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If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser immediately.

Bursa Malaysia Securities Berhad has not perused Part B of this Circular on the Proposed Renewal of Authority for the purchase by United Plantations Berhad of its own shares prior to the issuance of this Circular and takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



UNITED PLANTATIONS BERHAD

Company No. 240 - A
(Incorporated in Malaysia)

PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF
AUTHORITY FOR THE PURCHASE BY UNITED PLANTATIONS BERHAD OF ITS
OWN SHARES**

Last date and time for lodgement of Proxy Form	:	10 May 2012 at 10.30 a.m.
Date and time of Annual General Meeting	:	12 May 2012 at 10.30 a.m.
Place of Annual General Meeting	:	Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan

This Circular is dated 18 April 2012

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular (definitions denoting the singular number shall also include the plural number and vice versa and references to gender include both genders and the neuter where applicable):

“AGM”	Annual General Meeting
“AAK”	AarhusKarlshamn AB, a company incorporated in Sweden
“AAK Group”	Includes AarhusKarlshamn AB and its subsidiary companies
“Act”	Malaysian Companies Act, 1965 as amended from time to time and any re-enactment thereof
“Aberdeen”	Aberdeen Asset Management PLC (Company No. 82015), a company incorporated in Scotland, and its subsidiaries
“Board” or “Directors”	Board of Directors of United Plantations Berhad
“Bursa Securities”	Bursa Malaysia Securities Berhad
“Bursa Derivatives”	Bursa Malaysia Derivatives Berhad
“CEO”	Chief Executive Officer
“EPF”	Employees Provident Fund Board
“EPS”	Earnings per share
“IPS”	International Plantations Services Limited (Company No. 1433B), a company incorporated in Bahamas, and a wholly-owned subsidiary of UIEL.
“Listing Requirements”	Main Market Listing Requirements of Bursa Securities
“Major Shareholder”	<p>Major shareholder means a person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amount of those shares, is:-</p> <ul style="list-style-type: none">(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company. <p>For the purposes of this definition, “interest in shares” shall have the meaning given in Section 6A of the Companies Act 1965. The major shareholder shall also include any person who is and was within the preceding 6 months of the date on which the terms of transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company.</p>
“Mandated Related Party(ies)”	Companies in which certain Directors and/or Major Shareholders of UP Group or Persons Connected with them have an interest.

DEFINITIONS (continued)

“MVSB”	Maximum Vista Sdn. Bhd. (Company No. 416194-H), a company incorporated in Malaysia and a wholly-owned subsidiary of UIEL.
“Mitsubishi”	Mitsubishi UFJ Financial Group Inc, a company incorporated in Japan.
“Net Asset” or “NA”	Net Assets
“Proposed Mandate”	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.
“Perbadanan”	Perbadanan Pembangunan Pertanian Negeri Perak
“Proposed Share Buy-Back”	Proposed Renewal of Shareholders’ Mandate for the purchase by UP of its own shares of up to ten per centum (10%) of its issued and paid-up share capital.
“Recurrent Related Party Transactions” or “RRPT”	Related Party Transactions which are recurrent, of a revenue or trading nature and which are necessary for day to day operations of the Company or its subsidiaries.
“Related Party(ies)”	A Director, CEO, Major Shareholder or person connected with such Director, CEO or Major Shareholder. For the purpose of this definition, “Director”, “CEO” and “Major Shareholder” shall have the meaning given in paragraph 10.02 of the Listing Requirements.
“RM” or “Sen”	Ringgit Malaysia and Sen respectively
“Share(s) or UP Share(s)”	Ordinary share(s) of RM1.00 each in United Plantations Berhad
“UP” or “the Company”	United Plantations Berhad (Company No. 240-A)
“UP Group”	UP and its subsidiary companies
“UIEL”	United International Enterprises Limited (Company No. 1431B), a company incorporated in Bahamas and a subsidiary company of UIH.
“UIH”	United International Holdings Ltd (Company No. 895B), a company incorporated in Bahamas. The Dato’ Bek-Nielsen Settlement is a major shareholder of UIH.
“USD”	United States Dollar
“2011 Annual Report”	Annual Report of UP issued for the financial year ended 31 December 2011

PART A

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

TABLE OF CONTENTS

LETTER TO THE SHAREHOLDERS CONTAINING:-

	<u>Page</u>
1. INTRODUCTION.....	1
2. PROPOSED MANDATE.....	2-6
2.1 Paragraph 10.09 of the Listing Requirements.....	2
2.2 Principal Activities of UP Group.....	2-3
2.3 Mandated Related Parties.....	3
2.4 Nature and Terms of the Recurrent Related Party Transactions and Estimated Values	4
2.5 Amounts due and owing by Related Parties.....	4
2.6 Review Procedures for the Recurrent Related Party Transactions.....	4-5
2.7 Statement by the Audit Committee.....	5-6
3. RATIONALE AND BENEFITS FOR THE RECURRENT RELATED PARTY TRANSACTIONS.....	6
4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS.....	7
5. CONDITION OF THE PROPOSED MANDATE.....	7
6. FINANCIAL EFFECTS.....	8
7. DIRECTORS' RECOMMENDATION.....	8
8. ANNUAL GENERAL MEETING.....	8
9. FURTHER INFORMATION.....	8
APPENDIX I - ADDITIONAL INFORMATION.....	enclosed



