
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular, you should consult your stockbroker, other registered dealer 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 同得仕(集團)有限公司, you should at once hand this circular together with the accompanying annual report and form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TUNGTEX (HOLDINGS) COMPANY LIMITED

同得仕(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00518)

PROPOSALS FOR GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, ADOPTION OF NEW ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the 2015 annual general meeting of Tungtex (Holdings) Company Limited 同得仕(集團)有限公司 (the "Company") to be held at Shanghai Room I, Level 8, Langham Place Hotel, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong on Friday, August 28, 2015 at 11:00 a.m. at which the above proposals will be considered is set out on pages 19 to 23 of this circular.

Whether or not you intend to attend the meeting, please complete and sign the accompanying form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrar, 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 meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

July 24, 2015

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DEFINITIONS

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

“2015 AGM”	the 2015 annual general meeting of the Company to be held on Friday, August 28, 2015 at 11:00 a.m.
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate to be granted to the Directors to exercise all powers of the Company to buy back on the Stock Exchange Shares of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution
“Close Associate(s)”	has the same meaning as ascribed thereto in the Listing Rules
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong as amended from time to time
“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
“Core Connected Person(s)”	has the same meaning as ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to issue, allot and deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution

DEFINITIONS

“Latest Practicable Date”	July 21, 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange as amended from time to time
“New Articles”	the articles of association of the Company proposed to be adopted under resolution 11, and “New Article” is a reference to a provision in the New Articles
“Previous CO”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong as amended from time to time
“Share(s)”	share(s) of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission
“%”	per cent.



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

Registered Office:

12/F., Tungtex Building
203 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

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

July 24, 2015

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO BUY BACK SHARES AND TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the 2015 AGM, as required by the relevant rules set out in the Listing Rules. These include ordinary resolutions relating to (i) the granting to the Directors the Buy-back Mandate and the Issue Mandate and (ii) the re-election of each of the retiring Directors, and special resolution relating to the adoption of new Articles.

LETTER FROM THE BOARD

THE BUY-BACK MANDATE AND THE ISSUE MANDATE

On August 28, 2014, general mandates were granted to the Directors to exercise the powers of the Company to buy back Shares and to issue, allot and deal with additional Shares. Such mandates will lapse at the conclusion of the 2015 AGM. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the 2015 AGM granting to the Directors the Buy-back Mandate. In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Buy-back Mandate. This explanatory statement is set out in Appendix I to this circular.

An ordinary resolution will also be proposed at the 2015 AGM to grant to the Directors the Issue Mandate to issue, allot and deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of passing of such resolution, which is equivalent to 84,415,511 Shares on the basis that no Shares are issued or repurchased by the Company during the period from the Latest Practicable Date up to the date of 2015 AGM.

In addition, an ordinary resolution will be proposed at the 2015 AGM to extend the Issue Mandate by adding to it the number of Shares to be bought back pursuant to the Buy-back Mandate.

RE-ELECTION OF RETIRING DIRECTORS

In relation to items 2 to 5 set out in the notice of the 2015 AGM, Mr. Alan Lam Yiu On, Mr. Martin Tung Hau Man, Mr. Tony Chang Chung Kay and Mr. Robert Yau Ming Kim will retire by rotation as Directors at the 2015 AGM pursuant to article 84(A) of the Articles. All the retiring Directors, being eligible, will offer themselves for re-election at the 2015 AGM pursuant to the Articles.

Mr. Tony Chang Chung Kay, who has been serving as independent non-executive director of the Company for more than 9 years, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Mr. Tony Chang Chung Kay is still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Biographical details of the above retiring Directors proposed for re-election at the 2015 AGM, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF NEW ARTICLES

Effective March 3, 2014, the Previous CO was replaced by the Companies Ordinance. The requirement for a company to have a memorandum of association is abolished under the Companies Ordinance and a company is only required to have articles of association. All conditions which were in force immediately prior to the commencement of the Companies Ordinance are regarded as provisions of the company's articles under section 98(1) of the Companies Ordinance. Further, under the Companies Ordinance, a company's "objects" are unrestricted unless its articles of association provide otherwise.

