



UNIVERSAL RESOURCE AND SERVICES LIMITED
(the “Company”)
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200312303R)

UPDATE ON THE PROPOSED ACQUISITION OF 57.64% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF HONGKONG NEW WING ENERGY DEVELOPMENT COMPANY LIMITED

- APPOINTMENT OF CONSULTANT AND LEGAL ADVISERS

Unless otherwise defined, all capitalised terms used in this Announcement shall have the same meanings ascribed to them in the Previous Announcements (as defined below).

1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**” or “**Directors**”) of Universal Resource and Services Limited (the “**Company**”) refers to the announcements dated 11 November 2013, 7 May 2014, 10 November 2014, 12 January 2015, 30 January 2015 and 27 February 2015 (the “**Previous Announcements**”) in respect of the proposed acquisition by SKY Petroleum Technology Development (Tianjin) Co., Ltd, a wholly-owned subsidiary of the Company, of 5,764 ordinary shares, representing approximately 57.64% of the issued and paid-up capital of Hongkong New Wing Energy Development Company Limited (the “**Proposed Acquisition**”).
- 1.2 The Board wishes to announce that, on 18 May 2015, the Company has appointed the following professionals (collectively referred to as the “**Professionals**”) in relation to the Proposed Acquisition:
- (a) Drew & Napier LLC as the legal advisers; and
 - (b) Singularity Consultancy Pte. Ltd. (the “**Consultant**”), a boutique corporate advisory firm, as the consultant.

2. PROPOSED PLACEMENT IN RELATION TO THE CONSULTANCY AGREEMENT

2.1 Principal Terms of the Proposed Placement

- (a) The Company has on 18 May 2015 entered into a consultancy agreement with the Consultant (“**Consultancy Agreement**”) for the advisory services to be provided by the Consultant to the Company in relation to, amongst others, the Proposed Acquisition.
- (b) Under the terms of the Consultancy Agreement, the fees payable to the Consultant is S\$723,940, which is approximately 1.1% of the consideration for the Proposed Acquisition (the “**Consultancy Fees**”). The Consultancy Fees will be payable upon the achievement of the milestones in relation to Success (as defined in the Consultancy Agreement) by way of allotment and issuance of up to a maximum of 20,684,000 ordinary shares (the “**Consideration Shares**”) in the capital of the

Company at an issue price of S\$0.035 per Consideration Share (the “**Issue Price**”) to the Consultant (the “**Proposed Placement**”).

- (c) The volume weighted average price of the shares in the capital of the Company (the “**Shares**”) for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 18 May 2015 (being the full market day on which the Consultancy Agreement is entered into between the Company and the Consultant) was S\$0.035 per Share (the “**VWAP Price**”).
- (d) Accordingly, the Issue Price does not represent any discount to the VWAP Price.

2.2 Shareholders’ Mandate for Allotment and Issuance of the Consideration Shares

- (a) The Consideration Shares will be allotted and issued pursuant to the general mandate (the “**General Mandate**”) granted by the shareholders of the Company (the “**Shareholders**”) by way of an ordinary resolution at the Annual General Meeting (“**AGM**”) of the Company held on 27 April 2015, authorising the Board to issue, *inter alia*, new Shares not exceeding 50% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares to be issued other than on a *pro rata* basis must be not more than 20% of the total number of issued Shares (excluding treasury shares).
- (b) The Proposed Placement will be undertaken as a private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.
- (c) The Consideration Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and will, upon allotment and issue, rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Consideration Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Consideration Shares.
- (d) As at the date of the AGM convened on 27 April 2015, the total number of Shares in issue was 401,429,540 (excluding treasury shares). The total number of Shares available for issue on a *non-pro rata basis* would be 80,285,908 Shares (being 20% of number of total number of Shares as at the passing of the resolution approving the General Mandate), as no Shares have been issued by the Company under the General Mandate from the date of the AGM to the date of this Announcement.
- (e) Accordingly, the Consideration Shares, representing approximately 5.15% of the share capital of 401,429,540 Shares as at the date of this Announcement will be allotted and issued within the aforesaid limit of Shares available for issue as granted under the General Mandate. The Consideration Shares represent approximately 4.90% of the enlarged share capital of the Company after the allotment and issuance of the Consideration Shares, comprising 422,113,540 Shares.

2.3 Additional Listing Application

- (a) The Proposed Placement is conditional upon the approval of the SGX-ST of an application to be made by the Company for the listing and quotation of the Consideration Shares on the official list of the SGX-ST ("**ALA Approval**"). The Company will make an appropriate announcement upon obtaining the ALA Approval.
- (b) The Directors do not expect that Shareholders' approval will be required for the Proposed Placement, and unless being required to do so by the SGX-ST, the Company will not be seeking the approval of the Shareholders for the Proposed Placement.

3. INFORMATION ON THE CONSULTANT

The Consultant is founded by Mr. Leslie Ying who has 17 years of experience in auditing and corporate finance. Mr. Leslie Ying was with Deloitte & Touche Singapore for 7 years, had been the chief financial officer of 2 Singapore Mainboard-listed companies for 10 years and had previously served as a consultant to a Singapore Mainboard-listed company.

The Consultant was introduced to the management of the Company by a business associate of the Company. The terms of the Consultancy Agreement were arrived at after commercial discussions on arms-length basis between the Company and the Consultant, taking into consideration, amongst other factors, the Consultant's experience in executing corporate finance transactions and the complexity of the Proposed Acquisition.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

4.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Placement on the net tangible assets ("**NTA**") per Share, and earnings per Share ("**EPS**") have been prepared based on the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2014. The financial effects are purely for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Group after the completion of the Proposed Placement.

4.2 NTA

Assuming that the Proposed Placement had been effected on 31 December 2014 (being the end of the most recently completed financial year ended 31 December 2014), the effects of the Proposed Placement on the NTA per Share would be as follows:

	Before Proposed Placement	After Proposed Placement
NTA (S\$'000)	150,515	150,515
NTA per Share ⁽¹⁾ (Singapore cents)	36.70	34.91

Note:

- (1) Based on the number of issued Shares as at 31 December 2014 and on the assumption that 20,684,000 Consideration Shares are issued.

4.3 EPS

Assuming the Proposed Placement had been effected on 1 January 2014 (being the beginning of the most recently completed financial year ended 31 December 2014), the effects of the EPS would be as follows:

	Before Proposed Placement	After Proposed Placement ⁽¹⁾
Profit attributable to Shareholders (S\$'000)	3,554	2,830
Weighted average no. of Shares		
– Basic ('000)	401,430	431,114
Weighted average no. of Shares –		
– Diluted ('000)	401,430	431,114
EPS (Singapore cents)		
– Basic	0.89	0.66
EPS (Singapore cents)		
– Diluted ⁽²⁾	0.89	0.66

Notes:

- (1) Assuming the fair value of the Consideration Shares issued amounting to S\$723,940 is charged to the income statement and any cost of issue and allotment of the Consideration Shares is immaterial.
- (2) The outstanding share options granted by the Company amounting to 1,785,000 is anti-dilutive.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the matters referred to above. Mr. David Chin Yew Choong, an independent director of the Company, is a consultant in Drew & Napier LLC but does not hold any equity interests in Drew & Napier LLC.

6. CAUTIONARY STATEMENT

The appointments of the Professionals are not indication, that the Board is ratifying or will subsequently ratify the Proposed Acquisition, and/or of the merits of the Proposed Acquisition.

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will proceed to completion and assuming that it is, that the potential exploration prospects will be realised as oil and gas exploration is a high risk operation.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Wu Chunlan

Chairperson and Chief Executive Officer

18 May 2015