

Circular to Shareholders
(in relation to the
Extraordinary General Meeting
12 November 2013)



UNITED PLANTATIONS BERHAD

(Company no. 240-A)

Jendarata Estate • 36009 Teluk Intan • Darul Ridzuan • Malaysia

United Plantations Berhad

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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 Extension of Share Buy-Back 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)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PART A

PROPOSED DELISTING OF UNITED PLANTATIONS BERHAD (“COMPANY”) FROM NASDAQ OMX COPENHAGEN A/S (FORMERLY KNOWN AS COPENHAGEN STOCK EXCHANGE) (“NASDAQ CPH”) AND TO MIGRATE THE COMPANY’S SHARES OF MYR 1.00 EACH (“UP SHARES”) TRADED ON NASDAQ CPH TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS KUALA LUMPUR STOCK EXCHANGE MAIN BOARD) (“PROPOSED DELISTING”)

PART B

PROPOSED EXTENSION OF SHARE BUY-BACK TO INCLUDE UP SHARES LISTED ON NASDAQ CPH (“PROPOSED EXTENSION OF SHARE BUY-BACK”)

and

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting (“**EGM**”) of the Company to be held at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia on Tuesday, 12 November 2013 at 10.30 a.m. together with the Form of Proxy are enclosed herewith.

You are requested to complete the enclosed Form of Proxy and deposit it at the Registered Office of the Company at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia, on or before the time and date indicated below if you are not able to attend the EGM. The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodgement of Proxy Form: 10 November 2013 at 10.30 a.m.

Date and time of Extraordinary General Meeting: 12 November 2013 at 10.30 a.m.

This Circular is dated 25 October 2013

United Plantations Berhad

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
“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 Malaysia”	Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange)
“DKK ”	Danish Kroner
“e-Dividend”	A service which allows an issuer to electronically pay your cash dividend entitlements directly into your bank account instead of making payment via bank cheques.
“EPF”	Employees Provident Fund Board
“EPS”	Earnings per share
“EGM”	Extraordinary General Meeting
“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 Malaysia
“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.
“MYR ”	Malaysian Ringgit
“Nasdaq CPH” Stock Exchange)	NASDAQ OMX Copenhagen A/S (formerly known as Copenhagen
“Net Asset” or “NA”	Net Assets
“Perbadanan”	Perbadanan Pembangunan Pertanian Negeri Perak
“Proposed Extension of Share Buy-back”	Proposed Extension of the existing 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, to include the UP Shares listed on Nasdaq CPH.

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DEFINITIONS (continued)

“Share(s) or UP Share(s)”	Ordinary share(s) of MYR 1.00 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.

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED DELISTING

United Plantations Berhad

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United Plantations Berhad



UNITED PLANTATIONS BERHAD

Company No : 240 - A
(Incorporated in Malaysia)

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

Date: 25 October 2013

Directors:

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

(Independent, Non-Executive Director)

Ybhg. Dato' Carl Bek-Nielsen, Vice Chairman

(Non-Independent, Chief Executive Director)

Mr. Ho Dua Tiam,

(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. Loh Hang Pai

(Non-Independent, Executive Director)

Mr. R. Nadarajan

(Non-Independent, Non-Executive Director)

To: The Shareholders of United Plantations Berhad

Dear Sir/Madam

PROPOSED DELISTING OF UNITED PLANTATIONS BERHAD ("COMPANY") FROM NASDAQ OMX COPENHAGEN A/S (FORMERLY KNOWN AS COPENHAGEN STOCK EXCHANGE) ("NASDAQ CPH") AND TO MIGRATE THE COMPANY'S SHARES OF MYR 1.00 EACH ("UP SHARES") TRADED ON NASDAQ CPH TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS KUALA LUMPUR STOCK EXCHANGE MAIN BOARD) ("PROPOSED DELISTING")

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1. PROPOSED DELISTING

The Board of Directors of United Plantations Berhad had on 16 October 2013 announced the intention of the Board to undertake the proposed delisting of UP from Nasdaq CPH and to migrate the UP shares traded on Nasdaq CPH to the Main Market of Bursa Malaysia.