In light of the changes introduced by the Companies Ordinance, the Directors propose to adopt the New Articles to update various provisions contained in the Articles in order to bring them into line with the positions of the Companies Ordinance, not include any "objects" clause, and make some minor consequential and housekeeping changes.

A special resolution for Resolution 11 as set out in the notice of the 2015 AGM, which requires not less than 75% of the total voting rights of all Shareholders who vote on the resolution, will be put forward to be considered and, if thought fit, approved by Shareholders at the 2015 AGM. An explanatory statement on the adoption of the New Articles as proposed by the Resolution 11 is set out in Appendix III to this circular. The Company's independent legal adviser confirmed that the New Articles comply with the requirements of the Listing Rules and the laws of Hong Kong.

Full text of the New Articles are available on the Company's website. The Chinese translation of the New Articles is for Shareholders' reference only. In case there is any inconsistency between the English version and the Chinese version, the English version shall prevail. A copy of the New Articles will also be available for inspection at the Company's registered office at 12/F., Tungtex Building, 203 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours on any business day (excluding Saturday) from the date of this circular up to and including August 28, 2015.

ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

Notice of the 2015 AGM is set out on pages 19 to 23 of this circular. A form of proxy for appointing proxy is despatched with this circular and published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and of the Company (www.tungtex.com). Whether or not you intend to attend the 2015 AGM, you are requested to complete and sign the form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the 2015 AGM or any adjournment thereof. In calculating the aforesaid 48 hour period, no account will be taken of any part of a day that is public holiday. Accordingly, the form of proxy must be delivered to the Company no later than 11:00 a.m. on Wednesday, August 26, 2015. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2015 AGM and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the Chairman of the 2015 AGM will demand a poll on each and every resolution stated in the notice of the 2015 AGM pursuant to article 68 of the Articles.

In accordance with Rule 13.39(5) of the Listing Rules, an announcement on the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company after the holding of the 2015 AGM.

RECOMMENDATION

The Directors consider that the proposed granting of the Buy-back Mandate and the Issue Mandate to the Directors, the re-election of the retiring Directors and the adoption of new Articles are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions set out in the notice of the 2015 AGM.

Yours faithfully,
For and on behalf of the Board
Tungtex (Holdings) Company Limited
同得仕(集團)有限公司
Benson Tung Wah Wing
Chairman

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2015 AGM in relation to the granting of the Buy-back Mandate. It also constitutes the memorandum under section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued shares of the Company was 422,077,557 Shares.

Subject to the passing of item 8 as set out in the notice of the 2015 AGM for the granting of the Buy-back Mandate and on the basis that no further Shares are issued or bought back by the Company during the period from the Latest Practicable Date up to the holding of the 2015 AGM, the Company would be allowed under the Buy-back Mandate to buy back up to a maximum of 42,207,755 fully paid up Shares, representing 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution for granting the Buy-back Mandate.

2. REASONS FOR BUY-BACKS

The Directors believe that the Buy-back Mandate proposal is in the interests of the Company and the Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per share of the Company. The buy-backs will also be made when the Directors consider that the Shares are trading at a relative low price per share and do not reflect the underlying value of the Shares.

3. FUNDING OF BUY-BACKS

In buying back Shares, the Company shall only apply funds legally available for such purpose in accordance with the Articles and the Companies Ordinance. It is envisaged that the funds required for any buy-back would be derived from the distributable profits of the Company.

4. IMPACT OF BUY-BACKS

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended March 31, 2015) in the event that the Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices per share at which the Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

Month	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
2014		
July	1.05	0.89
August	1.39	0.95
September	1.31	1.04
October	1.21	1.06
November	1.25	1.08
December	1.19	1.04
2015		
January	1.35	1.08
February	1.26	0.95
March	1.02	0.93
April	1.16	0.91
May	1.22	1.00
June	1.92	1.11
July (<i>up to and including the Latest Practicable Date</i>)	1.42	0.71

6. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective Close Associates, have any present intention to sell any Shares to the Company under the Buy-back Mandate if such is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to buy back Shares pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Companies Ordinance and the regulations set out in the Articles.

