
UPDATE IN RELATION TO A CALL ON A PERFORMANCE BOND

*Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 28 April 2014 in relation to the Tuas Contract (the "**Announcement**").*

1. The Board of Directors (the "**Board**") of CCM Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Announcement and wishes to update shareholders of the Company (the "**Shareholders**") that the Company had, on 29 April 2014, received a notice from the solicitors of SHC stating that SHC will pay the Performance Bond Amount to Pan-Asia in accordance with the Performance Bond.
2. Accordingly, the Company is put on notice that SHC will seek an indemnity against the CCM Industrial, the Company and Mr Liew Sen Keong in accordance with the indemnity granted by CCM Industrial in favour of SHC, the Corporate Indemnity and the Personal Guarantee after SHC has paid the Performance Bond Amount to Pan-Asia.
3. The Company's previous non-executive chairman, Mr Liew Sen Keong is a co-guarantor of the Performance Bond, and together with the Company is, jointly and severally liable for the Performance Bond Amount of S\$4.2 million.
4. The Company has commenced discussions with SHC to restructure the payment of the Performance Bond Amount.
5. The Company will make further appropriate announcements as and when there are material developments on this matter.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

30 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.

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