The purpose of this Circular is to provide shareholders with the details, financial effects and rationale pertaining to the Proposed Delisting, which is to be tabled at the forthcoming EGM, to be held at Jendarata Estate, Teluk Intan, Perak Darul Ridzuan on 12 November 2013 at 10.30 a.m.

2. BACKGROUND FOR THE PROPOSED DELISTING

UP was listed on Nasdaq CPH on 28 February 1932 and was subsequently listed on Bursa Malaysia on 8 October 1969. The reason for the listing on Nasdaq CPH was that UP had been founded by a Dane, Aage Westenholz, and that a significant number of the shareholders were Danish at that time.

Since the listing of UP Shares on Bursa Malaysia in 1969, the number of shares traded on Bursa Malaysia has increased, and the number of shares traded on Nasdaq CPH has decreased as there were UP Shares that were migrated from Nasdaq CPH to Bursa Malaysia and there were also some shares that were issued that were for listing on Bursa Malaysia only.

As at 14 October 2013 (the trading day before the announcement of the Proposed Delisting), UP had:

- Approximately 3,400 shareholders holding in total 198,571,476 UP Shares, representing approximately 95.4% of the issued and paid up share capital of UP, whose name appears in the record of depositors maintained by Bursa Malaysia Depository Sdn Bhd and are deemed to be members of the Company that were registered on the Company's principal register of members in Teluk Intan, Perak ("Principal Register") and these shares are traded on Bursa Malaysia.
- Approximately 900 shareholders holding in total 9,562,790 UP Shares, representing approximately 4.6% of the issued and paid up share capital of UP are registered on the Company's branch register of members in Copenhagen, Denmark ("Branch Register") and these shares are traded on Nasdaq CPH.

3. RATIONALE FOR THE PROPOSED DELISTING

The Company considers that maintaining the listing on Nasdaq CPH is no longer in the interests of the Company and shareholders of UP for the following reasons:

- (i) Only 4.6% of the Company's issued and paid up share capital is traded on Nasdaq CPH.
- (ii) The UP Shares trading on Nasdaq CPH has become relatively inactive compared to the trading on Bursa Malaysia. During 2010 to 2012, the annual trading volume on Bursa Malaysia has been 10-23 times higher than on Nasdaq CPH.

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The annual volume of UP Shares traded on Nasdaq CPH and Bursa Malaysia is as follows:

	No. of UP Shares traded on		
	Nasdaq CPH	Bursa Malaysia	
2010	1,340,607	13,443,800	10 times
2011	807,578	18,413,400	23 times
2012	882,545	19,823,100	23 times

The monthly highest and lowest market prices of UP Shares traded on Nasdaq CPH for the 12 months preceding the date of this Circular are as follows:

Period	High		Low	
	DKK	MYR equivalent	DKK	MYR equivalent
2012				
October	46.00	23.33	42.50	21.59
November	47.00	23.66	43.00	21.84
December	45.00	22.96	41.50	21.66
2013				
January	47.00	24.96	43.00	22.37
February	45.00	23.49	43.50	22.70
March	49.00	25.40	44.00	22.92
April	49.00	25.10	45.60	23.21
May	51.50	26.05	45.50	22.74
June	48.50	25.17	45.50	24.39
July	49.50	26.66	45.50	24.14
August	48.50	26.88	45.00	25.33
September	52.00	28.67	47.20	26.26

Note : The exchange rate used is based on Malayan Banking Berhad's published rates applicable to the reported dates of the high and low share price of each month.

Source: High and Low share prices are extracted from Nasdaq CPH

The last transacted price per share of the Company on 17 October 2013, being the last practicable date prior to the printing of this Circular, was DKK 48.00 on Nasdaq CPH and the market capitalization based on the closing price of UP Shares listed on Nasdaq CPH on 17 October 2013 is DKK 459,013,920 (MYR 270,008,188 equivalent).

