CIRCULAR DATED 22 JANUARY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Tanoto Sau Ian and Tan Khoon Yong, members of USP Group Limited (the "Company"). If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the Company, you should immediately forward this Circular and the attached Notice of Extraordinary General Meeting and Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

CIRCULAR TO SHAREHOLDERS OF USP GROUP LIMITED

IN RELATION TO

THE PROPOSED REMOVAL OF THE EXISTING DIRECTORS OF THE COMPANY AND THE APPOINTMENT OF NEW DIRECTORS

IMPORTANT DATES AND TIMES

Last date, time and place for deposit of Proxy Form	:	**10.30 a.m. on 18 February 2020 at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767**
Date and time of Extraordinary General Meeting	:	**10.30 a.m. on 20 February 2020**
Place of Extraordinary General Meeting	:	**Lee & Lee, Advocates & Solicitors, 50 Raffles Place, #06-00, Singapore Land Tower, Singapore 048623**

Date: 22 January 2020

To the Shareholders of
USP Group Limited (the "**Company**")

Dear Shareholders,

NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE COMPANY

1. We refer to the Notice of Extraordinary General Meeting (the "**EGM**") of the Company to be held on 20 February 2020 by ourselves, Tanoto Sau Ian and Tan Khoon Yong, as shareholders of the Company (the "**Requisitioning Members**"), pursuant to Section 177 of the Companies Act (Cap. 50) of Singapore, for the purpose of considering, and if thought fit, passing ordinary resolutions to:

   (a) remove Mr Siew Chen Yei, Mr Tay Tian Leng, Mr Yip Mun Foong, Mr Ong Sie Hou Raymond @ Zaim and Mr Chan Siew Wei as directors of the Company;

   (b) appoint Mr Tanoto Sau Ian, Ms Mak Chung Yee, Mr Tan Wee Peng Kelvin and Mr Low Chee Chiew as directors of the Company; and

   (c) remove any director of the Company who may be appointed between 10 January 2020 and the date of the EGM,

   collectively, the "**Proposed Resolutions**".

2. As at the date hereof, the Requisitioning Members hold in aggregate approximately 23.28%[1] of the total number of issued shares of the Company (excluding treasury shares), thus meeting the requirement of the requisitioning shareholders holding not less than 10% of the total number of issued shares of the Company (excluding treasury shares) pursuant to Section 177 of the Companies Act.

3. We wish to express our dissatisfaction with the under-utilisation of the group's assets that we have observed. We are of the view that the Company has strong financial potential, which has not been realised. Accordingly, we are of the view that more can be done to enhance the performance of the Company and maximise shareholder value for the benefit of all the Company's shareholders.

4. In this regard, it is our firm belief that the proposed members of the new board of directors ("**Proposed New Board**"), with a strong sense of direction and a keen understanding of the opportunities and risks faced by the Company, will be able to spearhead the Company in the right direction moving forward.

5. If appointed, the Proposed New Board plans to adopt a more robust approach centering around the proposed expansion of the group's business into the region, with a primary focus on Indonesia. The Proposed New Board is of the view that the local Singaporean market is too small for the Company's commercial activities, and that the Company should look to broaden its investment landscape and delve into new customer bases. At the same time, the Proposed New Board, if appointed, will continue to work towards developing the Company's main business in the areas of marine engineering, as represented by Supratechnic Pte Ltd ("**Supratechnic**") and SII Scientific (S) Ptd Ltd ("**SII**"), and impact investment, as represented by Biofuel Research Pte Ltd ("**Biofuel**"). Some of the key strategies that the Proposed New Board plans to implement are as follows:

[1] Calculated based on a total of 97,687,403 issued shares of the Company (excluding treasury shares), including the 7,400,000 shares purportedly issued to Dr Lim Boh Soon (former Chief Executive Officer of the Company), which are now the subject of court proceedings.

(a) Marine Engineering

The Proposed New Board, if appointed, plans to expand the Company's main core of commercial marine engineering into leisure marine and defence marine research and manufacturing. The purpose is to explore synergy within the niche marine market for new areas of business, cost reduction and profit maximisation.

The proposed leisure marine expansion encompasses leisure boat and equipment lease, charter and sales, servicing and maintenance, and organisation of sailing regatta and competition in the region.

