares held on May 9, 2013 at a subscription price of HK$0.80 per rights share.

At the end of the fiscal year, certain land and buildings with an aggregate net book value of approximately HK$25 million (2013: approximately HK$1 million) were pledged to banks to secure general banking facilities granted to the Remaining Group.

Treasury Policy

The Remaining Group continued to adopt prudent policies consistently to hedge exchange rate and interest rate risks associated with our core business. It is the Remaining Group's policy not to engage in speculative activities. The majority of our export sales are denominated in US$, while incomes from our retail business in China are denominated in RMB and a tiny portion destined for the European export markets is denominated in EUR. As a substantial portion of the purchases and overheads are denominated in RMB and the EUR exchange rate fluctuation may be significant, the Remaining Group entered into forward contracts to hedge the risks as deemed appropriate.

Human Resources

To sustain competitive edge, the Remaining Group has carried out several restructuring plans including streamlining the human resources structure for some of its business units. Meanwhile, headcount of employees increased following the setup and operation commencement of the Remaining Group's Vietnam factory. As at March 31, 2014, the Remaining Group has approximately 5,600 employees globally, as compared to approximately 5,400 as at March 31, 2013. The Remaining Group regards employees as the most valuable asset and the core element of our long-term success. In spite of the harsh operating environment, we keep on retaining and inspiring competent staff who dedicate to develop their careers in line with our core corporate values and strategic goals by offering career development opportunities, job satisfaction via empowerment, harmonious teamwork and competitive remuneration package with reference to the market practice. Staff costs (including the Directors' remuneration) of the Remaining Group amounted to approximately HK$375 million. Employees are remunerated according to their qualifications and experience, job nature and performance, under the pay scales aligned with market conditions. Other benefits to employees include medical, insurance coverage, retirement benefit schemes and share options.

6. BUSINESS TRENDS, FINANCIAL AND TRADING PROSPECTS

As we look to the near future, there is no clue to predict a robust recovery in any of our major markets. Nevertheless, we are confident on the strategic plans and structural reforms that we are performing. In the short term, we will keep our focus squarely on the rationalisation of our inefficient business units as we see the benefits of simplifying corporate structure and consolidating our internal resources to reposition the Remaining Group. With the development plan of Vietnam factory and Dongguan factory, we will step up efforts to expand our production capability in the relatively lower costs region and pursue addition of new customers and business growth for our existing customers. After the expiry of the tenancy agreement with a third party in July 2014 in respect of the Remaining Group's factory premises in Dongguan, China, the Remaining Group will occupy the premises by itself and we are starting to relocate part of our production facilities to the Dongguan factory.

In mainland China, we expect that an acute competitive environment will continue in the consumption market. Weakness in spending atmosphere will prevail in the short term as a result of economic slowdown. Achieved through the hard work of our dedicated team, our retail sales in mainland China continued to have considerable growth in line with progressive strengthening of brand loyalty. We will further our progress by improving profitability as our renewed focus. It includes controlling the retail discounts precisely to improve gross margin, replacing under-performed self-managed stores and franchised stores and speeding up the development of e-commence platform as one of our major distribution channels in the coming future. As at September 30, 2014, there are 133 "Betu" stores directly managed by the Remaining Group; while 184 are operated by our franchisees.

On August 6, 2014, a subsidiary of the Remaining Group entered into an agreement in respect of the disposal of its 60% equity interest in Golden Will Fashions Limited ("**Golden Will**") and the companies in which Golden Will has interest (the "**Disposal Group**"). We consider that the disposal is a good opportunity for the Remaining Group to stem the continuing operating loss incurred by the Disposal Group, to streamline the corporate structure of the Remaining Group and to yield a reasonable gain. After the disposal of the Disposal Group, flexibility in cash flow will be generated with additional working capital provided to the Remaining Group. It is anticipated that the Remaining Group would realise a gain from the disposal of the Disposal Group before taxation of approximately HK$19 million, being the consideration of HK$26.9 million minus (1) the carrying amount of the Remaining Group's interest in the net assets of the Disposal Group as at May 31, 2014 (after adjusting for the dividend declared and paid to shareholders of Golden Will prior to the signing of the relevant sale and purchase agreement); and (2) the estimated transaction costs and expenses attributable to the disposal of the Disposal Group. The above gain is expected to be reflected in the consolidated accounts of the Remaining Group for the year ending March 31, 2015 following the completion of the disposal of the Disposal Group.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The following is the unaudited pro forma consolidated statement of assets and liabilities and the unaudited pro forma consolidated statement of profit or loss and unaudited pro forma consolidated statement of profit or loss and other comprehensive income (collectively referred to as the "Unaudited Pro Forma Financial Information") of the Remaining Group which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Disposal on the financial position of the Group as if the Disposal had been completed on March 31, 2014 and the results of the Group as if the Disposal had been completed on April 1, 2013.

