Universal Resource and Services Limited
(Company Registration No: 200312303R)

Financial Statement Announcement for 1st Quarter ended 31 March 2016

Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors announces the unaudited results of the Group for the 1st quarter ended 31 March 2016.

		Group		
	Note	1st Qtr 2016	1st Qtr 2015	Increase / (Decrease)
		S$'000	S$'000	%
CONTINUING OPERATIONS				
Revenue		**-**	**6,773**	**(100%)**
Cost of services		-	(4,879)	**(100%)**
Gross profit		**-**	**1,894**	**(100%)**
Interest income		10	117	**(92%)**
Administrative expenses		(486)	(622)	**(22%)**
Depreciation for temporarily non-revenue generating plant and equipment		(405)	-	**n.m.**
(Loss)/Profit before tax from continuing operations		**(881)**	**1,389**	**n.m.**
Income tax expense		(2)	(696)	**(100%)**
(Loss)/Profit from continuing operations, net of tax		**(883)**	**693**	**n.m.**
DISCONTINUED OPERATIONS				
Loss from discontinued operations, net of tax	**I**	-	(69)	**(100%)**
(Loss)/Profit for the period		**(883)**	**624**	**n.m.**
Other comprehensive (loss)/income after tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences on consolidation		(3,388)	6,419	
Total comprehensive (loss)/income for the period		**(4,271)**	**7,043**	
Net (loss)/profit attributable to:				
Owners of the parent		**(883)**	**624**	
-(loss)/profit from continuing operations, net of tax		(883)	693	
-loss from discontinued operations, net of tax		-	(69)	
Non-controlling interests		-	-	
-profit from continuing operations, net of tax		-	-	
-profit from discontinued operations, net of tax		-	-	
		(883)	624	
Total comprehensive (loss)/income attributable to:				
Owners of the parent		**(4,271)**	**6,884**	
- from continuing operations, net of tax		(4,271)	7,271	
- from discontinued operations, net of tax		-	(387)	
Non-controlling interests		-	159	
- from continuing operations, net of tax		-	159	
- from discontinued operations, net of tax		-	-	
		(4,271)	7,043	

n.m. Not meaningful

1 (a)(ii) Included in the determination of (loss)/profit before tax from continuing operations are the following items:

	Group		
	1st Qtr 2016	1st Qtr 2015	Increase / (Decrease)
	S$'000	S$'000	%
Depreciation of plant and equipment:			
- accounted for as cost of services	-	4,874	(100%)
- accounted for as administrative expenses	-	2	(100%)
- accounted for as depreciation for temporarily non-revenue generating plant and equipment	405	-	n.m.
Interest income	(10)	(117)	(92%)
Net foreign exchange (gain)/loss	(32)	45	n.m.

n.m. Not meaningful

1(b) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Notes	Group		Company	
		31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets:					
Investments in subsidiaries		-	-	14,017	14,017
Plant and equipment		7,366	8,093	1	1
Total non-current assets		**7,366**	**8,093**	**14,018**	**14,018**
Current assets:					
Cash and bank balances	II	9,738	10,508	83	130
Other receivables	III	63,708	66,398	10,167	10,150
Total current assets		**73,446**	**76,906**	**10,250**	**10,280**
Total assets		**80,812**	**84,999**	**24,268**	**24,298**
LIABILITIES AND EQUITY					
Current liabilities:					
Other payables		5,029	5,012	2,113	1,917
Current tax payable		3	1	1	1
Total current liabilities		5,032	5,013	2,114	1,918
Non-current liability:					
Deferred tax liabilities		3,067	3,002	-	-
Total non-current liabilities		**3,067**	**3,002**	**-**	**-**
Total liabilities		**8,099**	**8,015**	**2,114**	**1,918**
Equity attributable to owners of the parent					
Issued capital		68,080	68,080	68,080	68,080
Share option reserve		166	166	166	166
Foreign currency translation reserve		8,981	12,369	-	-
Statutory common reserve		3,200	3,200	-	-
Accumulated losses		(7,714)	(6,831)	(46,092)	(45,866)
Total equity		**72,713**	**76,984**	**22,154**	**22,380**
Total liabilities and equity		**80,812**	**84,999**	**24,268**	**24,298**

