UOL GROUP LIMITED
(the "**Company**")
(Company Registration No. 196300438C)
(Incorporated in the Republic of Singapore)

UOL SCRIP DIVIDEND SCHEME

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1. INTRODUCTION

The board of directors (the "**Board**" and the "**Directors**") of UOL Group Limited (the "**Company**") is pleased to announce the implementation of the UOL Scrip Dividend Scheme (the "**Scrip Dividend Scheme**").

Under the terms and conditions of the Scrip Dividend Scheme (the "**Terms and Conditions**"), if the Directors have determined that the Scrip Dividend Scheme will apply to any particular dividend (including any interim, final, special or other dividend), persons registered in the Register of Members of the Company or, as the case may be, the Depository Register (as defined in Section 130A of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**")) as the holders of fully paid ordinary shares in the Company (the "**Shareholders**") may elect to receive fully paid ordinary shares in the capital of the Company (the "**Shares**") in lieu of part only or all of the cash amount of that dividend which is declared on the Shares held by them (after the deduction of any applicable income tax). To this end, the Company may allot and issue new Shares to such Shareholders, credited as fully paid, pursuant to the Scrip Dividend Scheme ("**New Shares**").

2. RATIONALE AND PURPOSE OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme, if and when applied to any particular dividend, will provide an opportunity for Shareholders to elect to receive the dividend in the form of New Shares, credited as fully paid-up, instead of cash. It will enable Shareholders to participate in the share capital of the Company without incurring brokerage fees, stamp duty and other related costs. The Board believes the Company will benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive dividends in the form of Shares, the cash which would otherwise have been paid out in cash dividends may then be retained to fund the growth and expansion of the Group. An issue of New Shares in lieu of cash dividends under the Scrip Dividend Scheme will also enlarge the Company's share capital base and the retention of cash will help to strengthen the Company's working capital position.

3. TERMS AND CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Terms and Conditions will be set out in the UOL Scrip Dividend Scheme Statement, a copy of which is attached to this announcement.

4. ADDITIONAL MATTERS FOR SHAREHOLDERS TO NOTE

No Known Tax Advantage for Electing to Participate in the Scrip Dividend Scheme

The Company takes no responsibility for the taxation liabilities of Participating Shareholders or the tax consequences of any election made by Shareholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Shareholders if they are in any doubt or if otherwise required.

While the Company takes no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Announcement or in the UOL Scrip Dividend Scheme Statement, however, as a general indication, it is understood that as at the date of this Announcement, under tax legislation in Singapore, a Shareholder's Singapore tax liability in relation to the Dividends received will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

Participating Shareholders may Receive Odd Lots

As the Shares are presently traded in board lots of 1,000 Shares each, a Shareholder who elects to receive New Shares in lieu of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots.

Eligibility and Foreign Shareholders

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Foreign Shareholders (as defined below), more particularly described below, and except that participation in the Scrip Dividend Scheme shall not be available to such Shareholders or class of Shareholders as the Directors may in their discretion determine, and further, shall be subject to the requirement that such participation or receipt of Shares under the Scrip Dividend Scheme by any Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed by the Articles of Association of the Company.

For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, unless otherwise determined by the Directors, Shareholders with registered addresses outside Singapore and who have not provided to the Company or (where the Shareholder is a depositor (as defined in Section 130A of the Companies Act)) The Central Depository (Pte) Limited ("**CDP**") at least three Market Days (a "**Market Day**" being a day on which the Singapore Exchange Securities Trading Limited ("**SGX-ST**") is open for securities trading) prior to the date fixed by the Company for the purpose of determining entitlements to dividends or other distributions or rights of Shareholders (the "**Books Closure Date**") (or such other period as the Directors may determine), mailing addresses in Singapore for the service of notices and documents (each such Shareholder, a "**Foreign Shareholder**") may not participate in the Scrip Dividend Scheme. No Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Foreign Shareholders who may not participate in the Scrip Dividend Scheme and who receive or come to have in their possession a notice of election or any other document in connection with the Scrip Dividend Scheme may not treat the same as an invitation or offer of any securities to them. Foreign Shareholders are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme as may be applicable to them.

