

OFFER INFORMATION STATEMENT DATED 27 DECEMBER 2013

(Lodged with the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 27 December 2013)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

The securities offered are issued by CCM Group Limited (the “**Company**”), an entity whose shares are listed for quotation on Catalist (as defined herein). The Company intends to list the Bonus Warrants and the New Exercised Shares (all as defined herein) and an application has been made for permission for the Bonus Warrants and the New Exercised Shares to be listed for quotation on Catalist. A listing and quotation notice (“**LQN**”) has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of, and quotation for the Bonus Warrants and the New Exercised Shares on Catalist, subject to certain conditions.

The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Bonus Warrants Issue, the Piggyback Warrants Issue, the Bonus Warrants, the Piggyback Warrants, the New Exercised Shares, the Company, its subsidiaries and their securities.

The Bonus Warrants and New Exercised Shares will be respectively admitted to the Catalist and official quotation will commence after all conditions imposed by the SGX-ST have been satisfied, including in respect of the Bonus Warrants, a sufficient spread of holdings of the Bonus Warrants to provide for an orderly market in the Bonus Warrants.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

A copy of this offer information statement (the “**Offer Information Statement**”) has been lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “**Authority**”).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has in any way considered the merits of the Bonus Warrants, the Piggyback Warrants and the New Exercised Shares being offered for investment.

The lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, or requirements in the SGX-ST’s listing rules, have been complied with.

This Offer Information Statement has been prepared solely in relation to the Warrants Issue (as defined herein) and shall not be relied upon by any other person or for any other purpose.

It should be noted that the Bonus Warrants may not be listed and quoted on Catalist in the event of an insufficient spread of holdings of the Bonus Warrants to provide for an orderly market in the trading of the Bonus Warrants. In such an event, holders of the Bonus Warrants will not be able to trade their Bonus Warrants on Catalist.

No Bonus Warrants shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement with the SGX-ST.

This Offer Information Statement has been prepared by the Company and has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has given its written consent to the inclusion herein of its name in the form and context in which it appears in this Offer Information Statement. The Sponsor has not independently verified the contents of this Offer Information Statement, including the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement. 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.



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CCM GROUP LIMITED

(Incorporated in Singapore)

(Company registration no. 200916763W)

BONUS ISSUE OF UP TO 1,712,200,000 FREE AND TRANSFERABLE WARRANTS (THE “BONUS WARRANTS”), EACH BONUS WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE “NEW EXERCISED SHARE”) AT THE EXERCISE PRICE OF S\$0.01 FOR EACH NEW EXERCISED SHARE, ON THE BASIS OF TEN (10) BONUS WARRANTS FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “BONUS WARRANTS ISSUE”), AND THE ISSUE OF UP TO 1,712,200,000 FREE AND TRANSFERABLE WARRANTS (THE “PIGGYBACK WARRANTS”), EACH PIGGYBACK WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW EXERCISED SHARE AT THE EXERCISE PRICE OF S\$0.011 FOR EACH NEW EXERCISED SHARE, ON THE BASIS OF ONE (1) PIGGYBACK WARRANT ISSUED FOR EVERY ONE (1) BONUS WARRANT VALIDLY EXERCISED

IMPORTANT NOTES

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled "Definitions" of this Offer Information Statement.

The existing Shares are quoted on Catalist.

Persons wishing to exercise the Bonus Warrants and the Piggyback Warrants to subscribe for the New Exercised Shares should carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Bonus Warrants, the Piggyback Warrants and the New Exercised Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, legal adviser, accountant or other professional adviser before deciding whether to exercise the Bonus Warrants and the Piggyback Warrants or to invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Warrants Issue or the issue of the Bonus Warrants, the Piggyback Warrants and the New Exercised Shares, and if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Sponsor. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Bonus Warrants, the Piggyback Warrants and the New Exercised Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the SGX-ST acting as agent on behalf of the Authority. All Entitled Shareholders should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company or the Sponsor is not making any representation or warranty to any person regarding the legality of an investment in the Bonus Warrants, the Piggyback Warrants, the New Exercised Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, legal or tax advice regarding an investment in the Bonus Warrants, the Piggyback Warrants, the New Exercised Shares and/or the Shares.

The Sponsor makes no representation, warranty or recommendation whatsoever as to the merits of the Warrants Issue, the Bonus Warrants, the Piggyback Warrants, the New Exercised Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to purchase the New Exercised Shares and/or the Shares. Prospective subscribers of the New Exercised Shares should rely on their own investigation of the financial condition and affairs of, and appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

This Offer Information Statement has been prepared solely for the purpose of the issue of the Bonus Warrants and the Piggyback Warrants under the Warrants Issue and may not be relied upon by any person, other than Entitled Shareholders to whom it is despatched by the Company or for any other purpose.

IMPORTANT NOTES

This Offer Information Statement may not be used for the purpose of, and does not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions.

PrimePartners Corporate Finance Pte. Ltd., as the Sponsor, has given and has not withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name and all references thereto, in the form and context in which it appears in this Offer Information Statement.

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DEFINITIONS

For the purposes of this Offer Information Statement, the following terms shall, unless the context otherwise requires or unless otherwise stated, have the following meanings:

Companies within the Group

- “CCM Development” : CCM Development Pte. Ltd., a wholly owned subsidiary of the Company incorporated in Singapore
- “CCM Industrial” : CCM Industrial Pte. Ltd., a wholly owned subsidiary of the Company incorporated in Singapore
- “CCM Manufacturing” : CCM Manufacturing Pte. Ltd., a wholly owned subsidiary of the Company incorporated in Singapore
- “CCM Property” : CCM Property Pte. Ltd., a wholly owned subsidiary of the Company incorporated in Singapore
- “Company” : CCM Group Limited
- “Group” : The Company and its subsidiaries collectively
- “Subsidiary” : A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act

Other Corporations and Agencies

- “Authority” : The Monetary Authority of Singapore
- “CDP” : The Central Depository (Pte) Limited
- “Sponsor” : PrimePartners Corporate Finance Pte. Ltd.
- “SGX-ST” : Singapore Exchange Securities Trading Limited
- “Share Registrar” or “Warrant Agent” : Boardroom Corporate & Advisory Services Pte. Ltd.
- “SIC” : The Securities Industry Council of Singapore

General

- “Announcement” : The announcement made by the Company on 6 August 2013 relating to, *inter alia*, the Diversification and the Warrants Issue
- “Board” : The board of directors of the Company as at the date of this Offer Information Statement
- “Bonus Warrants” : The free and transferable warrants in registered form to be issued by the Company pursuant to the Bonus Warrants Issue and the Bonus Warrants Deed Poll, and where the context so admits, such additional transferable warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Bonus Warrants Deed Poll (any such additional warrants to rank *pari passu* with the Bonus Warrants issued pursuant to the Bonus Warrants Issue and for all purposes to form part of the same series), each such warrant entitling its holder to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price, subject to the terms and conditions of the Bonus Warrants Deed Poll, being up to 1,712,200,000 warrants

DEFINITIONS

“Bonus Warrants Deed Poll”	:	The deed poll dated 9 December 2013 executed by the Company, constituting the Bonus Warrants (as the same may be amended or supplemented from time to time) and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warrantholders
“Bonus Warrants Exercise Price”	:	The sum payable in respect of each New Exercised Share to which a Warrantholder will be entitled to subscribe upon the exercise of a Bonus Warrant, subject to certain adjustments in accordance with the terms and conditions of the Bonus Warrants as set out in the Bonus Warrants Deed Poll, such exercise price being S\$0.01
“Bonus Warrants Issue”	:	The issue of the Bonus Warrants upon the terms set out in the Bonus Warrants Deed Poll
“Books Closure Date”	:	5.00 p.m. on 26 December 2013, being the time and date at and on which the Register of Members and Share Transfer Books of the Company will be closed to determine the allotments of Bonus Warrants of Entitled Scripholders and, in the case of Entitled Depositors, at and on which date their allotments under the Bonus Warrants Issue are determined
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“Circular”	:	The circular dated 28 October 2013 despatched by the Company in relation to, <i>inter alia</i> , the Warrants Issue
“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“Diversification”	:	The diversification of the Group’s business to include the Property Development Business and the Investment Business, approved by Shareholders at the EGM
“EGM”	:	Extraordinary general meeting of the Company which was held at 10.00 a.m. on 20 November 2013 at Pan Pacific Singapore, Ocean 1, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least five (5) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents

DEFINITIONS

“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least five (5) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“Exercise Period”	:	<p>In respect of the Bonus Warrants, the period during which the Bonus Warrants may be exercised commencing on and including the date of issue of the Bonus Warrants and expiring at 5.00 p.m. on the Market Day immediately preceding the third (3rd) anniversary of the date of issue of the Bonus Warrants, but excluding such period(s) during which the register of Warrantholders of the Company is closed pursuant to the terms and conditions of the Bonus Warrants set out in the Bonus Warrants Deed Poll.</p> <p>In respect of the Piggyback Warrants, the period during which the Piggyback Warrants may be exercised commencing on and including the date of issue of the Piggyback Warrants and expiring at 5.00 p.m. on the Market Day immediately preceding the third (3rd) anniversary of the date of issue of the Bonus Warrants, but excluding such period(s) during which the register of Warrantholders of the Company is closed pursuant to the terms and conditions of the Piggyback Warrants set out in the Piggyback Warrants Deed Poll.</p>
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) Market Days prior to the Books Closure Date, provided CDP or the Company, as the case may be, addresses in Singapore for service of notices and documents
“FY”	:	Financial year ended or ending 31 December, as the case may be, unless otherwise stated
“HY”	:	Half-financial year ended or ending 30 June, as the case may be, unless otherwise stated
“Investment Business”	:	The business of investing in property-related quoted securities and a range of property-related instruments such as funds and bonds
“Investment Business Diversification”	:	The diversification of the Group’s business to include the Investment Business

DEFINITIONS

“Investment Committee”	:	The investment committee of the Company for the time being, unless otherwise stated. As at the date of lodgement of this Offer Information Statement, the Investment Committee comprises Mr Liew Sen Keong, Mr Chan Heng Fai Ambrose and Mr Teh Wing Kwan
“Latest Practicable Date”	:	23 December 2013, being the latest practicable date prior to the printing of this Offer Information Statement
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“New Exercised Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of Bonus Warrants or Piggyback Warrants, as the case may be, under the Warrants Issue
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	This document including any supplement or replacement documents (where the context requires) which may be issued by the Company, and lodged with the SGX-ST acting as agent on behalf of the Authority in connection with the Warrants Issue
“Piggyback Warrants”	:	The free and transferable warrants in registered form to be issued by the Company pursuant to the Warrants Issue and the Piggyback Warrants Deed Poll, and where the context so admits, such additional transferable warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Piggyback Warrants Deed Poll (any such additional warrants to rank <i>pari passu</i> with the Piggyback Warrants issued pursuant to the Warrants Issue and for all purposes to form part of the same series), each such warrant entitling its holder to subscribe for one (1) New Exercised Share at the Piggyback Warrants Exercise Price, subject to the terms and conditions of the Piggyback Warrants Deed Poll, being up to 1,712,200,000 warrants
“Piggyback Warrants Deed Poll”	:	The deed poll dated 9 December 2013 executed by the Company, constituting the Piggyback Warrants (as the same may be amended or supplemented from time to time) and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warranholders
“Piggyback Warrants Exercise Price”	:	The sum payable in respect of each New Exercised Share to which a Warranholder will be entitled to subscribe upon the exercise of a Piggyback Warrant, subject to certain adjustments in accordance with the terms and conditions of the Piggyback Warrants as set out in the Piggyback Warrants Deed Poll, such exercise price being S\$0.011
“Piggyback Warrants Issue”	:	The issue of the Piggyback Warrants upon the terms set out in the Piggyback Warrants Deed Poll

DEFINITIONS

“PRC”	:	The People’s Republic of China
“Property Development Business”	:	The business of property development and which involves the following activities: <ul style="list-style-type: none">(i) actively acting as a developer for property projects;(ii) investing in property development projects; and/or(iii) other investments and/or strategic alliance plans of CCM Property as may be approved by the board of directors of CCM Property.
“Property Development Business Diversification”	:	The diversification of the Group’s business to include the Property Development Business
“Proposed Fundraising”	:	The raising of funds by the Company pursuant to, <i>inter alia</i> , the Warrants Issue
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company), on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Risk Management Committee”	:	The risk management committee of the Company for the time being, unless otherwise stated. As at the date of lodgement of this Offer Information Statement, the Risk Management Committee comprises Mr Liew Sen Keong, Mr Chan Heng Fai Ambrose, Mr Chan Yu Meng, Mr Tao Yeoh Chi and Mr Aloysius Wee Meng Seng
“Securities Account”	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5.0% of all the voting Shares

DEFINITIONS

“Warrantholders”	:	Registered holders of the Bonus Warrants and where applicable, the Piggyback Warrants, except that where CDP is the registered holder, the term “Warrantholders” shall, in relation to such Warrants and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Bonus Warrants
“Warrants”	:	Bonus Warrants and Piggyback Warrants
“Warrants Issue”	:	The Bonus Warrants Issue and the Piggyback Warrants Issue

Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

The term “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. A “**person**” shall, where applicable, include corporations.

The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Any reference to the time of day or date in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA, or the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

EXPECTED TIMETABLE OF KEY EVENTS

The important dates and times for the Bonus Warrants Issue are as follows:

Books Closure Date	:	26 December 2013 at 5.00 p.m.
Expected date for issuance of Bonus Warrants	:	2 January 2014
Expected date and time for commencement of trading of Bonus Warrants on Catalist (subject to there being an adequate spread of holdings of the Bonus Warrants to provide for an orderly market in the trading of the Bonus Warrants)	:	6 January 2014 from 9.00 a.m.

The above timetable is indicative only and is subject to change.

As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, upon consultation with and with the approval of the Sponsor and/or the SGX-ST and/or CDP, modify the timetable subject to any limitations under any applicable laws. In that event, the Company will publicly announce the same through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE BONUS WARRANTS ISSUE

(a) ENTITLED SHAREHOLDERS

Entitled Shareholders are entitled to participate in the Bonus Warrants Issue and to receive this Offer Information Statement and other documents (where applicable) at their respective addresses in Singapore.

(b) FOREIGN SHAREHOLDERS

This Offer Information Statement and other documents relating to the Bonus Warrants Issue (where applicable) have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, this Offer Information Statement has not been and will not be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Bonus Warrants Issue.

Notwithstanding the above, Shareholders or any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Bonus Warrants unless such offer, invitation or solicitation could lawfully be made without violating any registration or other regulatory or legal requirements in those jurisdictions.

Fractional entitlements to the Bonus Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will be dealt with in such manner as the Directors in their absolute discretion deem fit in the interests of the Company.

