

UPDATE ON UTILISATION OF NET PROCEEDS FROM THE EXCHANGEABLE NOTES (THE "NOTES PROCEEDS")

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in:

- (a) the Company's circular dated 28 October 2013 in relation to, inter alia, the Proposed Notes Issue (the "**Circular**"); and
- (b) the Company's unaudited full year financial results for the year ended 31 December 2013 dated 28 February 2014 in relation to, inter alia, the update on use of the Notes Proceeds (the "**FY2013 Results Announcement**").

The Board of Directors (the "**Board**") of CCM Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Circular and the FY2013 Results Announcement and wishes to update shareholders of the Company that it had reallocated an aggregate of S\$3.813 million of the Notes Proceeds from the allocations for:

- (a) participation in the property development business and other investments and/or strategic alliance plans of CCM Property Pte. Ltd. ("**CCMP**") as may be approved by the board of directors of CCMP;
- (b) investing in property-related quoted securities and unquoted instruments such as funds and bonds; and
- (c) general working capital purposes of CCMP,

as working capital (the "**Reallocation**") to meet the Group's immediate obligations under its construction activities and to ensure adequacy of general working capital of the Company for the next 12 months, as set out below:

	Percentage allocation as disclosed in Circular	Amount of Notes Proceeds		
		Before the Reallocation (S\$'000)	After the Reallocation and as at the date of this announcement	
			Allocated (S\$'000)	Utilised (S\$'000)
Participation in the Property Development Business and other investments and/or strategic alliance plans of CCMP as may be approved by the board of directors of CCMP	70%	3,388	887	(887)
Investing in property-related quoted securities and unquoted instruments such as funds and bonds	20%	968	-	-
General working capital purposes of CCMP	10%	484	140	(140)
Working capital of the Company	-	-	563	(563)
Working capital for construction activities	-	-	3,250	(3,250)
Total	100%	4,840	4,840	(4,840)

Disbursements of working capital were principally for the following:

	The Company (S\$'000)	CCMP (S\$'000)	Construction Activities (S\$'000)
Construction Project Subcontracts	-	-	2,563
Professional Fees	184	-	209
Payroll	198	140	452
Rental, office expenditure and other operating expenses	181	-	26
	563	140	3,250

As at the date of this announcement, the Notes Proceeds have been fully utilised.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

15 July 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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