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

UPDATE TO THE MARINE BUSINES

Further to the announcement dated 5 November 2016 where the Company disclosed that it was in discussions with existing and new principals for the Marine business, the Board of Directors of USP Group Limited (the "Company") wishes to announce that it has entered into a Distribution Agreement with Mercury Marine Singapore Pte Ltd ("Mercury") where its 100% subsidiary, Supratechnic Pte Ltd will be appointed the exclusive distributor of Mercury products including Mercury outboard motors, Mercruiser Sterndrives and Inboard Engines, Mercury Diesel Sterndrives and Inboard Engines and Quicksilver lubricants, parts and accessories, for Singapore and Malaysia with effect from 1 December 2016 for a period of 3 years and extendable for another 3 years subject to performance conditions. The parties are also in discussion for other territories which will be announced later.

Pursuant to the agreement with Mercury, the Group's subsidiaries, Supratechnic Pte Ltd and Supratechnic Malaysia Sdn Bhd, will be terminating their relationship with Yamaha Motor Distribution Singapore Pte Ltd, with effect from 31 December 2016 and are in discussions with them for a smooth handing over.

As previously mentioned, the Group will be seeking shareholders' approval to endorse the marine business in the near future.

BY ORDER OF THE BOARD

Li Hua
(Executive Chairman and Chief Executive Officer)
2 December 2016