

APPENDIX DATED 10 APRIL 2015

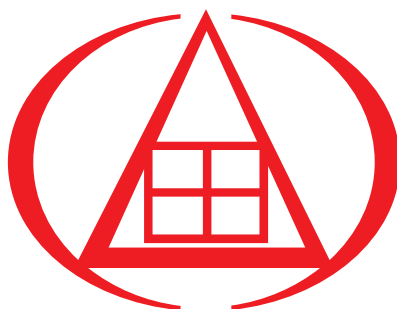
THIS APPENDIX (THIS “APPENDIX”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix is circulated to shareholders (“**Shareholders**”) of Universal Resource and Services Limited (the “**Company**”) together with the Annual Report 2014 of the Company. The purpose of this Appendix is to provide Shareholders with information relating to, and seek Shareholders’ approval for, the proposed renewal of the share buy-back mandate at the Annual General Meeting of the Company to be held on 27 April 2015, Monday at 9.00 a.m. at 168 Robinson Road, Capital Tower, 9th Floor, FTSE Room, Singapore 068912.

If you have sold or transferred all your ordinary shares (the “Shares”) in the capital of the Company, you should immediately forward this Appendix to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



UNIVERSAL RESOURCE AND SERVICES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200312303R)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

In relation to

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

DEFINITIONS

For the purpose of this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“AGM”	:	The annual general meeting of the Company
“Annual Report 2014”	:	The annual report of the Company for FY2014 ended 31 December 2014
“Appendix”	:	This appendix to the notice of AGM dated 10 April 2015
“Approval Date”	:	Has the meaning ascribed to it in Section 2.1 of this Appendix
“Articles” or “Articles of Association”	:	The articles of association of the Company for the time being in force as originally framed, or as amended or modified from time to time
“Board”	:	The board of Directors as at the date of this Appendix
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	Universal Resource and Services Limited
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (b) in fact exercises control over a company
“Directors”	:	The directors of the Company as at the date of this Appendix
“EPS”	:	Earnings per Share
“FY”	:	Financial year ending or ended 31 December, as the case may be
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	31 March 2015, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST as may be amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
“Memorandum”	:	The memorandum of the Company as amended, supplemented or modified from time to time

“ Notice of AGM ”	:	Notice of AGM as set out in the Annual Report 2014
“ NTA ”	:	Net tangible assets
“ Off-Market Purchase ”	:	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
“ Relevant Period ”	:	The period commencing from the date the last AGM was held or was required by law to be held before the resolution relating to the Share Buy-Back Mandate is passed, and expiring on the date the next AGM is or required by law to be held, whichever is the earlier after the said resolution is passed
“ Shares ”	:	The ordinary shares in the share capital of the Company
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share Buy-Back ”	:	The buy-back of Shares by the Company pursuant to the terms of the Share Buy-Back Mandate
“ Share Buy-Back Mandate ”	:	The proposed mandate to enable the Company to purchase or otherwise acquire its Shares, the terms of which are set out in this Appendix
“ Shareholder(s) ”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“ SIC ”	:	The Securities Industry Council of Singapore
“ Substantial Shareholder ”	:	Has the meaning ascribed to it in Section 81 of the Companies Act
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers

Currencies and others

“ S\$ ” or “ SGD ”	:	Singapore dollars, the lawful currency of the Republic of Singapore
“ % ” or “ per cent ”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

UNIVERSAL RESOURCE AND SERVICES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200312303R)

Directors:-

Neo Gim Kiong (*Independent Non-Executive Chairman*)
Liu Qingzeng (*Chief Executive Officer and Executive Director*)
Wu Chunlan (*Interim Chief Operating Officer and Executive Director*)
Liu Aizhong (*Independent Director*)
Chng Hock Huat (*Independent Director*)

Registered Office:-

10 Collyer Quay #27-00
Ocean Financial Centre
Singapore 049315

10 April 2015

To: The Shareholders of Universal Resource and Services Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1 We refer to (a) the Notice of Annual General Meeting of the Company dated 10 April 2015 (the “**Notice of AGM**”), accompanying the Annual Report 2014 of the Company, convening the AGM of the Company which is scheduled to be held on 27 April 2015, and (b) Ordinary Resolution 8 in relation to the proposed renewal Share Buy-back Mandate under the heading “Special Business” set out in the Notice of AGM.
- 1.2 The Company intends to seek the approval of Shareholders at the forthcoming AGM in respect of the proposed renewal of the Share Buy-back Mandate.
- 1.3 The purpose of this Appendix is to provide Shareholders with information relating to, and seek Shareholders’ approval for, the renewal of the Share Buy-back Mandate at the forthcoming AGM to be held on 27 April 2015, Monday at 9.00 a.m. at 168 Robinson Road, Capital Tower, 9th Floor, FTSE Room, Singapore 068912.
- 1.4 **The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.**

2. RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

At the annual general meeting of the Company held on 29 April 2014, the Shareholders of the Company had approved the grant of the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire ordinary shares in the capital of the Company. The previous Share Buy-Back Mandate will expire upon the conclusion of the AGM of the Company on 27 April 2015 pursuant to the duration of authority in respect of the Share Buy-Back Mandate.

