
PROPOSED DIVERSIFICATION INTO INFORMATION TECHNOLOGY BUSINESS AND REVISION OF USE OF PROCEEDS IN RELATION TO THE PROPOSED ISSUANCE OF RIGHTS SHARES AND BONUS SHARES IN CONNECTION THERETO

Reference is made to the Company's announcement dated 27 May 2014 (the "Announcement"). Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Announcement.

Subsequent to the Announcement, the Board has sought for a diversification of the existing Company's core businesses to include the Information Technology Business (the "IT Business" or "Proposed IT Business Diversification"). The IT Business, will include investments in businesses which are involved in IT hardware and software research & development; and other businesses providing IT-related services to end-users, service providers and other commercial users via multiple platforms including (but not limited to) mobile internet and cloud computing technology.

The Company will be seeking the approval of Shareholders for, inter alia, the Proposed IT Business Diversification at an extraordinary general meeting of the Company to be convened in due course.

The Group plans to finance the Proposed IT Business Diversification using a combination of proceeds from the proposed Rights Issue as disclosed in the Announcement, internal funds, bank borrowings as well as working with potential joint venture partners who are able to provide funding for projects.

Accordingly, the Board wishes to revise the proposed utilisation of the Net Proceeds from the proposed Rights Issue by the Company to include the Proposed IT Business Diversification, based on two different assumptions: (1) Maximum Scenario and (2) Minimum Scenario.

For the purpose of comparison, Table 1 below sets out the use of the Net Proceeds in the Announcement ("**Original Use of Proceeds**"), and Table 2 below sets out the revised use of the Net Proceeds taking into account the Proposed IT Business Diversification ("**Revised Use of Proceeds**").

Table 1: Original Use of Proceeds

Use of Proceeds	Maximum Scenario	Minimum Scenario
	Percentage of Net Proceeds (%)	Percentage of Net Proceeds (%)
Discharging existing obligations under construction business and redemption of liabilities	15 - 20	100 ⁽¹⁾
Exploration of and investment in new	50 - 65	-

project opportunities under the Group's
Property Development Business

Investment Business	10 - 15	-
General Working Capital	10 - 15	-
Total	100	100

Note:

- (1) Intended to be used only for the discharge of existing obligations and redemption of liabilities under the Group's construction business.

Table 2: Revised Use of Proceeds

Use of Proceeds	Maximum Scenario	Minimum Scenario
	Percentage of Net Proceeds (%)	Percentage of Net Proceeds (%)
Discharging existing obligations under construction business and redemption of liabilities	15	100 ⁽¹⁾
Exploration of and investment in new project opportunities under the Group's Property Development Business	30	-
Exploration of and investment in new project opportunities under the Group's proposed IT Business	30	-
Investment Business	15	-
General Working Capital	10	-
Total	100	100

Note:

- (1) Intended to be used only for the discharge of existing obligations and redemption of liabilities under the Group's construction business.

Save as disclosed above, there is no other revision in the use of proceeds in relation to the proposed Rights Issue.

BY ORDER OF THE BOARD
CCM GROUP LIMITED

Chan Heng Fai
Executive Director

10 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.