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

MATERIAL ADJUSTMENTS BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The Board of Directors (the "Board") of USP Group Limited (the "Company", and together with its subsidiaries, the "Group") refers to its audited financial statements for the financial year ended 31 March 2018 in the Group's Annual Report 2018 (the "Audited Financial Statements") and the announcement on the unaudited financial statements for the financial year ended 31 March 2018 on 30 May 2018 (the "Unaudited Financial Statements").

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there were certain material adjustments between the audited financial statements for FY2017 and the Unaudited FY2017 Results following the finalisation of the audit. Details and clarifications of the adjustments are set out as follows:

	Audited S$'000	Unaudited S$'000	Differences S$'000	Note
Consolidated Statement of Comprehensive Income (Extract)				
Profit after tax	265	90	175	1
Consolidated Cash Flow Statement (Extract)				
Loss before tax	(56)	(230)	174	2
Net cash flows from operating activities	(2,256)	(1,993)	(263)	3
Net cash flows from financing activities	915	2,710	(1,795)	4
Cash and cash equivalents at end of the year	(268)	3,103	(3,371)	5

Note

1. The Consolidated Statement of Comprehensive Income increased to S$265,000 from S$90,000. The difference arose primarily due to the reversal of depreciation of an investment property at the Group level amounting to S$473,000 offsetted by an impairment of a trade receivable amounting to S$305,000.

2. See Note 1.

3. Largely due to writing back of fair value gain on deferred consideration amounting to S$508,000 offsetted by non cash adjustment of deferred rental amounting S$133,000.

4. Largely due to reclassification of interest paid from operating activities to financing activities amounting to S$1,781,000.

5. Bank overdrafts and restricted cash were excluded from the "Cash and cash equivalents at end of the year" according to Singapore Financial Reporting Standards. See Note 23A of 2018 Annual Report. There is no impact on the Cash and cash equivalent as reflected in the balance sheet (Page 36 of the Annual Report).

BY ORDER OF THE BOARD

Li Hua
(Executive Chairman and Chief Executive Officer)
16 July 2018