
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about 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 and the accompanying 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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Website: www.upi.com.hk, www.irasia.com/listco/hk/upi

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of United Pacific Industries Limited to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 26 March 2013 at 9:30 a.m. is set out on pages 18 to 22 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

28 December 2012

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DEFINITIONS

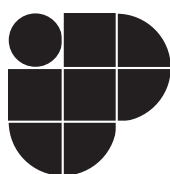
In this circular, including the appendices, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 26 March 2013 at 9:30 a.m. or any adjournment thereof
“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Board”	the Board of Directors of the Company
“Bye-Laws”	the Bye-Laws of the Company as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	United Pacific Industries Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 176)
“Connected Person(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, as amended from time to time
“Director(s)”	the director(s) of the Company for the time being
“Executive”	has the same meaning as ascribed to it under the Share Option Scheme, that is any senior employee of the Company or its subsidiaries selected by the Remuneration Committee of the Company to participate in the Share Option Scheme
“Executive Director”	has the same meaning as ascribed to it under the Share Option Scheme, being a director of the Company or its subsidiaries, as the case may be, who performs an executive function
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the said mandate
“Latest Practicable Date”	21 December 2012, 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
“Memorandum of Association”	the Memorandum of Association of the Company
“Non-executive Director”	a director of the Company or its subsidiaries, as the case may be, who does not perform an executive function, including the independent non-executive director of the Company
“Participants”	persons eligible to participate in the Share Option Scheme pursuant to Rule 5 thereof
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the said mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Shareholder(s)”	the registered holder(s) of the Shares
“Share(s)”	the ordinary shares of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by resolution of the Shareholders on 30 August 2004
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers by the Securities and Futures Commission of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



**United Pacific
Industries**

United Pacific Industries Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00176)

Website: www.upi.com.hk, www.irasia.com/listco/hk/upi

Executive Directors

Mr. David H Clarke (*Chairman*)

Mr. Simon N Hsu (*Executive Vice-chairman*)

Mr. Henry W Lim (*Chief Executive Officer*)

Mr. Patrick J Dyson (*Chief Financial Officer*)

Principal Place of Business in Hong Kong:

Unit 1903-05

19/F., Nan Fung Tower

173 Des Voeux Road Central

Hong Kong

Non-executive Directors

Mr. Chan Kin Sang

Mr. Liu Ka Lim

Registered Office:

Clarendon House, Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors

Mr. Robert B Machinist

Mr. Ramon S Pascual

Dr. Wong Ho Ching, Chris

28 December 2012

Dear Shareholders,

**PROPOSAL FOR GENERAL MANDATES
TO ISSUE SHARES AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

On 27 March 2012, ordinary resolutions were passed to grant to the Directors the Issue Mandate and the Repurchase Mandate to issue Shares and to repurchase Shares respectively and to extend the Issue Mandate to include Shares repurchased under the Repurchase Mandate. These Issue Mandate and Repurchase Mandate will lapse at the conclusion of the AGM to be held on 26 March 2013. It is therefore proposed to renew the Issue Mandate and the Repurchase Mandate at the AGM.

At the AGM, ordinary resolutions will be proposed relating to the ordinary businesses, renewal of the grant of the Issue Mandate, the Repurchase Mandate and extension of the Issue Mandate, the re-election of retiring Directors as well as proposed amendments to the Share Option Scheme.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, the Company is required to provide Shareholders all information reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against resolutions to be proposed at the AGM. The purpose of this circular is to provide you with such information, and to give you notice of the AGM.

2. THE ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be given the Issue Mandate to exercise all powers of the Company to allot, issue and otherwise deal with new Shares up to, in aggregate, 20% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 993,376,993 Shares in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors, and on the basis that no other Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 198,675,398 new shares.

3. THE REPURCHASE MANDATE

At the AGM, an ordinary resolution will also be proposed that the Directors be given the Repurchase Mandate to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed, Shares up to, in aggregate, 10% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors, and on the basis that there were 993,376,993 issued Shares as at the Latest Practicable Date and no Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 99,337,699 Shares.

Under the Listing Rules, the Company is required to give Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.

