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

UPDATE TO THE MARINE BUSINES

Further to the announcement dated 2 December 2016 where the Company disclosed 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 ("Mercury Products").

The Company is pleased to announce that it has also secured the exclusive distributorship for Mercury Products for Indonesia and Brunei with effect from 2 January 2017 under the same term and conditions. This will treble the existing territorial rights for the Company with Indonesia market for outboard motors roughly twice the size of Malaysia market.

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)
3 January 2017