

**USP GROUP LIMITED**  
(Company Registration No.: 200409104W)  
(Incorporated in the Republic of Singapore)  
(the "**Company**", with its subsidiaries, the "**Group**")

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**PROPOSED ACQUISITION OF SUPRATECHNIC PTE LTD - ENTRANCE INTO SHARE LENDING  
ARRANGEMENT WITH PRECIOUS STREAMS HOLDINGS LIMITED**

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**1. INTRODUCTION**

The Board of Directors (the "**Board**") of the Company refers to its announcements dated 30 September 2015, 13 December 2015, 18 February 2016 and 4 March 2016 in relation to its proposed acquisition of Supratechnic Pte Ltd (the "**Target**") (the "**Earlier Announcements**"). Unless otherwise defined herein, capitalised terms used in this Announcement shall have the meanings ascribed to them in the Earlier Announcements.

**2. SHARE LENDING ARRANGEMENT**

In the Company's announcement dated 13 December 2015, the Board had disclosed that part of the Consideration will be settled by the issuance to Management Vendor 2 of 49,000,000 Consideration Shares.

To facilitate the delivery of 49,000,000 Consideration Shares to Management Vendor 2 in furtherance of the Company's obligations under the SPA, the Company entered into a share lending agreement ("**Share Lending Agreement**") with Precious Streams Holdings Limited ("**Lender**") to borrow up to 49,000,000 shares in the capital of the Company ("**Loan Shares**") from the Lender ("**Share Lending Arrangement**"). These Loan Shares will be delivered directly to Management Vendor 2 on or before the Completion.

The Lender is deemed interested in 199,668,333 shares in the Company ("**Shares**"), being 25.35% of the Shares (excluding treasury shares), which are held under a nominee account with DBS Vickers Securities. Weng Huixin, a director of the Company, is the sole shareholder of the Lender, and is deemed interested in the 199,668,333 Shares.

The Share Lending Arrangement will be for a term of one (1) year (or such longer term as may be agreed between the Lender and the Company). No fees, interest or commission will be paid to the Lender or Weng Huixin for the Share Lending Arrangement.

Subject to the transfer of 49,000,000 Shares by the Lender to Management Vendor 2 by the Lender in furtherance of the Share Lending Arrangement, the Lender will hold 150,668,333 Shares, being 19.1% of the Shares (excluding treasury shares). Accordingly, the Lender and Weng Huixin will remain as controlling shareholders of the Company following such transfer in furtherance of the Share Lending Arrangement.

**3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as aforementioned, none of the Directors (other than in his capacity as a Director or Shareholder) and to the best of the Directors' knowledge, none of the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition or the Share Lending Arrangement.

#### **4. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Share Lending Arrangement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Announcement in its proper form and context.

#### **BY ORDER OF THE BOARD**

Li Hua  
Executive Chairman  
8 March 2016