4. EXTENSION OF THE ISSUE MANDATE

In addition, an ordinary resolution will be proposed at the AGM to allow any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) to be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

LETTER FROM THE BOARD

The Issue Mandate and the Repurchase Mandate would continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the end of the period within which the Company is required by the Companies Act or the Bye-Laws to hold its next annual general meeting; and (iii) the date of revocation or variation by an ordinary resolution of Shareholders in general meeting prior to the next annual general meeting of the Company.

5. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-Law 111(A) and 111(B) of the Bye-Laws and Code Provision A.4.2 of the Corporate Governance Code, Mr. Simon N Hsu will retire from office as Director at the AGM, and, being eligible, offer himself for re-election at the AGM.

Dr. Wong Ho Ching, Chris and Mr. Ramon S Pascual have been the independent non-executive directors since 1994 and 2003 respectively. Dr. Wong who was re-elected as an independent non-executive director at the last annual general meeting for a one-year term until the next annual general meeting, will also retire at the AGM, and being eligible, offers himself for re-election pursuant to Bye-Law 111(A) of the Bye-Laws. As Dr. Wong and Mr. Pascual have been the independent non-executive directors since 1994 and 2003 respectively, the re-election of each of Dr. Wong and Mr. Pascual is subject to a separate resolution to be approved by Shareholders in compliance with Code Provision A.4.3 of the Corporate Governance Code. Dr. Wong and Mr. Pascual have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. Notwithstanding that they have served the Company continuously since 1994 and 2003 respectively, the Board is satisfied that Dr. Wong and Mr. Pascual are persons of integrity and stature, independent in character and judgment. They are independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of their independent judgment. Consequently, the Board recommends the re-election of Dr. Wong and Mr. Pascual as independent non-executive directors at the AGM for another one-year term of office until the next annual general meeting.

Details of the above retiring Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

6. PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

Background

The Company adopted the Share Option Scheme on 30 August 2004. Pursuant to the existing terms of the Share Option Scheme, only Executives and Executive Directors are eligible to participate in the Share Option Scheme.

The purpose of the Share Option Scheme is to provide incentives to contribute to, and to recognize and reward the contribution made to, the success and development of the Group, as well as to enable the Group to recruit and retain high-calibre employees and directors that are valuable to the Group.

LETTER FROM THE BOARD

Proposed Amendments

It is proposed the existing provision in the Share Option Scheme in relation to the eligibility of Participants be amended to include the employees of the Group and the Non-executive Directors, and a number of consequential amendments be made to the other provisions of the Share Option Scheme as a result of such proposed change. Details of, and explanations for, the proposed amendments are set out in Appendix III to this circular.

Apart from the above proposed amendments, all other existing terms of the Share Option Scheme will remain unchanged.

7. 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 Group. 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.

8. ANNUAL GENERAL MEETING

Notice of the AGM is set out on pages 18 to 22 of this circular. A form of appointment of proxy (the “Proxy”) for use at the AGM is despatched with this circular. Whether or not you intend to attend the AGM, you are requested to complete the Proxy and return it to the Company’s principal place of business in Hong Kong at Unit 1903-05, 19/F., Nan Fung Tower, 173 Des Voeux Road Central, Hong Kong, not later than 48 hours before the time appointed for the AGM or any adjournment thereof. Completion and return of the Proxy will not preclude you from attending and voting in person at the AGM and at any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

9. VOTING BY POLL

All the resolutions set out in the Notice of the AGM would be decided by poll in accordance with the Listing Rules and the Bye-Laws of the Company.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all his votes or cast all his votes in the same way.

After the conclusion of the AGM, the poll results will be published on HKExnews, the website of Hong Kong Exchanges and Clearing Limited, at www.hkexnews.hk and the website of the Company at www.upi.com.hk and www.irasia.com/listco/hk/upi. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded or required.

LETTER FROM THE BOARD

10. RECOMMENDATION

The Directors consider that the proposed granting to the Directors of the Issue Mandate, Repurchase Mandate and extension of the Issue Mandate, the re-election of retiring directors and the proposed amendments to the Share Option Scheme, are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend that Shareholders vote in favour of the relevant resolutions as set out in the notice of the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
UNITED PACIFIC INDUSTRIES LIMITED
David H Clarke
Chairman

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 993,376,993 Shares in issue. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of AGM, the Directors would be authorised under the Repurchase Mandate to repurchase a maximum of 99,337,699 Shares during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the end of the period within which the Company is required by the Companies Act or the Bye-Laws to hold its next annual general meeting; and (iii) the date of revocation or variation of the Repurchase Mandate by an ordinary resolution of Shareholders in general meeting prior to the next annual general meeting of the Company.