1(b) Notes to the Income Statement and Balance Sheets

I Discontinued operations

In 2015, the Group completed an exercise to streamline the Group's operation and/or structure by de-registering or disposing unprofitable/dormant subsidiaries (the "Exercise"). Song Yuan Tian Yuan Oil Exploration Technology Services Co., Ltd ("Tian Yuan") was 100% indirectly owned by the Company and it was the sole subsidiary classified under the Oil Well Maintenance Segment. Tian Yuan completed its deregistration in September 2015. In accordance with the relevant Singapore Financial Reporting Standards, Tian Yuan's results were presented separately on the income statement as "Loss from discontinued operations, net of tax" for FY2015.

The effects of the above in relation to income statement and cash flow statements are as follows:

Profit and loss disclosures	Discontinued operations	
	1st Qtr 2016	1st Qtr 2015
	S$'000	S$'000
Revenue	-	70
Expenses	-	(139)
Loss before tax from discontinued operations	-	(69)
Income tax expenses	-	-
Loss from discontinued operations, net of tax	-	(69)

Cash flow statement disclosures	Discontinued operations	
	1st Qtr 2016	1st Qtr 2015
	S$'000	S$'000
Operating	-	(95)
Net cash outflows	-	(95)

II Cash and bank balances

Cash and cash balances decreased by S$0.8 million when compared to 31 December 2015, the decrease was mainly due to the payment of the operating expenses of S$0.4 million, while the remaining S$0.4 million decrease was attributable to the devaluation of RMB during the 1Q FY2016.

III Other receivables

	Group		Company	
	31-Mar-16 S$'000	31-Dec-15 S$'000	31-Mar-16 S$'000	31-Dec-15 S$'000
Deposit paid for acquisition of oil blocks	56,685	59,099	-	-
VAT receivable	6,891	7,184	-	-
Prepayments	20	16	33	16
Refundable deposits	112	99	48	48
Due from subsidiaries	-	-	10,086	10,086
	63,708	66,398	10,167	10,150

(a) Deposit paid for the acquisition of oil blocks

Deposit paid for acquisition of oil blocks relates to the first payment of US$49,990,000 (RMB 271,220,000) made on 30 December 2014, pursuant to the conditional sale and purchase agreement (the "SPA") entered into by SKY Petroleum Technology Development (Tianjin) Co., Ltd, ("SKY Tianjin") with Calgary Petroleum Service Co., Limited (the "Vendor") on 29 December 2014 for the proposed acquisition of 5,764 ordinary shares, representing approximately 57.64% of the issued and paid-up capital of Hongkong New Wing Energy Development Company Limited, a wholly owned subsidiary of the Vendor ("Proposed Acquisition").

According to the SPA, the first payment is to be refunded with interest by the Vendor to SKY Tianjin in the event that the Company is unable to obtain approval for the Proposed Acquisition from (i) the Company's shareholders at an extraordinary general meeting of the Company to be convened; or (ii) the Singapore Exchange Securities Trading Limited. Please refer to the Company's earlier announcement on this issue dated 11 November 2013, 7 May 2014, 10 November 2014, 12 January 2015, 30 January 2015, 27 February 2015, 18 May 2015 and 22 December 2015 ("Earlier Announcements").

As compared to 31 December 2015, the deposit paid for the acquisition of oil blocks decreased by S$2.4 million as a result of effect of movements in exchange rates.

The Board, together with the professionals, is still reviewing the Proposed Acquisition to ensure it meets the requirements of the Listing Manual. As such, none of the actions described above, in the Earlier Announcements or elsewhere in this announcement, is an indication that the Board is ratifying the Proposed Acquisition. The Company will make the necessary announcement when there is further development in relation to the Proposed Acquisition.

