USP GROUP LIMITED
(Company Registration No.: 200409104W)
(Incorporated in the Republic of Singapore)
(the "**Company**")

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**APPOINTMENT OF RECEIVERS IN RESPECT OF THE MORTGAGED PROPERTY OF SUBSIDIARY OF THE COMPANY**

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The Board of Directors (the **"Board"**) of USP Group Limited (the **"Company"**) and together with its subsidiaries (the **"Group"**) wishes to announce that the Company's wholly-owned subsidiary, Biofuel Research Pte. Ltd. (the **"Subsidiary"**) has received a letter dated 16 May 2023 from RSM Corporate Advisory Pte. Ltd. informing the Subsidiary that Messrs Ng Kian Kiat and Yap Hui Li have been appointed by United Overseas Bank (**"UOB"**) on 12 May 2023 as the joint and several receivers in respect of the mortgaged property of the Company located at 2 Tuas South Street 15, Singapore 637079 (the **"Mortgaged Property"**). The Mortgaged Property of the subsidiary is charged in favour of UOB pursuant to the second legal mortgage dated 26 January 2018.

The second legal mortgage charged on the Mortgaged Property to allow UOB in granting the Company's wholly-owned subsidiary, Supratechnic Pte Ltd (the **"Supra"**) various banking facilities. The banking facilities were overdue and amounted to S$9,349,000 in the financial year ended 31 March 2020 when the new board took over on 10 February 2020. Subsequently the loan was paid down to S$8,352,000 and S$7,669,000 respectively in financial year ended 31 March 2021 and 31 March 2022. As of 31 March 2023, the payables in respect of banking facilities amounted to approximately S$7,027,000 (the "**Supra-UOB Facilities**").

In relation to the Group's plan to pay off the Supra-UOB Facilities with UOB, the Group is finalising its disposal of one of its' properties, 16A Joo Koon for a consideration of S$5,300,000 which was announced on 7 December 2022 and is expected to be finalised within 60 days. The proceeds of the disposal of 16A Joo Koon will be used to pay off the term loan of S$4,349,000 as at 31 March 2023 drawn by USPI Investment Pte Ltd. The remaining proceeds will be used to pay off the Supra-UOB Facilities.

Further to that, the Group is also in the process of disposing two of its' properties and is intending to pare down the remaining balance of the Supra-UOB Facilities using proceeds from these disposals. Please refer to the Company's announcement dated 19 April 2023 on the Company's response (vii)(b) to SGX queries.

The above plan has been communicated with receivers in order to retain the Mortgaged Property for optimisation of the Group's facilities by consolidating its business operations under a single premise. Thus, reducing operation costs and also allowing key staff to work together in order to enhance operational and financial performance. The Company is currently in the negotiation stage with the receivers to realise the plan above.

The Company is presently taking advice and considering its options with regard to the said letter. The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate.

By Order of the Board
**USP GROUP LIMITED**

Tanoto Sau Ian
CEO, Executive Director and Managing Director
6 June 2023