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MEDIA RELEASE**

### **USP GROUP RECORDS FIRST QUARTER NET PROFIT OF S\$0.14 MILLION**

**Singapore, 10 August 2018** – Mainboard-listed, USP Group Limited (“USP” or “Group”), a diverse business group, today reported a net profit of S\$0.14 million for the first quarter ended 30 June 2018 (1Q2019) as compared to a loss of S\$0.71 million for the corresponding period last year (1Q2018).

The Group’s total revenue stood at S\$10.34 million for 1Q2019 which was 12.0 per cent higher as compared to S\$9.23 million for 1Q2018. Gross profit for 1Q2019 was S\$4.21 million which was 4.3 per cent higher than 1Q2018 at S\$3.53 million. EDBITDA excluding extraordinary losses increased from S\$0.21 million for 1Q2018 to S\$1.35 million for 1Q2019.

Cost of sales increased 4.3 per cent from S\$5.88 million in 1Q2018 to S\$6.13 million in 1Q2019. This was in line with the rise in group revenue. However, selling and distribution expenses for the Group reduced by 19.3 per cent to S\$0.28 million in 1Q2019 compared to S\$0.34 million in 1Q2018.

Mr Li Hua, Executive Chairman & Chief Executive Officer of USP Group Ltd, said: “The Group’s growth in total revenue was largely contributed by the marine business which was represented by the Supratechnic Group. As for our recycling of waste oil sector, despite the marginal growth, it is expected to continue generating positive cashflow for the Group.”

On a fully diluted basis, the Group’s earnings per ordinary share increased from 0.17 cents for 1Q2019 as compared to (0.72) cents for 1Q2018. As at 30 June 2018, the Group’s net asset value per ordinary share was at 56.36 cents compared to 56.23 cents as at 31 March 2018. All of the above are based on the issued share capital of 90,287,403 ordinary shares.

### **Business Prospects**

#### Distributorship

With the increase in branches and locations in Indonesia and Malaysia, the marine business will continue to be the major revenue growth for the Group. Mercury Marine which is the principal of the Supratechnic Group has recently launched a new range of V6 and V8 engines. The performance of the engines is reported to be better than the existing range. Reception of these engines has been positive with our customers

and the Group expects this to be one of the key drivers of growth for the marine business.

The Group also brought in one unit of Fire Rescue Watercar which is an amphibious vehicle in July. It is now holding demonstrations for various interested parties.

#### Property Investments

The Group has obtained the Certificate of Statutory Completion (CSC) for 71 Blandford in June 2018 and approval has been secured to build up the existing two storey semi-detached unit to a two and a half storey semi-detached which can command a better selling price. However, this is expected to be dampened by the current soft residential property market as a result of the recently announced cooling measures by the government.

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#### **About USP Group Limited (USP)**

USP Group Limited (“USP”) was listed on the mainboard of Singapore Exchange Securities Trading Limited (“SGX”) in 2007 as Unionmet (Singapore) Limited. The company changed its name to USP Group Limited in 2015 after a restructuring exercise in 2013 which put in place the current management team.

Headquartered in Singapore, USP Group has diverse business sectors – distributorships/dealerships, calibration of environmental equipment (through the acquisition of Supratechnic Pte Ltd in 2016), property investments and recycling of waste oil. USP is now the sole distributor of “Mercury” marine products in Singapore, East & West Malaysia, Brunei and Indonesia.

The Group also has exclusive distribution rights in Singapore and Indonesia for IQ Air, a world leading Swiss air filter manufacturer for consumers and the medical industry as well as distributor for pharmaceutical and lab calibration services.

For recycling of waste oil, USP is the exclusive partner of the PUB. It provides solutions to process greasy water into biochemical and biofuels. The Group’s property investments include 2 blocks of industrial properties and a workers dormitory in Woodlands. For more information, please see [www.uspgroup.com.sg](http://www.uspgroup.com.sg).

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