III Other receivables (cont'd)

(b) VAT receivables

VAT receivable mainly represents the tax paid on the drilling equipment purchased in previous years, which are to be carried forward and offset against future output VAT. The decreased of S$0.3 million was a result of effect of movements in exchange rates.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

The group did not have any borrowings or outstanding debt securities as at 31 March 2016 and 31 December 2015.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	1st Qtr 2016	1st Qtr 2015
	S$'000	S$'000
Operating activities		
(Loss) / Profit before income tax		
From continuing operations	(881)	1,389
From discontinued operations	-	(69)
Adjustments for:		
Depreciation of plant and equipment	-	4,876
Depreciation for temporarily non-revenue generating plant and equipment	405	-
Interest income	(10)	(117)
Unrealised currency translation differences	117	(29)
Operating cash (out)/inflow before movements in working capital	(369)	6,050
Trade receivables	-	(5,731)
Other receivables	(17)	153
Receipt in advance	-	(213)
Other payables	17	63
Cash (used in)/generated from operations	(369)	322
Income tax paid	-	(716)
Net cash used in operating activities	(369)	(394)
Investing activities		
Interest received	10	117
Net cash generated from investing activities	10	117
Effect of exchange rate changes on the balance of cash held in foreign currencies	(411)	790
Net (decrease)/increase in cash and cash equivalents	(770)	513
Cash and cash equivalents at beginning of year	10,508	19,761
Cash and cash equivalents at end of period (A)	9,738	20,274

A Cash and cash equivalents

	Group	
	31-Mar-16	31-Mar-15
	S$'000	S$'000
Cash at banks and on hand	9,738	303
Fixed deposits	-	19,971
	9,738	20,274

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the period ended 31 March 2016 and the year ended 31 December 2015

Group	Share capital S$'000	Share option reserve S$'000	Foreign currency translation reserve S$'000	Statutory common reserve S$'000	Retained earnings / (Accumulated losses) S$'000	Equity attributable to the owners of the parent S$'000	Non-controlling Interests S$'000	Total S$'000
Balance at 1 January 2015	**68,080**	**166**	**8,157**	**20,560**	**50,362**	**147,325**	**3,190**	**150,515**
Translation adjustment recognised directly in equity	-	-	4,212	-	-	4,212	-	4,212
Loss for the year	-	-	-	-	(77,882)	(77,882)	139	(77,743)
Total comprehensive income	-	-	4,212	-	(77,882)	(73,670)	139	(73,531)
Forgiveness of debts between fellow subsidiaries (Note 1)	-	-	-	-	3,329	3,329	(3,329)	-
Appropriation from statutory common reserve	-	-	-	(17,360)	17,360	-	-	-
Balance at 31 December 2015	**68,080**	**166**	**12,369**	**3,200**	**(6,831)**	**76,984**	**-**	**76,984**
Translation adjustment recognised directly in equity	-	-	(3,388)	-	-	(3,388)	-	(3,388)
Loss for the period	-	-	-	-	(883)	(883)	-	(883)
Total comprehensive loss	-	-	(3,388)	-	(883)	(4,271)	-	(4,271)
Balance at 31 March 2016	**68,080**	**166**	**8,981**	**3,200**	**(7,714)**	**72,713**	**-**	**72,713**

Note 1: Relates to the effect on the non-controlling interest of Tianjin Dagang Shengkang Petroleum Development Co., Ltd. ("Shengkang") and Tianjin Ganghua Petroleum Service Co., Ltd. ("Ganghua") arising from the waiver of the intra-group balances of Shengkang and Ganghua with SKY Tianjin, which is deemed as a capital transaction with equity holders and recognised directly in equity.