This Unaudited Pro Forma Financial Information of the Remaining Group has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only, which are subject to assumptions, estimates and uncertainties, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at March 31, 2014 or at any future date or the results of the Group for the year ended March 31, 2014 or for any future period.

The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the audited consolidated financial statements of the Group for the year ended March 31, 2014 as disclosed in the 2014 annual report of the Group, and other financial information included elsewhere in this Circular.

Unaudited pro forma consolidated statement of assets and liabilities of the Remaining Group

The unaudited pro forma consolidated statement of assets and liabilities of the Remaining Group has been prepared based on the audited consolidated assets and liabilities of the Group as at March 31, 2014, which has been extracted from the consolidated financial statements of the Group for the year ended March 31, 2014, with the pro forma adjustments relating to the Disposal that are directly attributable to the Disposal and which are factually supportable, as explained in the notes below.

Unaudited pro forma consolidated statement of profit or loss and unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group

The unaudited pro forma consolidated statement of profit or loss and unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group have been prepared based on the audited consolidated statement of profit or loss and audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended March 31, 2014, which have been extracted from the consolidated financial statements of the Group for the year ended March 31, 2014, with the pro forma adjustments relating to the Disposal, that are directly attributable to the Disposal and which are factually supportable, as explained in the notes below.

Unaudited pro forma consolidated statement of assets and liabilities

	As at March 31, 2014				
	The Group	Pro forma adjustments			The Remaining Group
	Note 1	*Note 2*	*Note 3*	*Note 4*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS AND LIABILITIES					
Non-current assets					
Investment properties	9,580				9,580
Property, plant and equipment	182,017	(2,662)			179,355
Prepaid lease payments	27,886				27,886
Interest in associates	658				658
Deferred tax assets	28	(15)			13
	220,169				217,492
Current assets					
Inventories	201,318				201,318
Trade and other receivables	238,726			341	239,067
Prepaid lease payments	534				534
Amount due from an associate	634				634
Tax recoverable	1,721				1,721
Bank balances and cash	151,837	476,855	(1,087)	(341)	627,264
	594,770				1,070,538
Assets classified as held for sale	256,055	(256,055)			–
	850,825				1,070,538
Current liabilities					
Trade and other payables	237,755		(1,087)		236,668
Tax liabilities	259	594			853
Obligations under finance lease – due within one year	91				91
Derivative financial instruments	333				333
Bank borrowings	249,137				249,137
	487,575				487,082
Net current assets	363,250				583,456
Total assets less current liabilities	583,419				800,948
Non-current liabilities					
Bank borrowings	58,549				58,549
Deferred tax liabilities	3,449	(1,495)			1,954
Obligations under finance lease – due after one year	97				97
	62,095				60,600
Net assets	521,324				740,348

Unaudited pro forma consolidated statement of profit or loss

	For the year ended March 31, 2014				
	The Group	**Pro forma adjustments**			**The Remaining Group**
	Note 1	*Note 5*	*Note 6*	*Note 7*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	1,372,616				1,372,616
Cost of sales	(1,145,888)				(1,145,888)
Gross profit	226,728				226,728
Other income	7,789	(5,003)			2,786
Increase in fair value of investment properties	45,873	(41,123)			4,750
Fair value changes on derivative financial instruments	(333)				(333)
Gain on disposal of the Property	–		323,804		323,804
Selling and distribution costs	(119,400)				(119,400)
Administrative expenses	(226,469)	3,737		(4,091)	(226,823)
Finance costs	(7,591)				(7,591)
Share of loss of associates	(2,666)				(2,666)
(Loss) profit before tax	(76,069)				201,255
Income tax credit	18,813	(20,037)	22,134		20,910
(Loss) profit for the year	(57,256)				222,165
(Loss) profit for the year attributable to:–					
– Owners of the Company	(43,889)	(62,426)	345,938	(4,091)	235,532
– Non-controlling interests	(13,367)				(13,367)
	(57,256)				222,165

Unaudited pro forma consolidated statement of profit or loss and other comprehensive income