2. REASONS FOR REPURCHASE MANDATE

The Directors believe that the Repurchase Mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be financed entirely from the funds legally available for such purposes in accordance with the Memorandum of Association and Bye-Laws, the applicable laws of Bermuda and the Listing Rules.

There might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full as compared with the position disclosed in the latest published audited accounts for the year ended 30 September 2012. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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.

4. DIRECTORS AND THEIR ASSOCIATES

To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, none of the Directors nor any of their associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

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

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the Memorandum of Association and the Bye-Laws.

6. TAKEOVERS CODE CONSEQUENCES

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition pursuant to Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the interest of the Shareholder (and concerted parties, if any), could obtain or consolidate control of the Company and 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, the following persons held 10% or more of the issued share capital of the Company:

Name	Number of Shares held as at the Latest Practicable Date	Approximate Percentage as at the Latest Practicable Date	If Repurchase Mandate is exercised fully, approximate percentage will increase to approximately as at the Latest Practicable Date
Mr. Chim Pui Chung ⁽¹⁾	271,000,000	27.28%	30.31%
Mrs. Chu Yuet Wah ⁽²⁾	261,313,309	26.31%	29.23%

Notes:

1. Mr. Chim Pui Chung is the beneficial owner of 150,000,000 Shares, and 121,000,000 Shares are held by Golden Mount Limited, the entire share capital of which is beneficially owned by Mr. Chim.
2. Mrs. Chu Yuet Wah is the beneficial owner.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

In the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate, the interest of the above persons in the issued share capital of the Company will be increased respectively as shown above. Such increase will rise to an obligation of Mr. Chim Pui Chung to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

7. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, no Share had been repurchased by the Company, whether on the Stock Exchange or otherwise.

8. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date:

	Per Share	
	Highest HK\$	Lowest HK\$
2011		
December	0.230	0.190
2012		
January	0.220	0.188
February	0.224	0.200
March	0.210	0.187
April	0.222	0.185
May	0.325	0.220
June	0.330	0.275
July	0.290	0.280
August	0.460	0.270
September	0.435	0.355
October	0.400	0.365
November	0.405	0.365
December (up to the Latest Practicable Date)	0.435	0.340

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The followings are particulars of the directors who will retire from office, all of whom, being eligible, offer themselves for re-election at the AGM:

Executive Director

Mr. Simon N Hsu, aged 52, was appointed as an Executive Vice-Chairman of the Company in 2003 and has been a Director since 1996. With effect from 1 October 2010 and 30 June 2010, Mr. Hsu became a member of the Remuneration Committee and the Nominating and Corporate Governance Committee, respectively. He is the Chief Executive Officer of Sino Resources Mining Corporation Limited which engages in exploiting natural resources and mining activities in Laos PDR and Australia. Mr. Hsu is also the Executive Chairman of e-commerce Logistics Group, a Greater China-focused logistics and supply chain management company headquartered in Hong Kong. In addition, he is a Director of UBP Asset Management Asia Ltd. which engages in asset management and investment consultancy in Asia.

Save as disclosed above, Mr. Hsu was an independent non-executive director of Vietnam Manufacturing and Export Processing (Holdings) Limited (Stock Code:422), a company listed on the Stock Exchange, for the period from 2007 to 2011. He was also a director of Roly International Limited between 2009 and 2011, the parent company of Linmark Ltd. (Stock Code:915), a company listed on Stock Exchange and one of the Asian region's leading value-added supply chain management groups and distributors of lifestyle products.

With respect to Mr. Hsu's directorship with the Company, there is no service contract or specific length or proposed length of service other than a letter of appointment pursuant to which his directorship is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Hsu will retire at the AGM, and being eligible, offers himself for re-election pursuant to Bye-Law 111(A) of the Bye-Laws.

Mr. Hsu receives a director's fee of HK\$480,000 per annum which is determined by the Board with reference to his responsibilities and duties within the Company and discretionary bonus as approved by the Board from time to time with reference to the performance of the Company. Mr. Hsu received director's emoluments in the total sum of HK\$948,000 for the year ended 30 September 2012.