TRADING

1. LISTING OF AND QUOTATION FOR THE BONUS WARRANTS AND THE NEW EXERCISED SHARES

On 11 December 2013, the Company obtained the listing and quotation notice from the SGX-ST for the listing of and quotation for the Bonus Warrants and the New Exercised Shares on Catalist, subject to compliance with the SGX-ST's listing requirements and the submission of a confirmation by the Company that there is a sufficient spread in the Bonus Warrants as required under Rule 826 of the Catalist Rules. The listing and quotation notice granted by the SGX-ST for the dealing in, listing of and quotation for the Bonus Warrants and the New Exercised Shares on Catalist is not to be taken as an indication of the merits of the Bonus Warrants Issue, the Piggyback Warrants Issue, the Bonus Warrants, the Piggyback Warrants, the New Exercised Shares, the Company, its subsidiaries and their securities.

Upon listing and quotation on Catalist, the Bonus Warrants and the New Exercised Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Bonus Warrants and the New Exercised Shares effected through Catalist and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and/or the "Terms and Conditions for CDP to act as Depository for the Warrants", as the same may be amended from time to time. Copies of the above are available from CDP.

2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders who wish to trade the Bonus Warrants issued to them on Catalist under the book entry (scripless) settlement system should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Bonus Warrants may be credited by CDP into their Securities Accounts.

A holder of physical share certificate(s) of the Company or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on Catalist, must deposit his share certificate(s) with CDP, together with the duly stamped and executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Bonus Warrants or existing Shares, as the case may be, before he can effect the desired trade.

3. TRADING OF ODD LOTS

Shareholders should note that most counters on the SGX-ST trade in board lot sizes of 1,000 shares. Following the Bonus Warrants Issue, Shareholders who hold odd lots of Shares and/or Bonus Warrants (i.e. lots other than board lots of 1,000 Shares and/or 1,000 Warrants) and who wish to trade in odd lots on Catalist should note that they will be able to do so on the Unit Share Market of the SGX-ST.

4. TRADING OF SHARES OF COMPANIES LISTED ON CATALIST

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. Entitled Shareholders should be aware of the risks of subscribing for the shares of such companies only after careful consideration and, if appropriate, consultation with an independent financial adviser.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are, forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual and/or future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, the Company and the Sponsor disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the lodgment of this Offer Information Statement with the SGX-ST, acting as an agent on behalf of the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the SGX-ST.

The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies, including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% to 50.0% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1.0% in the Company in any six-month period, must extend a mandatory take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition and exercise of Warrants pursuant to the Warrants Issue and/or the acquisition of New Exercised Shares upon the exercise of all or any Warrants should consult the SIC and/or their professional advisers.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of the directors or equivalent persons of the relevant entity.

Name of Director	Address	Designation
Liew Sen Keong	4 Sommerville Road, Singapore 358228	Executive Chairman and Chief Executive Officer
Chan Pui Yee	4 Sommerville Road, Singapore 358228	Executive Director
Chan Tien Chih	880 Woodlands Street 82, #04-06, Singapore 730880	Executive Director
Chan Heng Fai Ambrose	11 Maryland Drive, Singapore 277508	Non-Executive Director
Teh Wing Kwan	261 Loyang Rise, Singapore 507340	Non-Executive Director
Wong Yee Leong	52 Lorong K Telok Kurau, #01-06 Nature Mansions, Singapore 425780	Non-Executive Director
Wee Meng Seng Aloysius	39 Jalan Kelulut, Seletar Hills Estate, Singapore 809056	Independent Director
Tan Eng Khiam	10F Braddell Hill, #10-22, Braddell View, Singapore 579725	Independent Director
Chan Yu Meng	23A St. Patrick's Road, Singapore 424145	Independent Director
Tao Yeoh Chi	44 Recreation Road, Singapore 546533	Independent Director

Advisers

2. Provide the names and addresses of —

- (a) the issue manager to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

Issue Manager	: Not applicable
Underwriter	: Not applicable
Legal Adviser to the Warrants Issue	: Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**

Share Registrar and Warrant Agent	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Transfer Agent	:	Not applicable
Receiving Banker	:	Not applicable

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART III: OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

Bonus Warrants

- Method of offer : Bonus issue of up to 1,712,200,000 free and transferable Bonus Warrants, each Bonus Warrant carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.01 for each new ordinary share.
- Basis of allotment : Ten (10) Bonus Warrants to be issued free for every one (1) Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Each Bonus Warrant also entitles the Warrantheader to one (1) free Piggyback Warrant upon the valid exercise of the Bonus Warrant.
- Number of securities : Based on the issued share capital of the Company of 171,220,000 Shares as at the Latest Practicable Date, up to 1,712,200,000 Bonus Warrants will be issued.

Piggyback Warrants

- Method of offer : Issue of up to 1,712,200,000 free and transferable Piggyback Warrants upon the valid exercise of the Bonus Warrant(s), each Piggyback Warrant carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.011 for each new ordinary share.
- Basis of allotment : One (1) Piggyback Warrant to be issued free for every one (1) Bonus Warrant which is validly exercised by the Warrantheader, fractional entitlements to be disregarded.
- Number of securities : Based on the issuance of up to 1,712,200,000 Bonus Warrants and assuming full exercise of such Bonus Warrants, up to 1,712,200,000 Piggyback Warrants will be issued.
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Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —**
- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
-

Please see paragraphs 3 to 7 below.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Please refer to the section entitled "Expected Timetable of Key Events" of this Offer Information Statement.

As at the Latest Practicable Date, the Company does not expect the timetable to be modified. The timetable is subject to such modifications as the Company may, in consultation with and with the approval of the Sponsor and/or SGX-ST and/or the CDP, decide, subject to any limitation under any applicable laws. In that event, the Company will publicly announce any modification to the timetable through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

The terms and conditions of the Warrants Issue, including method of payment of the Bonus Warrants Exercise Price and the Piggyback Warrants Exercise Price, and the names and addresses to whom payment is to be submitted, are found in Appendix I and Appendix II to this Offer Information Statement.

-
- 4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Bonus Warrants, and Piggyback Warrants (upon exercise of the Bonus Warrants), shall be issued free to Entitled Shareholders with no obligation on their part to exercise the Warrants.

The terms and conditions of the Warrants Issue, including method of payment of the Bonus Warrants Exercise Price and the Piggyback Warrants Exercise Price, and the names and addresses to whom payment is to be submitted, are found in Appendix I and Appendix II to this Offer Information Statement.

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- 5. State, where applicable, the methods of and time limits for:-**
- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Bonus Warrants, and the Piggyback Warrants (upon exercise of the Bonus Warrants), will be allotted to the Entitled Shareholders by crediting the allotments into the Securities Accounts of the Entitled Depositors or through the despatch of warrant certificate(s) to the Entitled Scripholders.

In the case of Entitled Scripholders, physical warrant certificate(s) representing such number of Bonus Warrants and/or Piggyback Warrants will be despatched to such Entitled Scripholders by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Company will announce the date on which (a) the certificates for the Warrants are despatched, and (b) the Warrants are credited into the relevant Securities Accounts (as the case may be) through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

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- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable as no pre-emptive rights have been offered.

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- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
-

The Bonus Warrants are issued free to Entitled Shareholders on the basis of ten (10) Bonus Warrants for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

The Piggyback Warrants are issued free to the Warrantheolders who have validly exercised their Bonus Warrants, on the basis of (1) Piggyback Warrant for every one (1) Bonus Warrant validly exercised.

Further information on the terms and conditions of the Warrants are set out in Appendix I and Appendix II of this Offer Information Statement. As the Warrants are to be issued free, there would not be any refunds required to be made.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IV: KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
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Please refer to paragraphs 2 to 7 below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
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As the Warrants are offered free, there will be no proceeds raised directly from the Warrants Issue.

Assuming the maximum 1,712,200,000 Bonus Warrants and 1,712,200,000 Piggyback Warrants are issued and in the event that all these Bonus Warrants and Piggyback Warrants are exercised, the Company will raise proceeds from the exercise of the Warrants of approximately S\$35.95 million (the "**Net Proceeds**"). For the avoidance of doubt, the aforementioned sum is raised via the exercise of the Warrants, not at the point of issuance of the Warrants.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
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In paragraph 2 of the Circular entitled "Proposed Diversification of the Group's Business to include the Property Development Business and the Investment Business", the Company proposed to diversify into the Property Development Business and the Investment Business. The proposed diversification was approved by Shareholders at the EGM. The Company is undertaking, *inter alia*, the Warrants Issue to raise additional funds in connection with the Diversification.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Company intends to utilise the Net Proceeds for the Property Development Business and the Investment Business, the general working capital purposes of CCM Property and for such other investments and/or strategic alliance plans of CCM Property as may be approved by the board of directors of CCM Property. The percentage allocation for each intended use is as set out in the table below:

Purpose	Percentage Allocation
(a) Participation in the Property Development Business and other investments and/or strategic alliance plans of CCM Property as may be approved by the board of directors of CCM Property	70%
(b) Investing in property-related quoted securities and unquoted instruments such as funds and bonds	20%
(c) General working capital purposes of CCM Property	10%

Pending the deployment of the Net Proceeds (as and when the Bonus Warrants and/or Piggyback Warrants are exercised and the Net Proceeds arise), such proceeds may be deposited with banks or financial institutions and/or used for investment in short-term bonds, quoted shares, money market and/or debt instruments, or used for any other purpose on a short-term basis, as the Board (in the case of the Net Proceeds), in their absolute discretion, deem fit.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of such proceeds in its interim and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

As the Warrants are issued free to Entitled Shareholders with no obligation on their part to exercise the Warrants and the Exercise Period for the Warrants is commencing on and including the date of issue of the Bonus Warrants and/or the Piggyback Warrants (as the case may be) and expiring at 5.00 p.m. (Singapore time) on the Market Day immediately preceding the third (3rd) anniversary of the date of issue of the Bonus Warrants, the amount of Net Proceeds and the time of receipt of such proceeds cannot be ascertained as at the date of this Offer Information Statement.

The actual amount of Net Proceeds received by the Company from the exercise of the Warrants will depend on when and the extent to which such Warrants are exercised. As and when the Warrants are exercised, the proceeds arising from the issue of the New Exercised Shares will be used for the purposes specified in paragraph 3 of this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

5. **If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

Not applicable. The Net Proceeds will not be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

6. **If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

Save for the Company's intention to deploy a portion of the Net Proceeds for the Group's Property Development Business and Investment Business, the Net Proceeds will not be used to finance or refinance the acquisition of another business.

7. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

Not applicable. The Net Proceeds will not be used to discharge, reduce or retire the indebtedness of the Group.

8. **In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

Not applicable. The Warrants Issue is not underwritten and no placement or selling agent has been appointed in relation to the Warrants Issue.

Information on the Relevant Entity

9. **Provide the following information:**

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

Registered office (and principal place of business)	:	64 Woodlands Industrial Park E9, Singapore 757833
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Telephone	:	+65 6285 6565
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Facsimile	:	+65 6286 5656
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(b) The nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

The Company was incorporated in Singapore on 9 September 2009 under the name “CCM Group Pte. Ltd.”, and renamed “CCM Group Limited” on 1 June 2010 following its conversion to a public limited company. The Company was listed on the Catalist on 5 July 2010.

As at the Latest Practicable Date, the Company is principally engaged in building construction activities, specialising in main building works and general building works for residential and commercial buildings for the public and private sectors in Singapore. It also provides the leasing and installation of access equipment systems services.

The Group’s business can be categorised into three (3) main segments as follows:

- (i) Main building works;
- (ii) General building works for residential and commercial buildings, such as additions and alterations, refurbishment/repairs and redecoration works for residential and commercial buildings, lift-upgrading programmes; and
- (iii) Leasing and installation of access equipment systems, such as gondolas and mast climbing work platforms.

The Group’s clients for main building and general building works typically include property developers, land owners and governmental bodies. Its main customers for the leasing and installation of access equipment systems include construction companies, property developers, nominated external façade sub-contractors, and the players in the marine and oil-rig industry.

The Company also intends for the Group to diversify into the Property Development Business and the Investment Business (both of which had been approved by Shareholders at the EGM), which will involve the following activities:

- (i) Property Development Business – actively acting as a developer for property projects and investing in property development projects. This may involve engaging in the development of property for sale and/or leasing on a project basis, which involves the acquisition of land for development and the sale and/or leasing of the property thereafter, as well as the participation and investment in property development projects which may be led by another property developer. CCM Property shall focus its attention on residential, commercial and industrial property projects and opportunities in Singapore and the Asian region; and
- (ii) Investment Business – engaging in investments in quoted property-related securities, such as investment funds, which are listed on internationally recognised stock exchanges with a market capitalisation of not less than S\$250 million, and a range of unquoted property-related instruments such as funds and bonds as managed by professional licensed fund managers.

The Group intends to use CCM Property as the vehicle through which the Group will engage in the Property Development Business and the Investment Business.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

Name of subsidiary (directly held by the Company)	Country of incorporation	Principal activities	Effective equity interest held
CCM Industrial Pte. Ltd.	Singapore	Supply and installation of access equipment systems as well as general building works for residential and commercial buildings	100%
CCM Development Pte. Ltd.	Singapore	Investment holding for the Group's overseas development projects	100%
CCM Manufacturing Pte. Ltd.	Singapore	Manufacturing and distribution of access equipment system	100%
CCM Property Pte. Ltd.	Singapore	Property Development Business and the Investment Business	100%

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- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
-

The general development in the Group's business in chronological order from the beginning of the period comprising the three (3) most recent completed financial years to the Latest Practicable Date are set out below. Shareholders are advised to refer to the public announcements released by the Company on SGXNET for further details on these developments.

General development in FY2010

In July 2010, the Company was admitted to the Catalist of the SGX-ST.

In August 2010, CCM Industrial successfully obtained a higher financial grading from B2 category to B1 category for General Building from the Building and Construction Authority ("BCA"). This upgrade enabled CCM Industrial to undertake projects with a maximum value of S\$40.0 million, up from the previous limit of S\$13.0 million as allowed under the B2 category.

In October 2010, CCM Industrial successfully obtained a registration with the BCA with a BCA grading of L6 under the category of SY01A for essential construction materials. Under this category and grading, CCM Industrial is allowed to supply essential construction materials such as sand and granite aggregates and to tender for projects with an unlimited tendering limit.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

General development in FY2011

In January 2011, the Company incorporated two (2) wholly-owned subsidiaries, namely CCM Development Pte. Ltd. ("**CCM Development**") and CCM Manufacturing Pte. Ltd. ("**CCM Manufacturing**"). The principal business of CCM Development is investment holding and property development. The principal business of CCM Manufacturing is the distribution and manufacturing of access equipment systems and investment holding for local and overseas subsidiaries and associated companies.

In March 2011, there was one (1) claim lodged by a customer against CCM Industrial for the alleged overpayment of construction work and variation orders performed amounting to approximately S\$5,208,000 in relation to a main building works project (the "**Park Regis Hotel Project**"). Subsequently, CCM Industrial filed a legal claim against the same customer on the retention amount due, variation order claims and additional expenses incurred amounting to approximately S\$5,442,000. The claim was arbitrated and concluded substantially in favour of CCM Industrial.

