USP GROUP LIMITED
(INCORPORATED IN SINGAPORE)
(COMPANY REGISTRATION NO.: 200409104W)

UPDATE ON LITIGATION WITH MSV SYSTEMS & SERVICES PTE LTD

Reference is made to the Company's Annual Reports for FYE 31 March 2017 (including the same for the previous FYE), at Note 31, it was stated that Scientific & Industrial Instrumentation Pte Ltd ("**SII**"), a subsidiary of Supratechnic Pte Ltd ("**Supratechnic**") and Mr Lim Joo Nam ("**Lim**") commenced a civil action against Mr Tan Teck Huat ("**Tan**"), Mr Sandro Matteucci and MSV Systems & Services Pte Ltd ("**MSV**").

USP Group Limited (the "**Company**") wishes to announce that the parties have entered into a confidential Settlement Agreement as of 23 October 2017. Pursuant to the Settlement Agreement, SII has agreed to sell its 40% stake in MSV to Tan for USD$1,000,000.00. All claims, counterclaims, and allegations therein have been withdrawn by the parties to the suit, including all the allegations stated below.

Lim and SII had alleged that Tan has displayed a persistent course of conduct of causing MSV to enter into transactions in furtherance of his own personal interest and the interests of other parties not related to Supratechnic, to the detriment of the interest of the minority shareholders. SII and Lim, being minority shareholders did not have any representatives on MSV's board of directors from March 2014 and did not have any means to take control of MSV to prevent and/or rectify the wrongful conduct of Tan.

In defence to the above, Tan has alleged and/or claimed as follows:

1. That every action undertaken by him was in the best interest of MSV and never in his personal interest or that of any other parties unrelated to Supratechnic;

2. That his actions have never been to the detriment of the interest of any shareholder of MSV;

3. Every action undertaken by him was with the knowledge and consent of Lim and SII;

4. Lim and SII have never attempted to prevent and/or rectify the alleged wrongful conduct until a meeting on 16 September 2014, which Tan has claimed to be part of the conspiracy against him; and

5. SII and Lim have always held a majority on the board of MSV and thus always had control of the same up until their voluntary resignation in March 2014.

The Company is not a party to the above litigation and make no admissions or confirmations as to the allegations or claims made by any of the parties in the same.

The Company has taken all reasonable care to ensure that the facts stated in this announcement is fair and accurate in all material aspects as at the date hereof.

BY ORDER OF THE BOARD
USP Group Limited

Li Hua
(Executive Chairman and Chief Executive Officer)
10 November 2017