USP GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200409104W)

ENTRY INTO DEED OF ADDENDUM AND RELEASE IN CONNECTION WITH THE PROPOSED DISPOSAL OF BIOFUEL RESEARCH PTE. LTD.

The board of directors (the "**Board**" or the "**Directors**") of the Company (together with its subsidiaries, the "**Group**") refers to the announcements dated 11 May 2020, 16 July 2020, 8 August 2020 and 1 September 2020 (the "**Previous Announcements**") in relation to the proposed disposal of Biofuel Research Pte. Ltd. ("**Biofuel**"). Unless otherwise defined, capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Previous Announcements.

As set out in the Previous Announcements, the Vendors' lawyers shall release the cashier's order to the Company upon closing of the Proposed Disposal. The due date for the presentation of the cashier's order had lapsed on 10 November 2020 ("**Expired Cashier's Order**").

The Board wishes to announce that the Vendors and the Purchaser have on 11 December 2020 entered into a deed of addendum and release:

(a) to agree that the Purchaser shall reissue the cashier's order in favour of the Company ("**Cashier's Order**"), to be delivered by the Purchaser directly to the Company;

(b) to grant the Vendors' lawyers complete, absolute, irrevocable and unconditional consent to release the Expired Cashier's Order to the Company with immediate effect;

(c) upon the release of the Expired Cashier's Order, to discharge and release the Vendors' lawyers from all liabilities and obligations, and all claims and demands whatsoever, in respect of or in connection with, the release of the Expired Cashier's Order and that the Vendors further agree to indemnify the Vendors' lawyers in the event of any such claims or demands;

(d) to extend the Long Stop Date under the SPA to 12 June 2021 (the "**Extended Long Stop Date**") and to amend the definition of Long Stop Date in Clause 1.1 of the SPA with effect from the date of this Deed as follows:

""**Long Stop Date**" means 12 June 2021~~ the date falling four (4) months from the date of the First Payment, or such other date as the Parties may agree in writing~~;"

(e) to agree that in the event:-

(i) Closing does not occur by the Extended Long Stop Date (as defined above in (c)); or

(ii) prior to the Extended Long Stop Date a Party elects not to proceed with Closing by issuing a notice to the other Party to that effect (the "**Notice**"),

The Company shall make repayment of the First Payment to AJ Jetting in the following manner:

(I) a repayment of S$1,000,000 (the "First Repayment") within one (1) month from the earlier of (i) the Extended Long Stop Date or (ii) the date the Notice is issued; and

(II) three (3) monthly repayments of S$166,666.67 each (the "**Instalments**") with the first Instalment to be paid one (1) month from the date of the First Repayment, the second Instalment to be paid two (2) months from the date of the First Repayment, and the third and final instalment to be paid three (3) months from the date of the First Repayment.

Interest shall accrue on the First Payment from the earlier of (i) the Extended Long Stop Date or (ii) the date the Notice is issued (both dates inclusive) at the then-prevailing UOB prime interest rate, and the Company shall pay such interest monthly together with the First Repayment and each Instalment;

(f) to agree that the Vendors jointly and severally unconditionally and irrevocably covenant and undertake with AJ Jetting that, they will indemnify and keep AJ Jetting harmless from and against any costs (including legal costs and experts' and consultants' fees on an indemnity basis), charges, expenses, actions, proceedings, claims and demands incurred thereby by AJ Jetting in connection with any delay and/or default of the Company in making the Repayment and the Instalments in accordance with this Deed; and

(g) to further agree that notwithstanding the reissue and release of the Cashier's Order by the Purchaser to the Company, the Vendors shall use their best reasonable efforts to ensure the smooth transfer of knowledge in relation to the operations of Biofuel.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD

Tanoto Sau Ian
Executive Director and Chief Executive Officer
11 December 2020