



INCREASE IN THE ISSUED AND PAID-UP SHARE CAPITAL OF SINGAPORE CONSTRUCTION PTE. LTD. AND CHANGE IN USE OF PROCEEDS

A. INCREASE IN THE ISSUED AND PAID-UP SHARE CAPITAL OF SINGAPORE CONSTRUCTION PTE. LTD.

The Board of Directors (the “**Board**”) of CCM Group Limited (the “**Company**”), and together with its subsidiaries, (the “**Group**”) wishes to announce that its wholly owned subsidiary, Singapore Construction Pte. Ltd. (“**SCPL**”) has increased its issued and paid-up share capital from S\$2 to S\$300,000 (the “**Capital Increase**”). The Capital Increase is due to the issue of 299,998 new ordinary shares at S\$1.00 each in the capital of SCPL to the Company’s wholly owned subsidiary, CCM Property Pte. Ltd., for a total consideration of S\$299,998 (the “**Consideration**”). The other 2 ordinary shares in the capital of SCPL are held by the Company. Pursuant to the Capital Increase, the Group’s capital investment in SCPL has increased from S\$2 to S\$300,000.

The Consideration was funded with the net proceeds raised from the Company’s initial public offering in July 2010 (the “**Net Proceeds**”). Please refer to Section B for details on the use of the Net Proceeds.

The Capital Increase is not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per share of the Group for the financial year ending 31 December 2014.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above Capital Increase.

B. CHANGE IN USE OF NET PROCEEDS FROM COMPANY’S THE INITIAL PUBLIC OFFERING

The Board wishes to update shareholders of the Company that it has reallocated and utilised, S\$339,000 of the balance Net Proceeds from the exploration of strategic alliances and/or joint ventures to manufacture access equipment for sale and distribution and/or internal use in the following manner: (1) S\$299,998 has been reallocated and utilised for the expansion into construction and refurbishment business in private residential and commercial projects (injected into SCPL through the Capital Increase); and (2) S\$39,002 has been reallocated and utilised for general working capital (the “**Reallocations**”). Following the Reallocations, the Group’s utilisation of the Net Proceeds as at the date of this announcement is as follows:

Purpose	Amount allocated (following the Reallocations) S\$’000	Amount used as at the date of this announcement S\$’000	Amount unutilised as at the date of this announcement S\$’000
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Purchase of new equipment and machinery	800	(800)	-
Exploration of strategic alliances and/ or joint ventures to manufacture access equipment for sale and distribution and/ or internal use	161	(161)	-
Expansion of business into the Asia-Pacific region	500	(500)	-
Obtaining a higher financial grading for building development	800	(800)	-
Exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances	500	(500)	-
Expansion into construction and refurbishment business in private residential and commercial projects	300	300	-
Working Capital	636	*(636)	-
	3,697	(3,697)	-

Note:

* Amount for working capital purposes has been utilised for the payment of operating expenses.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

2 June 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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