Statement of Changes in Equity of the Company for the period ended 31 March 2016 and the year ended 31 December 2015

	Share capital S$'000	Share option reserve S$'000	Retained earnings/ (Accumulated losses) S$'000	Total equity S$'000
Balance at 1 January 2015	**68,080**	**166**	**24,059**	**92,305**
Total comprehensive loss for the year (Note 2)	-	-	(69,925)	(69,925)
Balance at 31 December 2015	**68,080**	**166**	**(45,866)**	**22,380**
Total comprehensive loss for the period	-	-	(226)	(226)
Balance at 31 March 2016	**68,080**	**166**	**(46,092)**	**22,154**

Note 2: The loss was mainly due to:

(a). Impairment of Shengkang and Ganghua (which had been subsequently disposed in 4Q 2015) due to the waiver (by these subsidiaries) of certain inter-company balances due to and from the Company and/or other subsidiaries; and

(b). Impairment of SKY Tianjin.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital	No. of shares ('000) as at 31 March 2016 and as at 31 December 2015
Ordinary shares issued and fully paid	20,071

During the period ended 31 March 2016, the Company did not issue new shares under the Universal Resource and Services Employee Share Option Scheme ("ESOS"). Each share option issued under the ESOS entitled the holder to subscribe one ordinary share in the Company at the pre-determined exercise price after a specific vesting period.

As at 31 March 2016, options to subscribe for ordinary shares in our Company remained outstanding as follows:

	As at 31 March 2016 No. of shares	As at 31 Dec 2015 No. of shares
Options granted pursuant to Universal Resource and Services ESOS	89,250	89,250

On 18 May 2015, the Company has appointed Singularity Consultancy Pte. Ltd. as the consultant to the Company in relation to the proposed acquisition of 57.64% equity interests in Hongkong New Wing Energy Development Company Limited. Under the terms of the consultancy agreement with Singularity Consultancy Pte. Ltd. , the fees will be payable upon the achievement of the milestones by way of allotment and issuance of up to a maximum of 1,034,200 ordinary shares ("Consideration Shares") in the capital of the Company and at an issue price of S$0.7 per Consideration Share as adjusted for the Share Consolidation (as defined on Page 7 of this announcement). Up to the date of this announcement, no Consideration Share has been allotted.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

The Company's total number of issued ordinary shares as at 31 March 2016 was 20,071,466 (31 December 2015: 20,071,466).
The Company does not have any treasury shares.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not Applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the relevant new and revised accounting standards which became effective for annual periods beginning on or after 1 January 2016.

The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial period ended 31 March 2016.

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	1st Qtr 2016	1st Qtr 2015 (restated)
(Losses) / Earnings per ordinary share from continuing operations attributable to owners of the parent:		
Based on weighted average no. of ordinary shares in issue (basic) and on a fully diluted basis (cents)	(4.40)	3.45
(Losses) / Earnings per ordinary share:		
Based on weighted average no. of ordinary shares in issue (basic) and on a fully diluted basis (cents)	(4.40)	3.11
Number of shares in issue:		
Based on weighted average no. of ordinary shares in issue and on a fully diluted basis (in million)	20.07	20.07

(Losses) / Earnings per ordinary share is calculated based on the Group's profit/(loss) for the financial periods attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

On 18 September 2015, the Company completed a share consolidation of every 20 existing shares held by shareholders into one consolidated ordinary share with fractional entitlements to be disregarded ("Share Consolidation"). Following the Share Consolidation, the aggregate number of issued ordinary shares decreased from 401,429,540 to 20,071,466 shares. As a result, the number of ordinary shares used for the computation of the earnings per share for Q1 2015 have been adjusted retrospectively.

As at 31 March 2016, the outstanding share options were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effect would have been anti-dilutive due to the loss attributable to ordinary shareholders for the Q1 2016.

As at 31 March 2015, the outstanding share options did not have a dilutive effect because the average market price of the Company's ordinary shares for Q1 2015 during which the options were outstanding did not exceed the exercise price of the options.

The Consideration Shares have not been considered in the computation of basic and diluted earnings / (losses) per share as the milestones for allotment have not been achieved as at 31 March 2016.

7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

(b) immediately preceding financial year.

