Incorporated in the Republic of Singapore
Company Registration No. 200409104W

SGXNET ANNOUNCEMENT 14 August 2026

PROPOSED LOAN CONVERSION AND ISSUE OF CONVERSION SHARES

1. INTRODUCTION

1.1. The Board of Directors (the "**Board**" or "**Directors**") of USP Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement dated 20 September 2025 (the "**Previous Announcement**") in relation to the entry into the conditional loan facility agreement dated 19 September 2025 (the "**Agreement**") between the Company and Ascendro Group (the "**Lender**"). Unless otherwise defined herein, capitalised terms used in this announcement shall have the meanings ascribed to them in the Previous Announcement.

1.2. Following the discharge of the Company from judicial management with effect from 18 July 2026 and with a view to resuming trading of the Company's Shares on the Mainboard of the SGX-ST, the Board wishes to announce that the Company has on 14 August 2026 received a letter from the Lender (the "**Confirmation Letter**") pursuant to which the Lender confirmed, amongst others, that it is agreeable to the Capitalisation, subject to the terms of the Agreement.

2. CAPITALISATION

2.1. As at the date of this announcement, the non-interest bearing Loan in the principal amount of S$3,000,000 has been fully disbursed by the Lender in accordance with the terms of the Agreement. In line with the information disclosed in the Previous Announcement, the proceeds of the Loan have been applied as follows:

(a) S$2,000,000 towards the payment of the creditors of the Company under the scheme of arrangement between the Company and its creditors under Part 7 of the Companies Act 1967 of Singapore and Part 5 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore ("**Creditors' Scheme**"), except for a residual balance of S$21,682.36 which remains in the designated trust account of the former Judicial Managers of the Company, which is payable to three (3) remaining creditors under the Creditors' Scheme;

(b) S$1,000,000 towards the payment of professional fees and expenses in connection with restructuring purposes of the Group, including all work leading to implementation of the Creditors' Scheme.

2.2. As stated in the Previous Announcement, the Loan shall be automatically capitalised into new Shares, credited as fully paid-up, free from any and all encumbrances and ranking *pari passu* with all existing Shares, upon satisfaction of certain conditions, including, amongst others:

(a) the approval of the shareholders of the Company ("**Shareholders**") at the EGM to be convened for the Capitalisation;

(b) the receipt of all necessary approvals from the SGX-ST for the issuance of the Conversion Shares (including the approval in-principle ("**AIP**") for the listing of and quotation for the Conversion Shares on the Mainboard of the SGX-ST) and the resumption of trading of the Shares on the SGX-ST; and

(c) the Lender having obtained a waiver from the SIC from the requirement to make a mandatory offer under the Singapore Code on Take-overs and Mergers (the "**Code**"), and such waiver having been approved by Shareholders at the aforesaid EGM.

2.3. Pursuant to the terms of the Agreement, the number of Conversion Shares to be issued shall be calculated with the intention that the Lender shall hold 75% of the total issued share capital of the Company (excluding treasury shares) immediately following such issuance. Based on 90,287,403 issued Shares (excluding treasury shares) as at the date of this announcement, the number of Conversion Shares to be allotted and issued to the Lender pursuant to the Capitalisation shall be 270,862,209 Conversion Shares. The Conversion Shares represent approximately 300% of the existing share capital of the Company.

2.4. In accordance with the terms of the Agreement, the issue price per Conversion Share shall be S$0.011 ("**Conversion Price**"). The Conversion Price represents a discount of approximately 73.6% to the volume weighted average price of S$0.042 per Share for trades done on the SGX-ST for the full market day on 21 February 2024, being the last full market day preceding the trading suspension of the Company on 23 February 2024.

2.5. Upon the allotment and issuance of the Conversion Shares in accordance with the Agreement, such allotment and issuance shall constitute full and final satisfaction of the Loan, the Company's obligation to repay the Loan shall be fully and finally discharged, the Lender shall have no further claim against the Company in respect of the Loan, and all rights accruing to the Lender in relation to the Loan shall be extinguished.