Pursuant to the previous Share Buy-Back Mandate approved on 29 April 2014, the Company did not, as at the date of this Appendix, buyback any ordinary shares in the capital of the Company.

Shareholders’ approval is being sought at the AGM to be held for the renewal of the Share Buy-Back Mandate for the purchase or acquisition by the Company of its issued Shares. If approved, the Share Buy-Back Mandate will take effect from the date of the AGM at which the Share Buy-Back Mandate is approved by the Shareholders (“**Approval Date**”) and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, unless prior thereto, Share Buy-Backs are carried out to the full extent mandated or the Share Buy-

Back Mandate is revoked or varied by the Company in a general meeting. The Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent Annual General Meeting of the Company.

Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Memorandum, the Articles, the rules of the Listing Manual, and such other laws and regulations as may for the time being be applicable.

2.2 Rationale

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A Share Buy-back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share Buy-backs provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net tangible asset value per Share.

The Directors further believe that Share Buy-backs by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.

Shares purchased by the Company can also be held as treasury shares which the Company can choose to re-issue to employees pursuant to an employees' share scheme in order to reward, retain and motivate them.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share Buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

2.3 Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buy-Back Mandate are summarised below:

2.3.1 Maximum number of Shares

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than ten per cent. (10%) of the issued ordinary share capital of the Company as at the Approval Date (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time).

For illustrative purposes only, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date of 31 March 2015 comprising 401,429,540 Shares, and assuming that no further Shares are issued on or prior to the AGM, not more than 40,142,954 Shares (representing approximately ten per cent. (10%) of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next annual general meeting is held or required by law to be held;
- (b) the date on which the Share Buy-backs are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked.

2.3.3 Manner of purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

- (a) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST or, as the case maybe, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Buy-back;
- (d) the consequences, if any, of Share Buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST; and

- (f) details of any Share Buy-back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes “**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or the date on which the Company announces an Off-Market Purchase Offer stating the purchase price and the relevant terms of the equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

2.4 Status of purchased Shares under the Share Buy-Back Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.5 Treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;

- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.5.4 Announcement

Pursuant to Rule 704(28) of the Listing Manual, where the Company undertakes any sale, transfer, cancellation and/or use of treasury shares, it will immediately announce the following:

- (a) Date of the sale, transfer, cancellation and/or use;
- (b) Purpose of such sale, transfer, cancellation and/or use;
- (c) Number of treasury shares sold, transferred, cancelled and/or used;
- (d) Number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) Percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) Value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Sources of funds for Share Buy-Back

The Company intends to use internal sources of funds to finance purchases of its Shares. The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would materially affect the working capital requirements or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.7 Financial effects of the Share Buy-Back Mandate

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are cancelled. The financial effects on the audited financial accounts of the Group and the Company will depend, *inter alia*, on the factors set out below.

2.7.1 Number of Shares Acquired or Purchased

Based on the total of 401,429,540 issued Shares the Company has as at the Latest Practicable Date, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 40,142,954 Shares.

2.7.2 Based on Maximum Price Paid for Shares Acquired or Purchased

For illustrative purposes only, on the basis of the assumption of the Maximum Price paid:

- (a) In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the 40,142,954 Shares at the Maximum Price of S\$0.0437 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 40,142,954 Shares is S\$1,745,014 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

- (b) In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the 40,142,954 Shares at the Maximum Price of S\$0.04968 for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 40,142,954 Shares is S\$1,994,302 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.7.3 Illustrative Financial Effects

For illustrative purposes only, based on the above assumptions and the assumption that the purchase of Shares was financed by the internal resources within the Group, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate on the audited accounts of the Group and the Company as at 31 December 2014, as if the Share Buy-Back Mandate had been effective on the Latest Practicable Date are presented below:

Scenario 1

Market Purchases of up to a maximum of ten per cent. (10%) entirely out of capital and the Shares so purchased are cancelled:

	Group		Company	
	Before Share Purchase S\$'000	After Market Purchase S\$'000	Before Share Purchase S\$'000	After Market Purchase S\$'000
As at 31 December 2014				
Share capital	68,080	66,335	68,080	66,335
Retained earnings and other reserves	79,245	79,245	24,225	24,225
Shareholders' equity	147,325	145,580	92,305	90,560
NTA	147,325	145,580	92,305	90,560
Current assets	84,399	82,654	10,812	9,067
Current liabilities	6,857	6,857	1,115	1,115
Total borrowings	-	-	-	-
Cash and cash equivalents	19,761	18,016	404	(1,341)
Profit / (Loss) attributable to Shareholders	3,554	3,554	(969)	(969)
Number of Shares (in '000)	401,430	361,287	401,430	361,287
Financial Ratios				
NTA per Share (cents) ⁽¹⁾	36.70	40.29	22.99	25.07
Gearing ratio (times) ⁽²⁾	0.00	0.00	0.00	0.00
Current ratio (times) ⁽³⁾	12.31	12.05	9.70	8.13
EPS (cents) ⁽⁴⁾	0.89	0.93	(0.24)	(0.25)

Notes:

1. NTA per Share equals to NTA divided by the number of Shares.
2. Gearing ratio equals to total borrowings divided by total equity.
3. Current ratio equals to current assets divided by current liabilities.
4. EPS is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (after taking into account the weighted average effects of changes in treasury shares) during the financial year.

Scenario 2

Off-Market Purchases of up to a maximum of ten per cent. (10%) entirely out of capital and the Shares so purchased are cancelled:

	Group		Company	
	Before Share Purchase S\$'000	After Off-Market Purchase S\$'000	Before Share Purchase S\$'000	After Off-Market Purchase S\$'000
As at 31 December 2014				
Share capital	68,080	66,086	68,080	66,086
Retained earnings and other reserves	79,245	79,245	24,225	24,225
<hr/>				
Shareholders' equity	147,325	145,331	92,305	90,311
NTA	147,325	145,331	92,305	90,311
Current assets	84,399	82,045	10,812	8,818
Current liabilities	6,857	6,857	1,115	1,115
Total borrowings	-	-	-	-
Cash and cash equivalents	19,761	17,767	404	(1,590)
Profit / (Loss) attributable to Shareholders	3,554	3,554	(969)	(969)
Number of Shares (in '000)	401,430	361,287	401,430	361,287
Financial Ratios				
NTA per Share (cents) ⁽¹⁾	36.70	40.23	22.99	25.00
Gearing ratio (times) ⁽²⁾	0.00	0.00	0.00	0.00
Current ratio (times) ⁽³⁾	12.31	12.02	9.70	7.91
EPS (cents) ⁽⁴⁾	0.89	0.93	(0.24)	(0.25)

Notes:

1. NTA per Share equals to NTA divided by the number of Shares.
2. Gearing ratio equals to total borrowings divided by total equity.
3. Current ratio equals to current assets divided by current liabilities.
4. EPS is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (after taking into account the weighted average effects of changes in treasury shares) during the financial year.

Scenario 3

Market Purchases of up to a maximum of ten per cent. (10%) entirely out of capital and the Shares so purchased are held as treasury shares:

	Group		Company	
	Before Share Purchase S\$'000	After Market Purchase S\$'000	Before Share Purchase S\$'000	After Market Purchase S\$'000
As at 31 December 2014				
Share capital	68,080	68,080	68,080	68,080
Retained earnings and other reserves	79,245	79,245	24,225	24,225
Treasury shares	-	(1,745)	-	(1,745)
Shareholders' equity	147,325	145,580	92,305	90,560
NTA	147,325	145,580	92,305	90,560
Current assets	84,399	82,654	10,812	9,067
Current liabilities	6,857	6,857	1,115	1,115
Total borrowings	-	-	-	-
Cash and cash equivalents	19,761	18,016	404	(1,341)
Profit / (Loss) attributable to Shareholders	3,554	3,554	(969)	(969)
Number of Shares (in '000)	401,430	361,287	401,430	361,287
Financial Ratios				
NTA per Share (cents) ⁽¹⁾	36.70	40.29	22.99	25.07
Gearing ratio (times) ⁽²⁾	0.00	0.00	0.00	0.00
Current ratio (times) ⁽³⁾	12.31	12.05	9.70	8.13
EPS (cents) ⁽⁴⁾	0.89	0.93	(0.24)	(0.25)

Notes:

1. NTA per Share equals to NTA divided by the number of Shares.
2. Gearing ratio equals to total borrowings divided by total equity.
3. Current ratio equals to current assets divided by current liabilities.
4. EPS is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (after taking into account the weighted average effects of changes in treasury shares) during the financial year.