UNITED PLANTATIONS BERHAD

Company No. 240 - A
(Incorporated in Malaysia)

Registered Office:
Jendarata Estate
36009 Teluk Intan
Perak Darul Ridzuan
Malaysia

Date: 18 April 2012

Directors:

Ybhg. Tan Sri Datuk Dr. Johari bin Mat, Chairman

(Independent, Non-Executive Director)

Mr. Ho Dua Tiam, Senior Executive Director (CEO)

(Non-Independent, Executive Director)

Mr. G. Peter Selvarajah

(Independent, Non-Executive Director)

Ybhg. Dato' Carl Bek-Nielsen, Vice Chairman

(Non-Independent, Executive Director)

Mr. Ahmad Riza Basir

(Independent, Non-Executive Director)

Y. Hormat Dato' Jeremy Derek Campbell Diamond

(Independent, Non-Executive Director)

Mr. Martin Bek-Nielsen

(Non-Independent, Executive Director)

Mr. Mohamad Nasir bin Ab. Latif

(Non-Independent, Non-Executive Director)

Mr. Brian Bech Nielsen

(Non-Independent, Non-Executive Director)

To: The Shareholders of United Plantations Berhad

Dear Sir/Madam

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's Annual General Meeting held on 25 June 2011, the Company had obtained the general mandate from the shareholders of the Company for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Mandated Related Parties. The existing mandate for Recurrent Related Party Transactions will expire at the conclusion of the forthcoming AGM unless the authority is renewed.

On 20 February 2012, the Board of UP had announced that the Company proposes to seek shareholders' approval at the forthcoming AGM for a renewal of the Shareholders' Mandate for the Recurrent Related Party Transactions as set out in Section 2.4 of this Circular in compliance with Paragraph 10.09 of the Listing Requirements.

The purpose of the Circular is to provide shareholders with details, financial effects and rationale pertaining to this proposal, which is to be tabled at the forthcoming AGM, to be held at Jendarata Estate, Teluk Intan, Perak Darul Ridzuan on 12 May 2012 at 10.30 a.m.

2 PROPOSED MANDATE

2.1 Paragraph 10.09 of the Listing Requirements

In compliance with Paragraph 10.09 of the Listing Requirements, the Company proposes to seek its shareholders' approval for the Proposed Mandate which will apply to the Recurrent Related Party Transactions set out in Section 2.4 below. The Recurrent Related Party Transactions are necessary for the day-to-day operations of UP Group and are transactions made in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public.

The Proposed Mandate, if approved by shareholders at the forthcoming AGM, will be subject to annual renewal. In this respect any authority conferred by the Proposed Renewal Mandate, shall only continue to be in force until:

- a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- b) the expiration of the period within which the next AGM of UP is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

The Proposed Mandate, shall apply in respect of all Recurrent Related Party Transactions to be entered into from the date of the forthcoming AGM to the next AGM. Thereafter approval from shareholders for a renewal of the mandate will be sought at each subsequent AGM of UP.

In making the disclosure of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Company's existing mandate, the Company has provided a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year in the 2011 Annual Report. Disclosure will be made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year. This aggregate value may vary from the estimated value due to market factors.

2.2 Principal Activities of UP Group

The principal activities of the Company are cultivation of oil palms and coconuts and processing.

Set out below are the details of UP's active subsidiary companies:

Name of Company	Country of Incorporation	Percentage of equity held by the Group		Activity (see below)
		2011 %	2010 %	
Unitata Berhad	Malaysia	100	100	(a)
Butterworth Bulking Installation Sdn. Bhd.	Malaysia	100	100	(b)
Bernam Advisory Services Sdn. Bhd.	Malaysia	100	100	(c)
Berta Services Sdn. Bhd	Malaysia	100	100	(c)
PT Surya Sawit Sejati	Indonesia	95	95	(d)

Name of Company	Country of Incorporation	Percentage of equity held by the Group		Activity (see below)
		2011 %	2010 %	
PT Sawit Seberang Seberang	Indonesia	93	93	(e)

- (a) Refining of palm oil, manufacturing edible oils, fats, soap products and cocoa butter substitute and trading in crude palm oil and palm kernel products.
- (b) Handling, storage, shipping and forwarding of vegetable oil and molasses.
- (c) Trading, marketing and investment holding.
- (d) Business of oil palm cultivation and processing in Indonesia.
- (e) Cultivation of oil palm.