The proposed defence marine expansion builds upon the current range of amphibious and marine boats that Supratechnic is already supplying locally to the region, with an emphasis on both Malaysia and Indonesia. It will also explore the conversion and supply of marine boats for fire-fighting in the region. SII will potentially benefit from this by the sale of precision equipment.

The Proposed New Board will also explore the possibility of expanding the Company's current distribution model of business to include partial manufacturing and maintenance. The Proposed New Board is of the view that a well-planned setup of servicing centres in the region is crucial to support the Company's sales and business, and will expand the current revenue stream which relies solely on distribution. This initiative is also expected to add growth, security, synergy and sustainability to the Company's business.

(b) Impact Investment

(i) *Waste Recycling.* Currently, Biofuel Research is involved in the recycling of waste trap in Singapore. The Proposed New Board intends to explore means to increase the production of Biofuel as there is still unutilised manufacturing capacity in the plants owned by the Company. The Proposed New Board also intends to expand this technology to the neighbouring countries which are also experiencing municipal waste disposal and recycling issues.

(ii) *Fire-Fighting.* As part of its attempts to offer a comprehensive and sustainable solution to the issues of annual forest fires in region and the resultant environmental and pecuniary damage, the Proposed New Board is working in tandem with Supratechnic towards increasing the supply of marine fire-fighting boats and other relevant equipment. The Proposed New Board is also in discussions with multiple manufacturers of green or biodegradable fire-fighting products for this project with a view to saving lives, minimising environmental and pecuniary damage, as well as preventing haze in the region.

(iii) *Alternative Energy Generation.* The Proposed New Board is currently working with private electricity power providers in Indonesia to shift their production away from fossil based fuel with a view to reducing the nation's carbon footprint and reliance on fossil fuel. The Proposed New Board believes that the Company should be part of the global trend to switch to alternative greener energy production to stop the depletion of fossil resources and the environmental pollution. The Proposed New Board is also currently in talks with multiple technological partners for this project.

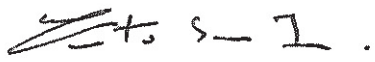
6. We are of the view that the existing board should be replaced to allow a new team to better deal with the aforementioned issues, and to maximise shareholder value for the benefit of all shareholders. We therefore wish to convene an EGM to seek the removal of the existing board (with the exception of Mr Yin Kum Choy) and to propose the appointment of Mr Tanoto Sau Ian, Ms Mak Chung Yee, Mr Tan Wee Peng Kelvin and Mr Low Chee Chiew as new directors to the board. A brief write-up on each of Mr Tanoto Sau Ian, Ms Mak Chung Yee, Mr Tan Wee Peng Kelvin and Mr Low Chee Chiew is set out in Appendix 1.

We hope to obtain your support at the forthcoming EGM. If you are unable to attend the EGM, we would be grateful if you could complete the attached proxy form and deposit it at the Company's registered office at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767.

Yours faithfully



Signature of Member
Name: Tan Khoon Yong
Number of shares: 46,500



Signature of Member
Name: Tanoto Sau Ian
Number of shares: 22,700,000

Brief Write-up on Proposed Directors

Mr Tanoto Sau Ian

Mr. Tanoto Sau Ian has more than 20 years of professional and work experience spanning across multiple disciplines. His prior banking and finance experience include financial trading, market research and treasury work in SIMEX, HSBC MARKETS and OCBC. He is currently with the Avallis Group, which offers private and investment banking services as well as trust and wealth management. In Indonesia, Mr Tanoto is with Nugraha, Leman and Partners as an Of Counsel, where he specialises in the analysis and handling of legal cases for both local and international clients in Indonesia. He is also involved in multiple cross-border corporate joint ventures, impact investments, private equity investments and financial projects with various Indonesian business groups. His other overseas business exposures include work with the Malaysian Palm Oil Board in China, China National Petroleum Corporation (Beijing), China-Australia Chamber of Commerce (AustChem Beijing), municipal waste water treatment projects in China as well as the trading and production of timber building materials from Indonesia and other countries to USA, Europe and Australia.

