

UPDATE ON CONDITIONAL JOINT VENTURE AGREEMENT AND INCORPORATION OF JOINT VENTURE COMPANY

The Board of Directors of UOL Group Limited (the "**Company**") refers to the Company's announcement dated 28 October 2013 (the "**Initial Announcement**") in relation to the conditional joint venture agreement (the "**JVA**") entered into between Pan Pacific Hospitality Pte. Ltd. ("**PPH**"), Shwe Taung Junction City Development Co., Ltd.¹ and City Square Pte. Ltd. on 26 October 2013 on the formation of a joint venture company in Myanmar (the "**JV Company**") for the purpose of acquiring, constructing, developing and/or managing a hotel under the "Pan Pacific" brand to be situated in the prime city centre of Yangon, Myanmar (the "**Joint Venture**").

Following the receipt of the requisite approvals from the relevant Myanmar authorities and the satisfaction of the other conditions to the JVA, the JV Company, namely, City Square Hotel Co. Ltd., has been incorporated in Myanmar. As PPH has an interest of 20% in the share capital of the JV Company, the JV Company is thus an associated company of the Company.

The initial share capital of the JV Company is US\$37.5 million, of which PPH shall contribute US\$7.5 million in aggregate in accordance with its shareholding proportion in the JV Company (the "**Initial Investment Amount**"). The Initial Investment Amount shall be paid in cash and funded by PPH's internal resources.

The Joint Venture is not expected to have any material impact on the Company's net tangible assets per share or earnings per share for the financial year ending 31 December 2014.

Save for their interests in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Joint Venture.

Submitted by Foo Thiam Fong Wellington, Company Secretary on 26 August 2014.

¹ The Initial Announcement erroneously referred to "Shwe Taung Junction City Development Co., Ltd." as "Shwe Taung Junction City Co., Ltd."