In April 2011, CCM Industrial was served with a writ of summons by Rotol Projects Pte Ltd ("**Rotol Project**") in relation to the Park Regis Hotel Project in which it was alleged that CCM Industrial had failed to make payment of S\$3,122,241.25 (inclusive of loss of interest on progress payment and retention sum) in relation to additional work done as instructed by CCM Industrial on the Park Regis Hotel Project. CCM Industrial has counter-sued Rotol Project in relation to delay and defects of the work performed amounting to approximately S\$4,036,000. The matter has been heard in the Singapore High Court in a bi-furcated trial which will deal with liability first and the parties are currently awaiting judgment from the Singapore High Court.

In May 2011, CCM Industrial successfully obtained a higher financial grading from B1 category to A2 category for General Building from the BCA. The A2 category would enable CCM Industrial to undertake projects with a maximum value of S\$85.0 million, up from the previous limit of S\$40.0 million as allowed under the B1 category.

In June 2011, CCM Development entered into a non-legally binding memorandum of understanding ("**MOU**") with the Government of Dianjiang County, Chong Qing Municipal, the PRC. Pursuant to the MOU, CCM Development will be developing an eco-tourism holiday resort, to be known as CCM Group International Eco-Tourism Holiday and Leisure Resort, on a plot of land measuring approximately seven (7) square kilometres in Dianjiang County, Chong Qing, the PRC, to be procured by the Dianjiang government. As at the Latest Practicable Date, the parties are still negotiating the details of the development.

General development in FY2012

In May 2012, CCM Development entered into an investment agreement with Stanwood Limited ("**Stanwood**") (the "**Investment Agreement**"). Pursuant to the Investment Agreement, CCM Development Pte Ltd and Stanwood Limited intended to incorporate a joint venture company in Singapore to acquire two (2) properties located in Haidian District in Beijing, the PRC, from Beijing Taihua Real Estate Development Group Co. Ltd ("**Taihua**"), and to conduct the business of hotel management jointly with Taihua in the interim. The Investment Agreement was terminated and plans to conduct the business of hotel management have been discontinued.

In December 2012, the Company entered into a non-legally binding MOU with Canasea Petrogas Group Holdings Limited in connection with the proposed acquisition by the Company of the entire issued share capital of Canasea Oil and Gas Ltd, which will amount to a reverse takeover under the Catalist Rules ("**Canasea MOU**").

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

General development from 1 January 2013 to the Latest Practicable Date

In April 2013, the Company announced that the Canasea MOU was terminated by mutual agreement.

In April 2013, the Company entered into a subscription agreement (the “**Hengfai Subscription Agreement**”) with Hengfai Strategic Investments Pte. Ltd. (currently known as Hengfai Business Development Pte. Ltd.) (“**Hengfai Business**”). Pursuant to the Hengfai Subscription Agreement, the Company proposed to raise capital by issuing an aggregate of 35,000,000 new Shares to Hengfai Business at the issue price of S\$0.086 per Share. Upon the completion of the subscription, Hengfai Business, which is wholly-owned by Mr Chan Heng Fai Ambrose, became the second-largest shareholder of the Company.

In April 2013, the Company entered into a supplemental agreement and second supplemental agreement with Hengfai Business amending the following terms of the Hengfai Subscription Agreement: (i) Hengfai Business shall pay the consideration pursuant to the subscription to the Company within four (4) business days; and (ii) the Company shall take all necessary steps to appoint five (5) nominees to the Board of Directors of the Company, as determined by Hengfai Business, but subject to the recommendation of the Company’s nominating committee, clearance of the Sponsor and approval of the Board of Directors of the Company.

In June 2013, the Company entered into subscription and placement agreements with certain investors to place out 44,000,000 new Shares, at S\$0.092 for each Share, to raise gross proceeds of S\$4,048,000. The placement of the aforementioned 44,000,000 new Shares was completed on 21 June 2013.

In August 2013, the Company announced, amongst others, the incorporation of CCM Property, the Diversification, the Warrants Issue, the proposed issue of secured redeemable exchangeable notes due in 2016 and the proposed adoption of a share option scheme. The aforementioned have been approved by Shareholders at the EGM.

Save as disclosed herein, or as otherwise previously disclosed publicly by the Company, there has been no material change in the affairs of the Group since 5 July 2010 to the Latest Practicable Date.

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- (d) **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —**
- (i) **in the case of the equity capital, the issued capital; or**
 - (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
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As at the Latest Practicable Date, the equity capital and loan capital of the Company is as follows:

Issued and paid-up share capital	:	S\$15,864,782 divided into 171,220,000 Shares
Loan capital	:	Nil

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(e) where —

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
 - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;
-

As at the Latest Practicable Date, the interest of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Substantial Shareholder						
Liew Sen Keong ⁽²⁾	42,900,000	25.06	5,900,000	3.45	48,800,000	28.50
Chan Pui Yee ^{(2) (3)}	5,900,000	3.45	48,800,000	28.50	54,700,000	31.95
Chan Tien Chih ^{(3) (4)}	5,900,000	3.45	5,900,000	3.45	11,800,000	6.90
Chan Heng Fai Ambrose ⁽⁵⁾	110,000	0.06	35,000,000	20.44	35,110,000	20.50
Hengfai Business Development Pte. Ltd. (formerly known as Hengfai Strategic Investment Pte. Ltd.)	35,000,000	20.44	—	—	35,000,000	20.44

Notes:

- (1) Based on the Company's issued and paid-up share capital of 171,220,000 Shares.
 - (2) Chan Pui Yee is the spouse of Liew Sen Keong. Accordingly, Liew Sen Keong and Chan Pui Yee are each deemed to be interested in the other's respective shareholdings.
 - (3) Chan Pui Yee is the sister of Chan Tien Chih. Accordingly, Chan Pui Yee and Chan Tien Chih are each deemed to be interested in the other's respective shareholdings.
 - (4) Chan Tien Chih is the brother of Chan Pui Yee and is the brother-in-law of Liew Sen Keong.
 - (5) Chan Heng Fai Ambrose is a director and sole shareholder of Hengfai Business Development Pte. Ltd. and is deemed interested in its shareholding in the Company.
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- (f) **Any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**
-

As at the date of lodgment of this Offer Information Statement and save as disclosed in paragraph 9(c) above, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its subsidiaries is a party, including those which are pending or known to be contemplated, which may have or would have had in the twelve (12) months immediately prior to the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (g) **Where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date —**
- (i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
 - (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**
-

In April 2013, the Company has allotted and issued 35,000,000 new Shares in the capital of the Company at S\$0.086 per share to Hengfai Business (formerly known as Hengfai Strategic Investment Pte. Ltd.), which is wholly-owned by Mr Chan Heng Fai Ambrose.

In June 2013, the Company entered into subscription and placement agreements with certain investors to place out 44,000,000 new Shares, at S\$0.092 for each Share, and such placement of 44,000,000 new Shares was completed on 21 June 2013.

Save as disclosed in this Offer Information Statement, the Company has not issued any securities or equity interests in the last twelve (12) months immediately preceding the Latest Practicable Date.

- (h) **A summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
-

Save as disclosed in paragraph 9(c) above, neither the Company nor any of its Subsidiaries has entered into any material contract (not being contracts entered into in the ordinary course of business) within the past two (2) years immediately preceding the date of lodgment of this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

	FY2010 (Audited) S\$'000	FY2011 (Audited) S\$'000	FY2012 (Audited) S\$'000	HY2012 (Unaudited) S\$'000	HY2013 (Unaudited) S\$'000
Revenue	51,617	45,509	53,860	16,032	41,638
Cost of sales	(44,691)	(43,958)	(48,467)	(14,783)	(38,292)
Gross profit	6,926	1,551	5,393	1,249	3,346
Finance income	–	10	10	–	–
Other income	60	42	116	41	130
Other expenses	(211)	–	–	–	–
Marketing expenses	(249)	(155)	(172)	(94)	(93)
Administrative expenses	(5,086)	(5,212)	(6,800)	(2,620)	(3,235)
Finance costs	(413)	(188)	(415)	(154)	(216)
Profit / (Loss) before tax	1,027	(3,952)	(1,868)	(1,578)	(68)
Income tax (expense) / credit	(496)	179	(n.m.) ⁽¹⁾	–	–
Profit / (Loss) net of tax, representing total comprehensive income for the period attributable to owners of the Company	531	(3,773)	(1,868)	(1,578)	(68)
Earnings / (Loss) per Share (Singapore cents):					
Basic and diluted	0.93	(4.09)	(2.03)	(1.71)	(0.06)
Basic and diluted (adjusted) ⁽²⁾	0.31	(2.20)	(1.09)	(0.92)	(0.04)
Gross dividend per Share (Singapore cents)	–	–	–	–	–

Sources: Annual Reports of the Company for FY2010, FY2011 and FY2012; Unaudited Half Year Financial Statement Announcements for the Financial Period Ended 30 June 2013 (dated 2 August 2013) and the Financial Period Ended 30 June 2012 (dated 3 August 2012).

Notes:

- (1) "n.m." denotes not meaningful.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (2) The basic and diluted earnings / (loss) per Share as adjusted are computed based on the weighted average number of Shares in issue during the respective financial years and/or periods and (i) taking into consideration the allotment and issuance of 35,000,000 new Shares in the capital of the Company at S\$0.086 per share to Hengfai Business Development Pte. Ltd. (formerly known as Hengfai Strategic Investments Pte. Ltd.) in April 2013 and the allotment and issuance of 44,000,000 new Shares in June 2013; and (ii) assuming that the allotment and issuance of the Shares in (i) was completed at the beginning of each of the respective financial years and/or periods; and (iii) taking into account the expenses incurred in relation to the abovementioned allotment and issuance of the new Shares on the earnings of the Group.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

Noted. Please refer to paragraph 1 of this Part. Additionally, an illustration of the loss per Share, before and after the exercise of the Warrants, is set out below.

Assuming that the full exercise of all Bonus Warrants and all Piggyback Warrants (the “**Full Warrants Exercise**”) had taken place on 1 January 2012 and 1 January 2013, being the beginning of FY2012 and HY2013 respectively, and based on the audited consolidated financial statements of the Group for FY2012 and the unaudited consolidated financial statements of the Group for HY2013 respectively, the financial effects on the loss per Share for FY2012 and HY2013 are as follows:

	Audited FY2012		Unaudited HY2013	
	Before the Full Warrants Exercise	After the Full Warrants Exercise	Before the Full Warrants Exercise	After the Full Warrants Exercise
Loss after tax and minority interests (S\$'000)	1,868	1,868	68	68
Weighted average number of shares ('000)	171,220 ⁽¹⁾	3,595,620 ⁽²⁾	171,220 ⁽³⁾	3,595,620 ⁽⁴⁾
Loss per share (Singapore cents)	1.09	0.052	0.040	0.002

Notes:

- (1) Assuming that the allotment and issuance of 35,000,000 new Shares to Hengfai Business Development Pte. Ltd. (formerly known as Hengfai Strategic Investments Pte. Ltd.) at an issue price of S\$0.086 per Share (the “**April 2013 Placement**”) and the allotment and issuance of 44,000,000 new Shares to nine (9) subscribers at an issue price of S\$0.092 per Share (the “**June 2013 Placement**”) had been completed on 1 January 2012.
- (2) Assuming that the Full Warrants Exercise had taken place on 1 January 2012.
- (3) Assuming that the April 2013 Placement and the June 2013 Placement had been completed on 1 January 2013.
- (4) Assuming that the Full Warrants Exercise had taken place on 1 January 2013.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The above financial effects relating to the Warrants are based on the audited consolidated financial statements of the Group for FY2012 and the unaudited consolidated financial statements of the Group for HY2013 and are purely for illustrative purposes only and are not projections of the actual future financial performance or financial position of the Group after the Warrants Issue.

3. In respect of:

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

A review of the past performance of the Group from FY2010 to HY2013 is set out below.

Review of Income Statement

Audited FY2012 vs Audited FY2011

The Group's total revenue increased by S\$8.4 million from S\$45.5 million for FY2011 to S\$53.9 million for FY2012. The increase in revenue was mainly due to an increase of S\$16.2 million from the main building works segment as a significant portion of revenue was recognised in FY2012 from two (2) of the new projects awarded at the end of FY2011 and an increase of S\$0.3 million from access equipment segment in FY2012, offset by a decrease of S\$8.2 million from general building works segment. The decrease in revenue from the general building works segment in FY2012 was mainly due to the recognition of a significant portion of revenue from a few high value projects in FY2011 as compared to FY2012.

Overall gross profit increased by S\$3.8 million from S\$1.6 million in FY2011 to S\$5.4 million in FY2012 and the gross profit margin increased from 3.4% in FY2011 to 10% in FY2012. Gross profit increased by S\$1.1 million, S\$2.2 million and S\$0.5 million in FY2012 for main building works segment, general building segment and access equipment segment respectively. The increase for main building works segment was mainly due to a better margin from the two (2) new projects as mentioned above while the increase for general building works segment was mainly due to a better cost control in FY2012. The increase for access equipment segment was mainly due to better cost control and higher margins from the rental of access equipment in FY2012.

Other income increased by S\$0.05 million from S\$0.05 million in FY2011 to S\$0.1 million in FY2012 was mainly due to a gain in disposal of plant and equipments and incentives received from the Mechanisation Credit (MechC) Scheme in FY2012.

Administrative expenses increased by S\$0.9 million from S\$5.2 million in FY2011 to approximately S\$6.1 million in FY2012. The increase was mainly due to an increase in staff costs and an increase in depreciation expenses arising from the purchase of additional property, plant and equipment.

Other expenses increased by S\$0.7 million from nil in FY2011 to S\$0.7 million in FY2012. The increase was due to an increase in foreseeable bad debts written off during FY2012.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Finance costs increased by S\$0.2 million from S\$0.2 million in FY2011 to S\$0.4 million in FY2012, which was in line with higher bank borrowings in FY2012.

Overall, the Group reported a net loss attributable to shareholders of approximately S\$1.9 million in FY2012, against a net loss of S\$3.8 million in FY2011.

Audited FY2011 vs Audited FY2010

The Group's total revenue decreased by S\$6.1 million from S\$51.6 million for FY2010 to S\$45.5 million for FY2011. The decrease was mainly due to a significant portion of revenue being recognised from the completion of the Group's hotel project in FY2010. New projects currently undertaken by the Group are mainly at the preliminary stages and hence there were no material revenue contributions in FY2011.

Overall gross profit decreased by S\$5.3 million from S\$6.9 million in FY2010 to S\$1.6 million in FY2011 and the gross profit margin decreased from 13.4% in FY2010 to 3.4% in FY2011. The decrease in profit margin was mainly due to higher prices of construction materials, such as concrete and rebar, and the increasing foreign labour costs.

Other income declined by S\$0.01 million from S\$0.06 million in FY2010 to S\$0.05 million in FY2011 was mainly due to the cessation of the IRAS Job Credit Refund Incentives in FY2011.

After excluding the non-recurring IPO expenses of S\$0.8 million incurred in FY2010, administrative expenses increased by S\$0.9 million from S\$4.3 million in FY2010 to approximately S\$5.2 million in FY2011. The increase was mainly due to an increase in staff costs, an increase in depreciation expenses arising from the purchase of additional property, plant and equipment, an increase in bad debts written off, and an increase in legal and other related professional fees during FY2011.