3. INFORMATION RELATING TO THE LENDER

3.1. The Lender is an exempted company incorporated under the laws of the Cayman Islands on 24 July 2025. The Lender's principal activity is investment holding. As at the date of this announcement, the Lender has a total issued and paid-up share capital of US$100 comprising 100 ordinary shares of par value US$1.00 each in the capital of the Lender. The sole shareholder and director of the Lender is Maio Dangi ("**Lender Shareholder**"). The Lender Shareholder was appointed as a Non-Independent Non-Executive Deputy Chairperson of the Company on 30 July 2026.

3.2. As at the date of this announcement, neither the Lender nor the Lender Shareholder holds any shares in the Company. To the best of the knowledge of the Company, and as confirmed by the Lender Shareholder, none of the associates of the Lender or the Lender Shareholder holds any shares in the Company.

3.3. The Lender became aware of the Company through press reports in connection with the Company's restructuring and, upon learning of the appointment of the former Judicial Managers, approached the former Judicial Managers directly. The terms of the Loan were negotiated on an arm's length basis between the Lender and the former Judicial Managers, and no introducer or intermediary was involved. The Lender is committed to supporting the fundraising of the Company to ensure its continued viability and the Loan was therefore provided to fund: (a) professional fees and expenses in connection with the restructuring of the Group, including implementation of the Creditors' Scheme and the holding of the EGM; and (b) the discharge of the outstanding debts of the Company's creditors under the Creditors' Scheme.

4. TRANSFER OF CONTROLLING INTEREST

4.1. Pursuant to Rule 803 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Under the Listing Manual, a controlling shareholder is a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company or in fact exercises control over a company.

4.2. As at the date of this announcement, the Lender does not hold any Shares. Following the allotment and issuance of the Conversion Shares, the Lender's shareholding interest in the Company is expected to increase to 75% of the enlarged issued share capital of the Company, resulting in the transfer of a controlling interest in the Company to the Lender ("**Transfer of Controlling Interest**").

4.3. Accordingly, the proposed issuance of the Conversion Shares to the Lender in accordance with the Agreement will be subject to Shareholders' approval at the EGM to be convened under Rule 803 of the Listing Manual.

5. APPROVALS

5.1. Rule 804 of the Listing Manual

(a) Rule 804 of the Listing Manual provides, *inter alia*, that except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Listing Manual, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

(b) Maio Dangi is the Non-Independent Non-Executive Deputy Chairperson of the Company and holds the entire issued share capital of the Lender. Therefore, the Lender is an associate of Maio Dangi for the purposes of the Listing Manual, and the proposed allotment and issuance of the Conversion Shares to the Lender under the Agreement constitutes an issue of securities to an associate of a director.

(c) Accordingly, the Company will be seeking Shareholders' approval at the EGM to be convened for the allotment and issuance of the Conversion Shares to the Lender. Maio Dangi and her associates will abstain from voting on the resolution relating to the proposed issuance of the Conversion Shares.

5.2. Rule 805(1) of the Listing Manual

(a) Section 161 of the Companies Act 1967 of Singapore and Rule 805(1) of the Listing Manual provide, *inter alia*, that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares of the issuer unless the issue of shares of the issuer is made pursuant to a general mandate previously obtained from shareholders of the issuer by resolution in a general meeting as provided in Rule 806(1) of the Listing Manual.

(b) Accordingly, the Company will convene an EGM to seek Shareholders' approval for the directors to allot and issue the Conversion Shares in accordance with the Agreement pursuant to Rule 805(1) of the Listing Manual.

5.3. **Rule 812 of the Listing Manual**

(a) Rule 812(1) and Rule 812(2) of the Listing Manual provide, *inter alia*, that an issue of shares must not be placed to an issuer's directors and corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10% unless specific shareholders' approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement.

(b) As mentioned above, Maio Dangi is the Non-Independent Non-Executive Deputy Chairperson of the Company and holds the entire issued share capital of the Lender.

(c) Pursuant to Rule 812 of the Listing Manual, as the proposed issuance of Conversion Shares under the Agreement constitutes a placement to a corporation in whose shares the director of the Company has an aggregate interest of at least 10%, the Company will be seeking specific Shareholders' approval at the EGM to be convened for the placement. Maio Dangi, and her associates, will abstain from voting on the resolution approving the proposed issuance.

