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CCM GROUP LIMITED

CCM Group Limited (Co.Reg. 200916763W)

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CCM To Seek Shareholders' Approval On 5 August For Rights And Bonus Shares Issue, Diversification into IT Business & Name Change To Reflect New Business Direction

Singapore, 15 July 2014 – CCM Group Limited (“CCM”, the “Company”, and together with its subsidiaries, the “Group”) will seek shareholders’ approval at an upcoming Extraordinary General Meeting (“EGM”) to raise new capital via a rights issue, change its name and diversify into information technology (“IT”).

These proposals follow the recent disposal on 21 May 2014 of CCM Industrial Pte Ltd, a previously wholly owned subsidiary involved in construction activities in Singapore that had incurred major losses last year.

CCM said in a circular to shareholders that it is seeking to change its name to ***Singapore eDevelopment Limited*** to reflect its business activities going forward, including IT, property development, construction (under CCM’s subsidiary, Singapore Construction Pte Ltd) and investments in quoted and unquoted securities with good growth potential.

The Singapore Exchange Catalist-listed company is proposing to issue twelve rights shares at 0.3 Singapore cent each for every existing one share held (“Rights Shares”) (the “Rights Issue”) and one bonus share for no consideration for every one Rights Share subscribed for (“Bonus Shares”).

The 5 August 2014 EGM follows shareholders’ approval received last November for the issue of 3.42 billion bonus warrants and piggyback warrants (“Warrants”) – worth up to S\$36.0 million – and S\$5.0 million raised from exchangeable notes.

CCM has so far issued 1.1 million shares from the Warrants exercise, raising approximately S\$11.0 million, resulting in a total share capital base of 1.23 billion shares currently.

Mr. Chan Heng Fai (“Mr. Chan”), CEO and Executive Director of CCM, and Hengfai Business Development Pte. Ltd., which Mr. Chan fully owns, have given irrevocable undertakings that they will subscribe for their full *pro rata* entitlement of 1.02 billion Rights Shares and up to 178.7 million of excess Rights Shares, subject to availability.

Based on the Rights Issue price and undertakings by the substantial shareholders, and assuming that no other shareholders will subscribe for their relevant entitlements of Rights Shares, a minimum of S\$3.3 million in net proceeds will be raised.

Assuming that all bonus warrants and piggyback warrants are exercised prior to the books closure date and that all Rights Shares are fully subscribed for, a maximum of up to S\$129.1 million in net proceeds will be raised.

CCM wishes to pursue new business activities in software and hardware development, and investment in businesses providing IT-related services to end-users, service providers and other commercial users via multiple platforms such as mobile internet and cloud computing.

Mr. Chan said: "Mobile internet, cloud computing and social media are increasingly prevalent for communications, e-commerce and gaming. We want to actively pursue the many opportunities in this field so as to enhance shareholder value more rapidly. Our proposed new name, Singapore eDevelopment Limited, reflects this strategic direction."

Apart from IT investments, the Company will use the Rights Issue proceeds for working capital, property development, investments and to discharge existing obligations or liabilities related to its previous construction business.

CCM is currently pursuing a land development project in the U.S. – which has already received pre-sale letters of intent from local developers for over half of the sub-divided lots in Houston, Texas – and has lodged formal offers to conduct property development on four sites in Perth, Australia.

"We are embarking on a total strategic transformation underpinned by three new pillars of growth – property development, IT and investment in quoted and unquoted securities – which I am confident will create sustainable and recurring revenue streams and enhance shareholder value," Mr. Chan said.

The Rights Issue price of 0.3 Singapore cent represents a discount of approximately 57%, or 79% after considering the issue of Bonus Shares (bringing the effective issue price to 0.15 Singapore cent), to the closing price of 0.7 Singapore cent per CCM share on SGX-ST on 26 May 2014.

End of Press Release

Issued on behalf of the Company by WeR1 Consultants Pte Ltd:

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About CCM Group Limited

Incorporated on 9 September 2009 and listed on the Singapore Exchange Catalist Board in July 2010, CCM Group Limited ("CCM" or the "Company") is involved in construction activities in Singapore and property development and investment overseas, focusing initially in Australia and the United States.

For more information, please visit: www.ccmgroup.sg

*This press release 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 Company's Sponsor has not independently verified the contents of this press release.*

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