	For the year ended March 31, 2014				
	The Group	**Pro forma adjustments**			**The Remaining Group**
	Note 1	*Note 5*	*Note 6*	*Note 7*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(Loss) profit for the year	(57,256)	(62,426)	345,938	(4,091)	222,165
Other comprehensive income					
Item that may be subsequently reclassified to profit or loss:					
Exchange differences arising on translation of foreign operations	6,457				6,457
Items that will not be reclassified to profit or loss:					
Transfer of property, plant and equipment to investment properties:					
– revaluation surplus	65,313	(65,313)			–
– deferred tax charges	(10,777)	10,777			–
Reclassification of investment properties to assets classified as held for sale:					
– deferred tax credit	11,988	(11,988)			–
	66,524				–
Other comprehensive income for the year	72,981				6,457
Total comprehensive income for the year	15,725				228,622
Total comprehensive income for the year attributable to:–					
– Owners of the Company	29,079	(128,950)	345,938	(4,091)	241,976
– Non-controlling interests	(13,354)				(13,354)
	15,725				228,622

Notes:

(1) Figures are extracted from the audited consolidated financial statements of the Group as set out in the annual report of the Company for the year ended March 31, 2014.

(2) The pro forma adjustment represents the derecognition of the carrying amount of HK$256,055,000 of the Property (including investment property of HK$248,262,000 and property, plant and equipment of HK$7,793,000) from assets classified as held for sale upon completion of the Disposal and the estimated pro forma net cash of HK$476,855,000 received from the Disposal as if the Disposal had taken place on March 31, 2014. The estimated pro forma net cash received is the difference of sale proceeds of HK$485,000,000 and the estimated transaction costs (including lawyer's fee, property agent's fee and etc.) of HK$8,145,000 to be incurred upon completion of the Disposal.

	HK$'000
Sales consideration	485,000
Less: Estimated transaction costs	(8,145)
Net cash received from the disposal	476,855

According to the Sale and Purchase Agreement, the Purchaser has agreed to acquire the Property at a consideration of HK$485,000,000 from Dorcash. The consideration is to be settled through four instalments whereby 15% of the sales consideration would be settled through three instalments prior to the Completion Date and the remaining 85% would be settled upon the Completion Date.

The pro forma adjustments of HK$2,662,000 and HK$15,000 represent the derecognition of the carrying amount of the leasehold improvement related to the Property and the related tax effect upon completion of the Disposal.

The gain from the Disposal is of a capital nature and not subject to Hong Kong profits tax and the pro forma adjustments of HK$1,495,000 and HK$594,000 reflect the reversal and derecognition of deferred tax liability relating to the Property and the recognition of the balancing charge upon completion of the Disposal, respectively.

(3) The pro forma adjustment in the unaudited pro forma statement of assets and liabilities represents the transfer of the rental deposits with the amount of approximately HK$1,057,000 to the Purchaser and refund of the rental deposits with the amount of approximately HK$30,000 to the tenants for the tenancies to be terminated prior to completion of the Disposal. In accordance with the Sale and Purchase Agreement, Dorcash shall transfer the rental deposits in full without any deduction or set off, paid by tenants under the tenancy agreements of the Property, to the Purchaser upon completion of the Disposal and to terminate certain tenancies prior to completion of the Disposal.

(4) Upon completion of the Sale and Purchase Agreement, certain portions of the Property are to be leased by the Purchaser to Dorcash (or other members of the Group) for one year at a monthly rent of approximately HK$341,000. Such a lease will be classified as an operating lease.

The pro forma adjustment in the unaudited pro forma consolidated statement of assets and liabilities represents the one-month rental deposit with the amount of approximately HK$341,000 to be paid to the Purchaser for the Leaseback Portions.

(5) The pro forma adjustment represents the exclusion of (i) rental income of approximately HK$5,003,000; (ii) increase in fair value of investment properties of approximately HK$41,123,000; (iii) expenses of approximately HK$3,737,000 (including depreciation, salaries for building management staff and repair and maintenance, etc.); (iv) reversal of related income tax of approximately HK$20,037,000 resulted from the management's change of intention from holding the Property under a business model whose objective is to consume substantially all of the economic benefits embodied in the Property over time through rental income to through sale; and (v) other comprehensive income of approximately HK$54,536,000 and approximately HK$11,988,000 related to the transfers from property, plant and equipment to investment properties and from investment properties to assets classified as held for sale related to the Property, respectively, for the year ended March 31, 2014 as if the Disposal had been completed on April 1, 2013. The pro forma adjustment also represents the effect on profit and total comprehensive income attributable to owners of the Company during the year.

