LINAIR TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199505699D)

PROPOSED ISSUE OF REMUNERATION SHARES TO MR. LOH YIH, EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR OF THE COMPANY ("PROPOSED SHARE ISSUANCE")

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1. INTRODUCTION

1.1 The Board of Directors of Linair Technologies Limited (the "**Company**") wishes to announce that it has, on 12 March 2015, entered into a supplemental agreement with Mr. Loh Yih ("**Mr. Loh**"), the Executive Chairman and Executive Director of the Company, to amend the service agreement dated 18 September 2013 entered into between the Company and Mr. Loh ("**Service Agreement**").

1.2 Pursuant to the terms of the Service Agreement (as amended by the supplemental agreement dated 12 March 2015), Mr Loh will be entitled to be issued and allotted up to 49,004,804 fully-paid new ordinary shares free of consideration ("**Remuneration Shares**") upon turning around the Company and achieving key financial performance targets decided by the Remuneration Committee.

2. PROPOSED SHARE ISSUANCE

2.1 Pursuant to the terms of the Service Agreement (as amended by the supplemental agreement dated 12 March 2015), subject to the approval of shareholders of the Company and receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Remuneration Shares on the Catalist, Mr. Loh shall be entitled to a remuneration comprising, *inter alia*, Remuneration Shares which shall be paid in accordance with the following terms:-

(a) If the Company achieves S$1.0 million and above in audited consolidated profit before tax for the financial year ending 31 December 2015 ("**FY2015**"), Mr. Loh shall be issued and allotted 24,502,402 Remuneration Shares, representing approximately 7.03% of the existing issued share capital of the Company as at 12 March 2015 or approximately 6.56% of the enlarged share capital of the Company ("**First Tranche**");

(b) If the Company achieves S$1.0 million and above in audited consolidated profit before tax for FY2015, and the Company achieves S$2.0 million and above in audited consolidated profit before tax for the financial year ending 31 December 2016 ("**FY2016**"), Mr. Loh shall be issued and allotted 24,502,402 Remuneration Shares, representing approximately 7.03% of the existing issued share capital of the Company as at 12 March 2015 or approximately 6.16% of the enlarged share capital of the Company ("**Second Tranche**"); or

(c) If the Company does not achieve S$1.0 million and above in audited consolidated profit before tax for FY2015, but achieves in aggregate S$3.0 million and above in audited consolidated profit before tax for FY2015 and FY2016, Mr. Loh shall be issued and allotted 49,004,804 Remuneration Shares, representing approximately 14.05% of the existing issued share capital of the Company as at 12 March 2015 or approximately 12.32% of the enlarged share capital of the Company.

2.2 As at the date of this Announcement, Mr. Loh holds 2,900,000 ordinary shares in the share capital of the Company ("**Shares**"), representing approximately 0.83% of the existing issued share capital of the Company. Mr. Loh is also deemed interested in 63,380,000 Shares, representing approximately 18.17% of the existing issued share capital of the Company. Mr.

Loh's total direct and indirect interest in the Company amount to an aggregate of 66,280,000 Shares, representing approximately 19% of the existing issued share capital of the Company.

2.3 Based on the existing issued share capital of the Company of 348,783,140 Shares, the effect of the First and Second Tranches on Mr Loh's shareholding interest in the Company are as follows:-

	Direct Interest	**Indirect Interest**	**Total Interest**	**Percentage of enlarged share capital**
Before the Remuneration Shares are issued				
As at the date of this Announcement	2,900,000	63,380,000	66,280,000	19%
After the date of this Announcement				
After the First Tranche	27,402,402	63,380,000	90,782,402	24.32%(1)
After the First and Second Tranche or the total issue of 49,004,804 Remuneration Shares	51,904,804	63,380,000	115,284,804	28.98%(2)

Notes:-

(1) Based on the enlarged issued share capital comprising 373,285,542 Shares after the First Tranche.

(2) Based on the enlarged issued share capital comprising 397,787,944 Shares after the Second Tranche.

2.4 The Remuneration Shares shall rank for any dividend, right, allotment or other distribution, the Record Date of which falls on or after the date of issuance and will rank *pari passu* in all respects with the Shares then existing. The "**Record Date**" means, in relation to any dividend, right, allotment or other distribution, the date on which shareholders must be registered in the register of members of the Company in order to participate in such dividend, right, allotment or other distribution.

2.5 The Proposed Share Issuance is subject to (i) the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Remuneration Shares on the Catalist and (ii) approval of shareholders of the Company.

3. EXTRAORDINARY GENERAL MEETING

The Company will convene an extraordinary general meeting to seek approval of shareholders of the Company in respect of the Proposed Share Issuance. A circular to shareholders of the Company together with a notice of the extraordinary general meeting will be despatched in due course.

4. ABSTENTION FROM VOTING

Mr. Loh and his associate, Cavangh Group Pte Ltd, shall abstain from voting on the ordinary resolution regarding the Proposed Share Issuance, and shall not accept nominations as proxies unless specific instructions have been given in the proxy instrument by shareholders of the Company appointing them on how they wish their votes to be cast.

BY ORDER OF THE BOARD

Wong Kok Chye

Executive Director and Group Chief Executive Officer
12 March 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is:-

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