6. WHITEWASH WAIVER

6.1. As the Lender's aggregate voting rights in the Company will exceed 30% following the allotment and issuance of the Conversion Shares, the Lender will incur an obligation to make a mandatory general offer pursuant to Rule 14 of the Code as a result of its subscription of the Conversion Shares, unless the SIC grants a waiver of the obligation of the Lender and its concert parties to make a mandatory general offer under Rule 14 of the Code for the Shares not held by the Lender and its concert parties following the allotment and issuance of the Conversion Shares to the Lender (the "**Whitewash Waiver**").

6.2. Accordingly, an application has been submitted to the SIC on the date of this announcement to seek the Whitewash Waiver. If the Whitewash Waiver is granted by the SIC, the Company will be seeking independent Shareholders' approval for the waiver of their rights to receive a general offer from the Lender and its concert parties arising from and in connection with the Lender's subscription of the Conversion Shares (the "**Whitewash Resolution**") and an independent financial adviser ("**IFA**") will also be appointed to advise the Directors who are independent for the purposes of the Whitewash Resolution on whether the terms of the Capitalisation are fair and reasonable. The IFA's opinion in relation to the Whitewash Waiver will be included in the Circular (as defined below). The Company will make the necessary announcement upon receipt of the Whitewash Waiver.

7. ADDITIONAL LISTING APPLICATION

7.1. The Company will be making an application to the SGX-ST for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST, at the same time it submits its resumption of trading proposal to the SGX-ST. The Company will make the necessary announcement once the AIP for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST has been obtained.

7.2. Pursuant to the Confirmation Letter, the Lender has agreed that, where Shareholders' approval for the Capitalisation has been obtained at the EGM but the AIP has not yet been received, the Conversion Shares may be allotted and issued to the Lender in certificated form. Accordingly, completion of the Capitalisation is not conditional upon the receipt of the AIP for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST nor the approval in-principle for the resumption of trading of the Shares. Such certificated Shares will be converted into scripless form for trading on the SGX-ST upon receipt of the AIP.

8. CHANGE IN SHAREHOLDINGS

8.1. Based on the Company's existing issued share capital of 90,287,403 Shares (excluding treasury shares), the Company's total issued share capital following completion of the Capitalisation is expected to be 361,149,612 Shares.

8.2. The shareholding interests of the Directors and substantial Shareholders of the Company as at the date of this announcement and immediately after the issue of the Conversion Shares to the Lender, are set out below:

	As at the date of this announcement				After issue of Conversion Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Director								
Tan Wei Yang, Melvin	10,225,000	11.32	-	-	10,225,000	2.83	-	-
Maio Dangi(3)	-	-	-	-	-	-	270,862,209	75.00
Substantial Shareholders (other than Directors)								
Tanoto Sau Ian	19,128,000	21.19	-	-	19,128,000	5.30	-	-
Lee King Anne	9,100,817	10.08	-	-	9,100,817	2.52	-	-
Oon Koon Cheng	26,026,710	28.83	-	-	26,026,710	7.21	-	-
Ascendro Group	-	-	-	-	270,862,209	75.00	-	-
Other Shareholders	25,806,876	28.58	-	-	25,806,876	7.15	-	-
Total	90,287,403	100.00	-	-	361,149,612	100.00	270,862,209	75.00

Notes:

(1) The percentages of issued share capital are calculated based on 90,287,403 issued Shares (excluding treasury shares) in the capital of the Company as at the date of this announcement.

(2) The percentages of issued share capital are calculated based on 361,149,612 issued Shares (excluding treasury shares) in the capital of the Company immediately after the issue of the Conversion Shares.

(3) Maio Dangi is the sole shareholder of Ascendro Group. Therefore, Maio Dangi is deemed interested in the 270,862,209 Shares to be issued to Ascendro Group pursuant to the Capitalisation pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.

9. FINANCIAL EFFECTS OF THE CAPITALISATION

9.1. Assumptions

The financial effects of the allotment and issue of the Conversion Shares on the share capital, the net asset value ("**NAV**") per Share and the earnings per Share ("**EPS**") of the Group are set out below. The financial effects, which have been prepared based on the audited consolidated financial

statements of the Group for the financial year ended 31 March 2021, are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the allotment and issue of the Conversion Shares.