(6) The pro forma adjustment represents the pro forma gain arising on the Disposal as if the Disposal had been completed on April 1, 2013 as follows:

	HK$'000
Sales consideration	485,000
Less: Carrying amount of the Property as at April 1, 2013	(153,051)
Less: Estimated transaction costs	(8,145)
Pro forma gain on disposal of the Property	323,804

The pro forma adjustment also represents the reversal of deferred tax liability of HK$22,728,000 in relation to the revaluation and accelerated tax depreciation of the Property and the related leasehold improvement recognised in prior years, as well as the recognition of balancing charge on the disposal of the Property of HK$594,000, as if the Disposal had been completed on April 1, 2013.

(7) As stated in note (4) above, the Purchaser and the Group shall simultaneously enter into a tenancy agreement to lease back the Leaseback Portions. The pro forma adjustment represents the rental expense of approximately HK$4,091,000 to be paid to the Purchaser for the Leaseback Portions as if the Disposal had been completed on April 1, 2013.

The following is the text of a report received by the Company from Deloitte, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this Circular.

Deloitte.
德勤

The Directors
Tungtex (Holdings) Company Limited
12th Floor, Tungtex Building
203 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Directors of Tungtex (Holdings) Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tungtex (Holdings) Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at March 31, 2014 and the unaudited pro forma consolidated statement of profit or loss and unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended March 31, 2014 and related notes as set out on pages II-2 to II-6 of the circular issued by the Company dated October 30, 2014 (the "Circular"). The applicable criteria on the basis of which the Directors have complied the unaudited pro forma financial information are described on page II-1 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of the Group's property known as Tungtex Building located at No.203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong on the Group's financial position as at March 31, 2014 and its financial performance for the year ended March 31, 2014 as if the disposal had taken place at March 31, 2014 and April 1, 2013, respectively. As part of the process, information about the Group's assets and liabilities and financial performance has been extracted by the Directors from the Group's consolidated financial statements for the year ended March 31, 2014, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have complied the unaudited pro forma financial information in accordance with Rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at March 31, 2014 or April 1, 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly complied on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
October 30, 2014

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this Circular received from DTZ Debenham Tie Leung Limited, an independent property valuer, in connection with its opinion on the market value of the Property as at September 15, 2014.

DTZ 戴德梁行
a UGL company

16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

October 30, 2014

The Directors
Tungtex (Holdings) Company Limited
12th Floor, Tungtex Building
203 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

Dear Sirs,

Re: Tungtex Building, No. 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (the "Property")

Instructions, Purpose & Date of Valuation

We refer to your instructions for us to carry out a market valuation of the Property which is held by Dorcash Industrial Limited ("Dorcash"). We confirm that we have made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the value of the Property as at September 15, 2014 (the "date of valuation").

Basis of Valuation and Assumption

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation of the Property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

In valuing the Property, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2012 Edition published by the Hong Kong Institutes of Surveyors.

Method of Valuation

We have valued the Property by direct comparison approach assuming sale of the Property in its existing state and by making reference to comparable sales transactions as available in the relevant market or where appropriate by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the Property.

Source of Information

We have relied to a very considerable extent on the information given by Dorcash and have accepted advice given to us on such matters as statutory notices, easements, tenure, identification of property, particulars of occupancy, floor areas and all other relevant matters. Dimensions and measurements are based on the copies of documents or other information provided to us by Dorcash and are therefore only approximations. No on-site measurement has been carried out.

Title Investigation

We have carried out title search at the Land Registry of the Property. However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

Our valuer, Mr. Thomas Tam, has inspected the exterior and, where possible, the interior of the Property on September 5, 2014. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No test was carried out on any of the services.