Despite an increase in loans and borrowings of S\$2.7 million in FY2011 which was mainly due to an increase in finance lease obligations towards the end of FY2011, finance costs decreased by S\$0.2 million, from S\$0.4 million in FY2010 to S\$0.2 million in FY2011, mainly due to the repayment of bank borrowings of S\$1.5 million.

Other expenses decreased by S\$0.2 million mainly due to a fair value loss incurred on the convertible loan pursuant to the investment agreement entered into between the Group and the pre-IPO investors in FY2010. The convertible loan has been fully converted into ordinary shares in FY2010.

Overall, the Group reported a net loss attributable to shareholders of approximately S\$3.8 million in FY2011, against a net profit of S\$0.5 million in FY2010.

Unaudited HY2013 vs Unaudited HY2012

The Group's total revenue increased by approximately S\$25.6 million or 160% from S\$16.0 million in HY2012 to S\$41.6 million in HY2013. The increase in revenue was mainly attributable to an increase in recognition of construction income of S\$26.3 million from the main building works segment as a significant portion of revenue was recognised in HY2013 for two of the new projects which were awarded at the end of FY2011 and have been scheduled for completion by FY2013 and the early part of the financial year ending 31 December 2014.

Overall gross profit increased by approximately S\$2.1 million or 175% from S\$1.2 million in HY2012 to S\$3.3 million in HY2013 and the gross profit margin increased from 7.8% in HY2012 to 8.0% in HY2013. The increase was mainly due to better cost controls and higher margins from the segment of access equipment leasing.

Other income increased by approximately S\$0.09 million or 225% from S\$0.04 million in HY2012 to S\$0.13 million in HY2013, mainly due to a Cash Payout Option received from the Productivity and Innovation Credit Tax Scheme and the Mechanisation Credit Scheme granted by the BCA in HY2013.

Marketing expenses remained constant at S\$0.09 million in HY2013 compared to HY2012.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Administrative expenses increased by approximately S\$0.6 million or 23% from S\$2.6 million in HY2012 to S\$3.2 million in HY2013. The increase was mainly due to an increase in staff costs and the foreign worker levies of S\$0.6 million during HY2013.

Finance costs increased by approximately S\$0.07 million or 47% from S\$0.15 million in HY2012 to S\$0.22 million in HY2013 mainly due to an increase in trade facilities expenses and overdraft interest expense, which was in line with the increased amount of loans and borrowings in HY2013.

The decrease in depreciation expense from S\$0.65 million in HY2012 to S\$0.46 million in HY2013 was mainly due to a disposal of plant and equipment during HY2013.

Overall, the Group's loss net of tax narrowed to approximately S\$0.1 million in HY2013, compared to a loss net of tax of S\$1.6 million in HY2012.

Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of —
- (a) the most recent completed financial year for which audited financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated balance sheet of the Group as at 31 December 2012 and unaudited consolidated balance sheet of the Group as at 30 June 2013 are set out below:

	As at 31 December 2012 (Audited) (S\$'000)	As at 30 June 2013 (Unaudited) (S\$'000)
Non-current assets		
Property, plant and equipment	5,256	4,716
	5,256	4,716
Current assets		
Gross amount due from customers for contract work-in-progress	12,206	20,474
Trade and other receivables	17,521	22,247
Prepaid operating expenses	576	521
Bank deposits pledged	2,320	1,311
Cash and short-term deposits	97	92
	32,720	44,645
Total assets	37,976	49,361

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

	As at 31 December 2012 (Audited) (S\$'000)	As at 30 June 2013 (Unaudited) (S\$'000)
Current liabilities		
Trade and other payables	20,756	25,439
Accrued operating expenses	982	2,658
Loan and borrowings	10,283	9,077
	32,021	37,174
Non-current liabilities		
Loan and borrowings	1,598	1,598
	1,598	1,598
Total liabilities	33,619	38,772
Net assets	4,357	10,589
Equity attributable to owners of the Company		
Share Capital	9,565	15,865
Merger reserves	(2,569)	(2,569)
Retained earnings	(2,639)	(2,707)
Total equity	4,357	10,589
Number of Shares	92,220,000	171,220,000
NTA per Share (Singapore cents)	4.72	6.18
Number of Shares (adjusted) ⁽¹⁾	171,220,000	171,220,000
NTA per Share (adjusted) (Singapore cents) ⁽¹⁾	2.54	6.18

Sources: Annual Report of the Company for FY2012; Unaudited Half Year Financial Statement Announcement for the Financial Period Ended 30 June 2013 (dated 2 August 2013).

Note:

- (1) The NTA per Share as adjusted is computed based on the number of Shares in issue as at 31 December 2012 and as at 30 June 2013, and (i) taking into consideration the allotment and issuance of 35,000,000 new Shares in April 2013 and the allotment and issuance of 44,000,000 new Shares in June 2013; and (ii) assuming that the allotment and issuance of the new Shares in (i) was completed as at 31 December 2012 and 30 June 2013.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.
-

Noted. Please refer to paragraph 4 of this Part. Additionally, an illustration of the NTA per Share, before and after the exercise of the Warrants, is set out below.

Assuming that the Full Warrants Exercise had taken place on 31 December 2012 and 30 June 2013, being the end of FY2012 and HY2013 respectively, and based on the audited consolidated financial statements of the Group for FY2012 and the unaudited consolidated financial statements of the Group for HY2013 respectively, the financial effects on the NTA and NTA per Share for FY2012 and HY2013 are as follows:

	Audited FY2012		Unaudited HY2013	
	Before the Full Warrants Exercise	After the Full Warrants Exercise	Before the Full Warrants Exercise	After the Full Warrants Exercise
NTA (S\$'000)	10,657	46,613	10,589	46,545
NTA per Share (Singapore cents)	6.22	1.30	6.18	1.29

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

A summary of the consolidated cash flow statement of the Group for FY2012 and HY2013 are set out below:

S\$'000	FY2012 (Audited) S\$'000	HY2013 (Unaudited) S\$'000
Net cash used in operating activities	(8,158)	(6,015)
Net cash used in investing activities	(538)	(93)
Net cash generated from financing activities	3,737	3,307
Net decrease in cash and cash equivalents	(4,959)	(2,801)
Cash and cash equivalents at beginning of the financial year/period	1,038	(3,921)
Cash and cash equivalents at end of the financial year/period	(3,921)	(6,722)

Sources: Annual Report of the Company for FY2012; Unaudited Half Year Financial Statement Announcement for the Financial Period Ended 30 June 2013 (dated 2 August 2013).

A review of the cash flow position of the Group as at 31 December 2012 and as at 30 June 2013 is set out below.

FY2012

The Group had an operating cash outflow of S\$8.2 million in FY2012 which was mainly attributable to an increase of trade and other receivables of S\$11.4 million, prepayment of S\$0.4 million and an increase in construction work-in-progress in excess of progress billings of S\$5.6 million, partially offset by an increase in trade and other payables of S\$7.9 million.

Net cash generated from financing activities of S\$3.7 million in FY2012 was mainly attributable to proceeds from loans and borrowings of S\$5.4 million to finance new main building works contracts awarded in FY2011 and FY2012, mainly offset by repayments of loans and borrowings of S\$1.0 million and repayments of finance lease obligations of S\$0.7 million.

HY2013

Net cash used in operating activities in HY2013 amounted to S\$6.0 million, mainly due to an increase in gross amount due from customers for contract work-in-progress in excess of progress billings of S\$8.1 million, an increase in trade and other receivables of S\$4.7 million and an interest payment of S\$0.2 million as a result of higher borrowings which were partially funded by a decrease in prepaid operating expenses of S\$0.1 million, an increase in trade and other payables of S\$4.7 million and an increase in accrued operating expenses of S\$1.7 million.

Net cash generated from financing activities amounted to S\$3.3 million in HY2013, mainly due to the proceeds from bank borrowings of S\$1.5 million to finance projects on hand, the proceeds from the issuance of new Shares pursuant to the completion of the two placement exercises completed by the Company in April 2013 and June 2013 of approximately S\$7.1 million, and a decrease in fixed deposit pledged of S\$1.0 million, which was partially offset by the share issuance expenses of S\$0.8 million and the repayments of loans, borrowings and finance leases of S\$5.5 million.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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As at the date of lodgment of this Offer Information Statement, the Directors are of the reasonable opinion that, barring unforeseen circumstances and after taking into consideration (i) the Group's present banking facilities; and (ii) the nature and collectability of its trade receivables and amount due from customers for contract work-in-progress, the working capital available to the Group is sufficient to meet its present requirements.

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
-

As at the date of lodgment of this Offer Information Statement, the Directors are not aware of any breach by any entity in the Group of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Company's financial position and results or business operations, or the investments by holders of securities in the Company.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
-

Save as disclosed below and in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Business and Financial Prospects of the Group

According to the BCA, Singapore's construction demand for 2013 is projected to reach between S\$26 billion to S\$32 billion due to the strong demand. However, operating costs are expected to increase due to higher foreign workers' levy and the Central Provident Fund contributions by employers.

As at the Latest Practicable Date, the Group's order book stood at approximately S\$139.1 million.

The management envisages that market conditions will continue to remain volatile and competitive. With a shrinking pool of the labour workforce, there will be an upward pressure on the costs of construction. Coupled with highly volatile raw material costs, the Group is expected to face pressure on its profit margins. The Group will continue to manage costs and raise productivity in response to the increased competition in the industry.

The management believes that the Diversification represents an opportunity to establish new and profitable business segments for the Group. The Diversification is one of the Group's strategies to diversify and increase its revenue streams by tapping into the property market value chain as part of its strategic growth initiatives. There have recently been encouraging signs of investment interest in the local and regional property market. By investing in property-related investments such as quoted and unquoted investment funds and other instruments, the Group may also be able to enhance its profitability, shareholder value and returns through the introduction of possible recurring dividend income and capital gains from such investments.

The management also believes that the Diversification creates the opportunity for geographical diversification. The Group intends to explore opportunities in property development in Singapore and the Asian region and property-related investments in quoted securities listed on internationally recognised stock exchanges and other unquoted property-related instruments such as funds managed by professional licensed fund managers. As the Group's existing core business in building construction is exposed to the cyclical nature of the construction industry and the health of the local property market and general economy in Singapore, the management believes that the Group may ameliorate such risks by seeking geographical diversification of its earning base as property cycles in different countries and cities may not coincide with that in Singapore.

Uncertainties, events, factors and risks

To the best of the Directors' knowledge and belief, the risk factors that are material to Shareholders in making an informed judgment on the Warrants Issue (save for those which have already been disclosed to the general public) are set out below. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Bonus Warrants, Piggyback Warrants and/or the New Exercised Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. The business, results of operations, financial condition and prospects of the Group could be materially and adversely affected in the event that any of these risks materialises. In any such case, the trading price of the Shares, Bonus Warrants and/or the New Exercised Shares could decline and investors may lose all or part of their investment in the Shares, Warrants and/or the New Exercised Shares.

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RISKS RELATING TO OUR PROPERTY CONSTRUCTION BUSINESS OR THE PROPERTY CONSTRUCTION INDUSTRY

The financial performance of our Group is subject to the continuity of our order book for new projects

As our construction business is undertaken on a project basis and such projects are non-recurring, it is critical that new projects of similar value and volume are secured on a continuous basis. There is no assurance that we will be able to do so. In the event that we are unable to secure new projects on a continuous basis, the financial performance of our Group will be adversely affected. In addition, there may be a lapse of time between the completion of existing projects and the commencement of subsequent projects which may adversely affect the Group's earnings and financial performance.

Any cost overruns will adversely affect the financial performance of our Group

In the preparation of tenders for construction projects, we will carry out internal costings and budgeting estimates of labour and material costs which are based on the quotations given by our suppliers and sub-contractors, as well as our own estimate of costs. Thereafter, the contract value, as quoted in the tender submission to the developer for a project, is arrived at by evaluating all related costs which include, *inter alia*, the indicative pricing of our suppliers and sub-contractors. However, unforeseen circumstances such as adverse weather conditions, unanticipated constraints at the worksite which may arise in the course of the project, or fluctuations in the costs of labour, construction materials, equipment, rental and sub-contracting services, may result in additional unanticipated costs over and above the contract value. This will lead to cost overruns and our profit margin for the project will be reduced or eroded and accordingly, the Group's profitability and financial performance will be adversely affected.

We do not enter into long-term supply contracts with our suppliers and fluctuations in construction material prices may affect our earnings

Construction materials contributed a significant part of our costs in FY2010, FY2011 and FY2012 respectively. Such construction materials include mainly re-bars, ready-mixed concrete and stainless steel pipes. The prices of these construction materials may fluctuate due to changes in the supply and demand conditions in respect of these materials. As we do not enter into long-term supply contracts with our suppliers, any sudden shortage of supply or reduction of allocation of construction materials to us from our suppliers for any reason may adversely affect our operations or result in us having to pay a higher cost for these construction materials. Furthermore, our projects generally span an average period of between 12 to 36 months, and our costs may increase beyond our initial projections should the prices of construction materials increase significantly. This may result in a reduction in our previously estimated profit margins or may cause us to incur a loss. In such event, our operating results and financial performance will be adversely affected.

We are dependent on the cyclical nature of the construction industry in Singapore, which is in turn dependent on the health of the local property market and general economy

Since the Company's incorporation to the Latest Practicable Date, we derived all our revenue from the construction industry in Singapore. We are exposed to the cyclical fluctuations of the construction industry in Singapore which is dependent on the health of the property market and the general economy of Singapore.

A downturn in the Singapore economy will dampen general sentiments in the property market in Singapore and reduce construction demand, which will invariably have a material adverse effect on our business and financial performance. In addition, dampened general sentiments in the local property market and reduced construction demand may also erode profit margins for any available construction projects due to keen competition. This will also have a material adverse effect on our business and financial performance.

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Changes in government legislation, regulations or policies which affect the construction industry or the property market in Singapore may adversely affect our business operations and financial performance

As we derive all our revenue from our property construction business in Singapore since the Company's incorporation to the Latest Practicable Date, any changes in government legislation, regulations or policies affecting the construction industry or property market in Singapore could adversely affect our business operations and/or have a negative effect on the demand for our services. The compliance with such new government legislation, regulations or policies may also increase our costs and any significant increase in compliance costs arising from such new government legislation, regulations or policies may adversely affect our operating results. There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on our financial performance.

We are subject to regulation and licensing requirements governing the construction industry in Singapore

Our business and construction activities in Singapore are regulated by the BCA and various other regulatory bodies. These regulatory bodies stipulate the criteria that must be satisfied before permits and licences are granted to, and/or renewed for, our business. Any change to the existing regulations may have a negative impact on our operations.

The renewal of our permits and licences is subject to compliance with the relevant regulations. There is no assurance that our permits and licences will be renewed upon expiry. Failure to renew, or withdrawal of such permits and licences as a result of non-compliance, will have an adverse effect on our operations and financial performance.