Mr. Hsu does not have any relationship with any Director, senior management, substantial or controlling Shareholder of the Company.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, the interests of Mr. Hsu in the Shares or underlying Shares which are required to be disclosed pursuant to Part XV of the SFO are as follows:

Underlying Shares:

Capacity	Date of grant	No. of Shares	
		Exercise price HK\$	Underlying Options
Beneficial Owner	23.7.2003	0.286	3,773,165
Beneficial Owner	28.9.2004	0.193	4,121,320
Beneficial Owner	20.12.2004	0.198	3,503,121
Beneficial Owner	18.6.2012	0.313	4,500,000
Total			<u>15,897,606</u>

There is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Hsu that need to be brought to the attention of the Shareholders.

Independent Non-executive Directors

Mr. Ramon S Pascual, aged 53, was appointed a Director in January 2003. He serves as Chairman of the Remuneration Committee and is also a member of the Audit Committee (save for the period from 30 June 2010 to 30 September 2010). He is a senior executive of Eton Properties Limited, a real estate development and investment company known for premier residential, commercial, retail, and hotel developments in Hong Kong and China. Mr. Pascual also serves as an executive director of Dynamic Holdings Ltd (Stock Code: 29), a company listed on the Stock Exchange, a position he has held since 2006, and as a director in real estate, manufacturing and logistics companies with businesses in Hong Kong, China, and the Philippines.

Saved as disclosed above, Mr. Pascual did not hold any other directorships in public listed companies in Hong Kong or overseas in the last three years.

Mr. Pascual does not have any service contract with the Company, other than a letter of appointment pursuant to which his directorship is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-Laws. Mr. Pascual receives a director's fee of HK\$250,000 per annum which is determined by the Board with reference to his responsibilities and duties within the Company and also to the remuneration benchmark in the market for independent non-executive directors of other companies listed on the Stock Exchange. Mr. Pascual received director's emoluments in the total sum of HK\$197,500 for the year ended 30 September 2012.

Mr. Pascual will retire at the AGM as an independent non-executive director, and being eligible, offers himself for re-election pursuant to Bye-Law 111(A) of the Bye-Laws. As Mr. Pascual has been an independent non-executive director since 2003, the re-election of Mr. Pascual is subject to a separate resolution to be approved by the Shareholders in compliance with Code Provision A.4.3 of the Corporate Governance Code.

Notwithstanding that Mr. Pascual has served the Company continuously since 2003, the Board is satisfied that Mr. Pascual is a person of integrity and stature, independent in character and judgment. He is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgment. Consequently, the Board recommends the re-election of Mr. Pascual as an independent non-executive director at the AGM.

Mr. Pascual does not have any relationship with any Director, senior management, substantial or controlling Shareholder of the Company.

As at the Latest Practicable Date, Mr. Pascual was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Pascual that need to be brought to the attention of the Shareholders.

Dr. Wong Ho Ching, Chris, aged 65, has been an independent non-executive director of the Company since March 1994. Dr. Wong serves as Chairman of the Nominating and Corporate Governance Committee and is also a member of the Audit Committee and since 30 June 2010, a member of the Remuneration Committee. He has been the council member of the Chinese Mechanical Engineering Society, China. He specialises in industrial engineering, technology transfer and corporate management. He has been a consultant for the United Nations Educational, Scientific and Cultural Organisation and received a Fellow Award from the US Institute of Industrial Engineers for his professional leadership and outstanding contributions to Industrial Engineering. Dr. Wong holds a PhD in management engineering from Xian Jiao Tung University. He has been a member of the First Hong Kong Special Administrative Region Election Committee and a member of the first and second Hong Kong Special Administration Region Selection Committee.

Dr. Wong did not hold any other directorships in public listed companies in Hong Kong or overseas in the last three years.

Dr. Wong does not have any service contract with the Company, other than a letter of appointment pursuant to which his directorship is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-Laws. Dr. Wong receives a director's fee of HK\$250,000 per annum which is determined by the Board with reference to his responsibilities and duties within the Company and also to the remuneration benchmark in the market for independent non-executive directors of other companies listed on the Stock Exchange. Dr. Wong received director's emoluments in the total sum of HK\$197,500 for the year ended 30 September 2012.