Our valuation certificate is hereby enclosed for your attention.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
K.B. Wong
MHKIS, RPS (GP)
Senior Director, Valuation & Advisory Services

Note: Mr. K B Wong is a Registered Professional Surveyor (General Practice) who has over 25 years property valuation experience in Hong Kong.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at September 15, 2014
Tungtex Building, No. 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Kwun Tong Inland Lot No. 287.	The Property comprises a 13-storey industrial building erected on a site of 10,075 sq.ft. (935.99 sq.m.). The building was completed in 1977. The Property has a total gross floor area of approximately 105,833 sq.ft. (9,832.13 sq.m.). The Property is held from the Government under Conditions of Sale No. UB7048 for a term of 21 years from July 1, 1961 renewed for a further term of 15 years which has been further statutorily extended to June 30, 2047. The current Government rent payable for the Property is 3% of the rateable value for the time being of the Property per annum.	As at the date of valuation, portion of 2nd floor and the whole of 3rd, 4th, 5th, 6th, 7th and 10th floors and Car Parking Spaces Nos. 10, 12 and 13 on the ground floor of the Property with a total floor area of approximately 50,134 sq.ft. (4,657.56 sq.m.) (excluding the area of Car Parking Spaces Nos. 10, 12 and 13 on the ground floor of the Property) were let for various terms with the latest term due to expire on December 14, 2015 at a total monthly rent of HK$495,880. As advised by Dorcash, except the remainder of 2nd floor having a floor area of 7,416 sq.ft. (688.96 sq.m.) that was vacant, the remainder of the Property was let to intra-group.	HK$470,000,000

Notes:

(1) The registered owner of the Property is Dorcash Industrial Limited.

(2) The Property is subject to an Order No. CCOS/RT/002326/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010017 dated October 21, 2010 (Re: whole subject property).

(3) The Property is subject to an Order No. CCOS/RT/002327/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010022 dated October 21, 2010 (Re: whole subject property).

(4) The Property is subject to an Order No. CCOS/RT/002329/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010038 dated October 21, 2010 (Re: 1/F).

(5) The Property is subject to a Legal Charge to secure banking facilities in favour of The Mitsubishi Bank, Limited (now known as The Bank of Tokyo-Mitsubishi UFJ, Ltd.) for all moneys vide Memorial No. UB4455171 dated June 7, 1990 (Re: 2/F).

(6) The Property is subject to an Order No. C/AT/0826/97/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. UB7284659 dated August 21, 1997 (Re: 2/F).

(7) The Property is subject to an Order No. CCOS/RT/002333/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010042 dated October 21, 2010 (Re: 3/F).

(8) The Property is subject to a Mortgage in favour of Bank of China (Hong Kong) Limited to secure all monies in respect of general banking facilities vide Memorial No. 13020701970253 dated January 30, 2013 (Re: 3/F).

(9) The Property is subject to an Assignment of Rentals in favour of Bank of China (Hong Kong) Limited vide Memorial No. 13021401450085 dated January 30, 2013 (Re: 3/F).

(10) The Property is subject to an Order No. CCOS/RT/002334/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010051 dated October 21, 2010 (Re: 4/F).

(11) The Property is subject to a Mortgage to secure general banking facilities and a Deed of Variation of Mortgage both in favour of The Hongkong and Shanghai Banking Corporation Limited vide Memorial Nos. UB4377978 and UB5156458 dated March 7, 1990 and December 30, 1991 respectively (Re: 4/F and Flat Roof, 5/F, 6/F and 7/F).

(12) The Property is subject to an Order No. CCOS/RT/002335/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010069 dated October 21, 2010 (Re: Flat Roof on 4/F).

(13) The Property is subject to an Order No. CCOS/RT/002336/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010076 dated October 21, 2010 (Re: 5/F).

(14) The Property is subject to an Order No. CCOS/RT/002343/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010086 dated October 21, 2010 (Re: 6/F).

(15) The Property is subject to an Order No. CCOS/RT/002344/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010091 dated October 21, 2010 (Re: 7/F).

(16) The Property is subject to an Order No. CCOS/RT/002346/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010113 dated October 21, 2010 (Re: 9/F).

(17) The Property is subject to an Order No. CCOS/RT/002348/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010138 dated October 21, 2010 (Re: 11/F).

(18) The Property is subject to an Order No. CCOS/RT/002349/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010148 dated October 21, 2010 (Re: 12/F).

(19) The Property is subject to an Order No. CCOS/RT/002352/10/K under Section 24(1) of the Buildings Ordinance issued by the Building Authority vide Memorial No. 11031801010157 dated October 21, 2010 (Re: Top Roof).

(20) The above Orders mentioned in notes (2) to (4), (6) to (7), (10) and (12) to (19) are building orders issued by the Building Authority requesting for the removal of unauthorised works of and in the Property. In arriving at our valuation, we have assumed that the Building Orders referred to in the above have been complied with and no allowances have been made for any necessary reinstatement costs relating to compliance with the said Building Orders.

