LINAIR TECHNOLOGIES LIMITED

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

ENTRY INTO OF SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF 100,000 SHARES IN ACTIVE BUILDING TECHNOLOGY PTE. LTD. (THE "TARGET COMPANY") REPRESENTING 100% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY ("THE PROPOSED ACQUISITION")

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1. Introduction

The Board of Directors (the **"Board"**) of Linair Technologies Limited (the "**Company**", and together with its subsidiaries the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, Air System Technology Pte. Ltd. ("**AST**") has on 19th August 2015 entered into a sale and purchase agreement ("**Agreement**") with Oh Beng Choo (the "**Vendor**") in respect of the proposed acquisition of 100,000 ordinary shares in the Target Company ("**Sale Shares**"), representing 100% of the issued share capital of the Target Company (the "**Proposed Acquisition**").

2. Information on the Vendor and Target Company

The Target Company is a company with limited liability, incorporated in Singapore on 8 October 2012. The Target Company has an issued share capital of S$100,000 comprising 100,000 fully paid ordinary shares ("**Shares**"). All 100% of the issued share capital of the Target Company is owned by the Vendor. The Target Company is a Singapore based company that is engaged in the business of providing dormitory maintenance services, as well as air conditioning and ventilation works, general building construction services and mechanical and electrical works, mainly in Singapore.

The Vendor is not related to any of the Directors and Controlling Shareholders of the Company.

3. The Purchase Consideration

The consideration ("**Consideration**") for the Sale Shares shall be an aggregate amount of S$1,900,000 which was negotiated and arrived at on a willing buyer willing seller basis taking into account growth and synergistic considerations.

The consideration is to be satisfied in cash and is payable to the Vendor on Completion Date subject to the fulfillment to the satisfaction of the Purchaser or the waiver by the Purchaser of the conditions precedent set out in the Sales and Purchase Agreement.

AST shall purchase, and the Vendor shall sell, the Sale Shares, representing 100% of the issued share capital of the Target Company, free from all Encumbrances and with all rights as from the completion of the Proposed Acquisition attaching thereto including the right to all dividends hereafter paid, declared or made in respect thereof.

4. Conditions precedent attached to the Proposed Acquisition

Completion of the Proposed Acquisition is subject to the following conditions precedent ("**Conditions Precedent**"):

(a) the results of the due diligence review (including but not limited to legal, financial, contractual, tax, valuation or otherwise) conducted in respect of the Target Company being satisfactory to AST and the Company in their sole discretion. For the avoidance of doubt, AST and the

Company shall not be required to provide any reason or basis for determining that the due diligence review of the Target Company is unsatisfactory;

(b) the Target Company having no liabilities or obligations (whether actual, contingent, deferred or potential) other than in the ordinary course of trade, save as disclosed in writing to AST prior to execution of the Agreement and such additional liabilities incurred between execution of the Agreement and Completion (as defined below) as are permitted under this Agreement;

(c) there being no governmental or court act, decree or order of any applicable jurisdiction has been issued or enacted which in the Company's reasonable view may materially hinder, limit or restrict the Completion, the transfer of the Shares by AST or the performance by the parties of their obligations under the Agreement;

(d) there has been no material adverse change in the prospects, operations, assets, business, liabilities or financial or operating conditions of the Target Company occurring on or before the Completion Date (as defined below) and there has been no event occurring on or before the Completion Date which would be likely to result in such material adverse change after the Completion Date;

(e) the approval by the board and the shareholders (if required) of AST and the Company having been obtained in relation to the Proposed Acquisition;

(f) there not being at any time prior to Completion any restriction, limitation, prohibition or directive, whether written or verbal, from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") limiting prohibiting the entry into or performance by AST of its obligations under the Agreement; and

(g) all necessary third party, governmental and regulatory consents, approvals and waivers where required for the transactions contemplated hereunder having been obtained, and such consents, approvals and waivers not having been amended or revoked before Completion Date.

5. Completion of Proposed Acquisition

Completion of the Proposed Acquisition ("**Completion**") shall take place on such date as notified by AST to the Vendor, such date being a date set by the Company within 14 days of the satisfaction of the Conditions Precedent ("**Completion Date**").

