
UPDATE - PROPOSED DISPOSAL OF A SUBSIDIARY

*Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 17 April 2014 in relation to the Proposed Disposal of CCM Industrial Pte. Ltd. (the "**Announcement**").*

1. THE PROPOSED DISPOSAL

The Board of Directors of CCM Group Limited (the "**Company**", and with its subsidiaries, the "**Group**") refers to the Announcement and wishes to update Shareholders that further to the HOA, it had on 16 May 2014 entered into a sale and purchase agreement with Raymond Brother Builder Pte Ltd (the "**Purchaser**") and Mr Liew Sen Keong ("**Mr Liew**") for the Proposed Disposal (the "**SPA**"). [

Mr Liew is a party to the SPA to ensure, *inter alia*, that:

- (i) the Original Guarantees (as defined hereinunder) are replaced by back to back guarantees by the Purchaser;
- (ii) CIPL provides full and prompt cooperation and assistance to the Company and its auditors and/or internal auditors with any audit, consolidation and/or accounting matters of the Company by the Company's auditors and/or internal auditors; and
- (iii) in his capacity as a director of CIPL, use his best endeavours to procure that the completion items required for Completion (as defined hereinunder) will be furnished by CIPL on Completion.

The Purchaser, Mr Liew and the Company shall collectively be referred to hereinafter as the "**Parties**".

Upon the completion of the Proposed Disposal, CIPL will cease to be a subsidiary of the Company.

2. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Singapore with its registered address at 20 Maxwell Road #07-08 Maxwell House Singapore 069113, and its principal activities include general contracting work, including building construction, major upgrading works and structural repair works. Its issued and paid up share capital is S\$300,000, comprising 300,000 ordinary shares. Its sole director and shareholder is Mr Cheng Boon Huat ("**Mr Cheng**"). Mr Cheng is an independent third party.

3. MATERIAL TERMS OF THE SPA

3.1 **Consideration.** The Consideration for the Proposed Disposal is S\$1.00 and has been determined by the Parties at arm's length and on a willing buyer, willing seller basis, based on the net liabilities and debts of CIPL.

3.2 **Conditions Precedent.** Completion of the Proposed Disposal ("**Completion**") is subject to, *inter alia*, the following:

- (i) CIPL obtaining such approval(s) from its board of directors and/or shareholders in connection with the SPA and the transactions contemplated therein as may be necessary;
- (ii) The Purchaser obtaining all relevant approval(s) in connection with the SPA and the transactions contemplated therein as may be necessary;
- (iii) The Parties executing the share transfer forms in relation to the entire issued share capital of CIPL in favour of the Purchaser and/or his nominee, to be held in escrow by Shook Lin & Bok LLP ("**SLB**"); and
- (iv) Each of the warranties and undertakings remaining true and not misleading in any respect at Completion, as if repeated at Completion and at all times between the date of the SPA and Completion.
- (v) All necessary third party, governmental and regulatory consents, approvals and waivers, including approvals, waivers and clearance from the SGX-ST and/or the Sponsor, where required for the transactions contemplated hereunder having been obtained by CIPL, and such consents, approvals and waivers not having been amended or revoked before date of completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Purchaser.

3.3 **Condition Subsequent.** The Parties agree and undertake that the SPA shall be subject to the following condition subsequent, which the Parties undertake to complete as soon as reasonably possible following Completion, and in any case, within 30 days of the date of the SPA:

- (i) The Purchaser, Mr Liew and the Vendor shall procure that the outstanding corporate guarantees issued by the Company for the benefit of CIPL amounting to S\$16,617,628.25 (the "**Original Guarantees**"), are replaced by back to back guarantees by the Purchaser, on the same terms and conditions as the Original Guarantees and the Original Guarantees are released and discharged by the guarantee holders.

3.4 **Completion.** Under the terms of the SPA, Completion shall take place on a date as agreed by the Parties.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr Liew has ceased to be the Non-Executive Chairman and a director of the Company at the annual general meeting of the Company held on 28 April 2014. Accordingly the Proposed Disposal does not constitute an interested person transaction for the Company under Chapter 9 of the Catalyst Rules.

Save as disclosed above and for their shareholdings in the Company, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

5. SERVICE CONTRACTS

There are no directors who are proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 9 Temasek Boulevard #09-02A Singapore 038989 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director
16 May 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance 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.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.