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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in United Pacific Industries Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

United Pacific Industries

United Pacific Industries Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 176)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

10 October 2005

CONTENTS

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

"Agreements"	the Preliminary Agreement and the Formal Agreement
"Board"	the Board of Directors of the Company as at the date of this circular
"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 circular
"Formal Agreement"	the formal sale and purchase agreement entered into between the Vendor and Purchaser in relation to the Property, pursuant to the Preliminary Agreement
"Group"	the Company and its subsidiaries
"Latest Practicable Date"	5 October 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Preliminary Agreement	the preliminary sale and purchase agreement dated 21 September 2005 between the Vendor and the 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, 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
"Purchaser"	City Maker Limited, a company incorporated in Hong Kong with limited liability
"Sale Price"	the aggregate amount of the consideration for the Property, being HK$8.0 million
"Sale"	the sale of the Property by the Vendor to the Purchaser pursuant to the Preliminary Agreement and 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

United Pacific Industries

United Pacific Industries Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 176)

Executive Directors:
Brian C Beazer, Executive Chairman
David H Clarke, Executive Vice-Chairman
Simon N Hsu, Executive Vice-Chairman

Non-executive Directors:
Ng Ching Wo
Teo Ek Tor

Independent Non-executive Directors:
Dr. Wong Ho Ching, Chris
Henry W Lim
Ramon Sy Pascual

Registered Office:
Clarendon House
Church Street
Hamilton, HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
Unit 2705-6 Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

10 October 2005

To the Shareholders of the Company, for information only

Dear Shareholders,

DISCLOSEABLE TRANSACTION

Introduction

The Company announced on 21 September 2005 that the Vendor, a wholly-owned subsidiary of the Company, had entered into the Preliminary Agreement with an independent third party Purchaser pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Property, comprising a warehouse in Aberdeen, Hong Kong, for a consideration of HK$8,000,000 in cash.

Under the Listing Rules, the Sale constitutes a discloseable transaction of the Company but does not require shareholders' approval.

The purpose of this circular is to provide you with further information in relation to the Sale and other information in compliance with the Listing Rules.

The Sale and Purchase Agreement

Pursuant to the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase the Property. The Preliminary Agreement was signed on 21 September 2005, and the parties have now signed the Formal Agreement.

Details of the Formal Agreement (which supersedes the Preliminary Agreement) are set out below:

Date:	5 October 2005
Vendor:	Pantene Industrial Company Limited, a wholly-owned subsidiary of the Company
Purchaser:	City Maker Limited, a company incorporated in Hong Kong with limited liability
Sale Price:	HK$8,000,000
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, sold on "as is" basis, subject to existing tenancy.

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. Whether viewed as a separate single transaction or aggregated with the Previous Disposals, the proposed sale of the Property constitutes only a discloseable transaction but does not require shareholders' approval.

Purchaser

The shareholders of the Purchaser 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. The Purchaser was introduced to the Vendor by an independent property agent. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, the Purchaser and its ultimate beneficial owners, are third parties independent of the Company and its connected persons (as defined in the Listing Rules), and further are independent and have no connection with the purchasers and their associates in relation to the Previous Disposals.

Condition Precedent

All conditions precedent have been fully satisfied as at the Latest Practicable Date.

Closing

The Sale is scheduled to close on 31 October 2005, subject to mutual agreement of the parties to reschedule. There is no assurance that the closing will be completed on schedule or at all. **Shareholders and investors should exercise caution when dealing in the shares of the Company.**

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.

The Sale Price and Terms of Payment

The consideration of HK$8 million for the Property was negotiated on an arm's length basis and determined with reference to prevailing market conditions in Hong Kong and comparable sale and purchase transactions of similar property in Hong Kong within the last six month, including the Previous Disposals.

The Purchaser paid to the Vendor's solicitors, as stakeholders pending the closing, a non-refundable deposit of HK$400,000, representing 5% of the Sale Price, on signing the Preliminary Agreement, and a part-payment of HK$400,000, representing 5% of the Sale Price, upon signing the Formal Agreement. The balance of the Sale Price will be paid by the Purchaser in cash at the closing.

Consequences of Breach and Specific Performance

In the event the Purchaser breaches the Agreements, the Vendor is entitled to retain the non-refundable deposit absolutely, and any damages sought by the Vendor will be set off against total payments received. Thereafter, the Vendor will be entitled to re-sell the Property without restriction.

In the event the Vendor breaches the Agreements, the Vendor will refund total payments received to the Purchaser, who will additionally be entitled to claim damages, if any.

In any event, both parties are entitled to seek specific performance, in addition to damages and other remedies, in the event of breach by the other party.

Reasons for the Disposal

The principal business of the Company and its subsidiaries (collectively, the "Group") is manufacturing electronic products. The Vendor is the principal operating subsidiary of the Company, and its 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 which commenced from 20 August 2002 and ended on 19 August

2005, generating an annual rental income of approximately HK$721,058 before tax or HK$594,873 after tax, representing a yield of approximately 9.00% before tax or 7.4% after tax, 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 before tax or HK$643,500 after tax. This represents a yield of approximately 9.75% before tax or 8.0% after tax, 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, legal fees, costs of the earlier announcement and this circular, and other miscellaneous expenses and disbursements relating to the Sale, 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 Agreements, 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 the downturn in the Hong Kong property market since 1997.