Foreign Shareholders who wish to be eligible to participate in the Scrip Dividend Scheme may provide a mailing address in Singapore for the service of notices and documents to the Company c/o the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, or, if the Foreign Shareholder is a depositor, to CDP at The Central Depository (Pte) Limited, 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589, at least three Market Days prior to the Books Closure Date (or such other period as the Directors may determine). Depositors should note that all correspondences and notices will be sent to their last registered mailing addresses with the Company or, as the case may be, CDP.

Shareholders to Note Obligations under Take-over Code

The attention of Shareholders is drawn to Rule 14 of The Singapore Code on Take-overs and Mergers (the "**Take-over Code**"). In particular, a Shareholder should note that he may be under an obligation to extend a take-over for the Company if:

(a) he, by participating in the Scrip Dividend Scheme in relation to any dividend to which the Scrip Dividend Scheme applies ("**Qualifying Dividend**"), acquires, whether by a series of transactions over a period of time or not, Shares which (together with Shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company; or

(b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company, and he or any person acting in concert with him, by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend, acquires in any period of six months additional Shares carrying more than 1% of the voting rights of the Company.

The statements above do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any acquisition of Shares through their participation in the Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

Treatment of Fractional Entitlements

Fractional entitlements to the New Shares will be rounded down to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and which is acceptable to the SGX-ST.

5. APPROVALS FOR THE PURPOSES OF IMPLEMENTING THE SCRIP DIVIDEND SCHEME

Shareholders' Approval for Issuance of New Shares

Pursuant to Rule 862 of the Listing Manual of the SGX-ST ("**Listing Manual**"), an announcement must be made by an issuer if it wishes to implement a scrip dividend scheme which enables shareholders to elect to receive shares in lieu of the cash amount of any dividend.

To facilitate the implementation of the Scrip Dividend Scheme, it is proposed that the existing Articles of Association of the Company be amended to *inter alia* include a new Article 133A to enable Shareholders to elect to receive dividends in the form of New Shares, credited as fully paid-up, instead of cash (the "**Proposed Amendment to Articles**"). The new Article 133A will be set out in the Circular to be despatched to Shareholders in due course. The Proposed Amendment to Articles will be subject to the approval by Shareholders at the forthcoming annual general meeting of the Company, notice of which has been issued on 31 March 2014 (the "**AGM**").

While there is no requirement under the Listing Manual for Shareholders' approval for the implementation of the Scrip Dividend Scheme, the allotment and issuance of New Shares pursuant to the Scrip Dividend Scheme is subject to the approval of the Shareholders. The authority to issue New Shares under the Scrip Dividend Scheme may be in the form of specific Shareholders' approval in compliance with Rule 805 of the Listing Manual or the Company may otherwise rely on a valid general mandate granted by the Shareholders to the Directors pursuant to Rule 806 of the Listing Manual. In this regard, the Company intends to seek specific Shareholders' approval for the issuance of New Shares under the Scrip Dividend Scheme in relation to the dividend to be approved at the AGM.

Approval for Listing and Quotation of New Shares

In compliance with Appendix 8.4.4 to the Listing Manual, the Company will from time to time submit an additional listing application to the SGX-ST for the admission to the Official List of the SGX-ST of such New Shares as may be issued by the Company for the purposes of, in connection with or where contemplated by the Scrip Dividend Scheme, and for the listing and quotation of such New Shares on the Main Board of the SGX-ST, at such time(s) as may be appropriate and determined by the Company. It should be noted that the approval of the SGX-ST should not be taken as an indication of the merits of the Scrip Dividend Scheme, the New Shares, the Company and/or its subsidiaries. The Company will announce the outcome of any such application as may be appropriate in accordance with the Listing Manual.

It should be noted that the Company is unable to represent, warrant or give any assurance that the approval for the listing and quotation of the New Shares will be granted by the SGX-ST. In such event that New Shares cannot be issued by the Company or listed and quoted on the SGX-ST, appropriate steps will be taken by the Company for the relevant Shareholders to receive the dividend in cash.

6. FURTHER INFORMATION ON THE SCRIP DIVIDEND SCHEME

Shareholders are advised to read the UOL Scrip Dividend Scheme Statement, which sets out the Terms and Conditions, for further information before electing to participate in the Scrip Dividend Scheme.

Shareholders who have any enquiries relating to the Scrip Dividend Scheme may direct their queries to:

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

BY ORDER OF THE BOARD

Foo Thiam Fong Wellington
Yeong Sien Seu
Company Secretaries
31 March 2014