AST and the Vendor have agreed that all risks and rewards of and associated with the Sale Shares, and the profits and losses attributable to the Sale Shares shall be deemed to have passed to and accrue to and for AST as from 1 July 2015.

6. Source of funds

The Proposed Acquisition will be funded by existing cash and bank borrowings of the Group.

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7. Rationale of the Proposed Acquisition

This Proposed Acquisition is aligned with the Group's plans to further expand into complementary business areas within the civil engineering and mechanical & engineering industry. This Proposed Acquisition allows the Group to strengthen its competitive advantage and it's positioning as a solution provider of choice in the engineering industry and eventually gain access to new contracts, customers and business opportunities.

8. Financial Effects Proposed Acquisition

The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Acquisition.

The financial effects have been prepared on a proforma basis using the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**").

Effect of Proposed Acquisition on Net Tangible Asset ("**NTA**") per Share

Assuming that the Proposed Acquisition had been completed on 31 December 2014 and based on the Group's latest audited consolidated financial statements for FY2014, the effects on the NTA per share of the Group are as follows:

As at 31 December 2014	**Before Completion of the Proposed Acquisition**	**After Completion of the Proposed Acquisition**
NTA (S$')	11,698,000	10,225,160
Number of issued shares	348,783,140	348,783,140
NTA per share (S$ cents)	3.35	2.93

Effect of Proposed Acquisition on Earning/(Loss) per Share

Assuming that the Proposed Acquisition has taken place on 1 January 2014 and based on the Group's latest audited consolidated financial statements for FY2014, the Proposed Acquisition would have the following effects on the Group's earning/(loss) per share as presented in the following table:

As at 31 December 2014	**Before Completion of the Proposed Acquisition**	**After Completion of the Proposed Acquisition**
Consolidated net earning/(loss) attributable to shareholders (S$')	(421,972)	7,382
Weighted average number of shares	348,783,140	348,783,140
Earning/(Loss) per Share (S$ Cents)	(0.12 cents)	0.002 cents

Effect of Proposed Acquisition on Group's Gearing

Assuming that the Proposed Acquisition has taken place on 31 December 2014 and based on the Group's latest audited consolidated financial statements for FY2014, the Proposed Acquisition would have the following effects on the Group's gearing as presented in the following table:

As at 31 December 2014	**Before the Proposed Acquisition**	**After the Proposed Acquisition**
Gearing (times)	0.064	0.064

Effect of Proposed Acquisition on Company's Share Capital

The Proposed Acquisition would have no material effects on the issued share capital of the Company.

9. Relative Figures under Rule 1006

Based on the latest audited consolidated financial statements of the Group for the 12 months ended 31 December 2014, the relative figures in respect of the Proposed Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the group's net asset value as at 31st December 2014.	Not applicable
Rule 1006 (b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits(1) as at 31st December 2014.	(101.75%)
Rule 1006 (c) Aggregate value of consideration given or received, compared with the market capitalization(2) of the Company as at 18th August 2015, being the last full market day immediately preceding the signing of the Agreement	17.57%
Rule 1006 (d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e) The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is only applicable to a	Not applicable

disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	

Notes:

(1) The Group's net loss after tax for FY2014 was S$421,972. The Target's profit after tax for FY2014 was approximately S$429,354.

(2) The Company's market capitalization of approximately S$10,812,277 was computed based on the Company's existing issued share capital of 348,783,140 shares and the volume weighted average price of S$0.031 per Share on the market day preceding the signing date of the agreement.

Based on the relevant figures computed under Rule 1006 of the Catalist Rules, as the relative figure under Rule 1006(c) exceeds 5%, the Acquisition constitutes a discloseable transaction.

10. Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Agreement or the Proposed Acquisition, other than through their respective shareholdings in the Company.

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Acquisition.

11. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Agreement, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

12. Documents for Inspection

Shareholders should note that a copy of the Agreement will be available for inspection during normal business hours at the Company's registered office at 33 Mactaggart Road, #04-00 Singapore 368082 for three (3) months from the date hereof.

BY ORDER OF THE BOARD

Wong Kok Chye
Executive Director and Group Chief Executive Officer
19th August 2015

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This announcement has been prepared by the Company and its contents has 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 (the "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.

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