(21) The Property is zoned for "Other Specified Uses (Business)" uses under Kwun Tong South Outline Zoning No. S/K14S/19.

1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which are required:

(a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or

(b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or

(c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") to be notified to the Company and the Stock Exchange,

were as follows:

Name of Director	**Capacity**	**No. of Shares held**	**No. of underlying Shares held under the share options**	**Total interests**	**Approximate percentage of shareholding** *(Note 3)*
Mr. Benson Tung Wah Wing	Interest of controlled corporation *(Note 1)*	150,059,268	–	150,059,268	35.55%
	Beneficial owner	–	1,490,250	1,490,250	0.36%
Mr. Alan Lam Yiu On	Beneficial owner	620,000	1,490,250	2,110,250	0.50%
Mr. Raymond Tung Wai Man	Beneficial owner	360,000	993,500	1,353,500	0.32%

Name of Director	Capacity	No. of Shares held	No. of underlying Shares held under the share options	Total interests	Approximate percentage of shareholding *(Note 3)*
Mr. Martin Tung Hau Man	Beneficial owner	1,004,000	993,500	1,997,500	0.47%
Mr. Billy Tung Chung Man	Beneficial owner	872,400	993,500	1,865,900	0.44%
Mr. Kevin Lee Kwok Bun	Beneficial owner	10,800,000	–	10,800,000	2.56%
Mr. Johnny Chang Tak Cheung	Beneficial owner/ Beneficiary of a trust *(Note 2)*	2,329,752	–	2,329,752	0.55%
Mr. Tony Chang Chung Kay	Beneficial owner	3,844,760	–	3,844,760	0.91%

Notes:

1. Mr. Benson Tung Wah Wing and his spouse, Wong Fung Lin, together own the entire equity interest in Corona Investments in equal shares. Corona Investments owned 150,059,268 Shares as at the Latest Practicable Date. By virtue of the SFO, Mr. Benson Tung Wah Wing is deemed to be interested in the Shares held by Corona Investments. Mr. Benson Tung Wah Wing, Mr. Martin Tung Hau Man and Mr. Billy Tung Chung Man are directors of Corona Investments.

2. Mr. Johnny Chang Tak Cheung is the beneficial owner of 277,752 Shares as at the Latest Practicable Date. He is also a beneficiary of a trust, Chaco International Limited, which owned 2,052,000 Shares as at the Latest Practicable Date.

3. The percentage shareholdings is to the nearest 2 decimal places only and is based on 422,077,557 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor any of his close associates (as defined in the Listing Rules) had any interest in a business apart from the Group's business which competed or would likely to compete, either directly or indirectly, with the business of the Group.

4. ADDITIONAL DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date:

(a) none of the Directors had any direct or indirect interest in any assets which, since March 31, 2014 (the date to which the latest published audited accounts of the Company were made up), had been acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group;

(b) none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group; and

(c) none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by members of the Group within the two years immediately preceding the date of this Circular and up to the Latest Practicable Date which are or may be material:

(a) five construction contracts entered into between, among others, Tungtex Fashions (Vietnam) Limited ("**Tungtex Vietnam**"), an indirect wholly owned subsidiary of the Company and An Tam Construction and Trading Company Limited ("**An Tam**") as contractor, in relation to the provision of various construction works by An Tam on a site situated at Lot A2, Road No. 2, Thuan Dao Industrial Park, Ben Luc District, Long An Province, Vietnam (the "**Site**"), with particulars as follows:

   (i) a construction contract dated September 28, 2012 entered into between Tungtex Vietnam and An Tam in relation to the provision of leveling and pile test works by An Tam on the Site at a consideration of VND484,541,200 (including VAT) (equivalent to approximately HK$182,757);

   (ii) a construction contract dated November 1, 2012 entered into between Tungtex Vietnam, An Tam and ICC Consultancy J.S.C. ("**ICC Consultancy**") in relation to the provision of piling works by An Tam on the Site at a consideration of VND3,845,495,225 (including VAT) (equivalent to approximately HK$1,450,424);

(iii) a construction contract dated December 25, 2012 entered into between Tungtex Vietnam, An Tam and ICC Consultancy in relation to the provision of civil and finishing works by An Tam on the Site at a consideration of VND26,588,800,000 (including VAT) (equivalent to approximately HK$10,028,628);