We are dependent on certain key personnel for our continued success

Our Group's success to date is attributable to the contributions and expertise of our Executive Directors and Executive Officers who have built the business of our Group under the guidance and leadership of our Executive Chairman and Chief Executive Officer, Liew Sen Keong, and our other Executive Directors, Chan Pui Yee, and Chan Tien Chih. Liew Sen Keong and the other Executive Directors have a combined experience of approximately 50 years in the building and construction industry. Our continued success and growth will depend, to a large extent, on our ability to retain the services of our Executive Directors and our Executive Officers. The loss of the services of our Executive Chairman and Chief Executive Officer or any of the other Executive Directors and the Executive Officers without suitable and timely replacement, or the inability to attract and retain other qualified personnel would have an adverse impact on our operations and financial performance.

Any shortage in the supply of foreign workers or increase in levy for foreign workers, or any restriction on the number of foreign workers that we or our sub-contractors can employ for a project, will adversely affect our operations and financial performance

The construction industry is highly labour intensive. We and our sub-contractors rely almost exclusively on foreign labour for all our construction projects, as the supply of local labour is limited and the cost of local workers is high. Our business operations and financial performance are vulnerable to any shortage in the supply of foreign workers and any increase in the cost of foreign labour.

Any changes in the regulations of the foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to our business operations which may result in delays to our projects. The supply of foreign labour and the number of foreign workers that we and our sub-contractors can employ are further subject to the policies and regulations imposed by the Ministry of Manpower ("MOM"). For example, the MOM imposes a quota on the number of foreign workers that we and our sub-contractors can employ in respect of each of our projects, known as man-year

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entitlement (“MYE”). Depending on the requirements of our projects, the tightening of such quota on the number of foreign workers that we and our sub-contractors can employ could adversely affect our business operations and financial performance.

Most of our construction workers are foreign workers from India, Bangladesh, Myanmar, China, Malaysia and Thailand, who are subject to the foreign workers’ levy and the administrative fees for work passes imposed by the Singapore government. Any increase in the foreign workers’ levy and the administrative fees for work passes will result in an increase in our construction costs and such additional costs may affect the profitability of our Group. If we are unable to pass on such cost increases to our customers or find alternative sources of cheaper labour, our financial performance may be adversely affected.

We may be liable for delays in the completion of projects, and any liquidated damages and additional overheads arising from such delays could adversely affect our financial performance

The construction contract between a developer and its main contractor would normally include a provision for the payment of liquidated damages by the latter to the former in the event that a project is completed after the stipulated date of completion stated in the contract. Delays in the completion of a project could occur from time to time due to several factors including but not limited to, adverse weather conditions, shortages of labour, equipment and construction materials, the occurrence of natural disasters, labour disputes, disputes with suppliers and sub-contractors, industrial accidents, work stoppages arising from accidents and mishaps at the worksite or delays in the delivery of building materials by the suppliers. In addition, any delayed payment by our clients may result in a corresponding delay in the progress of the project. In the event of any delay in the completion of a project, we could be liable to pay liquidated damages under the construction contract and incur additional overheads, and this will adversely affect our earnings and erode our profit margin for the project. In such event, our financial performance and financial condition would be adversely affected. In the event that there are delays in the existing and future construction projects which we undertake resulting in the payment of liquidated damages and additional overheads, this which could have a material impact on our financial performance and condition.

In the event that we are required to bear additional costs in relation to disputes with developers or variation orders, our financial performance will be adversely affected

It is not uncommon in the construction industry for disputes to arise between the developer and contractor for various reasons including differences in the interpretation of acceptable quality standards of workmanship and materials used, disagreements over the valuation of work-in-progress and general non-adherence to the contract specifications. Consequently, it is an industry practice for the developer to withhold an agreed percentage of the contract sum, typically 5% to 10%, as retention monies to defray the costs of instituting any work of repair, reconstruction or rectification of any imperfection or other fault or defects which may surface or be identified only during the defects liability period of typically 12 months after the official hand-over of a project. We may therefore encounter difficulties in collecting the full sum or any part of the retention monies due and may run the risk of incurring additional costs to make good the rectification or reconstruction of works under dispute to the extent that our profit margin is eroded or losses are incurred for the project. This will have an adverse effect on our overall financial performance and condition.

Disputes may also arise between the developer and contractor from disagreements over the cost of variation orders requested by the former. This is because variation orders are normally carried out in accordance with industry practice, before the additional charges are agreed upon in order for the building project to be completed on schedule. However, as the cost of variation orders is not determined beforehand, their basis of valuation may become a source of dispute after the building project has been completed. In the event that a dispute is to arise between the developer and our Group such that we are required to bear part of the variation cost due to low final value of such

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variation orders as determined by the project consultant, our profit margin for the project will be eroded or it may result in losses. This will have an adverse effect on our overall financial performance and condition.

Our ability to secure projects depends on our ability to secure performance bonds

As all of our construction projects require a performance bond to be furnished by a bank or an acceptable financial institution to guarantee our contractual performance in the project, our ability to secure such performance bond is very crucial as it would determine our ability to secure such projects. In the event that we are unable to secure the requisite performance bonds for any reason, we may be unable to secure construction projects and this would materially and adversely affect our revenue and profitability.

We may be affected by accidents at our construction sites

Due to the nature of our business, accidents and mishaps may occur at the construction sites for our projects even though safety measures are put in place. Such accidents or mishaps may severely disrupt our operations and lead to a delay in the completion of a project, and in the event of such delay, we could be liable to pay liquidated damages under the construction contract with the client. In such an event, our business, operating results and financial performance may be materially and adversely affected. Further, such accidents or mishaps may subject us to claims from workers or other persons involved in such accidents or mishaps for damages suffered by them, and any significant claims which are not covered by our insurance policies may materially and adversely affect our operating results and financial performance. In addition, any accidents or mishaps resulting in significant damage to our machinery or equipment may also have a significant adverse effect on our business, financial condition and operating results.

We face competition from existing and new industry players

The construction industry is highly competitive and such competition may increase in the near future due to the entry of new players in the construction industry. In the event that our competitors are able to provide comparable construction services at lower prices or respond to changes in market conditions more swiftly and effectively than we do, our business, results of operations and financial performance will be adversely affected. There is no assurance that we will be able to compete effectively with our existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by us to remain competitive will adversely affect the demand for our services, our operating results and financial performance.

RISKS RELATING TO OUR GROUP

We may face liquidity and non-payment risks

For our construction business, there is a time lag between any expenditure incurred and actual receipt of payment from our customers. The first progress payments may be received three to four months after our commencement of work or purchase of construction materials. The remaining progress payments are payable upon completion of each phase of the project and will be received over the course of the project, which may take between one (1) to three (3) years to complete.

In the event that we neglect to closely monitor our receivables and make timely submission of our progress payment claims, we may encounter liquidity problems. Furthermore, some of our customers may default on their payments to us, owing to events or circumstances that are difficult to anticipate or detect that would have an impact on our customers' ability to make timely payments. As a result of our customers defaulting on their payment to us, we would have to make provisions for doubtful debts, or to incur write-offs, which may have an adverse effect on our operating results and profitability.

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Our business is dependent on the services of our sub-contractors

We engage sub-contractors to provide various services for our construction projects, including piling and foundation works, engineering, landscaping, installation of air-conditioning units and elevators, mechanical and electrical installation, utilities installation, interior decoration and other specialist work. These sub-contractors are selected based on, *inter alia*, our past working experience with them, their competitiveness in terms of their pricing and their past performance. We cannot ensure that the services rendered by these sub-contractors will be satisfactory or that they will meet our requirements for quality. In the event of any loss or damage which arises from the default of the sub-contractors engaged by us, we, being the main contractor, will nevertheless be liable for our sub-contractors' default. Furthermore, these sub-contractors may experience financial or other difficulties that may affect their ability to carry out the work for which they contracted for, thus delaying the completion of or failing to complete our construction projects, resulting in additional costs to us or exposing us to the risk of liquidated damages. Any of these factors could have a material adverse effect on our business, financial condition and operating results.

For design and build projects that we undertake as main contractor, we are liable for defects or failure in the architectural or engineering design of the building

For design and build projects, a single contract is awarded by the developer to the main contractor who shall be responsible for the architectural and engineering designs and construction works of the entire project. Consultants such as architects and engineers may be engaged to work on such projects and they will be liable for any defect or failure in the architectural or engineering design of the building arising from their default, as the case may be. However, in the event that such defaults could not be sufficiently covered by the professional indemnity insurance taken up by the respective consultants, we would be liable to the developer for the residual amount of such defaults, resulting in an adverse effect on our financial performance and condition.

In situations when our Group is solely responsible for the architectural or engineering design of the building, if a developer were to succeed in obtaining a court judgement or an arbitration award against us for claims on the grounds of design defect or failure, such claims may have a material adverse effect on our financial performance and condition.

We may be affected by any changes in the general economic, regulatory, political and social conditions in Singapore

Our business and future growth are dependent on the economic, regulatory, political and social conditions of Singapore. Any unfavourable changes in the political, economic, regulatory and social conditions in Singapore or in the government policies may have a negative impact on our operations which could materially and adversely affect our operating results, financial performance and future growth.

The Group may be adversely affected by the uncertain global economic outlook

Our business is susceptible to the general economic conditions in the markets that we operate in. There may be less demand for construction works during weak economic conditions such as during the credit and liquidity crisis brought about by the recent global financial crisis, and this may have an adverse impact on our financial position.

Given the uncertainties as to the future economic outlook, we cannot give any assurance that we will be able to maintain or continue our growth in our revenue and financial performance, or that we will be able to react promptly to any change in economic conditions. In the event we fail to react promptly to the changing economic conditions, our performance and profitability could be adversely affected. There is also no assurance that the economic factors which have contributed to the success of our Group during the past few years will continue to occur in the future. Our business performance, future plans and operations will be adversely affected if these conditions deteriorate in the future.

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We may be affected by natural disasters, terrorist attacks and other events beyond our control

Our Group is exploring opportunities to expand our operations in the Asia region. Should there be adverse developments in any of these regions or in Singapore, where our worksites or the places where our equipment, our office buildings, or those of our customers and suppliers are located, this could disrupt our business. The occurrence of these events which include, *inter alia*, natural disasters such as earthquakes and floods, terrorist attacks, fire hazards and other events beyond our control, may adversely affect our Group's financial results.

We may be affected by an outbreak of highly pathogenic influenza or any other contagious disease or virulent disease

Many countries in Asia experienced a severe outbreak of Severe Acute Respiratory Syndrome ("SARS") in 2003. This seriously interrupted the economic activities of the affected regions and severely affected consumer sentiment and spending. In the event of a prolonged influenza pandemic, the global economy may be affected. This may result in an adverse effect on our day-to-day operations or the operations of our suppliers and customers, affecting our business and profitability.

In addition, in the event of an outbreak of any highly pathogenic influenza in any of our premises, our management and employees may be quarantined and we may be required by the relevant health authorities to suspend our operations. Accordingly, this may cause disruptions to our business and operations, which may have a severe impact on our financial performance and condition.

We may not be able to successfully implement our future plans

We plan to expand in accordance with our future plans, which may include entering into strategic alliances, joint ventures or undertaking acquisitions by our Group. These plans involve numerous risks, including but not limited to, incurring additional working capital requirements and may require substantial capital expenditure and financial resources. There is no assurance that these initiatives undertaken will achieve revenue that will be commensurate with our investment costs, or that we will be successful in securing more projects. If we fail to achieve a sufficient level of revenue or if we fail to manage our costs efficiently, we will not be able to recover our investment and our future financial performance and our position would be adversely affected.

Furthermore, such expansion plans involve numerous risks including but not limited to costs associated with setting up joint venture operations, identifying targets for acquisition and due diligence investigations, difficulties with integration of management, operations and personnel as well as the possible diversion of management's attention from other business concerns. There can be no assurance that we will be able to successfully integrate our operations with that of our new strategic partners or newly acquired businesses or that our expanded operations will achieve a sufficient level of revenue which will cover our acquisitions and operational costs. In such events, our Group's profitability and financial performance will be adversely affected.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES, BONUS WARRANTS, PIGGYBACK WARRANTS AND NEW EXERCISED SHARES

Investment in shares quoted on Catalist involves a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

Our Shares are listed on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST.

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There may not be an active or liquid market for our Shares (including New Exercised Shares)

The market price of our Shares could be subject to significant fluctuations as investors' sentiments may be affected by external factors such as the outbreak of war, escalation of hostilities or outbreak of infectious diseases (whether in Singapore or elsewhere). Other factors including the liquidity of our Shares in the market, differences between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations may also result in significant fluctuations in the market price of our Shares.

Our share price may be volatile in future which could result in substantial losses for holders of the Bonus Warrants and Shareholders whom have exercised the Bonus Warrants and/or Piggyback Warrants pursuant to the Warrants Issue

The trading price of our Shares and Warrants ("**Share Price**") may fluctuate significantly and rapidly after the Warrants Issue as a result of, among others, the following factors, some of which are beyond our control:

- (i) variations of our operating results;
- (ii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iii) announcements made by us of significant acquisitions, strategic alliances or joint ventures;
- (iv) additions or departures of key personnel;
- (v) fluctuations in stock market prices and volume;
- (vi) involvement in litigation; and
- (vii) changes in general economic and stock market conditions.

Future sale or issuance of Shares or other convertible securities could adversely affect our Share Price

Any future sale or issuance of a large number of our Shares can have a downward pressure on our Share Price. The sale of a significant amount of Shares or Bonus Warrants in the public market after the Warrants Issue, or the perception that such sales may occur, could materially and adversely affect the Share Price. These factors also affect our ability to sell additional equity securities.

Negative publicity which includes those relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share Price

Negative publicity or announcements relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market perception or the performance of our Shares and Warrants, whether or not it is justified. Examples of these include unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in insolvency proceedings.

We may require additional funding for our growth plans (which we may not be able to obtain), and such funding may result in a dilution of Shareholders' investment

In the course of planning our growth, we make estimates of our funding requirements.

In the event that the costs of implementing such plans should exceed these estimates significantly or that we come across opportunities to grow through expansion plans which cannot be predicted at this juncture, and our funds generated from our operations prove insufficient for such purposes, we may need to raise additional funds to meet these funding requirements.

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These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. We cannot ensure that we will be able to obtain any additional financing on terms that are acceptable to us, or at all. If we fail to obtain additional financing on terms that are acceptable to us, we will not be able to implement such plans fully. Such financing even if obtained, may be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for payment of dividends, or restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions.

Further, in the event that we raise additional funds by way of a limited placement or by a rights offering or through the issuance of new Shares, any Shareholders who are unable or unwilling to participate in such an additional round of fund raising may suffer dilution in their investments.

Control by our Controlling Shareholders of our enlarged share capital after the Warrants Issue may limit your ability to influence the outcome of decisions requiring the approval of Shareholders.

