

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

UPDATE ON THE IMPACT OF COVID-19 PANDEMIC ON OPERATIONS OF THE GROUP

The Board of Directors (the “**Board**”) of USP Group Limited (the “**Company**”) refers to the global outbreak of the COVID-19 and the Circuit Breaker Measures implemented by the Singapore Government.

Even with the Circuit Breaker Measures coming to an end and gradual reopening of the Singapore work premises, the pandemic situation will continue to evolve and the Company recognises that the economic and financial resources will remain challenging for the near future.

Although the Company cannot determine the financial impacts at this time due to the uncertainty of the operating environment for the Group’s various businesses, the key priority now is to conserve its financial resources. To do so, the key management personnel of the Group has voluntarily taken a 30% reduction in remuneration with the middle management and rest of the staff taking a cut ranging from 10% to 20%. Such pay reduction measures will take effect from 1 June 2020 until further notice. Other cost saving measures like headcount freeze has also been implemented to tide the Company through this difficult period.

Based on the financial results for 3Q2020, with staff costs accounting for close to 48% of the Group’s General and Admin expenses, the above pay cut measure will allow the Group to save close to S\$1 million in a year.

Beside cost controlling measures, the Company remains committed to explore new business growth and will continue to provide shareholders with relevant announcements should there be material updates.

For and on behalf of
USP Group Limited

Tanoto Sau Ian
Executive Director and Chief Executive Officer
1 June 2020