



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

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**PROPOSED CONSOLIDATION OF EVERY TWENTY (20) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE**

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**1. INTRODUCTION**

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of Universal Resource and Services Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a share consolidation exercise (the “**Proposed Share Consolidation**”), pursuant to which the Company will consolidate every twenty (20) existing ordinary shares (“**Shares**”) in the capital of the Company into one (1) ordinary share (“**Consolidated Share**”).
- 1.2 As a result of the Proposed Share Consolidation, each shareholder of the Company (“**Shareholder**”) will receive one (1) Consolidated Share for every twenty (20) Shares held prior to the Proposed Share Consolidation as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Books Closure Date**”), fractional entitlements to be disregarded.

**2. RATIONALE OF THE PROPOSED SHARE CONSOLIDATION**

- 2.1 The price of the Shares traded on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) between 25 January 2015 and 24 July 2015 ranged between S\$0.030 and S\$0.061.
- 2.2 The fairly low trading price of the Shares can lead to relatively higher transaction costs for Shareholders trading small numbers of board lots of the Shares. The Proposed Share Consolidation should have the effect of reducing the transaction costs for investors in trading the Consolidated Shares.
- 2.3 Further, on 2 March 2015, the SGX-ST introduced a new continuing listing requirement for all issuers listed on the Mainboard of the SGX-ST to maintain a minimum trading price of S\$0.20 per share (the “**MTP Requirement**”). Mainboard issuers will be first assessed for compliance with the MTP Requirement from 1 March 2016 based on the volume weighted average price of the Shares (“**VWAP**”) for the six (6) months preceding the date of review. As at 24 July 2015, the VWAP for the period between 25 January 2015 and 24 July 2015 was S\$0.038 and the theoretical adjusted VWAP based on the Consolidated Shares 25 January 2015 and 24 July 2015 will be S\$0.76. Accordingly, the Proposed Share Consolidation would facilitate the Company’s ability to satisfy the MTP Requirement.
- 2.4 **Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there any assurance that such results (if achieved) can be sustained in the longer term.**

### **3. THE PROPOSED SHARE CONSOLIDATION**

- 3.1 Under the Proposed Share Consolidation, every twenty (20) Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with one another. The Consolidated Share will be traded in board lots of 100 Consolidated Shares.
- 3.2 As at the date of this announcement, the Company has an issued and paid-up share capital of S\$67,692,624 comprising 401,429,540 Shares. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation, following the Proposed Share Consolidation, the Company will have an issued share capital of S\$67,692,624 comprising 20,071,477 Consolidated Shares.
- 3.3 In determining the consolidation ratio, the Board has given due regard to volatility in the price of the Shares. The Board is of the view that a sufficient buffer has been provided to cater to fluctuations in the price of the Shares such that the Company could meet the minimum trading price per share of S\$0.20 in the long term.
- 3.4 Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Share arising from the Proposed Share Consolidation shall be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation may be aggregated and/or dealt with in such manner as the Directors may, in their absolute discretion after consulting the Company's advisers, deem fit in the interests of the Company. In order to avoid any fractions of a Share arising from the Proposed Share Consolidation, Shareholders may wish to trade in odd lots on the SGX-ST's unit share market such that their holdings of existing Shares will be a multiple of twenty (20) as at the Books Closure Date.
- 3.5 The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.
- 3.6 Shareholders who hold physical share certificates may wish to deposit the same with the Central Depository (Pte) Limited (the "**CDP**") and have their Shares credited to their securities accounts with CDP before the announcement of the Books Closure Date, as CDP will only accept the deposit of share certificates for Consolidated Shares after the Books Closure Date.

### **4. EFFECTS ON OPTIONS AND SHARE AWARDS**

- 4.1 The Company has an existing share option scheme known as "Universal Resource and Services Employee Share Option Scheme" (formerly known as "SKY China Employee Share Option Scheme") ("**URS ESOS**").
- 4.2 As at the date of this announcement, the Company has 1,785,000 outstanding options granted under the URS ESOS adopted by the Company on 28 January 2008 ("**Options**").

- 4.3 Pursuant to Rule 10.1 of the URS ESOS, if there is a variation in the issued share capital of the Company by way of a share consolidation or otherwise, the exercise price in respect of the Shares comprised in the Options to the extent unexercised, and/or the number of Shares comprised in the Options to the extent unexercised and the rights attached thereto, may, at the option of the remuneration committee of the Company or such other committee comprising Directors duly authorised and appointed to administer the URS ESOS (“**Committee**”), be adjusted in such manner as the Committee may determine to be appropriate.
- 4.4 Rule 10.2 of the URS ESOS however provides that, notwithstanding the provisions of Rule 10.1 of the URS ESOS, no such adjustment shall be made:
- (a) if as a result, a participant of the URS ESOS receives a benefit that a Shareholder does not receive; and
  - (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 4.5 Subject to the Proposed Share Consolidation being effected and receipt of the confirmation in writing of the Committee that it is equitable to make the adjustment, the following adjustments shall be made to the Options:
- (a) the option price for each Option shall be increased by a multiple of twenty (20); and
  - (b) the number of Shares to be issued on exercise of the Options will be reduced by a factor of twenty (20).
- 4.6 The adjustments to the exercise price in respect of the Shares and the number of Shares comprised in the Options will take effect on the date the Proposed Share Consolidation becomes effective. The holders of the Options granted under the URS ESOS will be notified separately on the adjustments.
- 4.7 Separately, the Company has an existing performance share plan known as “Universal Resource and Services Performance Share Plan” (formerly known as “SKY China Performance Share Plan”) (the “**PSP**”). No share awards have been granted under the PSP since its commencement.

## **5. APPROVALS AND CONDITIONS**

- 5.1 The Proposed Share Consolidation is subject, *inter alia*, to the satisfaction of the following conditions:
- (a) the approval of the SGX-ST for the Proposed Share Consolidation and the dealing in, listing of and quotation for up to 20,071,477 Consolidated Shares on the SGX-ST; and
  - (b) the approval of Shareholders by ordinary resolution at the general meeting.
- 5.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation of the Consolidated Shares pursuant to the Proposed Share Consolidation on the Mainboard of the SGX-ST.

**6. DESPATCH OF CIRCULAR**

- 6.1 Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.
- 6.2 **In the meantime, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. If in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.**

**BY ORDER OF THE BOARD**

**Wu Chunlan**

**Chairperson and Chief Executive Officer**

**27 July 2015**