After the completion of the Warrants Issue and assuming that our Executive Chairman, Chief Executive Officer and controlling Shareholder, Mr Liew Sen Keong ("**Mr Liew**") and his Associate, Ms Chan Pui Yee ("**Ms Chan**") exercise all of the Warrants allotted and issued to them and the remaining Warrantheolders do not exercise their Warrants, Mr Liew and Ms Chan will remain as the largest Shareholders of the Company and their shareholding will be approximately 28.51% of our enlarged share capital. They will continue to be able to significantly influence all matters requiring approval by our Shareholders except where they are required by the Catalist Rules to abstain from voting. Such concentration of ownership will place them in a position to affect significantly our corporate actions such as mergers or takeover attempts (notwithstanding that the same may be synergistic or beneficial to our Group) in a manner that could conflict with the interests of our public Shareholders.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders will depend on our future financial performance and distributable reserves of our Company. Our Company's future financial performance and distributable reserves depend on several factors, such as the successful implementation of our strategies, general economic conditions, demand for and selling prices of our products and services. Many of these factors may be beyond our control. As such, there is no assurance that our Company will be able to pay dividends to our Shareholders after the completion of the Warrants Issue. In the event that any company in our Group enters into any loan agreements in the future, covenants therein may also limit when and how much dividends it can declare and pay.

Warrants may expire worthless

The Warrants issued have an exercise period of up to three (3) years and will expire on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants (the "**Exercise Period**"). In the event that the Warrants are not exercised by the end of the Exercise Period, the Warrants will expire worthless.

RISK FACTORS ASSOCIATED WITH THE DIVERSIFICATION

The Diversification involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be material. To the best of the Directors' knowledge and belief, risk factors which are material to Shareholders in making an informed decision on the Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Property Development Business and/or the Investment Business, this may have a material and adverse impact on the Property Development Business and/or Investment Business and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted. The risks described below are not intended to be exhaustive. New risk factors emerge from time to time, and it is not possible for the management to predict all risk factors, nor can the Group assess the impact of all factors on the Property Development Business and/or the Investment Business or the extent to which any factor,

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or combination of factors, may affect the Property Development Business and/or the Investment Business. There may also be other risks associated with the entry into the Property Development Business and/or the Investment Business which are not presently known to the Group, or that the Group may currently deem immaterial and as such, have not been included in the discussion below.

General Risks Relating to the Property Industry and Property-Related Investments

The performances of the Property Development Business and Investment Business are dependent on the health of the economy and the property industry

The performances of the Group's property development projects, property investments and investments in property-related quoted or unquoted securities and/or instruments depend largely on the economic situation and the performance of the property industry in the countries it operates or will expand into or the situation of the underlying assets of the investments. A downturn in the regional or the relevant local economy will dampen general sentiments in the property market, which will invariably have a material adverse effect on our business and financial performance. In addition, dampened general sentiments in the regional or the relevant local economy may also erode profit margins for our property development projects or property investment projects due to lower demand, and affect the value of the Group's investments in property-related quoted or unquoted securities and instruments. For instance, while there was substantial growth in the property market in the past decade in Singapore, there is no assurance that such growth will maintain. Should the economies or the property markets in the countries where CCM Property will operate in or expand into experience a downturn, due to reasons such as government regulations or global economic conditions, the performance of the Group's property development projects, property investments and investments in property-related quoted or unquoted securities and instruments may be adversely affected.

Risks Relating to the Property Development Business

The Group does not have any proven track record and business history in the operation of the Property Development Business

The Group does not have a proven track record in carrying out the Property Development Business and managing property-related investments. There is no assurance that the Property Development Business will be commercially successful and that the investments carried out pursuant to the Property Development Business will be able to derive sufficient revenue to offset the capital, start-up and financing costs as well as operating costs arising from the new business initiatives. The Property Development Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Property Development Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Property Development Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group may not be able to identify, acquire, develop and/or sell profitable property development projects

The performance and success of the Property Development Business is dependent on the Group's ability to identify profitable property development projects and following such identification, to successfully acquire, develop, sell and/or lease such projects. This ability may be undermined by various factors, including changes to the general economic conditions in countries where the Group intends to operate its Property Development Business and changes to relevant interest rates, construction costs, land costs and property prices. There is thus no assurance that the Group will always be successful in identifying suitable property development projects or completing such property development projects profitably. The Group's inability to identify and acquire attractive new sites at commercially acceptable prices could impair its ability to compete with other property developers and materially and adversely affect the Group's ability to grow the Property Development Business.

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The Property Development Business is volatile in nature and may be adversely affected by changes in market forces

The revenue and profit from the Property Development Business is dependent on the number and value of projects that the Group undertakes, as well as the timing of project launches and general property market conditions. There is no certainty that the Group will be able to consistently secure new and sizeable property projects at suitable amounts or launch its property projects on schedule. Property prices are subject to market forces of demand and supply, the state of the economy and other economic, political or social factors. The budgeted sale prices for a development project may not be achieved due to fluctuations in property prices and there may be unsold stock of properties owing to the lack of demand. This will directly and adversely affect the profitability of the development and as a result materially and adversely affect the financial performance and cash flow of the Group.

The Property Development Business will be subject to risks in relation to interest rate movements

Risks arising from interest rate movements, particularly as a result of the debts that may be undertaken to finance developments and the cost of building materials in its operations, may affect the Group's Property Development Business. Changes in interest rates will affect the Group's interest income and interest expense from short term deposits and other interest-bearing financial assets and liabilities which could have a material and adverse effect on net profits. An increase in interest rates would also adversely affect the willingness and ability of prospective customers to purchase properties, the Group's ability to service loans and its ability to raise and service long term debt.

The Group may not be able to compete successfully with other property development competitors

The property development industry is a competitive industry. For instance, in Singapore, the property investment industry is a mature industry with many established players. The Group may face keen competition from existing property developers and new entrants to the property development business. Some of the Group's competitors may possess significant financial, managerial, marketing and other resources, as well as experience in property and land development and management. Competition between property developers is intense and may result in, amongst other things, increased costs of the acquisition of land for development, a slowdown in the rate at which new property developments will be approved and/or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality third party contractors and qualified employees. In addition, intense competition may lead to an oversupply of development properties which may result in unhealthy price competition. Failure to secure buyers or significant reductions in property prices due to price competition will have an adverse effect on the Group's revenue and profitability. Also, the real estate market may be subject to rapid change and fluctuations. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors do, its ability to generate revenue and/or profits from the Property Development Business and its financial condition and results of operations will be adversely affected.

The Property Development Business may be adversely affected by changes in laws and regulations

The property industry in countries in which the Group may operate is subject to various laws and regulations which requires the Group to obtain the requisite regulatory approvals, permits, certificates, consents, and/or licences to engage in the Property Development Business. This includes the need to obtain a developer's licence and approval of the building plan for each project. In the event that the Group is unable to obtain such approvals and/or licences, or where there is a delay in obtaining them, the Group's ability to engage in the Property Development Business will be adversely affected.

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The property industry is also regulated by a multitude of laws and regulations which may apply in relation to workplace health and safety, environmental public health and environmental pollution control. Changes in relevant laws and regulations may also have a negative impact on the Property Development Business, and the failure to comply with the applicable laws and regulations may subject the Group to penalties or have its licences or approvals revoked, or lose the right to own, develop or manage its properties, all of which could adversely affect the Group's operations and financial performance.

Property development is also subject to regulatory controls on zoning and development, planning, design and construction as well as mortgage and financing requirements. In the event that there are changes to these requirements which result in the Group not being able to fulfill its development plans for any of its properties or having to make changes to its property development plans, or the implementation of short term, medium term and/or long term measures by the relevant authorities to regulate the construction, property or other related markets which affects consumer sentiments or demands, the Group's profitability and financial condition could be adversely affected.

For instance, the buoyant property market in Singapore in recent years has been fuelled by a low interest rate environment and the continued income growth in Singapore. The recent property cooling measures introduced by the government of Singapore designed to cool demand and rein in property prices have the effect of, *inter alia*, discouraging speculative demand in the property market by tightening financing conditions and the imposition of buyers' and/or sellers' stamp duties, which have the effect of increasing the cost of buying and selling property. Similar changes in policies or implementation of similar measures in the property industry of other countries into which the Group intends to expand may have a material adverse effect on the Group's Property Development Business, financial condition, results of operations and prospects.

The Group may not have adequate resources to finance land acquisitions or to undertake property development and property investment projects

Property development projects typically require substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cash flows may be generated through the sale of units whether under development or completed. Depending on the size and complexity of the project, it usually takes more than 12 months to complete a property development.

The availability of adequate financing is crucial to the Group's ability to acquire land for the undertaking of property development projects and/or property investment projects. The Group plans to finance its land acquisitions and development projects using a combination of internal sources of funds, progress payments and financial institution borrowings as well as through the Proposed Fundraising and by inviting other parties to co-invest in its projects. The Group may also further tap the capital markets to raise funds for the Property Development Business through equity and/or debt financing and as and when necessary and deemed appropriate. The Group cannot assure that it will have sufficient funds at its disposal for land acquisitions or property developments, be able to sell or finance the development of the project through the sale and/or lease of units in any particular development, be able to secure adequate financing, if at all, or obtain or renew credit facilities granted by banks and financial institutions for the projects in question. The Group's ability to obtain adequate financing for land acquisitions or property developments with a commercially acceptable rate of return is dependent on many factors, some of which may be beyond its control, such as general economic conditions, the terms of credit offered by financial institutions and the availability of other sources of equity or debt financing. Furthermore, the incurrence of debt will increase the Group's financing costs and obligations and could result in operating and financial covenants imposed by financial institutions that restrict its operations and its ability to pay dividends to Shareholders. This will have an adverse effect on the Property Development Business.

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The Property Development Business is sensitive to changes to general economic conditions

Property development projects and property investment projects are also sensitive to changes in the economic and business conditions, such as the supply of materials or labour. Any changes to the business environment during the length of the project may affect the revenue and cost of the development, which in turn has a direct impact on the profitability of the project. Examples of factors that may affect the profitability of a project include the risk that the receipt of government approvals may take more time than expected, the failure by contractors to complete construction according to original specifications, schedule or budget, the unavailability and/or the escalating costs of building materials, equipment and/or labour, disputes with contractors, accidents, changes in building regulations, mismanagement of projects, default by contractors, low volume of sales or leasing of the properties and other unforeseen circumstances. Factors that may affect the revenue of property development and property investment projects include the international, regional and local economic climate, local real estate conditions, perceptions of property buyers, businesses, retailers or shoppers in terms of the convenience and attractiveness of the projects, competition from other available properties and changes in market rates for comparable sales. The eventuation of any of the risks described above may adversely affect the Group's returns on investments for the Property Development Business and the Group's financial performance will be materially and adversely affected.

The Property Development Business will be subject to risks in relation to supply of raw materials and fluctuations in commodity prices

The Property Development Business will require building materials for construction works, such as concrete, cement, sand, granite and steel. These building materials are generally subject to international market forces. As a property developer, the practice is to enter into fixed or guaranteed maximum price construction contracts with construction companies (which may not be part of our Group), each of which concerns the development of a significant part of the overall development project and which typically cover both the supply of the building materials and the construction of the property for a construction period of one to three years. Therefore, should the price of building materials increase significantly prior to the entering into a fixed or guaranteed maximum price construction contract, the Group (as either a property developer or property development project investor) might be required to pay more to prospective contractors, which could materially and adversely affect the results of operations and financial condition of the Property Development Business. Any disruption in the supply or cost increase of these materials may also have a direct adverse impact on project timing and costs and hence the profitability of the Property Development Business, causing the Group to suffer an adverse impact on its financial performance.

The Group is subject to risks inherent in investing in entities and the manner in which our interests are held which we do not control

The Group may hold property investments through or make investments in entities that are not part of the Group and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the Property Development Business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation and performance of these entities, whether or not through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the financial condition, results of operations and prospects of the Property Development Business and CCM Property may be adversely affected.

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The Group is subject to liquidity or late payment or non-payment risks

The Group faces uncertainties over the timeliness of clients' payments and their solvency or creditworthiness in respect of purchases of the Group's development properties. There is no assurance that the Group will be able to collect any progress payments on a timely basis, or at all.

In the event that there are defaulting purchasers or a significant delay in collecting progress payments from purchasers, CCM Property may face stress on its liquidity and cash flow. Furthermore, some of our customers may default on their payments to us, owing to events or circumstances that are difficult to anticipate or detect that would have an impact on our customers' ability to make timely payments. As a result of our customers defaulting on their payment to us, we would have to make provisions for doubtful debts, or to incur write-offs, which may have an adverse effect on our operating results and profitability.

The Property Development Business will be subject to risks in relation to pre-sold properties

The Group intends to pre-sell most of its properties prior to completion in line with industry practice. In the event of a failure or delay in the delivery of pre-sold properties to purchasers, the Group may be liable for potential losses that purchasers may suffer as a result. Such failure or delay may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour or raw materials, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, and changes in government priorities and policies. If the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and/or compensation for late delivery. There is no assurance that the Property Development Business will not experience significant delays in completion or delivery of pre-sold properties. Such failure and delay may therefore have a material adverse effect on our Group's revenue, financial performance, prospects and profitability.

The Property Development Business will be dependent on the recruitment and retention of qualified employees and consultants for its operations and profitability and may be affected by a shortage of skilled construction labour

As the Group's existing management team does not have direct experience and expertise in the Property Development Business, the Group may have to depend on the Non-Executive Directors (among which Mr Chan Heng Fai Ambrose ("**Mr Ambrose Chan**") and Mr Teh Wing Kwan ("**Mr Teh**") sit on the board of CCM Property) to provide guidance and/or its investment partners to jointly undertake the projects coming within the Property Development Business. We cannot assure that the Group will not experience initial operational difficulties or disputes with its investment partners or that its operations will achieve the expected level of revenue and profitability. The growth of the Property Development Business will be dependent on the Group's ability to identify, recruit, train and retain qualified employees to form a relevant and strong management team with the requisite technical expertise to oversee the operations of the Property Development Business. The competition for qualified personnel in the Property Development Business is intense, and the loss of services of one or more of such individuals without adequate replacement, or the inability to attract qualified personnel at a reasonable cost could have a material adverse effect on the Property Development Business's prospects, operations and financial performance.

The Property Development Business will also be dependent on skilled construction labour, supervisors and managerial staff with relevant industry experience. The Group recognises there may be an increasing shortage of such personnel especially in a rising property market. Any dearth in the availability of such labour resources will have an adverse effect on the operations of the Property Development Business and eventually its financial performance.

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The Group may also have limitation in recruiting right personnel or gathering sufficient expertise to successfully execute the Property Development Business. The Group's ability to successfully diversify into the Property Development Business is further dependent upon its ability to adapt its existing knowledge and expertise and harness the experience and knowledge of the newly recruited personnel in understanding and navigating through the Property Development Business. The Group may thus not be able to implement the Property Development Business as successfully or smoothly as expected and this may adversely affect the Group's financial performance and profitability.

The Property Development Business will be dependent on sub-contractors

Although the Group recognises the synergy between its construction business and the Property Development Business, the Group may engage independent third-party contractors and/or sub-contractors if necessary to provide various services, including design, construction, piling and foundation, building and property fit-out works, installation of air-conditioning units and elevators, and interior decoration for its property development projects. There is no assurance that the services rendered by such independent third party contractors and/or sub-contractors will always be satisfactory or match the targeted quality level. These contractors and/or sub-contractors may also be unable to complete the work for which they were contracted on time or at all, either due to financial reasons or otherwise, thus delaying the completion of our property development projects or resulting in additional costs such as the cost overruns and/or the payment of liquidated damages. Any lack of satisfactory quality in respect of any aspect of the project or any delay in the completion of projects caused by sub-contractors could adversely affect the profitability and the results of operations of the Property Development Business and may cause damage to the reputation of the Group.

