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

CHANGES OF MATERIAL TERM TO THE MERCURY DISTRIBUTOR AGREEMENT

The Board of Directors ("the Board") of USP Group Limited (the "Company") and together with its subsidiaries, the ("Group"), wishes to announce that the Group's subsidiary, Supratechnic Pte Ltd ("Supratechnic"), received a letter from Mercury Marine Singapore Pte Ltd ("Mercury"), a division of Brunswick Corporation. The letter stated that Supratechnic was not able to meet the sales requirement under the Agreement and gave notice of the removal of Supratechnic's exclusivity of all products under the distributor agreement dated 1 December 2019 ("Agreement") in the territory of Singapore, Malaysia, Brunei and Indonesia. The removal of the said exclusivity clause shall take effect from 12 September 2020. After that, the Agreement shall be on a non-exclusive basis.

With the current global economy still suffering from a significant slowdown and amid the uncertainty on the current COVID situation, the Group is not expecting any material impact on the removal of this exclusivity for the foreseeable future.

The Group will continue to make further announcements as appropriate to update shareholders accordingly when there are further material business developments.

For and on behalf of USP Group Limited

Tanoto Sau Ian
Executive Director and Chief Executive Officer

13 August 2020