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

PROPOSED DISPOSAL OF COMPANY'S INTERESTS IN THE FOLLOWING DORMANT SUBSIDIARIES:
(A) TIANJIN DAGANG SHENGKANG PETROLEUM DEVELOPMENT CO., LTD.; AND
(B) TIANJIN GANGHUA PETROLEUM TECHNOLOGY SERVICE CO., LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of Universal Resource and Services Limited (the "**Company**" and together with its subsidiaries referred to as the "**Group**") wishes to announce that the Company has today entered into two separate sale and purchase agreements (the "**SPAs**") with China Costal Shipping (HK) Limited (the "**Buyer**") in connection with the sale of the Company's interests in each of Tianjin Dagang Shengkang Petroleum Development Co., Ltd. ("**Shengkang**") and Tianjin Ganghua Petroleum Service Co., Ltd. ("**Ganghua**") to the Buyer, subject to applicable approvals or consents being obtained (together the "**Proposed Disposal**"). The Buyer is a third party company registered in Hong Kong, and is unrelated to the Company.

Completion will take place on 20 November 2015 or such other date as the parties may agree. Upon completion of the Proposed Disposal, each of Shengkang and Ganghua will cease to be subsidiaries of the Company.

2. INFORMATION RELATING TO SHENGKANG AND GANGHUA

Shengkang is a company incorporated in Tianjin City, the People's Republic of China ("**PRC**"), and is a 95%-owned subsidiary of the Company. Shengkang's registered capital is RMB200 million, of which RMB100 million has been paid-up to- date.

Ganghua is a company incorporated in Tianjin City, the PRC, and is a 95%-owned subsidiary of the Company. Ganghua's registered and paid up capital is RMB7.07 million.

The minority 5% shareholder of both Shengkang and Ganghua is the ex-CEO and controlling shareholder of the Company, Mr. Liu Qingzeng.

Both Shengkang and Ganghua were established on 15 July 2004 and were principally engaged in the provision of petro-engineering technical services to marginal oilfields in the PRC. Subsequent to the cessation of the contracts pertaining to the provision of technical services to such oilfields in 2009, both companies have since remained dormant.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is part of the Company's strategic plans to streamline the Group's structure by disposing dormant subsidiaries as the Company does not intend to revive the operations of Shengkang and Ganghua. This will also allow the Company to achieve savings

on administrative expenses. In addition, the Proposed Disposal is preferred to de-registering Shengkang and Ganghua as the latter will not allow the Company to salvage any value. On the other hand, the Company will receive proceeds of RMB100,000 in total upon the completion of the Proposed Disposal.

4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

4.1 The Shengkang Disposal

Pursuant to the terms of the SPA in relation to the sale of the Company's equity interests in Shengkang (the "**Shengkang Shares**"):

(a) the Company shall sell to the Buyer and the Buyer shall purchase 95% equity interests in Shengkang;

(b) the Buyer shall pay the Company RMB50,000 in cash for the Shengkang Shares within 10 days from the date of obtaining the requisite approvals from the relevant PRC regulatory authorities (the "**Shengkang Consideration**");

(c) the Buyer shall inherit all existing claims, rights and obligations in relation to Shengkang upon completion; and

(d) the Buyer shall not use Shengkang to operate similar businesses to that being conducted by the Group.

4.2 The Ganghua Disposal

Pursuant to the terms of the SPA in relation to the sale of the Company's interests in Ganghua (the "**Ganghua Shares**"):

(a) the Company shall sell to the Buyer and the Buyer shall purchase 95% equity interests in Ganghua;

(b) the Buyer shall pay the Company RMB50,000 in cash for the Ganghua Shares within 10 days from the date of obtaining the requisite approvals from the relevant PRC regulatory authorities (the "**Ganghua Consideration**");

(c) the Buyer shall inherit all existing claims, rights and obligations in relation to Ganghua upon completion; and

(d) the Buyer shall not use Ganghua to operate similar businesses to that being conducted by the Group.

4.3 Consideration

The Shengkang Consideration and the Ganghua Consideration for the Proposed Disposal were arrived at based on arm's length negotiations on a willing-seller willing-buyer basis after taking into consideration the financial positions and business prospects of Shengkang and Ganghua.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

As at the date of this announcement, the net tangible asset values of each the Shengkang Shares and the Ganghua Shares is less than one Singapore dollar.

The pro forma financial effects below have been prepared on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and are strictly for illustration purposes. Assuming that the Proposed Disposal had been effected on:

(a) 31 December 2014 (being the end of the most recently completed financial year of the Group), the Proposed Disposal is not expected to have any material impact on the consolidated net tangible assets per share as at 31 December 2014; and.

(b) 1 January 2014 (being the beginning of the most recently completed financial year of the Group), the Proposed Disposal is also not expected to have any material impact on the consolidated earnings per share for the financial year ended 31 December 2014.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the matters referred to above.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPAs will be available for inspection during normal business hours at the Company's registered office at 10 Collyer Quay #10-01 Ocean Financial Centre, Singapore 049315 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Wu Chun Lan
Chairperson and Chief Executive Officer
21 October 2015