- (iii) The UP Shares traded on Nasdaq CPH are in physical share certificates. Administration for transfers of physical share certificates and payment of dividends take up a significant amount of resources for UP. The amount of work and costs involved in maintaining the physical Branch Register is disproportionately large compared to the number of shares registered on the Branch Register. UP spends approximately MYR 500,000 (DKK 850,000) per annum for it to maintain the listing on Nasdaq CPH and the Branch Register.
- (iv) As a consequence of the existence of physical share certificates, the shareholders trading on Nasdaq CPH experience the following inconveniences compared to the shareholders trading on Bursa Malaysia:
 - (a) Online Trading is not possible.
 - (b) Issuance of physical share certificates to the transferee in connection with a transfer of shares takes 1-2 weeks or more. The transferee is unable to deal on his UP Shares until the physical share certificates are delivered to him.
 - (c) Dividends must be paid out by cheques instead of a direct debit to the shareholders' bank account. For shareholders with small holding, the costs involved in cashing the cheques may sometimes exceed the dividend amount.

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Whilst Nasdaq CPH allows shares to be traded through electronic transfers, UP had earlier investigated the costs involved with dematerializing the UP Shares traded on Nasdaq CPH, i.e. the deposit of the physical share certificates into a central depository, but found the cost of such exercise to be exorbitant for the small number of UP shares listed on Nasdaq CPH and has not proceeded with the dematerialization.

- (v) Currently, UP has to comply with rules and reporting requirements applicable for companies listed on both stock exchanges. Therefore, the migration of the UP Shares from Nasdaq CPH to the Main Market of Bursa Malaysia will eliminate the need to comply with two sets of reporting standards based on the separate stock exchanges and thereby streamline the reporting for UP.
- (vi) Upon the migration of the UP Shares to the Main Market of Bursa Malaysia, the shareholders who used to trade on Nasdaq CPH will be able to take advantage of the facilities that are currently available to the shareholders who are trading on the Main Market of Bursa Malaysia, including swifter execution of the dealing in shares, access to a larger and more liquid market, and e-dividend.

The Proposed Delisting is estimated to result in a total savings of approximately MYR 500,000 (DKK 850,000) per annum for UP in relation to the listing fees of MYR 200,000, as well as compliance and administration cost of MYR 300,000.

4. EFFECTS OF THE PROPOSED DELISTING

The Proposed Delisting and the migration of the UP Shares traded on Nasdaq CPH to Bursa Malaysia will not have any effect on the issued and paid up share capital, substantial shareholders' shareholdings, net assets and gearing of the Company.

Barring any unforeseen circumstances, the Proposed Delisting and the migration of the UP Shares traded on Nasdaq CPH to Bursa Malaysia will not have any material effect on earnings of UP for the current financial year ending 31 December 2013. However, the Proposed Delisting is expected to contribute positively towards the earnings and earnings per share of UP for its subsequent financial years as a result of the cost saving arising from the Proposed Delisting as mentioned in Section 3 above.

For illustrative purposes, assuming that the Proposed Delisting is completed at the beginning of the financial year ending 31 December 2013, the effects of the Proposed Delisting on the consolidated EPS for the financial year ended 31 December 2012 are as follows:

	Audited as at 31 December 2012 MYR '000	After the Proposed Delisting MYR '000
Profit attributable to owners of the Company	342,241	342,741
No. of shares in UP ('000)	208,134	208,134
EPS (sen)	164.4	164.7

Upon receipt of all approvals for the Proposed Delisting, the Board of Directors will determine and announce the date of the delisting of UP on the Nasdaq CPH and all the UP Shares that are remaining in the Branch Register on the date of delisting will be migrated to the Principal Register and will be listed on the Main Market of Bursa Malaysia. There will be no suspension of trading of the UP Shares on both the stock exchanges to facilitate the Proposed Delisting and migration to the Main Market of Bursa Malaysia.

