USP GROUP LIMITED
(INCORPORATED IN SINGAPORE)
(COMPANY REGISTRATION NO.: 200409104W)

TERMINATION OF THE CONDITIONAL SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL OF SHARES IN THE ISSUED CAPITAL OF A SUBSIDIARY, BIOFUEL RESEARCH PTE. LTD.

The Board of Directors ("**the Board**") of USP Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its previous announcement dated 8 August 2019. The Board wishes to announce that the Company and its subsidiary, USP Industrial Pte Ltd, will be terminating the conditional sale and purchase agreement ("**the Agreement**") entered on 7 August 2019 with AJ Jetting Pte Ltd ("**the Purchaser**").

Accordingly, pursuant to the Agreement, the Group will be paying a break fee of S$100,000 and a refund of the first payment amounting to S$1,500,000 to the Purchaser. In order to fulfil this obligation, the controlling shareholder, Mr Oon Koon Cheng, has kindly agreed to lend to the Company a sum of S$1,500,000 at an interest of 4% per annum for a loan period of 6 months.

The termination of the proposed disposal is not expected to have any material impact on the consolidated net tangible assets or consolidated earnings per share of the Company and the Group for the financial year ending 31 March 2020.

The Company will keep shareholders informed of any material developments, as and when appropriate.

For and on behalf of
USP Group Limited

12 December 2019