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MEDIA RELEASE

USP GROUP REPORTS FULL YEAR NET PROFIT OF S$0.09 MILLION

- ***Reversing Net Loss of S$5.6 Million for 2017***

Singapore, 30 May 2018 – Mainboard-listed, USP Group Limited ("USP" or "Group"), a diverse business group, today reported a net profit of S$0.09 million for the full year ended 31 March 2018 (FY2018) as compared to a loss of S$5.6 million for the corresponding period last year (FY2017).

The Group's total revenue stood at S$41.7 million for FY2018 which was 13.8 per cent higher as compared to S$36.7 million for FY2017. Gross profit for FY2018 was S$15.0 million which was 5.5 per cent lower than FY2017 at S$15.9 million.

Selling and distribution expenses for the Group increased by 41.0 per cent to S$1.4 million in FY2018 compared to S$1.0 million in FY2017. The rise was attributed to an increase in operational expenditure needed to create brand awareness for Mercury's products.

If not for the additional depreciation to reflect on the shortened lease period following the land acquisition of 16 Joo Koon Circle, the Group's net profit would have been S$0.4 million. The one-off exceptional gain was the disposal of an investment in unquoted securities. EBITDA excluding the exceptional gain increased to S$4.4 million for FY2018 as compared to S$3.2 million for FY2017.

Commenting on the Group's full year results, Mr Li Hua, Executive Chairman & Chief Executive Officer of USP Group Ltd, said: "The Group's marine business which was represented by the Supratechnic Group has performed well under the "Mercury" brand. The recycling of waste oil sector has also contributed to the increase in revenue. However, the increase was partially offset by the decline in the instrumentation and calibration sector."

"Under the property investments sector, our property at 71 Blandford has obtained the temporary occupation permit (TOP) in February 2018 and is currently in the process of applying for certificate of statutory completion (CSC). We expect to dispose this unit by the end of 2018. As for the biofuel sector, we have successfully negotiated to renew our partnership with PUB," added Mr Li.

The Group's earnings per ordinary share for FY2018 was (0.14) cents as compared to (6.7) cents for FY2017. As at 31 March 2018, the Group's net asset value per ordinary share was at 56.0 cents compared with 56.4 cents for FY2017.

Business Prospects

Distributorship
The Group has increased more branches in the region for the distributorship of the 'Mercury' products. As a result, the distributorship sector is expected to contribute more to the Group's total revenue in the next two years.

Instrumentation and Calibration & Air Purification
This sector will be boosted by the incorporation of a new subsidiary in the region. This is to meet the ongoing competitive challenges. This sector will continue to build on the strength of its market success.

Property Investments
The disposal of 71 Blandford is expected to be completed by the end of 2018. The rental income of the properties under Koon Cheng Development will continue to contribute to the total revenue of the Group.

Recycling of Waste Oil
With the successful negotiation of partnership with PUB, the biofuel sector is expected to continue generating positive cashflow to the Group.

In addition to the existing biofuel business, the Group is planning to start its biodiesel trial production in the coming months and commercial production is expected by the end of 2018.

- End -

About USP Group Limited (USP)
USP Group Limited ("USP") was listed on the mainboard of Singapore Exchange Securities Trading Limited ("SGX") in 2007 as Unionmet (Singapore) Limited. The company changed its name to USP Group Limited in 2015 after a restructuring exercise in 2013 which put in place the current management team.

Headquartered in Singapore, USP Group has diverse business sectors – distributorships/dealerships, calibration of environmental equipment (through the acquisition of Supratechnic Pte Ltd in 2016), property investments and recycling of waste oil. USP is now the sole distributor of "Mercury" marine products in Singapore, East & West Malaysia, Brunei and Indonesia.

The Group also has exclusive distribution rights in Singapore and Indonesia for IQ Air, a world leading Swiss air filter manufacturer for consumers and the medical industry as well as distributor for pharmaceutical and lab calibration services.

For recycling of waste oil, USP is the exclusive partner of the PUB. It provides solutions to process greasy water into biochemical and biofuels. The Group's property investments include 2 blocks of industrial properties and a workers dormitory in Woodlands. For more information, please see www.uspgroup.com.sg.

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