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

(I) ISSUE AND ALLOTMENT OF 1,228,011 NEW ORDINARY SHARES TO EU-NIC BUILDERS PTE LTD UNDER 2015 GENERAL MANDATE;

(II) ISSUE AND ALLOTMENT OF 4,900,000 NEW ORDINARY SHARES TO PRECIOUS STREAM HOLDINGS LTD UNDER 2016 GENERAL MANDATE

The Board of Directors ("**Directors**") of USP Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to (i) the announcements made by the Company on 13 November 2016 with respect to the issue and allotment of an aggregate of 1,228,011 new ordinary shares in the capital of the Company to Eu-nic Builders Pte Ltd, pursuant to the Construction Agreement with Eu-nic Builders Pte Ltd dated 20 September 2016 ("**Construction Agreement**") to undertake the construction of a 2-storey envelope control semi-detached dwelling house with a swimming pool on Lot 97396W MK18 at 71 Blandford Drive; and (ii) the announcements made by the Company on 30 September 2015, 13 December 2015, 18 February 2016, 4 March 2016, 8 March 2016, 11 March 2016, 23 February 2017, 21 March 2017 and 22 March 2017 in relation to the acquisition of Supratechnic Pte Ltd pursuant to a conditional sale and purchase agreement dated 12 December 2015 and the share lending agreement between Precious Stream Holdings Ltd dated 8 March 2016 ("**Share Lending Agreement**").

(I) ISSUE AND ALLOTMENT OF 1,228,011 NEW ORDINARY SHARES TO EU-NIC BUILDERS PTE LTD UNDER 2015 GENERAL MANDATE

The abovementioned new ordinary shares were issued on 23 March 2017 at an issue price of S$0.086 as down payment under the Construction Agreement signed on 20 September 2016. The shares are priced at a 0.2% premium over the volume weighted average price of S$0.08579 for the trades done on 26 September 2016 (as there were no trades done on 27 and 28 September 2016).

Further, the Company would like to provide better clarity on the below matters:

1. *Why Eu-Nic Builders subsequently agreed having the down payment of S$105,609 consisting of 15% of the base contract amount to be paid through the issuance of 1,228,011 new shares?*

   Eu-nic subsequently agreed to receive the down payment in form of shares as they believe the value of the Company's shares would appreciate over time and worth more than the money they would receive if the down payment is made in cash.

2. *Provide an explanation on how the Company will pay off the remaining balance of the Contract Sum pursuant to the Construction Agreement*

   The Company is expected to pay for the remainder amount from internal cash resources.

(II) ISSUE AND ALLOTMENT OF 4,900,000 NEW ORDINARY SHARES TO PRECIOUS STREAM HOLDINGS LTD UNDER 2016 GENERAL MANDATE

Further to the Announcements, the Company is pleased to announce that the abovementioned new ordinary shares were issued on 23 March 2017 at an issue price of S$0.195 as full repayment under the Share Lending Agreement.

All new ordinary shares are expected to be listed and quoted on the Singapore Exchange Securities Trading Limited no later than 31 March 2017 and will rank pari passu in all respects with the existing shares of the Company.

Pursuant to the above issue and allotment of new ordinary shares, the number of issued and paid up shares in the capital of the Company has increased from 83,768,352 to 89,896,363.

BY ORDER OF THE BOARD

Li Hua
(Executive Chairman and Chief Executive Officer)
23 March 2017