Dr. Wong who was re-elected as an independent non-executive director at the last annual general meeting for a one-year term until the AGM, will retire at the AGM, and being eligible, offers himself

for re-election pursuant to Bye-Law 111(A) of the Bye-Laws. As Dr. Wong has been an independent non-executive director since 1994, the re-election of Dr. Wong is subject to a separate resolution to be approved by the Shareholders in compliance with Code Provision A.4.3 of the Corporate Governance Code.

Notwithstanding that Dr. Wong has served the Company continuously since 1994, the Board is satisfied that Dr. Wong is a person of integrity and stature, independent in character and judgment. He is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgment. Consequently, the Board recommends the re-election of Dr. Wong as an independent non-executive director at the AGM.

Dr. Wong does not have any relationship with any Director, senior management, substantial or controlling Shareholder of the Company.

As at the Latest Practicable Date, Dr. Wong was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Dr. Wong that need to be brought to the attention of the Shareholders.

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

The amendments proposed to be made to the Share Option Scheme are set out in this Appendix. For ease of reference, the text of the relevant provisions of the Share Option Scheme are reproduced below, with proposed deletions struck through and proposed additions underlined. A copy of the revised Share Option Scheme is available for inspection, as referred to on page 17 of this circular.

Eligibility of Participants

It is proposed that Rule 5.1 be amended to include the Non-executive Directors and the employees of the Group:

5.1 Subject to Rule 5.2 below, the following persons shall be eligible to participate in the Scheme, provided they are over 21 years old, at the absolute discretion of the Board, upon the recommendation of the Committee:

(i) Executives; ~~and~~

(ii) Executive Directors;

(iii) Non-executive Directors; and

(iv) employees of the Group (whether full time or part time).

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

Definitions

It is proposed that two new definitions be added accordingly:

<u>“Director”</u>	<u>an Executive Director or a Non-executive Director</u>
<u>“Non-executive Director”</u>	<u>a director of the Company or its subsidiaries, as the case may be, who does not perform an executive function, including an independent non-executive director</u>

Purpose of the Scheme

It is proposed Rule 3.1 be amended to align with the above proposed amendments:

- 3.1 The Scheme is a share incentive scheme. The purpose of the Scheme is to recognize and reward Participants who have contributed to the success and development of the Group, to provide incentives to Participants to contribute to the Group, and to enable the Group to recruit and retain high-calibre employees and ~~executive directors~~ Directors that are valuable to the Group. The Scheme will give Participants an opportunity to have a real and personal direct interest in the Company and to align the interests of Participants with those of the Shareholders.

Options to Connected Persons

As one of consequential changes, it is proposed that Rule 8.1 be amended as follows:

- 8.1 Options to be offered under this Scheme to any Participant who is also ~~an Executive a~~ Director, chief executive officer, Substantial Shareholder of the Company or any of their respective associates shall require the prior approval of independent non-executive directors of the Company (excluding independent non-executive director who is the Grantee).

Rights on Termination of Employment, Death or Disability

Another consequential change proposed to be made is to Rule 16.6 as follows:

- 16.6 If ~~an Executive a~~ Director resigns or is terminated from his office as director or is not re-elected by Shareholders, for any reason whatsoever, the Board, on the recommendation of the Committee, at its absolute discretion, may allow him to exercise the whole or any part of unvested or unexercised Options he then holds within such period commencing at any time after the date of termination of his office as director (notwithstanding that such commencement date falls on a date prior to the first day of the applicable Exercise Period relating to such Options) and ending before the expiry of the Exercise Period in respect of such Options, and upon expiry of such period, the Options shall lapse.

APPENDIX III PROPOSED AMENDMENTS TO THE SHARE OPTION SCHEME

Acceptance Form

It is proposed that the information box to be completed on the Acceptance Form be amended to include the reference to the Non-executive Director as follows:

Eligibility of Participants under the Scheme:	<u>Employee/Executive/Executive Director/</u> <u>Non-executive Director</u> (delete as appropriate)
Closing Date for Acceptance of Offer:	
Number of Shares Offered:	
Subscription Price per Share:	HK\$[●]

Reasons for the Amendments

The amendments to the Share Option Scheme are proposed as part of a review of the Group's remuneration system. The Board considers that the proposed inclusion of the employees of the Group and the Non-executive Directors as Participants under the Share Option Scheme would induce and incentivize the employees, executives and directors of the Group to contribute to the growth, development and success of the Group and to allow the Company to reward such contribution accordingly.

