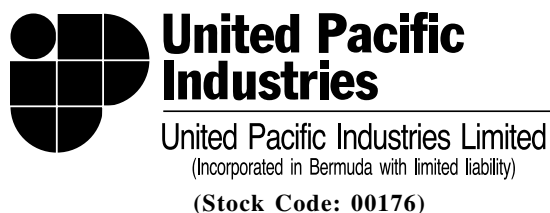


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## **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY**

The Board announces that on 21 September 2005, a wholly-owned subsidiary of the Company, as Vendor, entered into a preliminary sale and purchase agreement with an independent third party Purchaser, City Maker Limited, as Purchaser, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase a warehouse in Aberdeen, Hong Kong (the “Property”) for a cash consideration of HK\$8.0 million. The closing of the Sale is subject to certain conditions listed below which remain to be satisfied. Consequently, the Company cannot give guidance at this stage whether the transaction will be completed. **Shareholders and investors should exercise caution when dealing in the Shares.**

The disposal of the Property will constitute only a discloseable transaction but does not require Shareholders’ approval. The Company will issue an information circular to Shareholders as soon as possible.

### **1. Previous disposals**

The proposed sale of the Property follows the Vendor’s sale of an office unit and a warehouse unit, both located in Chai Wan Industrial building in Chai Wan, Hong Kong, earlier in May 2005 to Hemspeed Limited and Hua Po Arts and Crafts Manufacturing Company Limited (“Previous Disposals”) which were announced on 20 April 2005. The Directors of the Company, including all the independent non-executive Directors, having made all reasonable inquiries, state that to the best of their knowledge and belief, the purchasers and their associates in relation to the Previous Disposals are independent and have no connection with City Maker Limited and its associates (as defined in the Listing Rules).

### **2. Preliminary Sale and Purchase Agreement**

Details of the preliminary agreement for sale of the Property are set out below:

Date: 21 September 2005

Vendor: Pantene Industrial Company Limited, a wholly-owned subsidiary of the Company

Purchaser:	City Maker Limited, a company incorporated in Hong Kong
Sale Price:	HK\$8.0 million
Property	The whole of unit 9/F, Shing Dao Industrial Building, No. 232 Aberdeen Main Road, Aberdeen, Hong Kong, with a gross floor area of approximately 13,974 square feet, used as a warehouse, together with car parking space No. 20 on G/F, sold on an “as is” basis, subject to existing tenancy.

The Purchaser is beneficially owned by (i) Mr. Sin Kam Leung (holding 65% of the issued share capital of the Purchaser), (ii) Mr. Sin Kam Tin (holding 25%) and (iii) Miss. Ng Siu Lin (holding 10%). As at the date of the Preliminary Agreement, to the best of the knowledge, information and belief of the Directors of the Company, having made all reasonable inquiries, the Purchaser and its ultimate beneficial shareholders are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The parties intend to enter into formal sale and purchase agreements by 5 October 2005. The closing of the Sale is tentatively scheduled on 31 October 2005, or there being no long-stop date, such later time as may be mutually agreed by the parties, but there is no assurance that the Sale can be completed on schedule or at all. Shareholders and investors should exercise caution when dealing in the Shares.

### 3. **The Property**

The Property is held from the Government for a term of 999 years from 1 June 1857. It was revalued as at 31 March 2005 by DTZ Debenham Tie Leung Limited, independent and registered international property advisers, who valued the Property at HK\$6,500,000, which is the current book value.

### 4. **The Sale Price and Payment Terms**

The Sale Price of HK\$8.0 million for the Property has been negotiated on an arm’s length basis and determined with reference to prevailing market conditions in Hong Kong and comparable sale and purchase transaction of similar property in Hong Kong within the last 6 months, including the Previous Disposals.

The Purchaser paid a non-refundable deposit of HK\$400,000 representing 5% of the Sale Price, on signing the Preliminary Agreement, and will make a part-payment of HK\$400,000, representing 5% of the Sale Price, upon signing the Formal Agreement, with the balance to be paid by cash settlement at the closing.

### 5. **Condition Precedent and Specific Performance**

In accordance with the Preliminary Agreement, the closing of the Sale is subject only to the execution of the Formal Agreement, as the Vendor has obtained all necessary corporate and other approvals.

Pursuant to the Preliminary Agreement, each party is entitled to seek specific performance for breach. As at this date, a condition precedent remains outstanding and there is no assurance that the Sale will be completed on schedule or at all.