The Company has not been notified by any Core Connected Person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, in the event that the Buy-back Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If, as a result of a buy-back of Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of the voting rights for the purposes of Rule 32 of the Takeovers Code and accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Corona Investments Limited, which is beneficially owned equally by Mr. Benson Tung Wah Wing, chairman and executive director of the Company, and his spouse, had interest in 150,059,268 Shares, representing approximately 35.55% of the total number of issued shares of the Company. In the event that the Directors exercised in full the power to buy back Shares under the Buy-back Mandate, the interest of Corona Investments Limited in the Company would be increased to approximately 39.50% of the reduced total number of issued shares of the Company after the buy-back. The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but would not reduce the number of Shares held by the public to less than the minimum public float requirement. The Directors do not intend to exercise the Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer under the Takeovers Code.

8. SHARE BUY-BACK MADE BY THE COMPANY

The Company has not bought back any of the Shares, whether on the Stock Exchange or otherwise, during the last six months preceding the Latest Practicable Date.

The following are the biographical details of the retiring Directors proposed for re-election at the 2015 AGM:

(1) Mr. Alan Lam Yiu On, Managing Director and Executive Director

Mr. Alan Lam Yiu On, aged 53, was appointed as an executive director of the Company in 1995, the deputy managing director in 2001 and then the managing director in 2003. He also holds other directorships in the Company's subsidiaries. Prior to joining the Company in 1988, he worked for an international accounting firm for over 3 years. He holds a Professional Diploma in Accountancy from The Hong Kong Polytechnic University. Mr. Lam does not at present, nor did he in the last three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Lam has entered into a service contract with the Company for a term of three years subject to retirement by rotation at least once every three years in accordance with the provisions of the Articles. Mr. Lam, as the managing director and executive director, is entitled to such director's emoluments as determined, among other things, with reference to his duties and responsibilities in the Company, his experience in the industry, the prevailing market conditions and the Group's performance, by the remuneration committee, with delegated responsibility from the Board, in accordance with the Company's remuneration policy pursuant to the authority given by the shareholders of the Company in annual general meeting. His total emoluments for the year ended March 31, 2015 were HK\$3,021,250 which were wholly covered by the service contract.

As at the Latest Practicable Date, Mr. Lam held 620,000 shares of the Company within the meaning of Part XV of the SFO. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lam has confirmed that there is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

(2) Mr. Martin Tung Hau Man, Executive Director

Mr. Martin Tung Hau Man, aged 40, joined the Group in 2000 and was promoted to assistant director in 2002. He was appointed as an executive director of the Company in 2010. He also holds other directorships in the Company's subsidiaries. He holds a Bachelor of Arts Degree in Economics from Simon Fraser University and a Master of Science Degree in Engineering Business Management from The University of Warwick. Mr. Tung does not at present, nor did he in the last three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Tung has entered into a service contract with the Company for a term of three years subject to retirement by rotation at least once every three years in accordance with the provisions of the Articles. Mr. Tung, as an executive director, is entitled to such director's emoluments as determined, among other things, with reference to his duties and responsibilities in the Company, his experience in the industry, the prevailing market conditions and the Group's performance, by the remuneration committee, with delegated responsibility from the Board, in accordance with the Company's remuneration policy pursuant to the authority given by the shareholders of the Company in annual general meeting. His total emoluments for the year ended March 31, 2015 were HK\$1,435,000 which were wholly covered by the service contract.

As at the Latest Practicable Date, Mr. Tung held 1,604,000 shares of the Company within the meaning of Part XV of the SFO. He is the son of Madam Wong Fung Lin and Mr. Benson Tung Wah Wing, chairman and executive director of the Company, who together own the entire equity interests in equal share in Corona Investments Limited, substantial and controlling shareholder of the Company. He is also the brother of Mr. Billy Tung Chung Man, executive director of the Company, the nephew of Mr. Tung Siu Wing, non-executive director of the Company, the cousin of Mr. Raymond Tung Wai Man, executive director of the Company, and the brother-in-law of Mr. Li Ka Ki, director of Do Do Fashion Limited, a wholly-owned subsidiary of the Company. Mr. Tung is also a director of Corona Investments Limited.