2.3 Mandated Related Parties

The Recurrent Related Party Transactions for which the Proposed Mandate is sought are primarily in respect of transactions entered into with the following Mandated Related Parties. Their relationship with the Directors, Major Shareholders and Persons Connected are also detailed below:

Mandated Related Party	Principal Activity	Name of Interested Director/Major Shareholder/ Person Connected	Types of relationship with Mandated Related Party	
			Director	Major Shareholder
AAK Group	Production and marketing of a wide portfolio of high value added specialty vegetable oils and fats mainly for confectionery, catering, bakery, cosmetic and pharmaceutical industries.	Dato' Carl Bek-Nielsen	√	√
		Martin Bek-Nielsen	√	√
		Brian Bech Nielsen	-	-
		MVSB	-	-
		UIEL	-	√
		UIH	-	√
		The Dato' Bek-Nielsen Settlement	-	√

2.4 Nature and Terms of the Recurrent Related Party Transactions and Estimated Values

The Recurrent Related Party Transactions as set out in the following table, are general transactions to be entered into by the UP Group relating to the provision or the obtaining of products and services to or from the Mandated Related Parties in the ordinary course of business, under the Proposed Mandate:

Nature of Recurrent Transaction	UP subsidiary	Mandated Related Party	Estimated Values (RM'000) Note 1	Estimated Value as disclosed in the Circular to shareholder dated 18 May 2011 (RM'000)	Actual Values Transacted (RM'000) Note 2
Sale of palm kernel stearine, palm kernel olein, cocoa butter substitute and palm oil	Unitata Berhad	AAK Group	475,000	450,000	291,659

Terms of Transactions

Unitata Berhad produces palm kernel stearine and palm kernel olein largely for the AAK Group under a Products Manufacturing and Supply Agreement in which prices are negotiated by both parties on a quarterly basis. The prices and terms are determined after taking into consideration amongst others, market price prevailing at the time of negotiations, the demand and supply of the products and credit terms. At least 2 other contemporaneous transactions with unrelated third parties for similar products and quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to the related parties are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of products and quantities. Where comparative pricing from the market is not available especially for certain speciality products, sales prices are determined after taking into consideration the costing of the products, target profit margins and capacity utilization and that the RRPT is not detrimental to UP Group.

Note 1: The estimated values of the transactions are based on information available at the point of estimation based on the Company's business forecast for mid May 2012 to mid May 2013. Due to the nature of the transactions, the actual value of transactions may vary from the estimated values disclosed above. Disclosures will be made in the Annual Report of the Company of the actual aggregate value of transactions contemplated pursuant to the Proposed Mandate during the relevant financial year. The Company will provide a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the relevant financial year, amongst others, based on the type of the Recurrent Related Party Transactions made and the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company and ensure that the Recurrent Related Party Transactions are not detrimental to the UP Group.

Note 2: The actual values transacted in the preceding year are based on information available on actual transactions from the last AGM dated 25 June 2011 to 19 March 2012, the latest practicable date. The actual value transacted for the period from 25 June 2011 to 19 March 2012 did not exceed the estimated value as disclosed in the Circular to shareholders dated 18 May 2011 by 10% or more.

2.5 Amounts due and owing by Related Parties

As at end of financial year ended 31 December 2011, none of the sums due and owing by the related parties, have exceeded the credit terms.

2.6 Review Procedures for the Recurrent Related Party Transactions

There are procedures established by the UP Group to ensure that Recurrent Related Party Transactions are undertaken on terms not more favourable to the Mandated Related Parties than those generally available to the public and are not detrimental to the minority shareholders. The procedures are as follows:-

- (i) A list of Mandated Related Parties is circulated to the Directors and management of the Company and its subsidiaries to notify that all Recurrent Related Party Transactions are required to be undertaken on normal commercial terms which are not more favourable to the Mandated Related Parties than those generally available to the public and are not detrimental to the minority shareholders;

- (ii) The thresholds for the approval of RRPT are:
 - a) Mandated RRPT
Individual transactions are approved by senior management who are not connected to the related party
 - b) New RRPT
 - i) Transaction up to RM1.5 million per annum will be reviewed and approved by an Executive Director who is not connected to the related party.
 - ii) Transactions exceeding RM1.5 million per annum will be reviewed by the Executive Committee and approved by the Board of Directors.
- (iii) All Recurrent Related Party Transactions will be reviewed by the Audit Committee of the Company;
- (iv) A register will be maintained by the Company to record all Recurrent Related Party Transactions which are entered into pursuant to the Proposed Mandate;
- (v) The annual internal audit plan shall incorporate a review of all Recurrent Related Party Transactions entered into pursuant to the Proposed Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- (vi) The Board and the Audit Committee of UP shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor the Recurrent Related Party Transactions have been complied with and the review shall be done at every quarter together with the review of quarterly results.
- (vii) When the actual value of transaction exceeds the estimated value as mandated by 10% or more, the Company will make an immediate announcement.

The Board of UP and the Audit Committee have reviewed the procedures and shall continue to review the procedures as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board of UP or the Audit Committee has an interest in the transaction to be reviewed by the Board of UP or the Audit Committee as the case may be, he will abstain from any decision making by the Board or the Audit Committee in respect of that transaction.

For the financial year ended 31 December 2011, the review procedures for the Recurrent Related Party Transactions similar to the above were undertaken and this has been reviewed by the Internal Auditors.

