USP GROUP LIMITED
(Incorporated in Singapore)
(Company Registration No.: 200409104W)

NOTIFICATION OF INCLUSION ON THE WATCH-LIST DUE TO THE FINANCIAL ENTRY CRITERIA WITH EFFECT FROM 4 DECEMBER 2019

The Board of Directors of USP Group Limited (the **"Company"**) wishes to announce that the Singapore Exchange Securities Trading Limited (the "SGX-ST") has notified the Company on 3 December 2019 that it had conducted its half-yearly reviews to identify issuers to be included on the Watch-list. Pursuant to their recent review, the Exchange noted that the Company had recorded:

(i) pre-tax losses for the three most recently completed consecutive financial years (based on audited full year consolidated accounts); and

(ii) an average daily market capitalization of less than S$40 million over the last 6 months.

Pursuant to Listing Rule 1311(1), the Company will be placed on the Watch-list due to the Financial Entry Criteria with effect from 4 December 2019.

The Company will have to take active steps to restore its financial health and meet the requirements of Listing Rule 1314(1) within 36 months from 4 December 2019, failing which the SGX-ST will delist the Company or suspend trading of the Company's shares with a view to delisting the Company.

Listing Rule 1314(1) states that the Company may apply for removal from the Watch-list if it records a consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S$40 million or more over the last 6 months.

For and on behalf of
USP Group Limited

4 December 2019