

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

PROPOSED ALLOTMENT AND ISSUANCE OF 4,900,000 ORDINARY SHARES IN THE CAPITAL OF USP GROUP LIMITED

The Board of Directors ("**Directors**") of USP Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcements made by the Company on 30 September 2015, 13 December 2015, 18 February 2016, 4 March 2016, 8 March 2016, 11 March 2016 and 23 February 2017 in relation to the acquisition of Supratechnic Pte Ltd ("**Supratechnic**") pursuant to a conditional sale and purchase agreement dated 12 December 2015 ("**SPA**") ("**Announcements**").

Pursuant to the receipt of the notice of re-delivery dated 15 February 2017 from Precious Stream Holding Ltd ("**PSHL**") requesting the return of the Loaned Shares in accordance with the Share Lending Agreement, the Company would have to return 4,900,000 Shares to PSHL by 20 March 2017, being the first anniversary of the date of delivery of the Loaned Shares from PSHL.

As announced on 23 February 2017, the Company thus intends to facilitate the repayment of the Loaned Shares by the issuance of 4,900,000 new Shares ("**Repayment Shares**") pursuant to the general share issue mandate under Section 161 of the Companies Act (Cap. 50) granted by the shareholders of the Company at the annual general meeting of the Company held on 29 September 2016.

As at 20 March 2017, the Company has yet to receive the regulatory approvals and has written to PSHL to request for an extension of time on the issuance of the Repayment Shares. The Company has not received PSHL consent as of the date of this announcement.

The Company will inform Shareholders of the outcome of the extension in due course.

BY ORDER OF THE BOARD

Li Hua
(Executive Chairman and Chief Executive Officer)
21 March 2017