Mr. Tung has confirmed that there is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

(3) Mr. Tony Chang Chung Kay, Independent Non-Executive Director

Mr. Tony Chang Chung Kay, aged 59, was appointed as a non-executive director of the Company in 1994. In 1995, he was re-designated as an independent non-executive director of the Company. Mr. Chang is also a member of audit committee, remuneration committee and nomination committee of the Company. He is a director of a famous shirt making private company and has over 38 years' experience in the garment industry. He holds a Bachelor of Science Degree from McGill University. He is the nephew of Mr. Johnny Chang Tak Cheung, independent non-executive director of the Company. The relationship with Mr. Johnny Chang does not affect the independence of Mr. Chang as he makes decision independently and votes in his own accord. Saved as disclosed above, Mr. Chang does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company. Mr. Chang does not at present, nor did he in the last three years, hold any directorships in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Chang has entered into a service contract with the Company for a term of three years subject to retirement by rotation at least once every three years in accordance with the provisions of the Articles. Mr. Chang, as an independent non-executive director, is entitled to such director's fee as determined with reference to his duties and responsibilities in the Company and the prevailing market conditions, as approved by the Board in accordance with the Company's remuneration policy pursuant to the authority given by the shareholders of the Company in annual general meeting. The total director's fee paid to him for the year ended March 31, 2015 was HK\$170,000 which was wholly covered by the service contract.

As at the Latest Practicable Date, Mr. Chang held 3,844,760 shares of the Company, being 0.91% of the total number of issued shares of the Company, within the meaning of Part XV of the SFO. He has no intention to increase his shareholding in the Company in excess of 1% of the Company's total number of issued shares.

Mr. Chang has confirmed that there is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

(4) Mr. Robert Yau Ming Kim, Independent Non-Executive Director

Mr. Robert Yau Ming Kim, aged 76, was appointed as an independent non-executive director of the Company in September 2006. Mr. Yau is also the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company. He has extraordinary and extensive experience in the textile and clothing industry. Before his retirement as managing director of a renowned international apparel buying office in Hong Kong in August 2004, he had held senior positions including chief executive or managing director of various major international and local apparel companies since 1971. From 1998 to 2004, he served as vice chairman of The Hong Kong Exporters' Association, member of the Executive Committee of The Hong Kong Shippers' Council and member of the Garment Advisory Committee of the Hong Kong Trade Development Council.

Graduated at Wah Yan College, Mr. Yau served as trade officer in the Hong Kong Government in 1960s. In 1970, he was seconded by the Hong Kong Government to the General Agreement on Tariffs and Trade ("GATT") Secretariat (now known as the World Trade Organisation) in Geneva, Switzerland and was awarded GATT Fellowship after his attachment. He is currently an independent non-executive director of Parkson Retail Group Limited and Alltronics Holdings Limited respectively, which shares are listed on the Main Board of the Stock Exchange.

Mr. Yau has entered into a service contract with the Company for a term of three years subject to retirement by rotation at least once every three years in accordance with the provisions of the Articles. Mr. Yau, as an independent non-executive director, is entitled to such director's fee as determined with reference to his duties and responsibilities in the Company and the prevailing market conditions, as approved by the Board in accordance with the Company's remuneration policy pursuant to the authority given by the shareholders of the Company in annual general meeting. The total director's fee paid to him for the year ended March 31, 2015 was HK\$170,000 which was wholly covered by the service contract.

