MATERIAL VARIANCES BETWEEN THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 ("FY2022")

The Board of Directors (the "**Board**") of USP Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its unaudited FY2022 financial results announcement dated 13 September 2023 (the" **Unaudited Result**") and its audited financial statements (the "**Audited Financial Statements**") dated 31 August 2026.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to announce the material variances between the Unaudited Results and Audited Financial Statements following the finalization of audit by the external auditors, as summarized below.

Unless otherwise defined, capitalized terms herein shall have the same meaning as ascribed to them in the Company's Unaudited Results dated 13 September 2023.

A. FY2022 Consolidated Statement of Comprehensive Income Extract:

	Note	FY2022			
		Audited	**Unaudited**	**Variance**	
		S$'000	**S$'000**	**S$'000**	**%**
Revenue	1	39,388	40,944	(1,556)	-3.8%
Cost of Sales	2	(24,451)	(24,712)	261	-1.1%
Other gains	3	1,729	2,361	(632)	-26.8%
Tax (expenses)/credit	4	(352)	952	(1,304)	-137.0%

B. FY2022 Consolidated Statement of Financial Position (Extract):

	Note	FY2022			
		Audited S$'000	**Unaudited S$'000**	**Variance S$'000**	**%**
Property, plant and equipment	5	23,370	22,806	564	2.5%
Trade and other receivables	6	4,982	5,801	(819)	-14.1%
Inventories	7	11,686	10,061	1,625	16.2%
Trade and other payables	8	8,613	5,141	3,472	67.5%
Lease liabilities (Current)	9	257	-	257	N.M
Borrowings (Current)	10	32,285	16,314	15,971	97.9%
Borrowings (Non-Current)	11	1,231	21,743	(20,512)	-94.3%
Lease liabilities (Non-Current)	12	4,603	-	4,603	N.M
Share Capital	13	50,913	51,172	(259)	-0.5%
Other reserves	14	3,746	4,797	(1,051)	-21.9%
Accumulated losses	15	(31,184)	(28,306)	(2,878)	10.2%

C. FY2022 Consolidated Statement of Cash Flow (Extract):`

	Note	FY2022			
		Audited S$'000	**Unaudited S$'000**	**Variance S$'000**	**%**
Net cash generated from operating activities	16	5,075	4,187	888	21.2%
Net cash generated from investing activities	17	147	685	(538)	-78.5%
Net cash used in financing activities	18	(3,096)	(2,841)	(255)	9.0%

Explanatory Notes:

1. Variance relates mainly to cut-off issues, sales wrongly accounted for during year.
2. Variance relates mainly to double-counting suppliers' invoices.
3. Variance relates mainly to impairment loss of financial assets wrongly charge.
4. Variance relates mainly to errors in computation on tax expenses.
5. Variance relates mainly to omission on addition of PPE.
6. Variance relates mainly to cut off issues related to sales mentioned in point 1 above, which was offset by allowances of S$1.5 million not provided previously; collection S$0.31 million, impairment S$0.21 million arising to trade receivables and set off against other receivables (deposit, prepayment and advance payment to S$0.30 million) not recorded.
7. Variance related mainly to cut-off issues on sales recognition.
8. Variance related mainly to suppliers' bills amounting to S$3.1 million, provision for professional fees and staff cost S$0.8 million not posted and partially offset by a deposit reduction of S$0.4 million.
9. Variance related mainly to reclassification from borrowings to lease liabilities.
10. Variance related mainly to omission of transfer from non-current liability to current liability nature.
11. Variance related mainly to omission of transfer from non-current liability to current liability nature.
12. Variance related mainly to reclassification from borrowings to lease liabilities.
13. Variance related mainly to shares cancellation not recorded.
14. Variance related mainly to currency translation difference computation errors.
15. Variance related mainly to the current year's profit previously overstated.
16. Variance related mainly to increase in trade and other payable S$3.0 million, which was previously reported as decrease S$1.8 million and partially offset of additional inventory S$1.6 million from S$0.3 million to S$1.9 million.
17. Variance related mainly to purchase of PPE understated.
18. Variance related mainly to repayment of loan and interest understated.

BY ORDER OF THE BOARD

USP Group Limited
Leow Yong Kin
Chief Financial Officer and Joint Company Secretary
31 August 2026