



(Incorporated in Singapore)
(Company registration no. 200916763W)

THE PROPOSED ISSUANCE OF RIGHTS SHARES AND BONUS SHARES BY THE COMPANY – RECEIPT OF APPROVAL FROM THE SIC

Unless otherwise defined, all capitalised terms herein shall have the same meaning as ascribed to them in the Announcement.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of CCM Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 27 May 2014 (the “**Announcement**”) wherein the Company has proposed to undertake the Rights Issue and the Bonus Shares Issue.

2. SIC APPROVAL - WAIVER FROM A MANDATORY GENERAL OFFER

In connection with the proposed Rights Issue and the Bonus Shares Issue, the new Shares to be issued to Mr Chan Heng Fai and HBD pursuant to the Irrevocable Undertaking (and by parties acting in concert with him), may result in an obligation of their part to make a take-over under Rule 14 of the Code. In this regard, the Company had sought the approval of the SIC for granting a waiver of its obligation to make a mandatory general offer under the Code, for all the Shares not owned or controlled by Mr Chan Heng Fai and parties acting in concert with him (the “**SIC Waiver**”).

The Company wishes to announce that it has received the approval from the SIC for the SIC Waiver, subject to the following conditions:

- a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the proposed Rights Issue, approve by way of a poll, the Whitewash Resolution;
- b) the Whitewash Resolution is separate from other resolutions;
- c) the Undertaking Shareholders, parties acting in concert with them and parties not independent of them abstain from voting on the Whitewash Resolution;
- d) the Undertaking Shareholders and their concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the circular);
 - i. during the period between the date of the first announcement (dated 8 April 2014) of the proposed Rights Issue (the “**First Announcement**”) and the date Shareholders' approval is obtained for the Whitewash Resolution; and

- ii. in the 6 months prior to the date of the First Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the proposed Rights Issue;
- e) the Company appoints an independent financial adviser to advise the independent Shareholders on the Whitewash Resolution;
- f) the Company sets out clearly in its circular to Shareholders:
 - i. details of the proposed Rights Issue, including the Irrevocable Undertaking;
 - ii. the possible dilution effect to existing holders of voting rights as a result of the Undertaking Shareholders acquiring the new Shares pursuant to the Irrevocable Undertaking;
 - iii. the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Undertaking Shareholders and their concert parties as at the latest practicable date;
 - iv. the number and percentage of voting rights to be issued to the Undertaking Shareholders as a result of their subscription for the new Shares pursuant to the Irrevocable Undertaking;
 - v. that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Undertaking Shareholders at the highest price paid by the Undertaking Shareholders and their concert parties for Shares in the past 6 months preceding the commencement of the proposed Rights Issue; and
 - vi. that the acquisition of the new Shares by the Undertaking Shareholders pursuant to the Irrevocable Undertaking might result in the Undertaking Shareholders and their concert parties holding shares carrying over 49% of the voting rights of the Company based on its enlarged issued capital and the fact that the Undertaking Shareholders and their concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;
- g) the circular by the Company to Shareholders states that the waiver granted by the SIC to the Undertaking Shareholders from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at (a) to (f) above;
- h) the Company obtains the SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- i) to rely on the Whitewash Resolution, the acquisition by the Undertaking Shareholders of the new Shares pursuant to the Irrevocable Undertaking must be completed within 3 months of the date of approval of the Whitewash Resolution.

3. CAUTIONARY STATEMENT

The Board would like to advise the Shareholders that although the SIC Waiver has been obtained, completion of the proposed Rights Issue and the Bonus Shares Issue is subject to certain conditions being fulfilled and there is no assurance that the proposed Rights Issue and the Bonus Shares Issue would be completed. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the Company's

Shares. Shareholders who are in any doubt about this announcement should consult their stockbroker, bank manager, solicitor or other professional adviser.

BY ORDER OF THE BOARD
CCM GROUP LIMITED

Chan Heng Fai
Executive Director and Chief Executive Officer

2 July 2014

This announcement has been prepared by the Company and its contents have been reviewed by 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.