5. APPROVALS TO BE SOUGHT

The Proposed Delisting is subject to the approval of Nasdaq CPH and the shareholders of UP at the forthcoming EGM and is not conditional upon any other proposal of the Company.

Upon receipt of the approval of the shareholders at the forthcoming EGM, the Company will make an application to Nasdaq CPH to seek their approval for the Proposed Delisting.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of UP and/or persons connected with them have any interest, direct or indirect, in the Proposed Delisting.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Board of Directors having considered all aspects of the Proposed Delisting is of the opinion that the Proposed Delisting is in the best interest of the Company and the shareholders of UP and therefore recommends that you vote in favour of the Ordinary Resolution for the Proposed Delisting to be tabled at the forthcoming EGM.

8. TENTATIVE TIMING OF COMPLETION

The Proposed Delisting is expected to be completed by 31 December 2013, subject to receiving all the approvals mentioned in Section 5 above.

The tentative timetable of events leading up to the delisting of the UP Shares on the Nasdaq CPH is set out below:

Event	Tentative Period
EGM for approval of shareholders for the Proposed Delisting	12 November 2013
Application to Nasdaq CPH for the Proposed Delisting	13 November 2013
Tentative date of approval from Nasdaq CPH	18 November 2013
Delisting of UP Shares on the Nasdaq CPH	30 December 2013

9. EXTRAORDINARY ANNUAL GENERAL MEETING

The Ordinary Resolution relating to the Proposed Delisting to be voted thereon had been incorporated in the notice convening the EGM and enclosed in this Circular to shareholders. The EGM will be held at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia on Tuesday, 12 November 2013 at 10.30 a.m.

If you are unable to attend and vote in person at the EGM, you should complete and return the Form of Proxy attached 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 EGM. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for additional information, which includes the procedures which shareholders whose UP Shares are listed on Nasdaq CPH would need to take for the Proposed Delisting.

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED EXTENSION OF SHARE BUY- BACK

United Plantations Berhad

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UNITED PLANTATIONS BERHAD

Company No : 240 - A
(Incorporated in Malaysia)

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

Date: 25 October 2013

Directors:

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

(Independent, Non-Executive Director)

Ybhg. Dato' Carl Bek-Nielsen, Vice Chairman

(Non-Independent, Chief Executive Director)

Mr. Ho Dua Tiam,

(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. Loh Hang Pai

(Non-Independent, Executive Director)

Mr. R. Nadarajan

(Non-Independent, Non-Executive Director)

To: The Shareholders of United Plantations Berhad

Dear Sir/Madam

PROPOSED EXTENSION OF SHARE BUY-BACK TO INCLUDE UP SHARES LISTED ON
NASDAQ CPH ("PROPOSED EXTENSION OF SHARE BUY-BACK")

United Plantations Berhad

1. INTRODUCTION

At the Company's AGM held on 11 May 2013, the Company had obtained the general mandate from shareholders for the renewal of the authority for the purchase by the Company of its own shares up to ten percent (10%) of the issued and paid-up share capital of the Company on the Main Market of Bursa Malaysia ("the Mandate"). The Mandate will expire at the conclusion of the next forthcoming AGM unless it is revoked or varied by a resolution passed by shareholders in a general meeting.

The Board of Directors announced on 16 October 2013 that the Company proposes that the Mandate be extended to include the UP Shares listed on the Nasdaq CPH, whereby authority will be given 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 both the market of Bursa Malaysia and Nasdaq CPH ("Proposed Extension of Share Buy-Back").

If the Proposed Extension of Share Buy-Back is approved by the shareholders at the forthcoming EGM, the authority conferred by the Proposed Extension of Share Buy-Back will continue to be in force until the next AGM (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).