(iv) a construction contract dated March 22, 2013 entered into between Tungtex Vietnam, An Tam and ICC Consultancy in relation to the purchase and installation of transformer items by An Tam on the Site at a consideration of VND1,320,000,000 (including VAT) (equivalent to approximately HK$497,871); and

(v) a construction contract dated April 22, 2013 entered into between Tungtex Vietnam, An Tam and ICC Consultancy in relation to the installation of lightning, fire fighting system, domestic plumbing and sanitary system by An Tam on the Site at a consideration of VND2,309,450,000 (including VAT) (equivalent to approximately HK$871,067);

(b) a sale and purchase agreement dated November 6, 2012 entered into between Do Do Fashion Limited (a wholly owned subsidiary of the Company) as purchaser, Dong Guan Liangyao Optoelectronics Science and Technology Company Limited* (東莞市亮耀光電科技有限公司) ("**Dong Guan Liangyao**") as vendor, and Mr. Huang Xu Bin* (黃旭斌), the legal representative of Dong Guan Liangyao as guarantor on the performance of Dong Guan Liangyao, in relation to the sale and purchase of an industrial property comprising one block of industrial premises with total floor area of 11,816 sq.m. and two blocks of staff dormitories with total floor area of approximately 8,657 sq.m. situated at Yu Liang Wei Cun, Qing Xi Zhen, Dongguan, Guangdong, the PRC (東莞市清溪鎮漁樑圍村) on a site area of approximately 17,042 sq.m. at a consideration of RMB46 million;

(c) a sale and purchase agreement dated December 21, 2012 entered into between Shenzhen Betu Fashions Company Limited* (深圳百多爾時裝有限公司), a wholly owned subsidiary of the Company, as purchaser, and CECEP (Shenzhen) Investment Group Company Limited* (中節能(深圳)投資集團有限公司) as vendor, for the sale and purchase of a property comprising a whole floor at International Science and Technology Building* (國際科技大廈), a commercial premises situated at the crossroad between Shennan Road Central and Fuhong Road, Futian District, Shenzhen, Guangdong, the PRC (深圳市福田區深南中路與福虹路交匯處) with total floor area of 1,170.94 sq.m. at a consideration of approximately RMB27.52 million;

(d) an underwriting agreement dated April 9, 2013 entered into between the Company and CCB International Capital Limited as underwriter pursuant to which the latter agreed to underwrite not less than 45,336,381 new ordinary Shares (the "**Rights Shares**") and not more than 47,516,381 Rights Shares at an underwriting commission of 2.5% of the total subscription price (which was at HK$0.80 per Rights Share) of the maximum number of Rights Shares as underwritten by CCB International Capital Limited under the rights issue of the Company which was completed in June 2013;

(e) a sale and purchase agreement dated August 6, 2014 entered into between the Company's wholly-owned subsidiary Sing Yang Trading Limited ("**Sing Yang**") as vendor and Mr. Ng Po Chuen ("**Mr. Ng**") as purchaser pursuant to which Sing Yang's 60% equity interest in Golden Will Fashions Limited was agreed to be sold to Mr. Ng at a consideration at HK$26.9 million;

(f) the conditional provisional sale and purchase agreement dated September 26, 2014 entered into between Dorcash as vendor and the Purchaser as purchaser for the sale by Dorcash and purchase by the Purchaser of the Property at HK$485,000,000 which was superseded by the Sale and Purchase Agreement; and

(g) the Sale and Purchase Agreement.

6. LITIGATION

In December 2010, the Estate of Peter Mui (who was a 49% shareholder of Yellow River, Inc. ("**Yellow River**"), a 51% subsidiary of the Company) instituted legal proceeding (the "**US Proceeding**") against Tungtex (U.S.A.) Inc. ("**Tungtex US**"), a wholly-owned subsidiary of the Company and the 51% shareholder of Yellow River, and Yellow River in the Surrogate's Court of the State of New York, County of New York (the "**Court**") alleging Tungtex US was engaged in oppressive conduct as a majority shareholder of Yellow River and (a) seeking the dissolution of Yellow River and the appointment of receiver to oversee the dissolution; (b) requiring Tungtex US to turnover to the Estate of Peter Mui 49% of the value of Yellow River; (c) requiring Tungtex US to account for sums received from Yellow River since April 1, 2009; (d) requiring Tungtex US to turnover to Yellow River funds improperly looted and diverted by it; and (e) seeking the grant of such other and further relief as the Court may deem just and proper. By the verified answers and counterclaims filed, Tungtex US and Yellow River both denied the allegations made by, and asserted counterclaims for damages against, the Estate of Peter Mui. The US Proceeding was in the discovery stage up to the Latest Practicable Date. Based on and after consideration of the legal advices obtained and the possible business and financial impacts, the Directors are of the view that Tungtex US and Yellow River have meritorious defenses and viable counterclaims and the US Proceeding is not of material importance to the Group.