Mr. Yau and a private company controlled by him have respectively been engaging personal taxation services and auditing, accounting and taxation services of Chang Leung Hui & Li C.P.A. Limited (of which Mr. Leslie Chang Shuk Chien, an existing independent non-executive director of the Company, is the managing director) through another engagement partner for over 20 years. In view of the above, the Board considers that the independence of Mr. Yau would not be affected. Saved as disclosed above, Mr. Yau does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yau did not have any interests in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Yau has confirmed that there is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

The “objects” clause of a company incorporated under the Previous CO is contained in its memorandum of association and sets out the scope of activities the company has the power to undertake. Since the introduction of section 5(1A)(b) of the Previous CO in 1997, the “objects” clause in the memorandum of association of companies has been optional for many companies incorporated in Hong Kong, including the Company. The “objects” clause of a company incorporated in Hong Kong has also become less significant. Under the Companies Ordinance, a company’s “objects” are unrestricted unless its articles of association provide otherwise.

Separately, the memorandum of association of a company is abolished under section 98(1) of the Companies Ordinance, and all conditions which were in force immediately prior to the commencement of the Companies Ordinance are regarded as provisions of the company’s articles, except that the condition relating to the amount of registered share capital of the company and its division into shares of a fixed amount is deemed deleted under section 98(4) of the Companies Ordinance.

Given the above, and for clarity, the Company proposes to delete the “objects” clause. Relevant conditions or information in the former memorandum of association to be retained as part of the New Articles will be included expressly in the New Articles rather than solely relying on the deeming provisions under the Companies Ordinance.

The Articles are replaced in their entirety by the New Articles. The principal differences between the New Articles and the Articles are outlined below.

1. Introductory paragraph

New Article 1 dis-applies the model articles for public companies limited by shares.

New Articles 2, 3 and 4 include certain provisions currently contained in the former memorandum of association of the Company.

2. Share warrants to bearer

The deletion of the wording concerning warrants to bearer in the Article 6 (now renumbered as New Article 7) reflects the changes introduced by section 139 of the Companies Ordinance which repeals the power of companies to issue share warrants to bearer.

3. Preference shares

New Article 6 authorises the Directors to determine the terms, conditions and manner of redemption of any preference shares, as permitted by section 235 of the Companies Ordinance. The requirement for any issuance of preference shares to be sanctioned by a special resolution is removed as it is not required under the Companies Ordinance.

4. Issue of share certificate on transfer

New Article 44 reflects the position under section 155(2)(b) of the Companies Ordinance which provides that a public company must have the relevant share certificate ready for delivery within 10 business days after the day on which a transfer is lodged with the company, subject to certain conditions.

5. Directors' power to refuse to register transfers without giving reasons

New Article 41 reflects the changes introduced by section 151(3) of the Companies Ordinance which requires a company to provide a statement of reasons when the registration of a share transfer is refused, if requested by the transferee or the transferor. New Article 41 removes the power of the directors to refuse registration without reason to reflect this requirement.

6. Alteration of capital

Article 52 provides for the consolidation, cancellation and sub-division of the shares of the Company. Section 53 of the Previous CO required companies wishing to have these powers to provide for them specifically in their articles. New Article 49 replaces certain provisions in Article 60 and streamlines the provisions in the New Articles by aligning them to section 170 of the Companies Ordinance. This modifies the position under the Previous CO and gives a company the statutory power to alter its share capital in a number of specified ways, subject to any exclusion or restriction in the company's articles.

7. Abolition of concepts of "nominal value" and "authorised share capital"

The deletion of Articles 4, 53 and 126 and the adoption of New Articles 8(B), 27, 34, 38, 52, 55(ii) and 125(A) reflects the abolition under section 135 of the Companies Ordinance of the concepts of nominal value and authorised capital. Particularly, references to these concepts and related concepts, including "unissued shares", "par", "original capital", "nominal amount", "premium", "share premium account" and "capital redemption reserve", are re-drafted or deleted as appropriate.

New Article 5 includes additional defined terms in relation to the payment of shares, such as "fully paid up" and "issue price". These definitions are inserted or re-drafted as necessary in order to align the New Articles with the position under the Companies Ordinance due to the abolition of the concepts of nominal value and authorised capital.

8. *General meeting with short notice*

New Article 55 reflects the change introduced by section 571(3)(b) of the Companies Ordinance which provides that a general meeting called by a company (other than an annual general meeting) with shorter notice than specified in its articles or required by the Companies Ordinance shall be deemed to have been duly called if it is agreed by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing at least 95 per cent. of the total voting rights at the meeting of all the members. This is subject to the requirements of the Listing Rules.