2.7 Statement by the Audit Committee

The overall responsibility of determining whether the procedures for reviewing all Recurrent Related Party Transactions are appropriate, rests on the Audit Committee. The Audit Committee has the authority to delegate this responsibility to such individuals within the Company as it shall deem fit. The Audit Committee will at least once a year, conduct a review and ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with.

Should the Audit Committee determine that the guidelines and/or procedures stated in Section 2.6 are inadequate to ensure that:-

- (i) the Related Party Transactions will be conducted on normal commercial terms, and
- (ii) such transactions are not prejudicial to the interests of the shareholders,

the Company will obtain a fresh shareholders' mandate based on new guidelines and procedures.

The Audit Committee shall also have the discretion to request for the limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has reviewed the terms of the Proposed Mandate and is satisfied that the review procedures for the Recurrent Related Party Transactions, as well as the annual review of all the Recurrent Related Party Transactions made for the financial year ended 31 December 2011 in relation to the existing shareholders' mandate for Recurrent Related Party Transactions are sufficient to ensure that related party transactions have been made on the UP Group's normal commercial terms, and hence, will not be prejudicial to the interests of the shareholders or disadvantageous to the UP Group. The related party transactions save as disclosed in 2.4 are carried out on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders.

The Audit Committee is satisfied that the UP Group has in place adequate procedures and processes to monitor, track and identify the Recurrent Related Party Transactions in a timely and orderly manner.

The members of the Audit Committee are as follows:

Dato' Jeremy Derek Campbell Diamond	- Chairman
Independent, Non-Executive Director	
Mr. G. Peter Selvarajah	- Member
Independent, Non-Executive Director	
Mr. Ahmad Riza Basir	- Member
Independent, Non-Executive Director	

3. RATIONALE AND BENEFITS FOR THE RECURRENT RELATED PARTY TRANSACTIONS

The Proposed Mandate will benefit the Company by facilitating members of the UP Group to enter into transactions described in Section 2.4 above with the Mandated Related Parties, which are in the ordinary course of the UP Group's business on normal commercial terms, in a timely fashion, and eliminate the need for the Company on each occasion, pursuant to the financial limits imposed by Paragraph 10.08 of the Listing Requirements to seek the shareholders' approval as and when potential transactions with the specified classes of related parties arise. This would thereby reduce substantially the administrative time, inconvenience and costs associated with the convening of such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the UP Group.

UP Group entered into business relationship with AAK Group since 1982. AAK Group is a reliable business partner with a worldwide presence. The co-operation between UP Group and AAK Group has benefited UP Group by maximizing its refinery's production capacity and selling its products and hedging its production with minimum marketing efforts. AAK Group buys a minimum quantity per month of Palm Kernel Olein which is considered as a by-product for which demand is generally low. This arrangement reduces the risk exposure of UP Group which otherwise might be forced to sell at a discount to the market.

Shareholders of the Company will appreciate that the Proposed Mandate is intended to facilitate transactions in the ordinary course of business of the UP Group which are transacted from time to time with the Mandated Related Parties. These transactions which are carried out on normal commercial terms are not prejudicial to the interests of the shareholders and are not more favourable to the Mandated Related Parties than those generally available to the public.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Apart from the Directors who are interested in the Mandated Related Parties, namely Dato' Carl Bek-Nielsen, Mr. Martin Bek-Nielsen and Mr. Brian Bech Nielsen, none of the other Directors, Major Shareholders of UP nor any persons connected with them, have any interest, direct or indirect, in the Proposed Mandate.

The interested Directors as named above, have abstained and will continue to abstain from Board deliberations and voting in respect of the Proposed Mandate.

The interested Directors as named above, will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM.

Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen have direct interest in The Dato' Bek-Nielsen Settlement which in turn has substantial shareholding interest in UIH. UIEL and MVSB are subsidiary companies of UIH. IPS is a wholly-owned subsidiary of UIEL. As such, The Dato' Bek-Nielsen Settlement, UIH, UIEL and MVSB, being Major Shareholders of the Company, are also deemed interested in the Proposed Mandate and will abstain from voting in respect of their direct and/or indirect shareholdings at the forthcoming AGM to be convened. Mr. Brian Bech Nielsen is a person connected to Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen.

The abovementioned parties have undertaken to ensure that persons connected with them if any, will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM.

The direct and indirect shareholdings of the interested Directors and Major Shareholders and persons connected with them as at 19 March 2012 are as follows :-

Interested Directors/ Major Shareholders of UP	No. of ordinary shares of RM1.00 each			
	Direct	%	Indirect	%
Dato' Carl Bek-Nielsen	2,114,556	1.02	96,002,570 ⁽¹⁾	46.13
Martin Bek-Nielsen	546,913	0.26	95,937,077 ⁽²⁾	46.09
Brian Bech Nielsen	-	-	5,000 ⁽³⁾	-
MVSB	87,446,600	42.01	-	-
UIEL	8,478,132	4.07	87,456,945 ⁽⁵⁾	42.02
UIH	-	-	95,935,077 ⁽⁴⁾	46.09
The Dato' Bek-Nielsen Settlement	-	-	95,935,077 ⁽⁴⁾	46.09

(1) Deemed interested in the shareholdings in UP registered in the name of MVSB, UIEL, IPS and immediate family members.