The Group will be exposed to potential liability and loss arising from damages, injury or death due to accidents at construction worksites

The Group faces the inherent risk of the property development and construction industry of accidents involving its employees or third parties on its development sites, even if adequate safety measures are in place. Such accidents, or mishaps may severely disrupt our operations and lead to a delay in the completion of a project, and in the event of such delay, we could be liable to pay compensation, such as liquidated damages, under the contract with the client. In such an event, our business, operating results and financial performance may be materially and adversely affected.

Further, such accidents or mishaps may subject us to claims from workers or other persons involved in such accidents or mishaps for damages suffered by them. In the event that any accidents which are not covered by the Group's insurance policies occur, or if claims arising from such accidents are in excess of its insurance coverage and/or any of its insurance claims are contested by its insurers, the Group will be required to pay compensation and its financial performance may be adversely affected. Such insurance claims may also result in higher insurance premiums payable by the Group in the future. These may have an adverse effect on the Group's financial results. In addition, the contractors and/or sub-contractors may be required by regulatory authorities, such as the Ministry of Manpower, to suspend its operations for a period of time or pay fines. The potential resultant imposition of fines and penalties and possible delays in project completion, cost overruns and/or liquidated damages, may in turn affect the Group's profitability, reputation and the prospects of its construction business and the Property Development Business.

In addition, any accidents or mishaps resulting in significant damage to our machinery or equipment may also have a significant adverse effect on our business, financial condition and operating results.

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We are dependent on certain key personnel for the success of the Property Development Business

Our Group's success to date is attributable to the contributions and expertise of our Executive Directors and management who have built the business of our Group under the guidance and leadership of our Executive Chairman and Chief Executive Officer, Mr Liew, and our other Executive Directors, Ms Chan, and Mr Chan Tien Chih. Our success and growth in the Property Development Business will also depend, to a large extent, on our ability to retain and motivate our Non-Executive Directors, Mr Ambrose Chan and Mr Teh, who also sit on the board of CCM Property. The loss of services of our Executive Chairman and Chief Executive Officer or any of the other Directors without suitable and timely replacement, or the inability to attract and retain other qualified personnel, would have an adverse impact on our prospects, operations and financial performance.

We are exposed to the risk of legal proceedings arising from the operations of the Property Development Business

The Group may be involved from time to time in disputes with various parties involved in the development and sale and/or lease of its properties, such as main contractors, sub-contractors, suppliers, construction companies, purchasers, lessees, other investment partners and lenders, in the future. Such disputes may include claims relating to delays and defective works and may lead to legal and other proceedings, which could cause the Group to suffer additional costs and further delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject the Group to administrative proceedings and unfavourable decrees that result in financial losses and delay the construction or completion of the Group's projects. Any project delays arising from the above will affect the Group's business and financial performance.

Mergers and acquisitions, joint ventures or co-investment for Property Development Business may not be successful

Any merger or acquisition undertaken, or joint venture or co-investment entered into, by the Group for the Property Development Business may not be successful. If disputes arise out of such mergers or acquisitions or with its joint venture or co-investment partners, the relevant business objectives may not be achieved and may lead to an adverse effect on the operations and financial position of the Group.

Risks relating to Countries of Operations of the Property Development Business

We may operate in countries which may be affected by political risks

Our Group is exploring opportunities to expand our operations to other countries outside of Singapore. Some of the countries within the Asian region into which we are exploring opportunities to expand our business have been or may be affected by events such as political upheavals, internal strife, civil commotions, strikes and riots. The recurrence of these political and social conditions in countries where we may in the future operate, will affect our ability to operate in those countries. This may result in a severe impact on our business, financial performance and condition.

We may be exposed to risks inherent in expansion to other countries

As our Group does not have any prior business exposure in the Property Development Business in the countries within the Asian region into which the Group is exploring opportunities to expand into, nor completed any projects in this geographical area save for three (3) additions and alterations projects that CCM Industrial had undertaken in Hong Kong in 2003 and 2004, such expansion if undertaken by our Group may expose our operations to the risks inherent in doing business abroad.

These risks include:

- (i) the disruption of operations from labour and political disturbances;

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- (ii) expropriation or seizure of our property;
- (iii) nullification, renegotiation or modification of existing agreements;
- (iv) regional economic downturns;
- (v) import/export quotas, trade tariffs, embargoes and other forms of public and governmental regulation;
- (vi) unfavourable taxes, tax increases and retroactive tax claims;
- (vii) currency exchange rate fluctuations, devaluations, and restrictions on currency repatriation; and
- (viii) insurrection or war that may disrupt or limit markets.

We are unable to foresee the nature of foreign governmental laws and regulations applicable to our operations that may be introduced in the future. This increases our exposure to risks in specific countries where we might otherwise have the expertise to compete. These risks could have a material adverse effect on our financial condition and results of operations.

We may be affected by changes in laws and regulations

The property development industry is subject to the laws and regulations of the countries within the Asian region which the Group is exploring opportunities to expand into. From time to time, such countries may adopt new laws and regulations which we may have to comply with. Any changes in the applicable laws and regulations, or in the regulatory conditions of the country, could result in higher compliance costs and adversely affect the operations of the Group. There is no assurance that any changes in the applicable laws and regulations will not have an adverse effect on the financial performance of the Group. In the event that the Group is unable to obtain the relevant licences or certificates or any other approvals required for the Property Development Business, the business and operations of the Group may be adversely affected.

We may be affected by adverse changes in the political, economic, or social conditions in the countries into which the Group intends to expand its Property Development Business

The Group is governed by the laws, regulations and government policies in Singapore and the Asian region into which the Group intends to expand its Property Development Business and operations. The Group's Property Development Business and future growth are dependent on the political, economic, regulatory and social conditions in these countries. Any economic downturn or changes in policies in these countries, currency and interest rate fluctuations, capital controls or capital restrictions, labour laws, changes in environmental protection and worksite safety laws and regulations, duties and taxation and limitations on imports and exports could materially and adversely affect the Group's operations, financial performance and future growth.

We may be affected by an outbreak of Influenza A ("H1N1 flu"), avian influenza, SARS or any other contagious disease or virulent disease

An outbreak of SARS, avian influenza, H1N1 and/or other contagious or virulent disease may seriously interrupt the economic activities of the affected regions and consumer sentiment and spending. Due to the highly contagious nature of certain diseases such as SARS, travel advisories may be issued and quarantines may be imposed by certain government authorities in affected countries. In the event of a prolonged pandemic, the global economy may be affected. This may result in an adverse effect on our day-to-day operations or the operations of our suppliers and customers, affecting our business and profitability.

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In addition, in the event of an outbreak of any highly pathogenic influenza in any of our premises, we and/or our contractors may be forced to quarantine our management and employees and we and/or our contractors may be required by the relevant health authorities to suspend our operations. Accordingly, this may cause disruptions to our business and operations, which may have a severe impact on our financial performance and condition.

We may be affected by natural disasters, wars, terrorist attacks, riots, civil commotions, and other events beyond the control of the Group

The operations of the Property Development Business may be adversely affected by natural disasters, wars, terrorist attacks, riots, civil commotions, and other events beyond the control of the Group. Such events could adversely affect the economies and financial markets of many countries, including those in Singapore and the Asian region which the Group intends to expand its Property Development Business into and may have a material adverse effect on the Property Development Business. These could include disruptions to the transportation of its raw materials, as well as temporary closure of its construction sites. Such closures or travel or shipment restrictions would severely disrupt construction and development operations and adversely affect the Group's financial condition and results. Further, such events may have an indirect, adverse and prolonged effect on regional and global economies and general pessimism in the property market, which could have a material adverse effect on the Group's prospects and financial performance.

Risks Relating to the Investment Business

The Group does not have any proven track record and history in the operation and management of the Investment Business

The Group does not have any proven track record and history in the operation and management of the Investment Business, such as the investment and management of investments in property-related quoted and unquoted securities and instruments. There is no assurance that the Investment Business will be profitable or will be able to provide capital gains and capital preservation. The Group's investments in quoted and/or unquoted property-related investment funds and securities and a range of property-related instruments such as funds and bonds as managed by professional licensed fund managers might not have significant operating histories and proven track records and may not prove to be profitable in the short and/or long term. If the Group does not derive sufficient revenue from or does not manage to derive capital gains and/or ensure capital preservation of its investments in the Investment Business, the overall financial position and profitability of the Group may be adversely affected.

The Group's investments in property-related quoted and unquoted securities and instruments may be affected by changes in general economic, political and social conditions

The performance of the underlying assets of the investments undertaken by the Group will be subject to the prevailing economic, political and social conditions in the markets and/or countries in which they operate. The business, earnings, asset values, prospects and valuations of such underlying assets may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments in or affecting the countries in which such underlying assets are situated and operate in.

The Group's investments in property-related quoted and unquoted securities and instruments may be relatively illiquid investments

While the board of CCM Property seek to ensure that the investments in which it invests are liquid and may be divested at short notice, such as by investing in, among others, property-related quoted funds which are listed on internationally recognized stock exchanges and with a market capitalization of not less than S\$250 million, there is no assurance that the securities which the Group invests in may be divested within a short period of time. There may also be limited avenues

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available to the Group to divest investments in unquoted securities and instruments. Accordingly, the Group could incur significant investment realisation risks, which may affect the financial condition of the Group and create a material adverse effect on the operations and financial performance of CCM Property and the Group.

The Investment Business will be dependent on the recruitment and retention of qualified personnel for its operations and the guidance provided by the Investment Committee and Risk Management Committee, the loss of any key member of which may adversely affect the operations of it

The performance of the Investment Business is highly dependent on the performance of the management of CCM Property and the guidance, strategy, vision and oversight provided by the Investment Committee and/or the Board and as reviewed by the Risk Management Committee specifically and on a regular basis. The ability of CCM Property to attract and retain key personnel in its management to identify new investment opportunities and to oversee the Group's investments is crucial to its performance. The loss of any of these individuals could have a material effect on the operations and financial performance of the Investment Business.

The operations of the Group may be affected by political risks in the countries in which the underlying assets of the investments of the Investment Business is situated

The countries in which the underlying assets of the investments of the Investment Business may have been or be affected by events such as political upheavals, internal strife, civil commotions, strikes and riots. The recurrence of such events may affect the performance of the investments of quoted and unquoted securities and instruments as well as valuation of the underlying assets, which may result in a severe impact on our business, financial performance and condition.

The Group's investment activities may be subject to risks arising from fluctuations in foreign exchange rates

To the extent that the Group's investments in property-related quoted and unquoted securities and instruments may be denominated in currencies other than Singapore dollars, the Group's investments may be adversely affected by fluctuations in foreign exchange rates which may be unpredictable. Such fluctuations may result in foreign exchange losses for the Group, which may have a material and adverse effect on the Group's business, financial performance, profitability and financial condition.

The Group's investment activities may be subject to risks arising from fluctuations in interest rates

To the extent that the Group obtains borrowings for investments and the borrowings are at floating rates of interest, the cost of servicing such debt will increase if the interest rates for the borrowings increase significantly. Any significant increase in interest rates may adversely impact the performance of the Group's investment activities if borrowings are at floating rates of interest.

The Group may not be able to hedge effectively against certain risks that the Group's investments are exposed to

The Group may, from time to time, undertake various transactions (such as transacting in options and warrants, or entering into futures contracts) to hedge its foreign exchange exposure and interest rate exposure. There can be no assurance that the Group will be able to hedge successfully or effectively against these exposures and the Group may incur losses due to fluctuations in foreign exchange rates or interest rates.

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10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

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- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

15. Disclose any event that has occurred from the end of —

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company via SGXNET, the Directors are not aware of any event which has occurred from 30 June 2013 and up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

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PART VI: THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**
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The Bonus Warrants are offered free to Shareholders, on the basis of ten (10) Bonus Warrants for every one (1) Share held by Shareholders as at the Books Closure Date. The Bonus Warrants Exercise Price for each Bonus Warrant, payable in full upon the exercise of the Bonus Warrant (subject to any adjustment under certain circumstances as set out in the Bonus Warrants Deed Poll), is S\$0.01 at issuance of the Bonus Warrant.

The Piggyback Warrants are offered free to holders of Bonus Warrants upon the valid exercise of their Bonus Warrants, on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant validly exercised by the Warranthead during the Exercise Period. The Piggyback Warrants Exercise Price for each Piggyback Warrant, payable in full upon the exercise of the Piggyback Warrant (subject to any adjustment under certain circumstances as set out in the Piggyback Warrants Deed Poll), is S\$0.011 at issuance of the Piggyback Warrant.

No expense incurred by the Company in respect of the Warrants Issue will be specifically charged to Warrantheaders.

- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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The Shares are traded on the Catalist.

The Bonus Warrants are not previously listed on the Catalist. The Bonus Warrants Exercise Price of S\$0.01 for each New Exercised Share was determined by the Company after taking into consideration, *inter alia*, the market price of the Shares and the period for the exercise of the Bonus Warrants. The Bonus Warrants Exercise Price of S\$0.01 for each New Exercised Share represents a discount of approximately 88.1% to the last transacted price of S\$0.084 per Share on 31 July 2013, being the last market day preceding the date of announcement of the Warrants Issue.

- 3. If —**
- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Not applicable. None of the Shareholders has any pre-emptive rights. Save for the terms and conditions set out in the Bonus Warrants Deed Poll, the Piggyback Warrants Deed Poll and as disclosed in this Offer Information Statement, the exercise of Warrants is not restricted.

As there may be prohibitions or restrictions against the issue of Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Warrants Issue. Please refer to the Section entitled “Eligibility of Shareholders to Participate in the Bonus Warrants Issue” of this Offer Information Statement for further information.

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- 4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange:**
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities —**
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
 - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities**
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and**
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.**
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (a) The Bonus Warrants belong to a new class of securities. The New Exercised Shares, when issued upon the exercise of the Warrants, are of the same class as the Shares. The price range and volume of the Shares traded on the SGX-ST over the last 12 months immediately preceding the date of lodgement of this Offer Information Statement, and for the period from 1 December 2013 to the Latest Practicable Date are as follows: –

	Price Range (S\$)	Volume of Shares traded on SGX-ST (’000)
1 December 2013 – the Latest Practicable Date	0.022 – 0.180	233,467
November 2013	0.126 – 0.185	39,659
October 2013	0.119 – 0.176	29,937
September 2013	0.154 – 0.225	273,220
August 2013	0.097 – 0.169	257,177
July 2013	0.081 – 0.105	34,827
June 2013	0.083 – 0.130	45,647
May 2013	0.102 – 0.133	1,650
April 2013	0.090 – 0.150	11,961
March 2013	0.081 – 0.100	792
February 2013	0.100 – 0.120	1,302
January 2013	0.105 – 0.120	1,556
December 2012	0.100 – 0.135	2,012

For the avoidance of doubt, the Piggyback Warrants shall **not** be listed and traded on Catalist.

