

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

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**ADJOURNMENT OF EXTRAORDINARY GENERAL MEETING ("EGM") - UPDATE**

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The Company refers to the Extraordinary General Meeting ("EGM") convened by Mr Joshua Huang Thien En ("Mr Huang") and held on 8 May 2017, which has been adjourned to 24 May 2017 at 2:30pm at the same venue as announced on SGX-ST on 9 May 2017.

The Board would like to update the shareholders with respect to the events leading up to the EGM held on 8 May 2017 and the events following.

On or about 19 April 2017, Mr Huang (through his lawyers) provided the Company with a Letter to the shareholders ("Circular") which he prepared to explain his reasons for convening the EGM, and requested that the Company circulate the same to the shareholders. As explained during the EGM on 8 May 2017, the Company was not in a position to disseminate the Circular, which contained statements relating to a third party (the "Aggrieved Party") which may potentially be defamatory in nature.

Notwithstanding the Company's repeated requests, Mr Huang failed to seek the consent of the Aggrieved Party to circulate / publish the Circular. Left with no choice and to avoid exposing the Company to any potential claims by the Aggrieved Party, the Company (through its solicitors) took the initiative and wrote to the Aggrieved Party's solicitors to seek the appropriate consent.

On 5 May 2017, the Aggrieved Party's solicitors responded to the Company stating that the Circular prepared by Mr Huang was defamatory, and the Aggrieved Party was not agreeable to the circulation / publication of the Circular. The Aggrieved Party's solicitors stated that the Aggrieved Party would hold the Company liable for all loss, damages, expenses and/or costs that may be suffered by the Aggrieved Party if the Company published the Circular on SGX-Net and circulated the same to the shareholders. On 6 May 2017, the Company announced that it was unable to circulate the Circular and advised shareholders to obtain a copy of the Circular from Mr Huang's solicitors (namely Legal Standard LLP at 22 Malacca Street, #15-00 RB Capital Building, Singapore 048980).

Even though Mr Huang had notice of the position taken by Company due to the warning from the Aggrieved Party's lawyers, Mr Huang did not bring any copies of his Circular to the EGM on 8 May 2017 in case any shareholders present at the meeting requested for the same. Mr Huang himself was not present in person but attended by proxy, Ms Emma Leong. Mr Lim Min Hai, the proposed director nominated by Mr Huang was also not present for the meeting.

The Company is not aware of any reasons for Mr Huang's failure to attend the EGM personally, even though he is one of the requisitioning shareholders. This question was in fact posed by one of the other shareholders at the earlier EGM who noticed Mr Huang's glaring absence. It is also important to highlight that the date, time and venue of this EGM was picked by Mr Huang himself.

During the EGM on 8 May 2017, Mr Huang's proxy requested a 45-minute adjournment of the meeting in order for her to return to her office and obtain copies of the Circular for

distribution to the shareholders present. She was asked a few times regarding the timing, and she had confidently assured the members that 45 minutes was sufficient.

Notwithstanding the aforesaid, Mr Huang's proxy returned slightly prior to the restart of the EGM, only to inform the meeting that she was unable to prepare "sufficient copies for distribution" to the meeting. This was surprising given her earlier assurance and also that she only had to make 40 copies for the shareholders present at the EGM and that her office was only a short walk from the EGM venue.

Instead, Mr Huang's proxy proposed a further adjournment of the EGM to 24 May 2017 and committed to shareholders who wished to review a copy of the Circular, that they could attend at the office of Mr Huang's solicitors from 10am on 9 May 2017 and obtain a copy of the same. The EGM was accordingly adjourned to 24 May 2017 on the aforesaid basis.

Despite her undertaking to the shareholders present, on 9 May 2017 at 6.30pm (on the eve of Vesak Day holidays), the Company's solicitors received a letter from Mr Huang's solicitors enclosing a revised circular ("Revised Circular") which Mr Huang requested that the Company circulate. The Revised Circular contained material changes compared to the original circular, but no explanation was given for these changes.

On 11 May, the Company's solicitors wrote to Mr Huang's solicitors to, *inter alia*, confirm if any shareholders had already obtained a copy of the original circular as the Company was concerned that it may cause confusion to the shareholders. In addition, the Company's solicitors highlighted that the Revised Circular was not compliant with the provisions of the Companies Act (Cap. 50).

On 12 May, Mr Huang's solicitors provided another version of the Circular ("Abridged Circular") attempting to circumvent the provisions of the Companies Act (Cap. 50). In the same letter, they confirmed that several shareholders have collected the Revised Circular. As the Revised Circular was only circulated to the Company on the 9 May 6.30pm, Mr Huang's solicitors did not clarify whether any copies of the original circular were circulated. The Company reminded them that they were still not compliant with the provisions of the Companies Act (Cap.50).

On 16 May, Mr Huang's solicitors attempted a fourth version of the Circular ("Further Abridged Circular") and threatened to file a court application if the Company did not circulate his Further Abridged Circular to the shareholders.

The Company had taken the position that it would not circulate the Further Abridged Circular or any versions of Mr Huang's circulars, because, but not limited to:

- a. Mr Huang was given adequate opportunity to circulate his Circular during the EGM on the 8 May but did not;
- b. Mr Huang, through his proxy, committed to take on the responsibility to prepare copies for shareholders to collect the Circular and was agreed by the members of the Company during the EGM;
- c. Adequate time was provided in the adjournment of the meeting for shareholders to collect the copies from Legal Standard LLC as agreed by all parties; and
- d. There are so many versions of the Circular that any circulation by the Company will cause further confusion since some shareholders have collected the earlier versions (as confirmed by Mr Huang's solicitors).

However, as Mr Huang and/or his solicitors have already distributed some versions of the circulars to some of the shareholders, for good order and completeness, the Company will

be preparing a statement to address the various issues raised by Mr Huang to be released prior to the adjourned EGM on 24 May 2017.

On 18 May, Mr Huang filed an application with the Court to, inter alia, compel the Company to circulate one of the revised versions of the circular to the shareholders and postpone the EGM further. The application is currently pending. The Company will rigorously defend our position and seek the appropriate costs orders against Mr Huang.

For the avoidance of doubt, the Company reiterates that it does not admit to the validity of the requisition notice and Notice of EGM issued by the requisitioning members. To date, none of the requisitioning members, nor their solicitors have provided direct evidence of Mr Teng Choon Fong's shareholding; Mr Teng being one of the requisitioning shareholders. The Company reserves its right to challenge the validity of the requisition notice and Notice of EGM, and will hold Mr Huang liable for all costs, expenses, any penalties, liabilities, claims, demands, losses and damages. The Company expressly disclaims any liability for the contents of the circulars prepared by Mr Huang, whether in defamation or otherwise.

Shareholders and other investors are advised to exercise caution when dealing in the shares of the Company, and to refrain from taking any action which may be prejudicial to their interests. In the event of any doubt, Shareholders and other investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By order of the Board

Li Hua  
Chairman  
USP Group Limited  
19 May 2017