(2) Deemed interested in the shareholdings in UP registered in the name of MVSB, UIEL, IPS and immediate family member.

(3) Deemed interested in the shareholdings in UP registered in his children's name. He is also a cousin of Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen.

(4) Deemed interested in the shareholdings in UP registered in the name of MVSB, UIEL and IPS.

(5) Deemed interested in the shareholdings in UP registered in the name of MVSB and IPS.

5. CONDITION OF THE PROPOSED MANDATE

The Proposed Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

6. FINANCIAL EFFECTS

The Proposed Mandate does not have any effect on the share capital of UP and will not have any financial effect on the earnings or the net assets of the UP Group.

7. DIRECTORS' RECOMMENDATION

Your Directors, with the exception of Dato' Carl Bek-Nielsen, Mr. Martin Bek-Nielsen, and Mr. Brian Bech Nielsen, being interested parties to the Proposed Mandate, are of the opinion that the Proposed Mandate is in the best interest of the Company and recommend that you vote in favour of the Ordinary Resolution to be tabled at the forthcoming AGM on the Proposed Mandate.

8. ANNUAL GENERAL MEETING

The Ordinary Resolution relating to the Proposed Mandate to be voted thereon has been incorporated in the Notice of AGM in UP's 2011 Annual Report, which is sent to you together with this Circular. The AGM will be held at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia on 12 May 2012 at 10.30 a.m.

If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy which is attached together with the 2011 Annual Report in accordance with the instructions printed therein, to the Registered Office of the Company at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I for additional information.

Yours faithfully

**For and on behalf of the Board of Directors of
UNITED PLANTATIONS BERHAD**

TAN SRI DATUK DR. JOHARI BIN MAT
Chairman
Independent, Non-Executive Director

PART B

**STATEMENT TO SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF
AUTHORITY FOR THE PURCHASE BY UNITED PLANTATIONS BERHAD OF ITS
OWN SHARES**

TABLE OF CONTENTS

LETTER TO THE SHAREHOLDERS CONTAINING:-

	<u>Page</u>
1. INTRODUCTION.....	11
2. PROPOSED SHARE BUY-BACK.....	12 – 15
3. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK	15 -16
4. CONDITION OF THE PROPOSED SHARE BUY-BACK	16
5. PROPOSED WAIVER.....	16
6. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS.....	16
7. SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	17
8. DIRECTORS’ RECOMMENDATION.....	18
9. ANNUAL GENERAL MEETING.....	18
10. FURTHER INFORMATION.....	18
APPENDIX I - ADDITIONAL INFORMATION.....	enclosed



UNITED PLANTATIONS BERHAD

Company No. 240 - A
(Incorporated in Malaysia)

Registered Office:
Jendarata Estate
36009 Teluk Intan
Perak Darul Ridzuan
Malaysia

Date: 18 April 2012

Directors:

Ybhg. Tan Sri Datuk Dr. Johari bin Mat, Chairman

(Independent, Non-Executive Director)

Mr. Ho Dua Tiam, Senior Executive Director (CEO)

(Non-Independent, Executive Director)

Mr. G. Peter Selvarajah

(Independent, Non-Executive Director)

Ybhg. Dato' Carl Bek-Nielsen, Vice Chairman

(Non-Independent, Executive Director)

Mr. Ahmad Riza Basir

(Independent, Non-Executive Director)

Y. Hormat Dato' Jeremy Derek Campbell Diamond

(Independent, Non-Executive Director)

Mr. Martin Bek-Nielsen

(Non-Independent, Executive Director)

Mr. Mohamad Nasir bin Ab. Latif

(Non-Independent, Non-Executive Director)

Mr. Brian Bech Nielsen

(Non-Independent, Non-Executive Director)

To: The Shareholders of United Plantations Berhad

Dear Sir/Madam

PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY UP OF ITS OWN SHARES

1. INTRODUCTION

On 20 February 2012, the Directors announced that UP is proposing to seek its shareholders approval at the forthcoming AGM for the renewal of the authority for the purchase by UP of its own shares up to ten percent (10%) of the issued and paid-up share capital of the Company on the market of Bursa Securities.

The purpose of this Statement is to provide you with relevant information on the Proposed Share Buy-Back Mandate and to seek your approval for the relevant resolution to be tabled at the forthcoming AGM to be convened, the details of which are given in the Notice of AGM in the Annual Report 2011 which is sent out together with this Statement.

2. PROPOSED SHARE BUY-BACK

At the AGM held on 25 June 2011, UP's shareholders had granted their approval for UP to purchase up to ten percent (10%) of the issued and paid-up capital of UP. In compliance with the Listing Requirements and the resolution passed by shareholders on 25 June 2011, the authority granted to UP to purchase its own shares on Bursa Securities will expire at the conclusion of UP's forthcoming AGM to be held on 12 May 2012 unless renewed by an ordinary resolution passed by the shareholders.

The Directors propose to seek the approval of the shareholders for the renewal of the abovementioned authority. If approved by shareholders at the forthcoming AGM, the authority conferred by the Proposed Share Buy-Back mandate will continue in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM).