Ms Mak Chung Yee

Ms Mak Chung Yee's background is in the accounting and finance industry, and she is a regional compliance, internal control and enterprise risk management leader offering extensive years of compliance, internal auditing and risk consulting experience across a wide-range of companies operating in China and the South East Asia (SEA). Prior to her current employment as the senior manager of the SEA Risk and Compliance Department of PayPal Pte Ltd, she had been with professional risk consulting / internal audit firms such as Arthur Anderson, TransFingo Private Limited and Mazars LLP, and had previously headed the Corporate Internal Audit Department of Keppel Land Ltd. She is also currently with the Associate Faculty of Singapore Institute of Technology in relation to the Bachelor of Accountancy with Honors degree programme, and is an Audit Committee Member of The Institute of Internal Auditors, Singapore Chapter.

Mr Tan Wee Peng Kelvin

Mr Tan Wee Peng Kelvin has more than 30 years of professional and management experience in the private and public sectors in Singapore. He currently sits on the boards of SGX-listed companies including Eagle Hospitality REIT, IREITGlobal, Sabana REIT, UnUsUal, Global Investments, and Viking Offshore and Marine as an independent director and chairs their audit committees. He also advises other companies and private equity funds in the areas of corporate governance, finance and investments, business and corporate developments, M&As, and leadership development in addition to being an Adjunct Associate Professor with the National University of Singapore Business School.

Mr Low Chee Chiew

Mr Low Chee Chiew has substantial experience in managing business development, marketing and sales functions across Asia spanning 27 years in the electronics and finance industries. He currently sits on the board of Seroja Investments Limited, an SGX-listed company, as an independent director. Prior to this engagement, he sat on the board of another SGX-listed company, Jubilee Industries Holdings Ltd, and has had experience working with Maybank (Commercial Banking and Private Banking), as well as companies in the electronics industry including Singapore Chemicon Pte Ltd, Mektec Corporation Singapore, Innovex Inc. and 8i Technology Pte Ltd (a company founded by Mr Low).

NOTICE OF EXTRAORDINARY GENERAL. MEETING OF USP GROUP LIMITED (THE "COMPANY")

Company Registration Number 200409104W
(Incorporated in the Republic of Singapore)
Registered Office: 38 Beach Road, #29-11, South Beach Tower, Singapore 189767

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of the members of the Company called pursuant to Section 177 of the Companies Act (Cap. 50) will be held at 10.30 a.m. on 20 February 2020 at Lee & Lee, Advocates & Solicitors, 50 Raffles Place, #06-00, Singapore Land Tower, Singapore 048623, for the purpose of considering and if thought fit, passing the following resolutions and transacting the following businesses:

AS SPECIAL BUSINESS to consider and if thought fit, to pass the following Resolutions which will be proposed as Ordinary Resolutions:

1. That Mr Siew Chen Yei be removed from his office as a director of the Company with effect from the date of the EGM.

   (Resolution 1)

2. That Mr Tay Tian Leng be removed from his office as a director of the Company with effect from the date of the EGM.

   (Resolution 2)

3. That Mr Yip Mun Foong be removed from his office as a director of the Company with effect from the date of the EGM.

   (Resolution 3)

4. That Mr Ong Sie Hou Raymond @ Zaim be removed from his office as a director of the Company with effect from the date of the EGM.

   (Resolution 4)

5. That Mr Chan Siew Wei be removed from his office as a director of the Company with effect from the date of the EGM.

   (Resolution 5)

6. That Mr Tanoto Sau Ian be appointed as a director of the Company with effect from the date of the EGM.

   (Resolution 6)

   (Note: Mr Tanoto Sau will, upon his appointment as a director of the Company, become an executive director of the Company.)

7. That Ms Mak Chung Yee be appointed as a director of the Company with effect from the date of the EGM.

   (Resolution 7)

   (Note: Ms Mak Chung Yee will, upon her appointment as a director of the Company, become an independent non-executive director of the Company.)

8. That Mr Tan Wee Peng Kelvin be appointed as a director of the Company with effect from the date of the EGM.

   (Resolution 8)

   (Note: Mr Tan Wee Peng Kelvin will, upon his appointment as a director of the Company, become an independent non-executive director of the Company.)

9. That Mr Low Chee Chiew be appointed as a director of the Company with effect from the date of the EGM.

(Resolution 9)

(Note: Mr Low Chee Chiew will, upon his appointment as a director of the Company, become an independent non-executive director of the Company.)

