USP Group Limited

First Quarter Ended 31 March 2017 Results for USP Group Limited

The Company is pleased to announce its unaudited First Quarter Results for the year ended 31 March 2017 ("**Q1 2017**") after the Group started its new phase since two major acquisitions in February and March 2016. The financial summary is below:

- Group revenue grew by 11 times to S$10.3 million compared to S$0.8 million in the comparative period last year. Revenue contributed by Supratechnic and Koon Cheng for 1Q2017 was S$8.8 million and S$0.9 million respectively whereas revenue for the Group's Oil business consisting of Biofuel Research and USP Oil was S$0.6 mil for the period.

- Net cash inflow generated from operating activities is S$0.9 million compared to net cash outflow in operating activities of S$1.7 million in the comparative period last year.

- Current assets dropped from S$31.1 million to $29.5 million, i.e. a decrease of S$1.6 million while current liabilities dropped from S$22.9 mil to S$20.9 million, i.e. a decrease of S$2.0 million. Cash and short-term deposits increased to S$6.5 million as at 30 June.

- Earnings after interest before depreciation and income tax for the Group is S$1.1 million compared to a negative earnings after interest before depreciation and income tax S$0.6 million in the comparative period last year.

- Net assets of the Company increased slightly to S$55.8 million and net asset per share of 66.54 cents as at 30 June 2016.

Moving forward, Management is confident of the contribution of revenue, cash and earnings from operating activities by the key subsidiaries.

BY ORDER OF THE BOARD

Li Hua

Executive Chairman

3 August 2016