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MEDIA RELEASE

USP GROUP RECORDS NET PROFIT OF S$0.97 MILLION FOR THE THIRD QUARTER

Singapore, 9 February 2018 – Mainboard-listed, USP Group Limited ("USP" or "Group"), a diverse business group, today reported a net profit of S$0.97 million for the three months ended on 31 December 2017 (Q3FY2018) as compared to a loss of S$2.92 million for the corresponding period last year (Q3FY2017).

The Group's total revenue stood at S$9.59 million (Q3FY18) which was 11.4 per cent higher as compared to S$8.61 million for Q3FY17. Gross profit was 7.4 per cent lower from S$3.67 million in Q3FY17 to S$3.40 million in Q3FY18.

Selling and distribution expenses for the Group increased by 72.5% to S$0.33 million in Q3FY18 compared to S$0.19 million in Q3FY17. The increase was attributed to higher expenses which corresponded with the increase in revenue.

The Group's net profit for the third quarter was boosted by the exceptional gain on the divestment of MSV Systems which amounted to S$1.16 million. As a result, EBITDA increased to a positive S$1.99 million for Q3FY18 as compared to a negative EBITDA of S$1.98 million for the corresponding period last year.

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Commenting on the Group's third quarter results, Mr Li Hua, Executive Chairman & Chief Executive Officer of USP Group Ltd, said: "The Group's marine business which was represented by the Supratechnic Group has performed well under the "Mercury" brand. We expect better performance as the brand gains wider market acceptance and our expansion to the neighbouring countries. As part of the expansion plans, we have incorporated two new entities in Brunei and Malaysia during the last quarter of 2017 to sell the 'Mercury' brand of high quality outboard motors in these 2 countries."

"The growth of the marine business was partly set off by slower performance in the recycling of waste oil and property segment. Nevertheless, the oil segment is expected to make a positive contribution to the group's financials. Meanwhile, there is a delay in obtaining the TOP at 71 Blandford. However, the TOP is expected to be obtained by the end of March," added Mr Li.

The Group's earnings per ordinary share increased from negative (2.82) cents for Q3FY17 to 1.07 cents for Q3FY18. As at 31 December 2017, the Group's net asset value per ordinary share was at 55.51 cents. All of the above are based on the issued share capital of 90,658,303 ordinary shares (excluding treasury shares).

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About USP Group Limited (USP)
USP Group Limited ("USP") was listed on the mainboard of Singapore Exchange Securities Trading Limited ("SGX") in 2007 as Unionmet (Singapore) Limited. The company changed its name to USP Group Limited in 2015 after a restructuring exercise in 2013 which put in place the current management team.

Headquartered in Singapore, USP Group has diverse business sectors – distributorships/dealerships, calibration of environmental equipment (through the acquisition of Supratechnic Pte Ltd in 2016), property investments and recycling of waste oil. USP is now the sole distributor of "Mercury" marine products in Singapore, East & West Malaysia, Brunei and Indonesia.

The Group also has exclusive distribution rights in Singapore and Indonesia for IQ Air, a world leading Swiss air filter manufacturer for consumers and the medical industry as well as distributor for pharmaceutical and lab calibration services.

For recycling of waste oil, USP is the exclusive partner of the PUB. It provides solutions to process greasy water into biochemical and biofuels. The Group's property investments include 2 blocks of industrial properties and a workers dormitory in Woodlands.

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