10. That any director of the Company who may be appointed between 10 January 2020 and the date of the EGM be removed.

(Resolution 10)

The effect of each of Resolutions 1 to 5, if passed at the EGM, is to remove the director who is the subject of such resolution, such that the directorship held by such director shall cease with effect from the date of the EGM. If each of Resolutions 1 to 5 is passed at the EGM, the entire current board of the Company will be removed from office with effect from the date of the EGM, with the exception of Mr Yin Kum Choy.

The effect of Resolution 10, if passed at the EGM, is to remove any director of the Company who may be appointed between 10 January 2020 and the date of the EGM, such that the directorship held by such director (if any) shall cease with effect from the date of the EGM.

Dated this 22nd day of January 2020.

PURSUANT TO AN EXERCISE OF RIGHTS BY THE UNDERMENTIONED MEMBERS OF THE COMPANY, under section 177 of the Companies Act (Cap. 50).

Signature of Member
Name: Tan Khoon Yong
Number of shares: 46,500

Signature of Member
Name: Tanoto Sau Ian
Number of shares: 22,700,000

Notes:-

i. A member entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.

ii. Any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the EGM. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

iii. A corporation which is a member of the Company may, by resolution of its directors, authorise any person to act as its representative at the EGM, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual member of the Company.

iv. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767, not less than forty-eight (48) hours before the time set for holding the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

USP GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 200409104W)

PROXY FORM
EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Extraordinary General Meeting ("EGM") in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, CPF and SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Please read the notes to the Proxy Form.

I/We _____ NRIC/Passport/Co. Registration No. _____

of _____
being a member/members of USP Group Limited (the "**Company**") hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholders (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholders (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM of the Company to be held at 10.30 a.m. on 20 February 2020 at Lee & Lee, Advocates & Solicitors, 50 Raffles Place, #06-00, Singapore Land Tower, Singapore 048623 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their discretion.

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.

No.	Ordinary Resolutions Relating To:	For	Against
1.	That Mr Siew Chen Yei be removed from his office as a director of the Company with effect from the date of the EGM.		
2.	That Mr Tay Tian Leng be removed from his office as a director of the Company with effect from the date of the EGM.		
3.	That Mr Yip Mun Foong be removed from his office as a director of the Company with effect from the date of the EGM.		
4.	That Mr Ong Sie Hou Raymond @ Zaim be removed from his office as a director of the Company with effect from the date of the EGM.		
5.	That Mr Chan Siew Wei be removed from his office as a director of the Company with effect from the date of the EGM.		
6.	That Mr Tanoto Sau Ian be appointed as a director of the Company with effect from the date of the EGM.		
7.	That Ms Mak Chung Yee be appointed as a director of the Company with effect from the date of the EGM.		
8.	That Mr Tan Wee Peng Kelvin be appointed as a director of the Company with effect from the date of the EGM.		
9.	That Mr Low Chee Chiew be appointed as a director of the Company with effect from the date of the EGM.		
10.	That any director of the Company who may be appointed between 10 January 2020 and the date of the EGM be removed.		

Dated this _____ day of _____

Total Number of Shares Held

_____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his behalf at the EGM. Where a member appoints more than one (1) proxy, the proportion of his shareholding to be represented by each proxy shall be specified, failing which, the nomination shall be deemed to be alternative.

3. A proxy need not be a member of the Company.

4. For any member who acts as an intermediary pursuant to Section 181(6) of the Companies Act, Chapter 50, who is either:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act, Chapter 289 and holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

   You are entitled to appoint one (1) or more proxies to attend and vote at the EGM. Where such member's form of proxy appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. Please note that if any of your shareholdings are not specified in the list provided by the intermediary to the Company, the Company may have the sole discretion to disallow the said participation of the said proxy at the forthcoming EGM.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 not less than forty-eight (48) hours before the time set for holding the EGM.

6. The instrument appointing a proxy or proxies shall be in writing and signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. The dispensation of the use of common seal pursuant to Sections 41A, 41B and 41C of the Companies Act, Chapter 50 effective 31 March 2017 is applicable at this EGM.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the power of attorney or other authority or a notarially certified copy thereof shall be deposited at the Company's registered office at 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 not less than forty-eight (48) hours before the time set for holding the EGM or adjourned meeting. Otherwise, the person so named in the instrument of proxy shall not be entitled to vote in respect thereof.

8. A corporation which is a member may by resolution of its directors, authorise any person to act as its representative at the EGM.

General

The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in the case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy or proxies lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time set for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 22 January 2020.

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