2.1 The Maximum Number or Percentage of Shares to be Acquired

The total number of shares which may be purchased or acquired by the Company is limited to 10% of the issued and paid-up share capital. If the Proposed Share Buy-Back mandate is implemented, the Board of Directors proposes to purchase up to a maximum of 20,813,426 UP Shares representing approximately 10% of the issued and paid-up share capital of the Company of 208,134,266 UP Shares as at 19 March 2012.

2.2 The Amount of Retained Profits, Premium on Share Account and Source of Funds

The Board proposes to allocate a maximum amount not exceeding the audited retained profits of UP and the share premium account of UP for the purchase of its own shares.

The purchase of the Company's own shares will be sourced wholly from internally generated funds of the Company.

2.3 Share Prices

The following table sets out the monthly highest and lowest transacted prices of the Company's shares on the Bursa Securities for the past twelve (12) months from March 2011 to February 2012.

Period	High (RM)	Low (RM)
2011		
March	17.70	16.60
April	18.50	17.10
May	18.80	17.54
June	20.50	18.50
July	21.16	19.70
August	21.00	18.18
September	18.50	16.98
October	17.48	16.88
November	19.00	17.00
December	19.00	17.80

Period	High (RM)	Low (RM)
2012		
January	20.50	19.16
February	24.14	20.44
Source : The Star		

The last transacted price per share of the Company on 19 March 2012, being the last practicable date prior to the printing of this Statement, was RM25.10.

2.4 Pricing

UP shall purchase its own shares or resell its treasury shares (if applicable) only on the market of the Bursa Securities. The price for the purchase shall not be more than 15% above the weighted average market price of UP shares for the five (5) market days immediately preceding the date of purchase. The price for the resale of treasury shares shall:-

- (a) not be less than the weighted average market price for UP shares for five (5) market days immediately prior to the resale; or
- (b) not be less than 5% below the weighted average market price for UP shares for five (5) market days immediately prior to the resale provided that:-
 - (i) the resale takes place no earlier than 30 days from the date of the purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

2.5 Treatment of Shares Purchased

In accordance with the Act, the Directors will deal with the UP Shares that may be purchased pursuant to the Proposed Share Buy-Back (hereinafter known as “Purchased UP Shares”) in the following manner:-

- (a) to cancel upon purchase; or
- (b) to retain as treasury shares either for distribution as share dividends and/or to resell on Bursa Securities; or
- (c) to combine both (a) and (b).

The Board of Directors of UP intends to retain the purchased shares as treasury shares, or cancel the purchased shares or to combine both.

The Board of Directors may decide to cancel the Purchased UP Shares if the cancellation of the shares is expected to enhance the EPS of UP as a result of the reduction in issued and paid-up share capital of the Company and thereby in the long term, have a positive impact on the market price of the UP Shares.

If the Board of Directors decides to retain the Purchased UP Shares as treasury shares, it may distribute the treasury shares as dividend to the shareholders and/or resell the Purchased UP Shares on Bursa Securities and utilize the proceeds for any feasible investment opportunity arising in the future, or as working capital.

In the event that the Company decides to resell the Company's treasury shares, the Company will make an announcement on the day the resale is made providing details of the description of the shares resold, the number of shares resold, the resale price of each share resold or, where relevant, the highest and lowest resale prices and the total consideration received.

In the event that UP decides to cancel the Company's treasury shares, UP will make an announcement on the day the cancellation is made providing details of the number of treasury shares cancelled, the date of the cancellation and the outstanding paid-up share capital after the cancellation.

In the event that the Purchased UP Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in other distributions and otherwise are suspended and the Purchased UP Shares shall not be taken into account in calculating the number or percentage or of a class of shares in UP for any purpose including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on resolutions at a meeting.

2.6 The Public Shareholding Spread of the Listed Company

As at 19 March 2012 (being the last practicable date prior to printing of this Statement), the public shareholding spread of the Company was 35.25%. Assuming that the Proposed Share Buy-Back was carried out in full and the shares so purchased were all cancelled, the public shareholding of the Company would be 28.06% on the basis that the shares held by the Directors of the UP Group, Major Shareholders of the Company and persons connected with them remain unchanged.

2.7 The Rationale and Risk Assessment

The Proposed Share Buy-Back if exercised, is expected to potentially benefit the Company and its shareholders as follows:

- The Company would expect to enhance the EPS of the Company and/or the Group (in the case where the Directors resolve to cancel the Purchased UP Shares so purchased and/or retain the Purchased UP Shares as treasury shares and the treasury shares are not subsequently resold), and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- If the Purchased UP Shares are kept as treasury shares, it will give the Directors an option to sell the Purchased UP Shares at a higher price and therefore make an exceptional gain for the Company. Alternatively, the Purchased UP Shares can be distributed as share dividends to shareholders; and
- The Company may be able to stabilize the supply and demand of its Shares in the open market and thereby supporting its fundamental values.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders as it will be exercised only after in-depth consideration of the financial resources of the Group.