	Group		Company	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Net Assets Value (S$ '000)	72,713	76,984	22,154	22,380
Net Assets Value per share (dollars per share)	3.62	3.84	1.10	1.12
Net Assets Value per share has been computed based on the number of shares (in million of shares)	20.07	20.07	20.07	20.07

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

During the Q1 2016, the global oil industry continued to be depressed as oil prices dropped from around US$36/barrel at the beginning of the year to a low of US$27/barrel, then rebounced to US$37/barrel by end of the Q1 2016. Our Group's overall business environment remained challenging during this quarter.

Due to the delay in the commencement of the Sole Lease (as defined in the 6 November 2015 and subsequent 27 February 2016 announcements), and the Group has yet to find new customers in respect of those equipment recovered from Hebei Daofu Petroleum Exploration & Technology Development Co., Ltd ("HDPE") in January 2016, no revenue has been recorded under the Group's continuing operations in Q1 2016.

The decrease in revenue in Q1 2016 when compared to Q1 2015 was mainly the absence of revenue contribution in Q1 2016 as explained above.

As a result of the Exercise taken as mentioned Note I on page 3 above, the revenue from the Oil Well Maintenance Segment was re-classified as discontinued operations. Details for revenue are as follows:

	Group		
	1st Qtr 2016	1st Qtr 2015	Increase / (Decrease)
	S$'000	S$'000	%
CONTINUING OPERATIONS			
Rental of Drilling Rig	-	6,773	-100%
DISCONTINUED OPERATIONS			
Oil Well Maintenance	-	70	-100%
Total	-	6,843	-100%

Profitability

All the Group's profit contributions are solely from the Rental Segment. Detailed gross profit margin figures are as follows:

	Group			
	1st Qtr 2016		1st Qtr 2015	
	S$'000	GP%	S$'000	GP%
CONTINUING OPERATIONS				
Rental of Drilling Rig	-	n.m.	1,894	28.0%
DISCONTINUED OPERATIONS				
Oil Well Maintenance	-	n.m.	(44)	-62.9%
Total	-	n.m.	1,850	27.0%

Rental of Drilling Rig

As mentioned above, the Group did not recognise any revenue in Q1 2016, therefore, no gross profit was recorded and all related depreciation and other costs associated with the equipment under the Rental Segment were accounted for as “depreciation for temporarily non-revenue generating plant and equipment” and “administrative expenses” respectively in the income statement.

Oil well maintenance

The oil well service operation has been classified as discontinued operations as explained above.

Net (loss)/profit attributable to the owners of the parent

The Group net loss attributable to owners of the parent from continuing operations in Q1 2016 was S$0.9 million as compared to a net profit of S$0.6 million in Q1 2015. The S$1.5 million decrease in net profit in Q1 2016 was largely attributable to the following:

(i) S$1.9 million reduction in gross profit as explained above;
(ii) S$0.4 million increase in depreciation for temporarily non-revenue generating plant and equipment (see explanation above); and
(iii) S$0.1 million of reduction in interest income due to lower interest-bearing fixed deposits.

The total reduction in profit amounted to S$ 2.4 million above was partly offset by a S$0.1 million reduction in administrative expenses due to cost savings implemented by the Group and a S$0.7 million reduction in income tax. The taxable profit in Q1 FY2016 only pertained to interest earned.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

General business environment

After the energy prices dropped sharply in February 2016 to USD$27/barrel, it recovered in March 2016 to USD$37/barrel. However, global oversupply has weighed heavily on prices and some degree of volatility and uncertainty in the oil prices are expected in FY2016. Companies in the People’s Republic of China (“PRC”) that have secured contracts from state-owned entities to perform oil extraction services are still experiencing significantly depressed business activities and continued to delay the execution of their planned drillings due to the depressed oil prices.

Implications of the general business environment to the Group

Currently, the Group is solely dependent on the Rental of Drilling Rig Segment for its revenue. The level of oil prices will determine the demand for extraction activities which will in turn determine the demand for the rental for the Group's plant and equipment. Thus the current outlook of oil prices is expected to add to the challenges faced by the Group in the rest of the FY 2016.