For illustration purposes only, the financial effects of the allotment and issue of the maximum number of Conversion Shares have been computed based on the following assumptions:

(a) the financial effects on the share capital and the NAV per Share of the Group have been computed assuming that the allotment and issue of the maximum number of Conversion Shares was completed on 31 March 2021;

(b) the financial effects on the EPS of the Group have been computed assuming that the allotment and issue of the Conversion Shares was completed on 1 April 2020; and

(c) no other new Shares are issued for the period from the date of this announcement until the allotment and issue of the maximum number of Conversion Shares.

9.2. Share Capital

	Before issue of Conversion Shares	After issue of Conversion Shares
Number of Shares[(1)]	90,287,403	361,149,612
Issued and paid-up capital (S$)	67,241,695	70,241,695

Note:

(1) This excludes the 634,600 Shares held as treasury shares.

9.3. NAV per Share

	Before issue of Conversion Shares	After issue of Conversion Shares
NAV[(1)](S$'000)	22,109	7,736
Number of Shares[(2)]	90,287,403	361,149,612
NAV per Share (S$)	0.25	0.021

Notes:

(1) NAV is computed based on the equity attributable to owners of the Company. Based on the information available to the Company as at the date of this announcement, the NAV of the Group after the issue of the Conversion Shares has been adjusted based on the audited NAV of the Group as at 31 March 2021, taking into account, amongst others, subsequent material transactions and events up to the date of this announcement, including: (i) the cancellation of Shares previously issued by the Company of S$259,000; (ii) the write-off of creditors and loss arising from the disposal of the biofuel business of S$78,000; (iii) the loss arising from the disposal of the property at Unity Centre of S$230,000; (iv) the estimated gain arising from the extinguishment and/or compromise of liabilities pursuant to the Creditors' Scheme of S$2,554,000; (v) professional fees and expenses incurred in connection with the judicial management and the Creditors' Scheme of S$998,000; and (vi) the losses on liquidation of certain subsidiaries of S$15,520,000.

(2) This excludes the 634,600 Shares held as treasury shares.

9.4. **EPS**

	Before issue of Conversion Shares	After issue of Conversion Shares
Earnings attributable to owners of the Company[(1)] (S$'000)	(1,477)	(15,591)
Number of Shares[(2)]	90,287,403	361,149,612
EPS (S$)	(0.016)	(0.043)

Note:

(1) EPS after the issue of the Conversion Shares has been adjusted to take into account, amongst others, (i) the estimated gain arising from the extinguishment and/or waiver of liabilities pursuant to the Creditors' Scheme; (ii) professional fees and expenses incurred in connection with the judicial management and the Creditors' Scheme; (iii) the write-off of creditors and loss arising from the disposal of the biofuel business; (iv) the loss arising from the disposal of the property at Unity Centre; and (v) the losses on liquidation of certain subsidiaries.

(2) This excludes the 634,600 Shares held as treasury shares.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

10.1. As disclosed in paragraph 3.1 above, the sole shareholder and director of the Lender is Maio Dangi, the Non-Independent Non-Executive Deputy Chairperson of the Company.

10.2. Save as disclosed above, none of the Directors or controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Capitalisation, other than through their respective shareholdings (if any) in the Company.

11. CIRCULAR AND EGM

The Company will be convening an EGM to seek Shareholders' approval for, amongst others, the Capitalisation, the Transfer of Controlling Interest to the Lender and the Whitewash Resolution. A circular containing, *inter alia,* the notice of the EGM and details of the Capitalisation, the Transfer of Controlling Interest to the Lender and the Whitewash Resolution (the "**Circular**") will be despatched to the Shareholders in due course.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Agreement and the Confirmation Letter are available for inspection at the registered office of the Company at 141 Cecil Street, #07-06, Tung Ann Association Building, Singapore 069541 during normal business hours for three (3) months from the date of this announcement.

13. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Capitalisation remains subject to the satisfaction of the relevant conditions and there is no assurance that the Capitalisation will be completed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and, if in any doubt, to consult their professional advisers.

BY ORDER OF THE BOARD
USP Group Limited

Leow Yong Kin
Chief Financial Officer and Joint Company Secretary

14 August 2026