2.8 Purchase and Resale Made in the Previous 12 months

UP has not purchased any of its shares from the date of obtaining the shareholders' approval on 25 June 2011 up to the date of issue of this Statement. A fresh mandate is now sought from the shareholders for the Proposed Share Buy-Back by way of an ordinary resolution at the forthcoming AGM.

3. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

Based on the assumption that the Proposed Share Buy-Back is carried out in full, the effect of the Proposed Share Buy-Back on the share capital, dividend, NA, EPS and working capital of UP are as set out below:

3.1 Share Capital

The Proposed Share Buy-Back will not have any effect on the issued and paid-up share capital of the Company if all the shares purchased are retained as treasury Shares.

The effect of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company assuming UP buys and subsequently cancels up to 20,813,426 ordinary shares of RM1.00 each representing 10% of the existing issued and paid-up share capital as at 19 March 2012 is as follows:

	No. of ordinary shares of RM1.00 each	RM
Existing as at 19 March 2012	208,134,266	208,134,266
Less: Number of UP shares to be cancelled pursuant to the Proposed Share Buy-Back of up to 10% of the existing share capital	20,813,426	20,813,426
Upon completion of the Proposed Share Buy-Back	187,320,840	187,320,840

3.2 Dividends

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of UP as a result of the reduction in the issued and paid-up share capital of UP as described under Section 3.1 above.

3.3 NA per Share and EPS

The NA per share of the Company and the Group may be increased or decreased, depending on the purchase prices of the shares to be bought back by the Company. Should the purchase prices exceed the existing NA per share, the NA of the remaining shares should decrease accordingly. And conversely, should the purchase price be lower than the existing NA per share, the resultant NA per share should increase accordingly. The effective reduction in the issued and paid-up share capital of the Company pursuant to the Proposed Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Company and/or the Group. However, the Proposed Share Buy-Back, if exercised, is not expected to have any material effect on the NA per share and EPS of the Company and/or the Group for the financial year ending 31 December 2012.

3.4 Working Capital

Although the Proposed Share Buy-Back will reduce the working capital of the Company to the extent of the amount of funds utilised for the purchase of the Company's shares, it is not expected to have a material effect on the working capital requirements of the Company.

4. CONDITION OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is subject to the approval of the shareholders of UP at the forthcoming AGM.

5. PROPOSED WAIVER

The Malaysian Code on Takeover and Mergers 2010 ("the Code") requires a person, together with persons acting in concert with him, holding more than 33% but less than 50% of the voting shares of a company and who as a result of a purchase by the Company of its own voting shares, increases his holding in any period of 6 months by an additional 2% or more of the voting shares of the Company to undertake a mandatory offer on the balance of the shares not already owned.

Dato' Carl Bek-Nielsen and Mr. Martin Bek-Nielsen are directors and major shareholders of UP and together with the other major shareholders, namely MVSBS, UIEL, UIH and The Dato' Bek-Nielsen Settlement being persons acting in concert have direct and indirect equity interest in excess of 33% but less than 50% of the voting shares in the Company. Details of their interests are indicated in item 7 below.

The Proposed Share Buy-Back, if fully exercised, will require the abovenamed Directors and major shareholders to undertake a mandatory offer for the balance of the shares in the Company not already owned. The Directors shall take all necessary steps to ensure that the Proposed Share Buy-Back when implemented will not result in the shareholdings of the abovenamed Directors and major shareholders exceeding the 2% limit within a period of 6 months as provided under the Code.

Should such circumstances arise and if required, the abovenamed Directors and major shareholders will seek the Securities Commission's approval for a waiver from the obligation to undertake a Mandatory General Offer under Securities Commission's Practice Note 2.9.10 of the Code, which is in respect of exemption for holders of voting shares, directors and persons acting in concert when a company purchases its own voting shares.

In the event the Waiver is not granted, the Company will only proceed with the Proposed Share Buy-Back to the extent that it will not contravene the limit as provided under the Code.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors, Substantial Shareholders and persons connected with the Directors and Substantial Shareholders has any interest, whether direct or indirect, in the Proposed Share Buy-Back and if any, the resale of treasury shares.

7. SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Arising from the cancellation of the Company's shares consequent to the Proposed Share Buy-Back as set out above, the effect before and after the Proposed Share Buy-Back on the Shareholdings of the Directors and the Substantial Shareholders and persons connected with them based on the Register of Directors and the Register of Substantial Shareholders respectively as at 19 March 2012, will for the purpose of illustration only be as follows:

<----- No. of ordinary shares held ----->
 <----- Before the Proposed Share Buy-Back -----> <----- After the Proposed Share Buy-Back ----->
 assuming 10% of the share capital
 was bought back and cancelled

