



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

ENTRY INTO CONSULTANCY AGREEMENT

1. INTRODUCTION

The Board of Directors (“**Board**”) of Universal Resource and Services Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”), refers to the Company’s announcement made on 12 February 2020.

The Board wishes to announce that its wholly-owned subsidiary, URS Equipment Services Pte. Ltd. (“**URSE**”), has commenced operations and entered into a consultancy agreement (“**Consultancy Agreement**”) with Rizhao Weilai Energy Co., Limited (日照蔚来能源有限公司) (“**Rizhao**”).

Rizhao was incorporated in the People’s Republic of China in 2018 and is in the business of oil and gas. It currently holds 49% equity stake in Zhong Cheng Shang Jian (Tianjin) Gas Co., Limited (中城商建(天津)燃气有限公司) (“**Zhong Cheng**”), which principal business activities include that of supplying city gas, installation and maintenance of gas burners, specialised equipment installation and modification and project construction.

Under the terms of the Consultancy Agreement, URSE will be providing consultancy services to Rizhao for a period of 12 months in connection with a coal-bed methane treatment and utilisation project in Qinshui County, Shanxi Province, China (“**Project**”).

The scope of the consultancy includes, among others, the provision of early stage inspection, testing and evaluation consultation services, preparing pre-assessment, cost evaluation and research reports and the project development plan, and sourcing, leasing and/or provision of parts and equipment in relation to the Project.

URSE will be appointing two consultants to assist URSE in the performance of its obligations under the Consultancy Agreement.

2. RATIONALE FOR THE TRANSACTION

The Board considers the consultancy to be low risk and not complex, and the net cash flow generated through the consultancy is low but expected to be positive.

The Consultancy Agreement is also the Group’s first step to forming a strategic cooperation and developing a business relationship with Rizhao and Zhong Cheng in the natural gas field. This would be beneficial to the Group in securing further business opportunities in the PRC as the country’s renewable energy consumption is projected to grow over the coming decade in

line with the PRC government's intention to position natural gas as one of the PRC's key sources of energy.¹

In view of the above, the Board has decided that it is in the Group's interest for URSE to enter into the Consultancy Agreement.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or, as far as the Company is aware, controlling Shareholders, has any interest, direct or indirect, in the Consultancy Agreement, save for their respective shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

Wu Chunlan
Chairperson and Chief Executive Officer
23 July 2021

¹ In June 2017, the Energy Department of China issued a policy paper titled "Views relating to increasing the utilisation of natural gas".