As at the Latest Practicable Date, save as disclosed above, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of each expert whose advice or opinion is included in this Circular:

Name	Qualification
Deloitte Touche Tohmatsu ("**Deloitte**")	Certified Public Accountants
DTZ	Professional property surveyors and valuers

As at the Latest Practicable Date, each of Deloitte and DTZ:

(a) did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and

(b) did not have any interests, direct or indirect, in any assets which since March 31, 2014, the date to which the latest published audited accounts of the Company were made up, had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each of Deloitte and DTZ has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter or report and the reference to its name in the form and context in which it is included.

8. GENERAL

The company secretary of Company is Ms. Lee Siu Mei, who is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

The share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this Circular prevails over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 12th Floor, Tungtex Building, 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. from the date of this Circular up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the two years ended March 31, 2013 and March 31, 2014;

(c) the report from Deloitte on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix II to this Circular;

(d) the valuation report on the Property prepared by DTZ, the text of which is set out in Appendix III to this Circular;

(e) the consent letters given by each of Deloitte and DTZ, as referred to in the section headed "Qualifications and Consents of Experts" in this Appendix;

(f) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix; and

(g) this Circular.

TUNGTEX (HOLDINGS) COMPANY LIMITED
同得仕（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00518)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Tungtex (Holdings) Company Limited (the "**Company**") will be held at Langham Place Ballroom III, Level 7, Langham Place Hotel, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong on Monday, November 17, 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(i) the Disposal (as defined in the circular (the "**Circular**") of the Company dated October 30, 2014, a copy of which is produced to the Meeting marked "A" and initialled by the chairman of the Meeting for identification purpose) by Dorcash Industrial Limited as vendor to KINGWISE ENTERPRISES LIMITED as purchaser on and subject to the terms and conditions of the Sale and Purchase Agreement (as defined in the Circular) and all transactions contemplated thereunder be and they are hereby approved; and

(ii) the directors of the Company (the "**Directors**") be and they are hereby authorised to do all acts and things, to sign and execute all such agreements, deeds, instruments or any other documents, and to take such further steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to the Disposal and all transactions contemplated under the Sale and Purchase Agreement and anything in connection therewith and to agree to any variation, amendments and waivers of any of the terms and conditions of the Disposal which are in the opinion of the Directors not material to the Disposal and are in the interests of the Company and its shareholders as a whole."

By order of the Board of
Tungtex (Holdings) Company Limited
Benson Tung Wah Wing
Chairman

Hong Kong, October 30, 2014

Registered office
12th Floor, Tungtex Building
203 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.

2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company's share registrar and transfer office, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the appointed time for holding of the Meeting or any adjournment hereof (as the case may be). In calculating the aforesaid 48 hours period, no account will be taken of any part of a day that is a public holiday.

3. A form of proxy for use at the Meeting is enclosed. Completion and return of the form of proxy will not preclude you from attending and voting at the Meeting or any adjournment thereof.

4. To ascertain the entitlements to attend and vote at the Meeting, the relevant transfer document(s) and share certificate(s) must be lodged with the Company's share registrar and transfer office, Tricor Secretaries Limited no later than 4:30 p.m. on Friday, November 14, 2014 for registration.

5. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint registered holders are present at the Meeting personally or by proxy, then one of the registered holders so present whose name stands first on the Company's register of members in respect of such shares will alone be entitled to vote in respect thereof.

6. Voting on the above resolution will be taken by poll.

As at the date of this notice, the executive directors of the Company are Mr. Benson Tung Wah Wing (Chairman), Mr. Alan Lam Yiu On (Managing Director), Mr. Raymond Tung Wai Man, Mr. Martin Tung Hau Man and Mr. Billy Tung Chung Man; the non-executive directors of the Company are Mr. Tung Siu Wing and Mr. Kevin Lee Kwok Bun; and the independent non-executive directors of the Company are Mr. Johnny Chang Tak Cheung, Mr. Tony Chang Chung Kay, Mr. Robert Yau Ming Kim, Mr. Edwin Siu Pui Lap and Mr. Leslie Chang Shuk Chien.