9. *Meeting procedures*

New Articles 53 and 54 do not refer to “extraordinary general meetings” of the Company as the concept of an “extraordinary general meeting” is not retained under the Companies Ordinance. All general meetings of a company (other than its annual general meetings) are simply referred to as “general meetings” under the Companies Ordinance.

New Article 53 incorporates by reference the requirements in relation to the holding of annual general meetings set out in section 610 of the Companies Ordinance. New Article 55 reflects the changes introduced by the Companies Ordinance which provides that the notice period for all general meetings of a limited company (except annual general meetings) is 14 days.

New Article 55 reflect the changes introduced by the Companies Ordinance which set out the content requirements in a notice of general meeting.

New Article 56 reflects the change introduced by section 579(1) which provides that the accidental omission to give notice of, among other things, a resolution intended to be moved at a meeting, or the non-receipt of such notice by any person entitled to receive such notice, must be disregarded for the purpose of determining whether notice of the resolution is duly given.

10. *Members’ written resolutions*

New Article 60 reflects the changes introduced by section 556 of the Companies Ordinance which allows eligible members to pass a written resolution by signifying their agreement to it. It also incorporates by reference the definitions of “eligible members” and “circulation date” which are set out in section 547 of the Companies Ordinance.

11. *Special business*

Article 81 (now renumbered as New Article 77), which differentiates between a specific list of business that is transacted at an annual general meeting and other “special business”, is deleted as the concept of “special business” is not retained under the Companies Ordinance.

12. Poll

New Article 64 reflects the changes introduced by section 591(2)(b) of the Companies Ordinance which reduces the threshold requirement for members to demand a poll from 10 per cent. to 5 per cent. of the total voting rights of all the members having the right to vote at that meeting.

13. Proxy arrangements

The changes in proxy arrangements in the New Articles are as follows:

- (i) New Article 67 reflects the changes introduced by (I) section 588(1)(b) of the Companies Ordinance which allows a proxy to vote on a show of hands; and (II) section 588(2) of the Companies Ordinance that, on a vote by show of hands, if a member appoints more than one proxy, none of the proxies so appointed are entitled to vote.
- (ii) New Article 73 reflect the changes introduced by section 598(3) of the Companies Ordinance which require that the calculation of notice periods in respect of appointing and terminating a proxy excludes public holidays in Hong Kong.

14. Meaning of “mental incapacity”

The references to “unsound mind”, “lunacy” and “insanity” in the Articles are archaic. In order to modernise the language, these references are replaced by “mentally incapacitated” or “mental incapacity” in New Articles 42, 69, 75 and 89 in accordance with its meaning under section 2(1) of the Mental Health Ordinance.

15. Declaration of material interest by Directors

New Article 103 reflects the changes introduced in Part 11, Division 5 of the Companies Ordinance in relation to the disclosure by directors of their and their “connected entities” (as defined in section 486 the Companies Ordinance) material interests in any transaction, arrangement or contract or any proposed transaction, arrangement or contract with the company of which they are a director. New Article 103 also reflects the changes introduced in Part 11, Division 5 of the Companies Ordinance in relation to the specific timing and other procedural requirements for the declaration by a director of his material interests.

New Article 104(B)(vi), which deals with the resolution of the Board to make a conclusive resolution regarding the materiality of an interest in question or a Director’s entitlement to vote or be counted in a quorum, is extended to cover a resolution in relation to the interest of a connected entity of a Director.

16. Use of seal and execution of documents

New Article 122(B) incorporates the general position under section 127(5) of the Companies Ordinance in relation to the execution of documents that previously required sealing.

17. Reporting documents

New Article 137 reflects the new terminology used throughout the Companies Ordinance for various financial documents that the Directors are required to prepare and put forward in the annual general meeting of the Company.

18. Directors' Insurance

New Article 154(C) reflects the change introduced by section 468 of the Companies Ordinance which allows a company to take out and maintain insurance for a director of an associated company of a company.