The purpose of this Circular is to provide shareholders with the details, financial effects and rationale pertaining to the Proposed Extension of Share Buy-Back, which is to be tabled at the forthcoming EGM, to be held at Jendarata Estate, Teluk Intan, Perak Darul Ridzuan on Tuesday, 12 November 2013 at 10.30 a.m.

2. PROPOSED EXTENSION OF SHARE BUY-BACK

At the AGM held on 11 May 2013, UP's shareholders had granted their approval for the Company to purchase up to ten percent (10%) of the issued and paid-up capital of the Company. In compliance with the Listing Requirements and the resolution passed by shareholders on 11 May 2013, the authority granted to the Company to purchase its own shares on Bursa Malaysia will expire at the conclusion of the next forthcoming AGM unless revoked or varied by a resolution passed by the shareholders at a general meeting.

Under the existing Mandate, the Company is restricted to purchase its shares on Bursa Malaysia only. The Directors therefore propose to seek the approval of the shareholders for the extension of the Share Buy-Back to include UP Shares listed on the Nasdaq CPH. If approved by shareholders at the forthcoming EGM, the authority conferred by the Proposed Share Buy-Back will continue in force until the next AGM (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 Extension of Share Buy-Back 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 25 October 2013.

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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/or share premium account of the Company for the purchase of its own shares. The share premium account and retained profits based on the latest audited financial statements for the financial year ended 31 December 2012 were MYR 181,920,000 and MYR 1,637,975,000 respectively. Based on the Management accounts of the Company as at 30 June 2013, the share premium account and retained profits were MYR 181,920,000 and MYR 1,607,285,000 respectively.

The funds for 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 Malaysia and the Nasdaq CPH for the past twelve (12) months from October 2012 to September 2013.

Share Price on Bursa Malaysia

Period	High		Low	
	MYR	DKK equivalent	MYR	DKK equivalent
2012				
October	25.48	50.04	24.00	47.33
November	25.50	50.48	24.00	47.43
December	26.20	50.40	24.00	46.17
2013				
January	26.20	50.36	25.00	48.30
February	27.98	53.61	24.70	46.26
March	28.00	54.58	25.62	49.23
April	28.00	54.98	27.02	53.24
May	28.10	56.05	27.10	53.93
June	33.26	60.93	26.02	47.97
July	28.46	53.64	26.02	46.95
August	26.80	46.89	25.80	45.14
September	28.12	50.94	26.16	46.80

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Share Price on Nasdaq CPH

Period	High		Low	
	MYR equivalent	DKK	MYR equivalent	DKK
2012				
October	23.33	46.00	21.59	42.50
November	23.66	47.00	21.84	43.00
December	22.96	45.00	21.66	41.50
2013				
January	24.96	47.00	22.37	43.00
February	23.49	45.00	22.70	43.50
March	25.40	49.00	22.92	44.00
April	25.10	49.00	23.21	45.60
May	26.05	51.50	22.74	45.50
June	25.17	48.50	24.39	45.50
July	26.66	49.50	24.14	45.50
August	26.88	48.50	25.33	45.00
September	28.67	52.00	26.26	47.20

Note : The exchange rate used is based on Malayan Banking Berhad's published rates applicable to the reported dates of the high and low share price of each month.

Source: High and Low share prices are extracted from Bursa Malaysia and Nasdaq CPH

The last transacted price per share of the Company on 17 October 2013, being the last practicable date prior to the printing of this Circular, was MYR 26.50 on Bursa Malaysia and DKK 48.00 on Nasdaq CPH.

2.4 Pricing

The Company shall purchase its own shares on the market of the Bursa Malaysia and/or Nasdaq CPH or resell its treasury shares (if applicable) on Bursa Malaysia. The price for the purchase of shares listed on Bursa Malaysia 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, and the price for the purchase of shares listed on the Nasdaq CPH shall not be more than 15% above the weighted average market price 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.

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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 Extension of 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 Malaysia; or
- (c) to combine both (a) and (b).

