

UNITED PLANTATIONS BERHAD (“UP” OR THE “COMPANY”)

PROPOSED BONUS ISSUE

1. INTRODUCTION

On behalf of the Board of Directors of UP (“**Board**”), Inter-Pacific Securities Sdn Bhd (“**Interpac**” or the “**Principal Adviser**”) wishes to announce that the Company proposes to undertake a bonus issue of up to 208,134,266 new ordinary shares in UP (“**UP Shares**” or “**Shares**”) (“**Bonus Shares**”) on the basis of 1 Bonus Share for every 2 existing UP Shares held on an entitlement date to be determined and announced later (“**Entitlement Date**”) (“**Proposed Bonus Issue**”).

2. DETAILS OF THE PROPOSED BONUS ISSUE

As at 30 October 2024, being the latest practicable date prior to the date of this announcement (“**LPD**”), the issued share capital of UP is RM390,054,685 comprising 416,268,532 UP Shares (including 1,483,548 UP Shares held as treasury shares by the Company (“**Treasury Shares**”). For the avoidance of doubt, all Treasury Shares will be entitled to the Bonus Shares and such Bonus Shares will be treated as Treasury Shares to be held by the Company upon allotment and issuance.

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails the issuance of up to 208,134,266 Bonus Shares on the basis of 1 Bonus Share for every 2 existing UP Shares held by the shareholders of UP (“**Shareholders**”) whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date. Upon completion of the Proposed Bonus Issue and assuming no fractional entitlements, the enlarged issued share capital of UP will be RM390,054,685 comprising 624,402,798 UP Shares (including 2,225,322 Treasury Shares).

The aforesaid basis of 1 Bonus Share for every 2 existing UP Shares was arrived at after taking into consideration the potential enhancement to the trading liquidity of UP Shares traded in the market given the adjustment to the share price as well as the increase in the number of UP Shares pursuant to the Proposed Bonus Issue.

Fractional entitlements arising from the Proposed Bonus Issue, if any, will be disregarded and dealt with in such manner as the Board will in its absolute discretion deem fit and expedient, and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue. The Proposed Bonus Issue will not be implemented in stages over a period of time.

The Proposed Bonus Issue will result in an adjustment to the share price of UP Shares but will not have any impact on the total market value of UP Shares.

Pursuant to Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), the share price adjusted for the Proposed Bonus Issue shall not be less than RM0.50 based on the daily volume-weighted average market price (“**VWAP**”) of UP Shares during the 3-month period before the application date.

For illustrative purposes only, based on the 5-day VWAP and the lowest daily VWAP of UP Shares in the past 3 months up to the LPD, the theoretical ex-bonus share price of UP Shares is as follows:-

	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
	Market price	Theoretical ex-bonus share price
5-day VWAP up to the LPD	RM26.6383	RM17.7589
Lowest of 3-month daily VWAP up to the LPD	RM24.6230	RM16.4153

(Source: Bloomberg)

Based on the above, the Proposed Bonus Issue is in compliance with Paragraph 6.30(1A) of the Listing Requirements.

2.2 No capitalisation of reserves

Pursuant to the Companies Act 2016, a bonus issue of shares which does not result in a corresponding increase to the issued share capital amount can be undertaken without capitalisation of retained earnings or other reserves. As such, the Board has resolved that the Bonus Shares shall be issued as fully paid shares at no consideration and without capitalisation of the Company's reserves.

The Proposed Bonus Issue will increase the number of UP Shares in issue but will not increase the amount of the issued share capital of UP.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing UP Shares. However, the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution ("**Distribution**") where the entitlement date of such Distribution precedes the date of allotment and issuance of the Bonus Shares.

2.4 Listing of and quotation for the Bonus Shares

An application will be made to Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED BONUS ISSUE

The Board intends to undertake the Proposed Bonus Issue to reward the existing Shareholders in the form of Bonus Shares for their loyalty and continuing support as the Proposed Bonus Issue serves to increase the number of UP Shares held by the Shareholders without any cash outlay by them, while maintaining their percentage of equity shareholding held in the Company.

In addition, the Proposed Bonus Issue may:-

- (i) potentially result in an improved trading liquidity of UP Shares traded in the market at an affordable share price without affecting the size of the market capitalisation of the Company; and
- (ii) encourage greater participation by investors as well as potentially broadening the shareholder base of the Company.

4. EFFECTS OF THE PROPOSED BONUS ISSUE

4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue on the issued share capital of UP are set out below:-

	No. of Shares	Share capital RM'000
Issued share capital as at the LPD	(1)416,268,532	390,054
Bonus Shares to be issued	(2)208,134,266	-
Enlarged issued share capital after the Proposed Bonus Issue	(3)624,402,798	390,054

Notes:-

- (1) Including 1,483,548 Treasury Shares as at the LPD.
(2) Assuming no fractional entitlements in respect of the Bonus Shares.
(3) Including 2,225,322 Treasury Shares after the Proposed Bonus Issue.

