USP GROUP LIMITED
(Incorporated in Singapore)
(Company Registration No.: 200409104W)

RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") FOR THE LISTING AND QUOTATION OF 1,228,011 NEW SHARES TO EU-NIC BUILDERS PTE LTD

The Board of Directors (the "**Board**") of the Company wishes to announce that the Company's wholly-owned subsidiary, USP Properties Pte Ltd ("USPP") had entered into a Construction Agreement dated 20 September 2016 ("the Agreement") with Eu-nic Builders Pte Ltd ("Eu-nic") to undertake the construction of a 2-storey envelope control semi-detached dwelling house with a swimming pool on Lot 97396W MK18 at 71 Blandford Drive (the "Blandford Project").

1. BACKGROUND AND RATIONALE FOR THE SHARE ISSUE

The Company awarded the above Blandford Project to Eu-nic for the contract sum of up to Singapore Dollars Six Hundred and fifty-eight thousand ($658,000) being the base contract amount and up to another six hundred thousand ($600,000) for contingency and other provisions, excluding 7% Goods & Services Tax (GST), payable in cash.

Mr Kwok Kim Jin and Mr Tan Seet Poh were appointed as directors of Eu-nic on 1 July 2016 and 22 April 2015 respectively. Mr Kwok Kim Jin is also the sole shareholder of Eu-nic and he has over 15 years of experiences in the construction industry.

The entire Contract Period shall be for seven (7) months from the date where a permit is issued by the Commissioner of Building Control.

It was subsequently agreed that the down payment of S$105,609 consisting of 15% of the base contract amount before the contingency sum (inclusive of GST) to be paid through the issuance of 1,228,011 new shares (the "New Shares") calculated based on the Company's average trading price of the last 5 days of $0.086.

Based on the Directors' mandate pursuant to Section 161 of the Companies Act Cap. 50 approved by shareholders on 31 July 2015, the Directors have a remaining mandate to issue 1,343,187. As such, the issuance of the New Shares to Eu-nic will be utilising this mandate.

2. ISSUE PRICE

The New Shares shall be allotted and issued at an issue price of S$0.086 per New Share ("the Issue Price") calculated based on the Company's average trading price of the last 5 days of $0.086 immediately preceding the date of agreement.

The New Shares shall rank pari passu in all respects with the existing issued shares of the Company.

3. FINANCIAL EFFECTS

Following the allotment and issuance of the New Shares, the issued and paid-up share capital of the Company will increase from 81,611,560 shares to 82,839,571 shares.

For the purposes of this section, the financial effects of the issuance of New Shares on the earnings per Share and the net tangible assets per Share of the Group are set out below, are prepared purely for illustration only and do not reflect the actual future financial situation of the Group. The financial effects have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2016.

(a) NET TANGIBLE ASSETS ("NTA") PER SHARE

Assuming that the New Shares Issuance had been effected on 31 March 2016, the effects of the New Shares Issuance on the NTA per Share as at 31 March 2016, based on the Group's FY2016 financial statements, would be as follows:

	Before the New Share Issuance	After the New Share Issuance
NTA as at 31 March 2016 (SG cents)	66.32	65.30

(b) EARNINGS PER SHARE ("EPS")

Assuming that the New Shares Issuance had been effected on 1 April 2015, the impact of the New Share Issuance on the EPS of the Group would be as follows:

	Before the New Share Issuance	After the New Share Issuance
EPS for FY2016 (SG cents)	0.09	0.09

4. AUTHORITY FOR THE ISSUANCE OF THE NEW SHARES

The New Shares will be issued pursuant to the general share issue mandate grated by the shareholders of the Company pursuant to Section 161 of the Companies Act (Cap. 50) at the annual general meeting of the Company held on 31 July 2015.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect, in the New Shares Issuance (other than through their respective direct shareholdings in the Company).

6. RECEIPT OF APPROVAL IN-PRINCIPLE

The Board is pleased to announce that the Company has received on 11 November 2016, the approval in-principle ("Approval In-Principle") of the SGX-ST for the listing and quotation of 1,228,011 New Shares on the Mainboard of the SGX-ST.

The Approval In-Principle of the SGX-ST is subject to, inter alia, compliance with the SGX-ST's listing requirements.

Please note that the Approval In-Principle granted by the SGX-ST is not to be taken as an indication of the merits of the New Share Issue, the New Shares, the Company and/or its subsidiaries.

The Company will make a further announcement when the New Shares are issued.

BY ORDER OF THE BOARD

Li Hua
(Executive Chairman and Chief Executive Officer)
13 November 2016