19. Meaning of “related company”

The concept of a “related company” in the Articles is taken from the Previous CO. Under the Companies Ordinance, the term “related company” is replaced by “associated company”, although the meaning of the term remains the same. New Article 154(C) reflects this change.

NOTICE OF 2015 ANNUAL GENERAL MEETING



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 2015 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2015 annual general meeting (the “Meeting”) of Tungtex (Holdings) Company Limited 同得仕(集團)有限公司 (the “Company”) will be held at Shanghai Room I, Level 8, Langham Place Hotel, 555 Shanghai Street, Mongkok, Kowloon, Hong Kong on Friday, August 28, 2015 at 11:00 a.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditor for the year ended March 31, 2015.
2. To re-elect Mr. Alan Lam Yiu On as director.
3. To re-elect Mr. Martin Tung Hau Man as director.
4. To re-elect Mr. Tony Chang Chung Kay as director.
5. To re-elect Mr. Robert Yau Ming Kim as director.
6. To authorise the board of directors to fix the directors’ remuneration.
7. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

8. **“THAT:**
 - (a) subject to paragraph (b) below, a general and unconditional mandate be and is hereby given to the directors of the Company to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to buy back shares of the Company on The Stock Exchange of Hong Kong Limited subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission of Hong Kong and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;

NOTICE OF 2015 ANNUAL GENERAL MEETING

- (b) the aggregate number of shares of the Company which may be bought back by the Company pursuant to the mandate in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this resolution), and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

9. “THAT

- (a) subject to paragraph (c) below, a general and unconditional mandate be and is hereby given to the directors of the Company to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, other than an issue and allotment of shares pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options which may be granted under a share option scheme or exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares or the exercise of warrants

NOTICE OF 2015 ANNUAL GENERAL MEETING

to subscribe for shares of the Company, or any scrip dividend or similar arrangement implemented pursuant to the articles of association of the Company from time to time, or any specific authority granted or to be granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this resolution), and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors to the holders of shares of the Company or any class of shares of the Company whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

NOTICE OF 2015 ANNUAL GENERAL MEETING

10. “**THAT** conditional upon the passing of resolutions 8 and 9 as set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to resolution 9 to exercise the powers of the Company to issue, allot and deal with additional shares of the Company be and is hereby extended by the addition thereto the number of shares of the Company to be bought back by the Company under the mandate granted pursuant to resolution 8, provided that such number in aggregate shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any subdivision and consolidation of shares after the passing of this resolution).”

As special business, to consider and, if thought fit, pass with or without modification, the following resolution as a special resolution:

11. “**THAT** the articles of association produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification, which, among other things, do not include any “objects” clauses, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the articles of association of the Company as amended by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when it came into force.”

By Order of the Board
Tungtex (Holdings) Company Limited
同得仕(集團)有限公司
Lee Siu Mei
Company Secretary

Hong Kong, July 24, 2015

NOTICE OF 2015 ANNUAL GENERAL MEETING

Notes:

1. All resolutions stated in this notice to be proposed at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. 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.

On a show of hands, every member who is present in person or by proxy shall have one vote. If a member appoints more than one proxy, the proxies so appointed are not entitled to vote on the resolution on a show of hands.

3. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the office of the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. In calculating the aforesaid 48 hour period, no account will be taken of any part of a day that is public holiday. Accordingly, the form of proxy must be delivered to the Company no later than 11:00 a.m. on Wednesday, August 26, 2015. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the qualification as members to attend and vote at the Meeting, the register of members of the Company will be closed as set out below:

Latest time to lodge transfer documents for registration	4:30 p.m. on Tuesday, August 25, 2015
Closure of register of members	Wednesday, August 26, 2015 to Friday, August 28, 2015 (both dates inclusive)
Record Date	Friday, August 28, 2015

During the above closure period, no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than the abovementioned latest time.

5. Please refer to the circular to be sent with this notice for the memorandum required under section 239(2) of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong.

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 are Mr. Tung Siu Wing and Mr. Kevin Lee Kwok Bun; and the independent non-executive directors 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.