The Board of Directors of the Company 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 Malaysia 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 the Company decides to cancel the Company's treasury shares, the Company 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-over, 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 17 October 2013 (being the last practicable date prior to printing of this Circular), the public shareholding spread of the Company was 33.24%. Assuming that the Proposed Extension of Share Buy-Back was carried out in full and the shares so purchased were all cancelled, the public shareholding of the Company would be 25.82% 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.

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2.7 The Rationale and Risk Assessment

The Proposed Extension of 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 Extension of 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

The Company has not purchased any of its shares under the mandates that were sought earlier, including from the date of obtaining the shareholders' approval on 11 May 2013 up to the date of issue of this Circular. A new mandate is now sought from the shareholders for the Proposed Extension of the Share-Buy Back to include shares listed on the Nasdaq CPH by way of an ordinary resolution at the forthcoming EGM.

3. FINANCIAL EFFECTS OF THE PROPOSED EXTENSION OF SHARE BUY-BACK

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

3.1 Share Capital

The Proposed Extension of 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 MYR 1.00 each representing 10% of the existing issued and paid-up share capital as at 17 October 2013 is as follows:

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	No. of ordinary shares of MYR 1.00 each	MYR
Existing as at 17 October 2013	208,134,266	208,134,266
Less: Number of UP shares to be cancelled pursuant to the Proposed Extension of Share Buy-Back of up to 10% of the existing share capital	20,813,426	20,813,426
Upon completion of the Proposed Extension of Share Buy-Back	187,320,840	187,320,840

3.2 Dividends

Assuming the Proposed Extension of Share-Buy Back is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Extension of 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 the Company 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 Extension of Share Buy-Back would generally, all else being equal, increase the consolidated EPS of the Company and/or the Group. However, the Proposed Extension of 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 2013.

3.4 Working Capital

Although the Proposed Extension of 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 EXTENSION OF SHARE BUY-BACK

The Proposed Extension of Share Buy-Back is subject to the approval of the shareholders of UP at the forthcoming EGM. There is no requirement to obtain approval from Nasdaq CPH on the Proposed Extension of Share Buy-Back.

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 MVSb and UIEL, 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 Extension of 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 Extension of 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 the Practice Note 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 Extension of Share Buy-Back to the extent that it will not contravene the limit as provided under the Code.

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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 Extension of 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 Extension of Share Buy-Back as set out above, the effect before and after the Proposed Extension of 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 17 October 2013, will for the purpose of illustration only be as follows:

Directors	Direct	%	Indirect	%	Direct	%	Indirect	%
Tan Sri Datuk								
Dr. Johari bin Mat	82,000	0.04	10,000 ⁴	0.00	82,000	0.04	10,000 ⁴	0.01
Ho Dua Tiam	707,400	0.34	-	-	707,400	0.38	-	-
Dato' Carl Bek-Nielsen	2,182,491	1.05	95,980,135 ¹	46.11	2,182,491	1.17	95,980,135 ¹	51.23
Ahmad Riza Basir	70,500	0.03	-	-	70,500	0.04	-	-
Dato' Jeremy Derek								
CampbellDiamond	14,000	0.01	255,000 ⁴	0.12	14,000	0.01	255,000 ⁴	0.14
Martin Bek-Nielsen	547,413	0.26	95,937,077 ²	46.09	547,413	0.29	95,937,077 ²	51.22
Mohamad Nasir								
bin Ab. Latif	-	-	-	-	-	-	-	-
Loh Hang Pai	10,000	0.00	-	-	10,000	0.01	-	-
R. Nadarajan	-	-	-	-	-	-	-	-
Substantial Shareholders	Direct	%	Indirect	%	Direct	%	Indirect	%
MVSB	87,446,600	42.01	-	-	87,446,600	46.68	-	-
UIE	8,478,132	4.07	87,456,945 ³	42.02	8,478,132	4.53	87,456,945 ³	46.69
EPF	26,671,198	12.81	-	-	26,671,198	14.24	-	-
Perbadanan	13,065,158	6.28	330,000 ⁵	0.16	13,065,158	6.98	330,000 ⁵	0.18
Dato' Carl Bek-Nielsen	2,182,491	1.05	95,980,135 ¹	46.11	2,182,491	1.17	95,980,135 ¹	51.23
Martin Bek-Nielsen	547,413	0.26	95,937,077 ²	46.09	547,413	0.29	95,937,077 ²	51.22
Aberdeen	-	-	24,841,000 ⁶	11.94	-	-	24,841,000 ⁶	13.26
Mitsubishi	-	-	24,841,000 ⁶	11.94	-	-	24,841,000 ⁶	13.26