Assuming the Sale closes on schedule on 31 October 2005, the effect of the Sale will be to reduce rental revenue of the Group by approximately HK$1,430,000, representing rental of HK$65,000 per month for 22 months from the closing until expiry of the tenancy on 19 August 2007. The Group will also lose the benefit of any rental revenue that may be generated from the Property thereafter. The Sale will also reduce the value of non-current assets of the Group, as disclosed in the latest audited accounts for the year ended 31 March 2005, by HK$6.5 million, and will give rise to a capital gain of approximately HK$1.3 million.

The Company intends to use part of the net proceeds for general working capital and to keep the remainder in reserve to fund future acquisitions and growth opportunities when they arise. At this date, the Company has not identified any acquisitions or transactions which have to be disclosed pursuant to the Listing Rules.

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 products. They also offer OEM (original equipment manufacturing) and EMS (electrical/electronic manufacturing services) services. The Vendor is the principal operating subsidiary of the Company, and is wholly-owned.

Information about the 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.

Additional Information

Your attention is drawn to the section headed "General Information" set out in this circular.

Yours faithfully,
For and on behalf of the Board of
United Pacific Industries Limited
Brian C Beazer
Executive Chairman

1 RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company and the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2 DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive (if any) of the Company had interests or short positions in the shares, underlying shares or debentures of the Company and its associated companies (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") which (a) were required 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 they have taken or were deemed to have under the provisions of the SFO), or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange:

(i) **Long position in the issued shares of the Company**

Name of Director	Capacity in which the issued shares in the Company are held	Number of issued shares in the Company held	Percentage of issued share capital in the Company
Brian C Beazer	Beneficial owner	400,000	
	Interest of controlled corporation[(1)]	136,427,775	
	Total:	136,827,775	24.56%
David H Clarke	Interest of controlled corporation[(2)]	90,707,025	16.28%
Simon N Hsu	Interest of controlled corporation[(3)]	6,267,158	1.13%

Notes:

(1) 136,427,775 shares are held by BC Beazer Asia Pte Ltd, a company in which Mr Beazer has 50% shareholding interest. Therefore, Mr. Beazer is deemed to hold such shares by virtue of SFO.

(2) All these shares are held by GSB Holdings, Inc, a wholly-owned subsidiary of Great South Beach Improvement Co., in which Mr. Clarke has 61.4% shareholding interest. Therefore, Mr. Clarke is deemed to hold such shares by virtue of SFO.

(3) All these shares are held by Strategic Planning Assets Limited which is wholly-owned by Mr Hsu. Therefore, Mr. Hsu is deemed to hold such shares by virtue of SFO.

(ii) Long position in underlying shares of the Company

Name	Capacity	Number of underlying ordinary shares held under options granted by the Company
Brian C Beazer	Beneficial owner	5,031,053
David H Clarke	Beneficial owner	1,515,527
Simon N Hsu	Beneficial owner	9,062,106

3 SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Save as disclosed below, as at the Latest Practicable Date, according to the register of interests kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director or chief executive (if any) of the Company, no person other than a Director or chief executive (if any) of the Company or a member of the Group, had any interest or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, together with particulars of any options in respect of such capital:

Name of Company: United Pacific Industries Limited

Name of Substantial Shareholder	Number of ordinary shares in the Company held and capacity in which they are held	Number of underlying ordinary shares in the Company held under equity derivatives and capacity in which they are held	Total number of ordinary shares in the Company held (long position)	Percentage of shareholding to total issued share capital of the Company
Investor AB	74,836,000 (interest of controlled corporation)[(1)]	Nil	74,836,000	13.43%
Asian Corporate Finance Fund, L.P.	65,000,400 (interest of controlled corporation) [(2)]	Nil	65,000,400	11.67%

Notes:

(1) These shares are held indirectly by Investor AB through its wholly-owned subsidiary, Investor (Guernsey) II Ltd. Therefore, Investor AB is deemed to hold such shares by virtue of SFO.

(2) These shares are held indirectly by Asian Corporate Finance Fund, L.P. through its wholly-owned subsidiary, Payawal Capital Limited. Therefore, Asian Corporate Finance Fund, L.P. is deemed to hold such shares by virtue of SFO.

4 DIRECTORS' INTEREST IN MATERIAL CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which is significant in relation to the business of the Group.

5 DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries, excluding contracts that can be terminated by the Company within one year without payment of compensation other than statutory compensation.

6 LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or any member of the Group.

7 COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) has any interest in a business which competes, or may compete, with the business of the Group.

8 GENERAL

(i) The transfer office and branch share registrar of the Company in Hong Kong is Secretaries Limited, located at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

(ii) The Company Secretary and Qualified Accountant is Ms Maria Lam. She is a qualified member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

(iii) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.