**USP GROUP LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration No. 200409104W)

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**PROPOSED PLACEMENT OF 15,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF USP GROUP LIMITED – RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST**

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*Unless otherwise defined, all capitalised terms used in this announcement, shall have the meaning ascribed to them in USP Group Limited's ("**Company**") announcement dated 23 January 2019 ("**Announcement**"), unless otherwise stated or the context requires otherwise.*

Further to the Company's announcement dated 23 January 2019 in relation to the Placement, the board of directors of the Company wishes to announce that the SGX-ST has, on 29 March 2019, granted in-principle approval ("**AIP**") for the dealing in, listing of and quotation for the 15,000,000 New Shares on the Mainboard of the SGX-ST.

The AIP granted by the SGX-ST is subject to the following conditions:

(a) compliance with SGX-ST's listing requirements;

(b) submission of:

  (i) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed subscription of shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

  (ii) a written undertaking from the Company that it will comply with Listing Rule 803; and

  (iii) a written confirmation from the Company that it will not issue the New Shares to persons prohibited under Rule 812(1) of the Listing Manual; and

(c) the Company is to consult the SGX-ST in relation to any additional subscription of shares by the Subscriber, mDR Limited, following the Placement.

The Company has submitted the confirmations and undertakings set out in items (b)(i) to (b)(iii) above to the SGX-ST.

The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Placement, the New Shares, the Company and/or its subsidiaries.

As the AIP was received after 15 February 2019, being the back-stop date for the Condition set out in paragraph 3(a) of the Announcement, the Company will consider if the Placement will proceed to completion, further to discussions with the Subscriber. The Company will make a separate announcement on the status of the Placement in due course.

**TRADING CAUTION**

**Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. The Placement is subject to conditions. There is no certainty or assurance as at the date of this announcement that the Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further material developments to the Placement. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company that may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

By Order of the Board

Nah Ee Ling
Executive Director
31 March 2019