- 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 members.
- 3) Deemed interested in the shareholdings in UP registered in the name of MVSB and IPS
- 4) Deemed interested through family members
- 5) Deemed interested through subsidiary company of Perbadanan
- 6) Deemed interested through its shareholdings in Aberdeen Asset Management PLC, a fund management group

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8. DIRECTORS' RECOMMENDATION

Your Board of Directors having considered all aspects of the Proposed Extension of Share Buy-Back is of the opinion that the said Proposed Extension of 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 Extension of Share Buy-Back to be tabled at the forthcoming EGM.

9. EXTRAORDINARY GENERAL MEETING

The Ordinary Resolution relating to the Proposed Extension of Share Buy-Back to be voted thereon had been incorporated in the notice convening the EGM and enclosed in this Circular to shareholders. The EGM will be held at Jendarata Estate, 36009 Teluk Intan, Perak Darul Ridzuan, Malaysia on Tuesday, 12 November 2013 at 10.30 a.m.

If you are unable to attend and vote in person at the EGM, you should complete and return the Form of Proxy attached 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 EGM. The completion and lodgement of the Form of Proxy will not preclude you from attending and voting in person at the EGM 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**

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

ADDITIONAL INFORMATION

APPENDIX I

1. PROCEDURES FOR TRANSFER OF UP SHARES FROM NASDAQ CPH

The shareholder holding UP Shares on Nasdaq CPH (“the Nasdaq CPH Shareholder”) may transfer their shares to the Main Market of Bursa Malaysia at any time before the proposed delisting date. The procedures for the transfer are as follows:

- (a) The Nasdaq CPH Shareholder is to open a share trading account and a depositor’s account (“CDS Account”) with a Malaysian broker.
- (b) The Nasdaq CPH Shareholder shall then execute the transfer form for the number of UP Shares to be transferred to the Main Market of Bursa Malaysia and sign a confirmation letter to confirm that he/she are the beneficial owner of the shares and have no objection to the shares being transferred to his/her CDS account.
- (c) The Nasdaq CPH Shareholder shall thereafter forward the documents mentioned in (b) together with the original share certificate to the Company’s Copenhagen Branch office: International Plantation Services Limited, H.C. Andersens Boulevard 49, 3rd floor, DK-1553 København V.
- (d) The Company will then verify the request and credit the securities via eRapid (online system with Bursa Malaysia Depository) to the CDS account number and forward the relevant documents to Bursa Malaysia.
- (e) Bursa Malaysia then issues a Confirmation of Credit to UP and the broker, confirming that the deposit of securities into the CDS account is successful. UP will also send a letter to Nasdaq CPH Shareholder to confirm that the transfer from Nasdaq CPH to Bursa Malaysia has been duly completed.

No physical certificate will be issued in respect of the UP Shares deposited into the CDS Account.

2. 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.

3. 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.

4. 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.

5. 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 EGM:

- Memorandum and Articles of Association of UP
- Audited Accounts for the financial year ended 31 December 2011 and 2012; and
- Unaudited Financial Statements for the period ended 30 June 2013.

United Plantations Berhad

Contact information

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Company Announcement no. 26
Published: 25 October 2013