GENERAL

Pursuant to note (2) to Rule 17.03(18) of the Listing Rules, any alterations to the terms and conditions of the Share Option Scheme which are of a material nature must be approved by the Shareholders, unless where the alterations take effect automatically under the existing terms of the scheme. As none of the proposed amendments will take effect automatically under the existing terms of the Share Option Scheme, the proposed amendments to the Share Option Scheme will be subject to approval by the Shareholders at the AGM.

No shareholder is required to abstain from the voting on this ordinary resolution to be proposed at the AGM.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at Unit 1903-05, 19/F., Nan Fung Tower, 173 Des Voeux Road Central, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including the date of the AGM:

- (a) the Memorandum of Association and Bye-Laws;
- (b) the Share Option Scheme and the revised Share Option Scheme; and
- (c) this circular.

NOTICE OF ANNUAL GENERAL MEETING



Website: www.upi.com.hk, www.irasia.com/listco/hk/upi

NOTICE IS HEREBY GIVEN that the Annual General Meeting of United Pacific Industries Limited (the “Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 26 March 2013 at 9:30 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for year ended 30 September 2012.
2. To declare a final dividend for the year ended 30 September 2012.
3. To re-elect the following directors:
 - a. Mr. Simon N Hsu as Executive Director;
 - b. Mr. Ramon S Pascual as independent non-executive director for a one-year term until the next annual general meeting;
 - c. Dr. Wong Ho Ching, Chris as independent non-executive director for a one-year term until the next annual general meeting.
4. To authorise the Board to fix the remuneration of the Directors.
5. To re-appoint BDO Limited as the Company’s auditors and to authorise the Board to fix their remuneration.
6. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including but not limited to 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 nominal amount of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; or (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Bye-Laws of the Company; or (v) a specific authority granted or to be granted by the Shareholders in general meeting, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution, “Relevant Period” means the period from the 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 Bye-Laws of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

7. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the 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 Bye-Laws of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

8. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT conditional upon the passing of Ordinary Resolutions No. 6 and No. 7 as set out in the notice convening this Meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to Ordinary Resolution No. 6 set out in the notice convening this Meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the shares of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 7 set out in the notice convening this Meeting provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

9. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** with immediate effect:

- (a) the proposed amendments to the terms of the share option scheme adopted by the Company on 30 August 2004 (the “**Share Option Scheme**”) as set out in the revised share option scheme, a copy of which is tabled at the meeting and marked “**A**” and initialed by the chairman of the meeting for identification purpose, be and are hereby approved and confirmed; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such acts or things and to execute and enter into all documents and arrangements as may be necessary or expedient for the purpose of, or in connection with, the implementation of the amendments to the Share Option Scheme.”

By Order of the Board
UNITED PACIFIC INDUSTRIES LIMITED
David H Clarke
Chairman

Hong Kong, 28 December 2012

Registered Office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:

Unit 1903-05
19/F., Nan Fung Tower
173 Des Voeux Road Central
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of appointment of 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 principal place of business in Hong Kong at Unit 1903-05, 19/F., Nan Fung Tower, 173 Des Voeux Road Central, Hong Kong not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members will be closed from Friday, 22 March 2013, to Tuesday, 26 March 2013, both days inclusive. During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 21 March 2013.
4. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Wednesday, 3 April 2013, to Monday, 8 April 2013, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 2 April 2013.
5. If Typhoon Signal No.8 or above, or "black " rainstorm warning is in effect any time after 8:00 a.m. and before the above meeting time, the meeting will be postponed. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.upi.com.hk or www.irasia.com/listco/hk/upi) to notify shareholders of the date, time and place of the rescheduled meeting.
6. The Executive Directors of the Company as at the date of this notice are Mr. David H Clarke, Mr. Simon N Hsu, Mr. Henry W Lim and Mr. Patrick J Dyson; the Non-executive Directors are Mr. Chan Kin Sang and Mr. Liu Ka Lim; and the independent non-executive directors are Mr. Robert B Machinist, Mr. Ramon S Pascual and Dr. Wong Ho Ching, Chris.