

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

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**UPDATE ON THE PROPOSED ACQUISITION OF KOON CHENG DEVELOPMENT PTE LTD**

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- 1.1. Reference is made to the announcement by the Company dated 18 December 2015 in relation to the Proposed Acquisition of Koon Cheng Development Pte Ltd (the "**Target**") by its subsidiary USP Properties Pte Ltd ("**USPP**") (the "**Announcement**"). Unless otherwise specified, capitalized terms used in this update shall have the same meanings as those defined in the Announcement.
- 1.2. As stated in the Announcement, the payment and full settlement of the Consideration will be effected in the following manner:-
- (a) the transfer of S\$24,000,000 in immediately available funds to the bank account of the Vendor ("**Cash Consideration**"); and
  - (b) the issuance by the Company to the Vendor (and/or its assignee) of such number of new shares in the capital of the Company ("**Shares**") as shall, at the issue price of S\$0.0608 per Share, have an aggregate issue price of S\$8,000,000 (the "**Consideration Shares**"). The issue price per Share is subject to adjustments in the event of any subdivision or consolidation of the shares in the Company. The Consideration Shares, when allotted and issued, will be credited as fully paid for, free and clear of all Encumbrances and will rank *pari passu* with all existing Shares.
- 1.3. The Company would like to update that it will be satisfying the issuance of the Consideration Shares, amounting to 131,578,947 Shares, by way of: (i) issuance of 117,633,576 new Shares (the "**New Shares Portion**") and (ii) transfer of 13,945,371 treasury shares from the Company's share buy-back account (the "**Treasury Shares Portion**").
- 1.4. The Company has the authority to issue Shares under the general mandate approved by the Shareholders at the Company's annual general meeting held on 31 July 2015 (the "**General Mandate**"). The New Shares Portion will be issued pursuant to the General Mandate. Accordingly, the Company will be making an application to the SGX-ST for the dealing in, listing of and quotation of the New Shares Portion on the Main Board of the SGX-ST and will update the Shareholders on the outcome of the application in due course. The Company will also inform the Shareholders upon the transfer of the Treasury Shares Portion as required under Rule 704(28).

**2. CAUTIONARY STATEMENT**

Shareholders and potential investors should note that Proposed Acquisition is subject to certain conditions and there is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bankers, solicitors or other professional advisers if they have any doubt about the actions they should take. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition.

**BY ORDER OF THE BOARD**

Li Hua  
Executive Chairman  
8 January 2016