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**CLARIFICATION ANNOUNCEMENT  
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

Reference is made to the annual report (the “**Annual Report**”) of United Pacific Industries Limited (the “**Company**”) for the financial year ended 30 September 2014 (the “**Reporting Period**”) published by the Company on 24 December 2014. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

In addition to the information disclosed in the Annual Report, the Company wishes to provide shareholders of the Company and the public with additional information regarding the material equity fund raising activities of the Company during the Reporting Period as below.

**ISSUE OF CONVERTIBLE BONDS UNDER THE SUBSCRIPTION AGREEMENT**

On 28 July 2014 (after trading hours), the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Kingage International Limited (the “**Subscriber**”) pursuant to which the Subscriber agreed to subscribe for the convertible bonds of the Company in an aggregate principal amount of HK\$77,000,000 (the “**Convertible Bonds**”). On 15 August 2014, the Convertible Bonds were issued by the Company with net proceeds of approximately HK\$75,888,000 after deduction of issue expenses. The Convertible Bonds do not bear any interest and will mature on the second anniversary of the issue of the Convertible Bonds. The Convertible Bonds entitle the holders to convert the Convertible Bonds into ordinary shares of the Company of HK\$0.01 each at an initial conversion price

of HK\$0.47142 per conversion share (subject to adjustments on occurrence of dilutive or concentrative event) during the period commencing six months from the date of issue of the Convertible Bonds and expiring on the date which is five business days preceding the maturity date.

The initial conversion price of HK\$0.47142 per conversion share represents: (i) a discount of approximately 17.29% over the closing price of HK\$0.57 per Share as quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 25 July 2014 (the “**Last Trading Day**”), being the last trading day of the Shares immediately prior to the publication of the announcement of the Company dated 28 July 2014 in relation to the issuance of the Convertible Bonds under general mandate (the “**Announcement**”); (ii) a discount of approximately 19% over the average closing price of approximately HK\$0.582 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 19.14% over the average closing price of approximately HK\$0.583 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day. The initial conversion price of HK\$0.47142 per conversion share was arrived at after arm’s length negotiations between the Company and the Subscriber with reference to the market price of the Shares.

As disclosed in the Announcement, the Directors considered that the issue of the Convertible Bonds represented a good opportunity to broaden the investor base of the Company and its subsidiaries (the “**Group**”) and to strengthen the financial position of the Company so as to provide working capital for the business development and investment opportunities of the Group. The Directors also considered the issue of the Convertible Bonds would provide the Company with immediate funding without immediate dilution to the shareholding of the existing shareholders of the Company and, if the conversion rights attached to the Convertible Bonds are exercised, the capital base of the Company will be enlarged.

During the Reporting Period, the Group was exploring potential investment opportunities. However, no suitable investment opportunities were identified after issue of the Convertible Bonds. Approximately HK\$3,056,000 out of the net proceeds was applied as general working capital of the Group during the Reporting Period and the remaining net proceeds of approximately HK\$72,832,000 were held at a financial institution at the end of the Reporting Period.

The above additional information does not affect any other information disclosed in the Annual Report and the contents of the Annual Report remain correct and unchanged.

By order of the Board  
**United Pacific Industries Limited**  
**Kelly Lee**  
*Executive Director*

Hong Kong, 6 March 2015

*At the date of this announcement, the Board comprises one Executive Director, namely Ms. Kelly Lee; two Non-Executive Directors, namely, Dato' Choo Chuo Siong and Mr. Sun Jih-Hui and three Independent Non-Executive Directors, namely, Dr. Wong Ho Ching, Mr. Lan Yen-Po and Ms. Hu Gin Ing.*