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## UPDATE ON TERMINATION OF CONTRACT

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### UPDATE ON THE TERMINATION OF CONTRACT IN RESPECT OF THE ORION-ONE CONTRACT

*Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 22 April 2014 in relation to the termination of the Orion-One Contract (the "**Announcement**").*

1. The Board of Directors (the "**Board**") of CCM Group Limited ("**CCM**" or the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Announcement.
2. The Board wishes to update shareholders of the Company (the "**Shareholders**") that CCM Industrial Pte. Ltd. ("**CCM Industrial**") has on 22 April 2014 been informed by The Overseas Assurance Corporation Limited ("**OAC**") that OAC has been called on to pay a sum of S\$3,236,500.00 (the "**Performance Bond Amount**") to Orion-One Residential Pte Ltd in accordance with a performance bond issued by OAC in favour Orion-One Residential Pte Ltd (the "**Performance Bond**") relating to the Orion-One Contract.
3. OAC has therefore called on CCM Industrial to pay S\$3,240,245.00, being the Performance Bond Amount plus legal costs of S\$3,745.00, to OAC further to an indemnity provided by CCM Industrial to OAC against all demands, claims, actions, suits, liabilities, losses, costs and expenses incurred by OAC pursuant to or in connection with the Performance Bond, among others (the "**Indemnity**").
4. The Company and CCM Industrial are currently seeking legal advice in relation to the legality of the Orion-One Residential Pte Ltd's call on the Performance Bond and the termination of the Orion-One Contract, and are also currently evaluating the financial impact of this development. The Company will make further appropriate announcements as and when there are further material developments on this matter.

BY ORDER OF THE BOARD

Chan Heng Fai  
Executive Director and Chief Executive Officer

28 April 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.*