4.2 Net assets ("NA") and gearing

Based on the latest audited consolidated statements of financial position of UP as at 31 December 2023, the pro forma effects of the Proposed Bonus Issue on the NA and gearing of UP and its subsidiaries ("UP Group") are set out below:-

	Audited	(I)	(II)
	As at 31 December 2023 RM'000	After subsequent events ⁽¹⁾ RM'000	After (I) and the Proposed Bonus Issue ⁽²⁾ RM'000
Share capital	390,054	390,054	390,054
Treasury shares	(18,668)	(18,668)	(18,668)
Reserves	2,479,054	(1)2,022,791	(3)2,022,391
Shareholders' equity / NA	2,850,440	2,394,177	2,393,777
Non-controlling interests	16,980	16,980	16,980
Total equity	2,867,420	2,411,157	2,410,757
No. of UP Shares in issue ('000)	(4)414,785	(4)414,785	(5)622,177
NA per UP Share (RM)	6.87	5.77	3.85
Total borrowings (RM'000)	21	21	21
Gearing (times)	(6)-	(6)-	(6)-

Notes:-

- (1) After accounting for the dividends declared in respect of the financial year ended 31 December 2023 amounting to RM456.26 million which have been paid on 14 May 2024.
(2) Assuming no fractional entitlements in respect of the Bonus Shares.
(3) After deducting the estimated expenses of RM400,000 for the Proposed Bonus Issue.
(4) Excluding 1,483,548 Treasury Shares as at the LPD.
(5) Excluding 2,225,322 Treasury Shares after the Proposed Bonus Issue.
(6) Negligible.

4.3 Earnings and earnings per UP Share (“EPS”)

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the UP Group for the financial year ending 31 December 2024. Notwithstanding that, the EPS will be proportionately diluted due to the increase in the number of UP Shares in issue upon completion of the Proposed Bonus Issue.

4.4 Substantial Shareholders’ shareholdings

The Proposed Bonus Issue will not have any effect on the shareholding percentage of the substantial Shareholders as the Bonus Shares will be allotted on a pro-rata basis to all Shareholders. However, there will be a proportionate increase in the number of UP Shares held by each substantial Shareholder. The pro forma effects of the Proposed Bonus Issue on the substantial Shareholders’ shareholdings are set out below:-

	As at the LPD ⁽¹⁾			
	Direct		Indirect	
	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Maximum Vista Sdn Bhd (“MVSB”)	181,215,600	43.69	-	-
Employees Provident Fund Board	24,320,296	5.86	-	-
United International Enterprises Limited (“UIEL”)	19,437,142	4.69	⁽⁴⁾ 181,215,600	43.69
C & M Holding Limited	-	-	⁽⁵⁾ 200,652,742	48.38
Brothers Holding Limited	-	-	⁽⁵⁾ 200,652,742	48.38
YBhg. Dato’ Carl Bek-Nielsen	5,161,000	1.24	⁽⁶⁾ 200,742,858	48.40
Martin Bek-Nielsen	1,455,778	0.35	⁽⁶⁾ 200,682,742	48.38

	(i) After the Proposed Bonus Issue			
	Direct		Indirect	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
MVSB	271,823,400	43.69	-	-
Employees Provident Fund Board	36,480,444	5.86	-	-
UIEL	29,155,713	4.69	⁽⁴⁾ 271,823,400	43.69
C & M Holding Limited	-	-	⁽⁵⁾ 300,979,113	48.38
Brothers Holding Limited	-	-	⁽⁵⁾ 300,979,113	48.38
YBhg. Dato’ Carl Bek-Nielsen	7,741,500	1.24	⁽⁶⁾ 301,114,287	48.40
Martin Bek-Nielsen	2,183,667	0.35	⁽⁶⁾ 301,024,113	48.38

Notes:-

- (1) Based on the Company’s Record of Depositors as at the LPD.
- (2) Based on the existing total number of 414,784,984 UP Shares (excluding 1,483,548 Treasury Shares) as at the LPD.
- (3) Based on the enlarged total number of 622,177,476 UP Shares (excluding 2,225,322 Treasury Shares) after the Proposed Bonus Issue.
- (4) Deemed interest by virtue of substantial shareholdings in MVSB.
- (5) Deemed interest by virtue of substantial shareholdings in MVSB and UIEL.
- (6) Deemed interest by virtue of substantial shareholdings in MVSB, UIEL and through immediate family members.

4.5 Convertible securities

As at the LPD, UP does not have any convertible securities in issue.

5. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Bonus Issue is subject to approvals being obtained from the following:-

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities;
- (ii) the Shareholders for the Proposed Bonus Issue at an extraordinary general meeting to be convened; and
- (iii) any other relevant authorities / parties, if required.

The Proposed Bonus Issue is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major Shareholders and/or chief executive of the Company and/or persons connected with them (as defined in the Listing Requirements) have any interest, either direct or indirect, in the Proposed Bonus Issue, save for their respective entitlements as Shareholders under the Proposed Bonus Issue, which are also available to all other Shareholders on a pro-rata basis.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Bonus Issue, including the rationale and justifications as well as the effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interests of the Company.

8. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Bonus Issue is expected to be completed in the 1st quarter of 2025.

9. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities in respect of the Proposed Bonus Issue is expected to be submitted within 1 month from the date of this announcement.

10. ADVISER

Interpac has been appointed as the Principal Adviser for the Proposed Bonus Issue.

This announcement is dated 13 November 2024.