

CCM Revises Terms of Rights Issue; To Expand And Diversify Investment Activities Beyond Construction and Property

SINGAPORE, 27 May 2014 – SGX Catalist-listed **CCM Group Limited** (“**CCM**” or the “**Company**”) announced today it would revise terms for a proposed rights and bonus issue (“**New Shares**”) and said that it would expand the scope of its investment activities beyond construction and property. (“**Proposed Diversification**”).

CCM said that it now plans to issue twelve rights shares at S\$0.003 each for every existing share (“**Rights Issue**”) instead of eight rights shares at S\$0.005 each for every existing share. The number of rights shares will now increase to 43.1 billion instead of 28.75 billion previously.

The Company’s concurrent proposal for a bonus issue (“**Bonus Issue**”), in which it would issue one bonus share (“**Bonus Share**”) for every rights share subscribed for, remains unchanged although the total quantum of Bonus Shares will increase to 43.1 billion from 28.75 billion previously. The issue of the **New Shares** is renounceable and non-underwritten.

Mr. Chan Heng Fai (“**Mr. Chan**”), CEO and Executive Director of CCM, and Hengfai Business Development Pte. Ltd. (“**HBD**”), 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 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. On a maximum scenario, up to S\$129.1 million in net proceeds will be raised, compared to S\$143.5 million announced previously.

The proceeds will be used for general working capital, to discharge existing obligations under the construction business and redemption of liabilities, to fund the exploration and pursue of new project opportunities under the Group’s property development business, particularly in the United States and Australia, as well as to finance the Group’s investment business.

CCM had identified property development opportunities overseas to enhance shareholder value and to establish new revenue and profit streams after recording a net loss of S\$22.4 million in the financial year ended 31 December 2013 (“**FY2013**”) due to weak performance by CCM Industrial Pte Ltd, the construction subsidiary which it disposed of on 21 May 2014.

To reduce CCM’s dependence on the construction sector – and the challenges of labour shortage and rising costs – CCM shareholders had approved on 20 November 2013 a proposal to issue 3.42 billion bonus warrants and piggy-back warrants – worth up to S\$36.0 million – and S\$5.0 million raised from exchangeable notes (“**FY2013 Fundraising**”) to fund a diversification into property development.

CCM said the revised terms of the issue of New Shares reflected the current share price and market conditions.

The proposed issue of **New Shares** is subject to approval from the SGX-ST as well as from shareholders at an extraordinary general meeting to be convened.

Commenting on the **Proposed Diversification** – which also needs prior shareholder approval – **Mr. Chan** said: “Beyond the construction and property development sectors, we have identified companies as well as quoted and unquoted securities with higher and faster growth potential which can enhance shareholder value.”

The **Rights Issue** price of S\$0.003 represents a discount of approximately 57%, or 79% after considering the issue of **Bonus Shares** (bringing the effective issue price to S\$0.0015), to the closing price of S\$0.007 per CCM share on SGX-ST on 26 May 2014.

End of 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 on July 2010, CCM Group Limited ("CCM" or the "Group") 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.*

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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