Directors	Direct		Indirect		Direct		Indirect	
		%		%		%		%
Tan Sri Datuk Dr. Johari bin Mat	110,000	0.05	10,000 ⁽⁵⁾	0.00	110,000	0.06	10,000 ⁽⁵⁾	0.01
Ho Dua Tiam	707,400	0.34	-	-	707,400	0.38	-	-
G. Peter Selvarajah	90,120	0.04	-	-	90,120	0.05	-	-
Dato' Carl Bek-Nielsen	2,114,556	1.02	96,002,570 ⁽¹⁾	46.13	2,114,556	1.13	96,002,570 ⁽¹⁾	51.25
Ahmad Riza Basir	70,500	0.03	2,641,440 ⁽⁶⁾	1.27	70,500	0.04	2,641,440 ⁽⁶⁾	1.41
Dato' Jeremy Derek Campbell Diamond	14,000	0.01	255,000 ⁽⁵⁾	0.12	14,000	0.01	255,000 ⁽⁵⁾	0.14
Martin Bek-Nielsen	546,913	0.26	95,937,077 ⁽²⁾	46.09	546,913	0.29	95,937,077 ⁽²⁾	51.22
Mohamad Nasir bin Ab. Latif	-	-	-	-	-	-	-	-
Brian Bech Nielsen	-	-	5,000 ⁽⁵⁾	-	-	-	5,000 ⁽⁵⁾	-
Substantial Shareholders	Direct	%	Indirect	%	Direct	%	Indirect	%
MVSB	87,446,600	42.01	-	-	87,446,600	46.68	-	-
UIEL	8,478,132	4.07	87,456,945 ⁽⁴⁾	42.02	8,478,132	4.53	87,456,945 ⁽⁴⁾	46.69
EPF	27,191,498	13.06	-	-	27,191,498	14.52	-	-
Perbadanan	13,065,158	6.28	330,000 ⁽⁷⁾	0.16	13,065,158	6.97	330,000 ⁽⁷⁾	0.18
UIH	-	-	95,935,077 ⁽³⁾	46.09	-	-	95,935,077 ⁽³⁾	51.21
The Dato' Bek-Nielsen Settlement	-	-	95,935,077 ⁽³⁾	46.09	-	-	95,935,077 ⁽³⁾	51.21
Dato' Carl Bek-Nielsen	2,114,556	1.02	96,002,570 ⁽¹⁾	46.13	2,114,556	1.13	96,002,570 ⁽¹⁾	51.25
Martin Bek-Nielsen	546,913	0.26	95,937,077 ⁽²⁾	46.09	546,913	0.29	95,937,077 ⁽²⁾	51.22
Aberdeen	-	-	17,845,000 ⁽⁸⁾	8.57	-	-	17,845,000 ⁽⁸⁾	9.53
Mitsubishi	-	-	17,845,000 ⁽⁸⁾	8.57	-	-	17,845,000 ⁽⁸⁾	9.53

- (1) Deemed interested in the shareholdings in UP registered in the name of MVSB, UIEL, IPS and immediate family members.
- (2) Deemed interested in the shareholdings in UP registered in the name of MVSB, UIEL, IPS and immediate family member.
- (3) Deemed interested in the shareholdings in UP registered in the name of MVSB, UIEL and IPS.
- (4) Deemed interested in the shareholdings in UP registered in the name of MVSB and IPS.
- (5) Deemed interested through family members.
- (6) Deemed interested in the shareholdings in UP registered in the name of BHR Enterprises Sdn Bhd and shares purchased by his sisters.
- (7) Deemed interested through subsidiary company of Perbadanan.
- (8) Deemed interested through its shareholdings in Aberdeen Asset Management PLC, a fund management group.

8. DIRECTORS' RECOMMENDATION

Your Board of Directors having considered all aspects of the Proposed Share Buy-Back is of the opinion that the said Proposed Share Buy-Back is in the best interest of the Company and therefore recommends that you vote in favour of the Ordinary Resolution for the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

9. ANNUAL GENERAL MEETING

The Ordinary Resolution relating to the Proposed Share Buy-Back to be voted thereon has been incorporated in the Notice of AGM in UP's 2011 Annual Report, which is sent to you together with this Statement. The AGM will be held at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia on 12 May 2012 at 10.30 a.m.

If you are unable to attend and vote in person at the AGM, you should complete and return the Form of Proxy enclosed in the 2011 Annual Report to the Registered Office of the Company at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for additional information.

Yours faithfully

**For and on behalf of the Board of Directors of
UNITED PLANTATIONS BERHAD**

TANSRI DATUK DR. JOHARI BIN MAT

Chairman

Independent, Non-Executive Director

1. RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by the Directors of UP, and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which could make any statement herein false or misleading.

2. MATERIAL CONTRACTS

Neither UP nor its subsidiaries have entered into any material contracts during the two (2) years preceding the date of this Circular other than contracts entered into in the ordinary course of business.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Neither UP nor any of its subsidiaries is engaged in any material litigation, claims and arbitration either as plaintiff or defendant and the Directors of UP do not have any knowledge of any proceedings pending or threatened against UP nor its subsidiaries or of any other facts likely to give rise to any proceedings which may materially affect the position or business of UP and its subsidiaries.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of UP during normal business hours from Mondays to Fridays (except public holidays) for a period from the date of this Circular to the date of the forthcoming AGM:-

- (i) Memorandum and Articles of Association of UP; and
- (ii) Audited consolidated financial statements of UP for the two financial years ended 31 December 2010 and 31 December 2011.