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

CORRIGENDUM TO THIRD QUARTER RESULTS FOR FINANCIAL YEAR 2021

The Board of Directors (the "**Board**") of USP Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to inform that, due to an oversight, there are inaccuracies in the Company's Third Quarter Results for Financial Year 2021 ("**Q3 Results**") released on 4 February 2021.

Pursuant to the aforesaid inaccuracies, information relating to the revenue of the Group in Paragraph 8 of Page 9 and information relating to the recycling of waste oil and property investments in Paragraph 10 of Page 10 of the Q3 Results are incorrect. The relevant changes to Page 9 and Page 10 of the Q3 Results with the corrected information are attached as Appendix 1 and Appendix 2 respectively, for Shareholders' reference.

Save for the attached changes, all other information in the Q3 Results published on 4 February 2021 remain unchanged.

By Order of the Board

Tanoto Sau Ian
Executive Director and Chief Executive Officer
4 February 2021

APPENDIX 1

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
   (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
   (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF PERFORMANCE (Q3 FY2021 VS Q3 FY2020)

Revenue

Overall revenue for 3Q2021 when compared with 3Q2020 decrease by 18% or about S$2.4m. The decline was mainly attributable to the impact of Covid-19 which has devastating effects on industries across the board. Revenue for equipment declined by S$3.3 million offset by increase in marine division of S$1.7 million. The remaining S$0.8 million was due to general decline in other segments.

Despite this, the profitability of the operations in Malaysia and Indonesia went against the tide and showed vast improvements, and the combined marine division revenue in these countries register an increase of S$1.9 m in this current quarter.

Overall gross margin increased to 35% in Q32021 from 26% in Q32020. This was mainly due to careful cost control and calibrated streamlining by management, e.g. timely salary cuts, other cost cutting measures and performance-based incentive schemes.

APPENDIX 2

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Distributorship

Based on the momentum for past 3 quarters of 2021, our marine business will continue to be our key revenue driver for the remaining quarter.

Recycling of waste oil

The recycling business is expected to worsen going into Q4 2021 with an expected decrease in volume of product process and drastically reduced supply of waste grease from PUB.

Property Investments

The property investments in Koon Cheng Development Pte Ltd continues to exhibit good occupancy and good cashflow. However due to the reduction of foreign workers to 320 at its dormitory, revenue is adversely affected.