The Group made announcements on 28 April 2016 and subsequently on 4 May 2016 in relation to The Sole Lease. SKY Tianjin and the Leasee (as defined in the announcement dated 31 August 2015) have mutually agreed that the deadline for the Lessee to complete the preparation of the installation site and the takeover of the Drilling Machine be extended to 4 August 2016.

The Group is now dependent on (a) the Sole Lease; and (b) the lease of the equipment recovered from the Customers (as defined below) ("Recovered Equipment") and other new business opportunities that the Group may be able to materialise in the future.

In the event that the Lessee does not adhere to the terms of the Sole Lease and/or fails to take delivery of the Drilling Machine in accordance with the terms of the Sole Lease, and/or if there is a variation to the terms of the Sole Lease, then depending on the actual circumstances or nature of any of the foregoing, there may be adverse impact on the results of the Group (including *inter alia* further impairment on the carrying value of the Drilling Machine).

In the event that the Group is unable to secure new customers and/or commence new leases for the Recovered Equipment on viable terms, then depending on the actual circumstances or nature of any of the foregoing, there may be adverse impact on the results of the Group (including *inter alia* further impairment on the carrying value of the Recovered Equipment).

The Group is actively seeking new customers, particularly on a short-term nature pending the stablisation of the oil prices, exploring and evaluating options to improve its profitability and diversify its income streams. However, there is no assurance that such efforts will result in positive outcome to the Group.

Management is closely monitoring the matters highlighted above and will make the necessary announcements

Updates on the legal proceedings against SKY Tianjin's ex-customers

As announced previously on 6 November 2015, 13 November 2015, 26 February 2016, 11 April 2016, 18 April 2016, 26 April 2016 and 6 May 2016, the Group's ex-customers, namely Tianjin Botenaer Petroleum Engineering Co., Ltd ("TBPE") and HDPE (collectively the "Customers"), defaulted on paying the outstanding rentals and failed to return the leased drilling equipment. As directed by the competent courts in the PRC, on 8 April 2016 and 21 April 2016, the Group has entered into two legally binding Civil Mediation Agreements ("CMAs") with TBPE and HDPE respectively, please refer to announcement dated 11 April 2016, 18 April 2016, 26 April 2016 and [6] May 2016 for more information.

The Group will continue to exhaust all means to enforce the legally binding CMAs while continuing its effort to track and recover the unreturned drilling equipment leased to the Customers. Management is closely monitoring the cases and will keep our Shareholders posted on the latest developments in due course.

Update on the proposed acquisition of 57.64% of the issued and paid up capital of Hongkong New Wing Energy Development Company Limited ("Proposed Acquisition")

The Board, in consultation with relevant professionals, is still undertaking a review of the Proposed Acquisition and will make the necessary announcements when there is any significant development in relation to the Proposed Acquisition.

The ongoing review of the Proposed Acquisition is not an indication, that the Board is ratifying or will subsequently ratify the Proposed Acquisition, and/or of the merits of the Proposed Acquisition. 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.

Cautionary statement

In view of the uncertainties of the outcome pertaining to the issues highlighted above, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

11 Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared or recommended.

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12 To disclose in the quarterly and full year announcements whether the group has obtained a general mandate from shareholders for Interested Person Transactions (IPT), and the aggregate value of such transactions. If no IPT mandate has been obtained, a statement is required.

No IPT mandate has been obtained from our shareholders and no IPT was entered into during the period under review.

13 Confirmation pursuant to SGX Listing Rule 720(1) of the Listing Manual

Universal Resource and Services Limited confirms that the undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

14 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the first quarter ended 31 March 2016 financial results to be false or misleading in any material aspect.

ON BEHALF OF THE DIRECTORS

Wu Chunlan	Chow Wai San
Chairperson of the Board	Independent Director

BY ORDER OF THE BOARD
11 May 2016