Scenario 4

Off-Market Purchases of up to a maximum of ten per cent. (10%) entirely out of capital and the Shares so purchased are held as treasury shares:

	Group		Company	
	Before Share Purchase S\$'000	After Off-Market Purchase S\$'000	Before Share Purchase S\$'000	After Off-Market Purchase S\$'000
As at 31 December 2014				
Share capital	68,080	68,080	68,080	68,080
Retained earnings and other reserves	79,245	79,245	24,225	24,225
Treasury shares	-	(1,994)	-	(1,994)
Shareholders' equity	147,325	145,331	92,305	90,311
NTA	147,325	145,331	92,305	90,311
Current assets	84,399	82,405	10,812	8,818
Current liabilities	6,857	6,857	1,115	1,115
Total borrowings	-	-	-	-
Cash and cash equivalents	19,761	17,767	404	(1,590)
Profit / (Loss) attributable to Shareholders	3,554	3,554	(969)	(969)
Number of Shares (in '000)	401,430	361,287	401,430	361,287
Financial Ratios				
NTA per Share (cents) ⁽¹⁾	36.70	40.23	22.99	25.00
Gearing ratio (times) ⁽²⁾	0.00	0.00	0.00	0.00
Current ratio (times) ⁽³⁾	12.31	12.02	9.70	7.91
EPS (cents) ⁽⁴⁾	0.89	0.93	(0.24)	(0.25)

Notes:

1. NTA per Share equals to NTA divided by the number of Shares.
2. Gearing ratio equals to total borrowings divided by total equity.
3. Current ratio equals to current assets divided by current liabilities.
4. EPS is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (after taking into account the weighted average effects of changes in treasury shares) during the financial year.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 December 2014 and is not necessarily representative of future financial performance.

Although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

2.8 Listing Manual

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period of two weeks and one month immediately preceding the announcement of the Company’s interim results and the annual (full-year) results respectively.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 66.8% of the issued Shares are held by public Shareholders. As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate, approximately 63.1% of the issued Shares will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.9 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

- (e) A financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) Partners; and
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a takeover offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

The Directors are not aware of any facts or factors which suggest or imply that any particular Shareholder is, or may be regarded as, a party acting in concert such that his interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

The Directors are not aware of any Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of Shares under the Share Buy-Back Mandate.

Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases or acquisitions by the Company pursuant to the Share Buy-Back Mandate.

2.10 Shares Purchased by the Company

The Company has not made any Share Buy-backs in the 12 months preceding the date of this Appendix.

2.11 Limits on Shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, the interests of the Directors in the Shares, as extracted from the Register of Directors' shareholdings, and the interests of the substantial Shareholders in the Shares (being a Shareholder whose interests in the Company's issued share capital is equal to or more than 5 per cent. (5%)), as extracted from the Register of Substantial Shareholders, are as follows:-

Directors	Direct Interest	%	Number of Shares Deemed Interest	%
Liu Qingzeng	-	-	88,774,000 ⁽¹⁾	22.11
Neo Gim Kiong	8,000	0.002	-	-

Substantial Shareholders	Direct Interest	%	Number of Shares Deemed Interest	%
Premium Sino Finance Limited	88,774,000 ⁽¹⁾	22.11	-	-
Zhang He	44,430,000	11.07	-	-

Note:

1. Mr. Liu Qingzeng owns the entire equity interest in Premium Sino Finance Limited and is thus deemed to be interested in the 88,774,000 Shares held by Premium Sino Finance Limited through its nominee UBS AG.

As disclosed in Section 2.9.3 above, in the event that the Company undertakes Share Buy-Backs of up to ten per cent. (10%) of the issued share capital of the Company as permitted by the Shares Buy-Back Mandate, none of the Directors and Substantial Shareholders are required to make a mandatory takeover offer for the Company under Rule 14 of the Take-over Code.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Buy-back Mandate is in the interest of the Company, and accordingly recommend that the Shareholders vote in favour of the proposed renewal of the Share Buy-back Mandate.

Shareholders are advised to read this Appendix in its entirety and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2013, will be held on 27 April 2015, Monday at 9.00 a.m. at 168 Robinson Road, Capital Tower, 9th Floor, FTSE Room, Singapore 068912.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Share Registrar of the Company, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not less than forty-eight (48) hours before the time fixed for the AGM. The completion and lodgment of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

A Depositor shall not be entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, not less than forty-eight (48) hours before the time fixed for the AGM or any adjournment thereof.

7. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. **DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company, 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315, during normal business hours from the date of the Appendix up to three (3) months thereafter:

- (a) the Memorandum and Articles of the Company; and
- (b) the Annual Report of the Company for FY2014.

Yours faithfully,

Liu Qingzeng
Executive Director
For and on behalf of the Board of Directors of
Universal Resource and Services Limited

10 April 2015