## 6. **Reasons for Disposal and Use of Proceeds**

The principal business of the Company and its subsidiaries (collectively, the “Group”) is manufacturing. The Vendor’s manufacturing operations are primarily based in mainland China. For several years, the Property has been held as investment property and was let out to tenants.

In each of the two financial years ended 31 March 2004 and 31 March 2005, the Property had been let out on a 3-year tenancy commencing from 20 August 2002 and ending on 19 August 2005, generating an annual rental income of approximately HK\$721,058, representing a yield of approximately 9.00% based on the Sale Price. The tenancy of the existing tenant has recently been renewed with effect from 20 August 2005 for a further two years at an annual rental of HK\$780,000. This represents a yield of approximately 9.75% based on the Sale Price. Although the yield is relatively attractive, the Company has no assurance that such rental yield is sustainable over the long term.

The Sale Price of HK\$8.0 million represents an aggregate premium of **23%** to the book value of the Property of **HK\$6.5 million** as at 31 March 2005. The Company expects to realise, after deducting agent’s commission of HK\$80,000 legal fees and other disbursements, a net gain of approximately HK\$1.3 million, subject to audit, if the Sale closes successfully. The Directors, including all the independent non-executive Directors, consider the terms of the Preliminary Agreement, including as to the Sale Price, to be fair and reasonable to the Company and in the interests of Shareholders as a whole. Taking into account the recent prevailing good condition of the Hong Kong property market, the Board is of the opinion that it is timely to dispose of the Property at this time to benefit from a profit-making opportunity after years of downturn in the Hong Kong property market since 1997.

The Company intends to use part of the net proceeds for working capital and to keep the remainder in reserve for acquisitions and growth opportunities when they arise. The Company is continually presented with growth and other business opportunities which require careful evaluation. At this date, the Company has not identified any acquisitions or transactions which have to be disclosed pursuant to the Listing Rules.

## 7. **Information about the Group and the Vendor**

Both the Group and the Vendor are primarily engaged in the manufacture and sale of power supply products and electronic components, and also offer OEM (original equipment manufacturing) and EMS (electronic/electrical manufacturing services). The Vendor is the principal operating subsidiary of the Company and is wholly-owned.

## 8. Information about Purchaser

City Maker Limited is a company incorporated in Hong Kong for the sole purpose of property investment. Its shareholders are: (i) Mr. Sin Kam Leung (holding 65% of the issued share capital of the Purchaser), (ii) Mr. Sin Kam Tin (holding 25%) and (iii) Miss. Ng Siu Lin (holding 10%), all of whom hold the shares as beneficial owners.

## 9. General

The Sale Price exceeds 5% but not more than 25% of the relevant percentage ratios applicable to the Company under Rule 14.07 of the Listing Rules, and the Sale therefore constitutes a discloseable transaction, but is not a major transaction under Rule 14.06(2) of the Listing Rules. The Sale therefore does not require Shareholders' approval. However, a circular providing further details of the Sale will be sent to Shareholders as soon as possible.

## 10. Directors of the Company

At the date of this announcement, the executive directors of the Company are: Mr Brian C Beazer, Mr David H Clarke and Mr Simon N Hsu; the non-executive directors are: Mr Ng Ching Wo and Mr Teo Ek Tor; and the independent non-executive directors are: Dr Wong Ho Ching Chris, Mr Henry W Lim and Mr Ramon Sy Pascual.

## 11. Definitions

“Board”	the Board of Directors of the Company as at the date of this announcement
“Company”	United Pacific Industries Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 176)
“Directors”	the directors of the Company as at the date of this announcement
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Vendor and Purchaser in relation to the Property, pursuant to the Preliminary Agreement
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Preliminary Agreement”	the preliminary sale and purchase agreement dated 21 September 2005 between the Vendor and Purchaser in relation to the Property

“Property”	The whole of unit 9/F, Shing Dao Industrial Building, No. 232 Aberdeen Main Road, Aberdeen, Hong Kong, together with car parking space No. 20 on G/F
“Sale Price”	the cash consideration of HK\$8.0 million for the Property
“Purchaser”	City Maker Limited, a company incorporated in Hong Kong with limited liability
“Sale”	the sale of the Property by the Vendor to the Purchaser pursuant to the Formal Agreement
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Pantene Industrial Company Limited, a company incorporated in Hong Kong, and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board  
**UNITED PACIFIC INDUSTRIES LIMITED**  
**Brian C Beazer**  
*Chairman*

Hong Kong, 22 September 2005

Please also refer to the published version of this announcement in The Standard.