- (b) Not applicable. The Shares have been listed for quotation on the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.
- (c) Save for temporary trading halts to cater for the release of announcements by the Company on the website of the SGX-ST at <http://www.sgx.com> in accordance with the requirements of the Catalist Rules, there has not been any significant trading suspension that has occurred on the Catalist during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table set out in paragraph 4(a) of this Part for the volume of Shares traded during each of the last 12 months immediately preceding the Latest Practicable Date and for the period from 1 December 2013 to the Latest Practicable Date.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide

- (a) **statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Bonus Warrants will, upon issue, be a new class of securities. Each Bonus Warrant entitles the Warrantholder thereof to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price, subject to the terms and conditions set out in the Bonus Warrants Deed Poll.

The Piggyback Warrants will, upon issue, be a new class of securities. Each Piggyback Warrant entitles the Warrantholder thereof to subscribe for one (1) New Exercised Share at the Piggyback Warrants Exercise Price, subject to the terms and conditions set out in the Piggyback Warrants Deed Poll.

The New Exercised Shares (when issued upon the exercise of the Bonus Warrants and/or Piggyback Warrants), will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the relevant exercise date of the Bonus Warrants and/or the Piggyback Warrants.

The Bonus Warrants, Piggyback Warrants and the New Exercised Shares are to be issued pursuant to the authority granted by Shareholders at the EGM. For the avoidance of doubt, the Bonus Warrants, Piggyback Warrants and the New Exercised Shares will not be issued pursuant to the general share issue mandate of the Company.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

Basis of allotment

The Bonus Warrants Issue is made on a non-underwritten basis to Entitled Shareholders on the basis of ten (10) Bonus Warrants to be issued free for every one (1) existing Share held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Up to 1,712,200,000 Bonus Warrants will be issued.

Each Bonus Warrant carries the right to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price of S\$0.01. Each Bonus Warrant will also entitle the Warrantholder to one (1) free Piggyback Warrant upon the exercise of the Bonus Warrant. Each Piggyback Warrant carries the right to subscribe for one (1) New Exercised Share at the Piggyback Warrants Exercise Price of S\$0.011.

For the avoidance of doubt, the Bonus Warrants and/or Piggyback Warrants will be issued free.

The Bonus Warrants and/or Piggyback Warrants are not offered through any broker or dealer.

Foreign Shareholders

For practical reasons and in order to avoid any violation of relevant legislation applicable in jurisdictions other than Singapore, only Entitled Shareholders are eligible to participate in the Warrants Issue. Please refer to the section "Eligibility of Shareholders to Participate in the Bonus Warrants Issue" of this Offer Information Statement for further details.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Terms and Conditions

The allotment and issue of the Bonus Warrants and/or Piggyback Warrants pursuant to the Warrants Issue is governed by the terms and conditions as set out in Appendix I and Appendix II to this Offer Information Statement.

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- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**
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Not applicable. The Warrants Issue is not underwritten by any financial institution.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VII: ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert**
- (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
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Not applicable. Paragraphs 1 and 2 of this Part are not applicable.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

Not applicable. There is no issue manager or underwriter to the Warrants Issue.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly**
- (a) **the relevant entity's business operations or financial position or results; or**
 - (b) **investments by holders of securities in the relevant entity.**
-

Save as disclosed in this Offer Information Statement and in the public announcements made by the Company via the SGXNET, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Group's business operations, financial position, or results or investments by holders of securities in the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VIII: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not applicable.

PART IX: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART X: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

Not applicable.

APPENDIX I – TERMS AND CONDITIONS OF THE BONUS WARRANTS

The warrants to subscribe for new ordinary shares in the capital of CCM Group Limited (the “**Company**” and such warrants, the “**Bonus Warrants**”), are issued subject to the benefit of a deed poll dated 9 December 2013 executed by the Company (the “**Bonus Warrants Deed Poll**”). The issue of the Bonus Warrants was authorised by resolutions of the board of directors of the Company passed on 16 October 2013 and of the shareholders of the Company passed on 20 November 2013. As at the date of issue of the Bonus Warrants, the listing and quotation notice has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for the Bonus Warrants and the new Shares (as defined below) arising from the exercise of the Bonus Warrants **subject to, *inter alia*, a sufficient spread of holdings for the Bonus Warrants**. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Bonus Warrants Deed Poll. Copies of the Bonus Warrants Deed Poll are available for inspection at the registered office for the time being of the Company and at the specified office of the Warrant Agent (as defined below) referred to in **Condition 4(G)** and the Warrant holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Bonus Warrants Deed Poll.

1. Definitions

For the purposes of these Conditions and subject as otherwise provided herein:

“**Act**” means the Companies Act, Chapter 50 of Singapore, as amended from time to time;

“**Approved Bank**” means any bank or merchant bank in Singapore of international repute and selected by the Directors;

“**Auditors**” means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of them being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Bonus Warrants Deed Poll or the Conditions, such other auditors as may be nominated by the Company;

“**Bonus Warrant Agency Agreement**” means the warrant agency agreement dated 9 December 2013 appointing, *inter alia*, the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Bonus Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

“**Bonus Warrant Certificates**” means the certificates (in registered form) to be issued in respect of the Bonus Warrants substantially in the form set out in Schedule 1 to the Bonus Warrants Deed Poll, as from time to time modified in accordance with the provisions set out herein; and

“**Bonus Warrants Exercise Price**” means, in respect of each Bonus Warrant, S\$0.01 at issuance of the Bonus Warrant, fractional entitlements to be disregarded, subject to adjustment in accordance with **Condition 5** below;

“**Business Day**” means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore, the SGX-ST, the Depository and the Warrant Agent are open for business;

“**Catalist Rules**” means the SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time;

“**Depositor**” and “**Depository**” shall have the respective meanings ascribed to them in Section 130A of the Act;

“**Depository Register**” means the register maintained by the Depository pursuant to Division 7A of Part IV of the Act in respect of the Bonus Warrants registered in the name of the Depository;

“**Directors**” means the directors for the time being of the Company;

APPENDIX I – TERMS AND CONDITIONS OF THE BONUS WARRANTS

“**Exercise Date**” means, in relation to the exercise of a Bonus Warrant, the Business Day on which the applicable conditions referred to in **Condition 4(A)** are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register of Members of the Company is closed, then the “**Exercise Date**” shall be earlier of the next Business Day on which the Register of Members of the Company is open and the Expiration Date;

“**Exercise Notice**” means a notice (for the time being current) for the exercise of the Bonus Warrants, copies of which may be obtained from the Warrant Agent;

“**Expiration Date**” means the last date of the Warrants Exercise Period;

“**Extraordinary Resolution**” shall have the meaning set out in **paragraph 20 of Schedule 2** of the Bonus Warrants Deed Poll;

“**Market Day**” shall have the meaning ascribed to it in the Catalist Rules;

“**New Exercised Share**” means the new Shares which may be allotted and issued from time to time pursuant to the exercise of Bonus Warrants or Piggyback Warrants, as the case may be, under the Warrants Issue;

“**Register**” means the Register of Warrantholders to be maintained by the Warrant Agent pursuant to **Condition 4(F)** below;

“**Registrar**” means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person, firm or company as may be appointed as such from time to time by the Company;

“**Securities Account**” means a securities account maintained by a Depositor with the Depository but does not include a securities sub-account;

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited;

“**Shares**” means ordinary shares in the capital of the Company;

“**Special Account**” means the account maintained by the Company with a bank in Singapore for the purpose of crediting moneys paid by exercising Warrantholders in satisfaction of the Bonus Warrants Exercise Price in relation to the Bonus Warrants exercised by such exercising Warrantholders;

“**S\$**” means the lawful currency of Singapore;

“**unexercised**” means, in relation to the Bonus Warrants, all the Bonus Warrants which have been issued pursuant to the shareholders’ resolution passed at an extraordinary general meeting of the Company held on 20 November 2013 and all the Bonus Warrants which are issued pursuant to **Condition 5** for so long as the Bonus Warrants shall not have lapsed in accordance with **Condition 3** other than (a) those which have been exercised in accordance with their terms, (b) those mutilated or defaced Bonus Warrants Certificates in respect of which replacement Bonus Warrants have been duly issued pursuant to **Condition 10**, and (c) for the purpose of ascertaining the number of Bonus Warrants unexercised at any time (but not for the purpose of ascertaining whether any Bonus Warrants are unexercised), those Bonus Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Bonus Warrants have been issued pursuant to **Condition 10**; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warrantholders and (ii) the determination of how many and which Bonus Warrants for the time being remain unexercised for the purposes of **Condition 12 and paragraphs 1, 3, 4 and 8 of Schedule 2**, those Bonus Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgment, be deemed not to remain unexercised;

APPENDIX I – TERMS AND CONDITIONS OF THE BONUS WARRANTS

“**Warrant Agent**” means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person as may be appointed as such from time to time by the Company pursuant to the Bonus Warrant Agency Agreement;

“**Warrantholders**” means the registered holders of the Bonus Warrants, except that where the registered holder is the Depository, the term “**Warrantholders**” shall, in relation to Bonus Warrants registered in the name of the Depository, include, where the context requires, the Depositors whose Securities Account(s) with the Depository are credited with Bonus Warrants, Provided that for the purposes of **Schedule 2** of the Bonus Warrants Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those Depositors having Bonus Warrants credited to their Securities Account(s) as shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of a meeting of Warrantholders supplied by the Depository to the Company. The word “**holder**” or “**holders**” in relation to Bonus Warrants shall (where appropriate) be construed accordingly;

“**Warrants Exercise Period**” means the period commencing on (and including) the date of issue of the Bonus Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Bonus Warrants, but excluding such period(s) during which the Register may be closed pursuant to **Condition 4(F)** below;

2. Form and Title

(A) The Bonus Warrants are issued in registered form. Title to the Bonus Warrants shall be transferable in accordance with **Condition 9**. The Warrant Agent shall maintain the Register on behalf of the Company and except as required or provided by law:

- (i) the registered holder of the Bonus Warrants (other than the Depository); and
- (ii) (where the registered holder of the Bonus Warrants is the Depository) each Depositor for the time being appearing in the Depository Register maintained by the Depository as having Bonus Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof and as the holder of all the rights and interests in the number of Bonus Warrants so entered (whether or not the Company shall be in default in respect of the Bonus Warrants or its covenants contained in the Bonus Warrants Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Bonus Warrant Certificate or any irregularity or error in the records of the Depository or any express notice to the Company or the Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Bonus Warrants and for all other purposes.

(B) If two or more persons are entered in the Register or the Depository Register (as the case may be) as joint holders of any Bonus Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (i) the Company shall not be bound to register more than three persons as the registered joint holders of any Bonus Warrant but this provision shall not apply in the case of executors or administrators (or trustees) of the estate of a deceased Warrantholder;
- (ii) joint holders of any Bonus Warrant whose names are entered in the Register shall be treated as one Warrantholder;
- (iii) the Company shall not be bound to issue more than one Bonus Warrant Certificate for a Bonus Warrant registered jointly in the names of several persons and delivery of a Bonus Warrant Certificate to the joint holder whose name stands first in the Register shall be sufficient delivery to all; and

APPENDIX I – TERMS AND CONDITIONS OF THE BONUS WARRANTS

- (iv) the joint holders of any Bonus Warrant whose names are entered in the Register or the Depository Register, as the case may be, shall be, jointly and severally, liable severally in respect of all payments which ought to be made in respect of such Bonus Warrants.

3. Exercise Rights

- (A) Each Warrantholder shall have the right, by way of exercise of each Bonus Warrant, at any time during normal business hours on any Business Day during the Warrants Exercise Period in the manner set out in **Condition 4** and otherwise on the terms of and subject to the Conditions set out below, to subscribe for one (1) Share at the Bonus Warrants Exercise Price, subject to adjustments in accordance with **Condition 5**, on the Exercise Date applicable to such Bonus Warrant. The Bonus Warrants Exercise Price shall, on the Exercise Date, be applied towards payment for the Share to be issued on the exercise of the relevant Bonus Warrant. Each Bonus Warrant shall, following its exercise in accordance with these Conditions, be cancelled by the Company. No payments shall be refunded and no fraction of a Share shall be allotted.
- (B) At the expiry of the Warrants Exercise Period, any Bonus Warrant which has not been exercised in accordance with **Condition 4** will lapse and cease to be valid for any purpose.
- (C) Any Bonus Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under **Condition 4** to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.

4. Procedure for Exercise of Bonus Warrants

(A) Lodgment Conditions

In order to exercise one or more Bonus Warrants, a Warrantholder must fulfill the following conditions:

- (i) lodgment during the normal business hours on any Business Day during the Warrants Exercise Period, of the relevant Bonus Warrant Certificate registered in the name of the exercising Warrantholder for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Bonus Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Agent and which are in the form or substantially in the form prescribed by the Bonus Warrants Deed Poll, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, Provided that the Warrant Agent may dispense with the production of the relevant Bonus Warrant Certificate where such Bonus Warrant Certificate is registered in the name of the Depository;
- (ii) the furnishing of such evidence (if any, including evidence of nationality) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any) or otherwise ensure the due exercise of the Bonus Warrants and such other evidence as the Company may require to verify due compliance for the purposes of administering and implementing the provisions set out in these Conditions;
- (iii) the payment or satisfaction of the Bonus Warrants Exercise Price in accordance with the provisions of **Condition 4(B)** below;
- (iv) the payment of deposit or other fees for the time being chargeable by, and payable to, the Depository (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Bonus Warrants as the Warrant Agent may require; and

APPENDIX I – TERMS AND CONDITIONS OF THE BONUS WARRANTS

- (v) the payment of the expenses for, and the submission of any necessary documents required in order to effect, the registration of the new Shares in the name of the exercising Warrantholder or the Depository, as the case may be, and the delivery of the certificates for such new Shares and any property or other securities to be delivered upon the exercise of the relevant Bonus Warrants to the place specified by the exercising Warrantholder in the Exercise Notice or to the Depository, as the case may be.

Any exercise by a Warrantholder in respect of Bonus Warrants registered in the name of the Depository shall be further conditional on:

- (i) the number of Bonus Warrants so exercised being available in the “Free” balance of the Securities Account of the exercising Warrantholder with the Depository and remain so credited until the relevant Exercise Date; and
- (ii) the relevant Exercise Notice specifying that the new Shares arising on exercise of the Bonus Warrants are to be credited to the Securities Account of the exercising Warrantholder, failing which the Exercise Notice shall be void and all rights of the exercising Warrantholder and of any other person thereunder shall cease.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrantholders whose Bonus Warrants are registered in the name of the Depository irrevocably authorise the Company and the Warrant Agent to obtain from the Depository and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with these conditions and the Bonus Warrants Deed Poll and to take such steps as may be required by the Depository (including steps set out in the Depository’s procedures for the exercise of warrants as set out in its website <http://www.cdp.com.sg> or such other website, as amended from time to time) in connection with the operation of the Securities Account of any Warrantholder, provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by any Warrantholder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the Depository Register or the records of and information supplied by or statements or certificates of the Depository.

Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Bonus Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in or towards payment of the Bonus Warrants Exercise Price in accordance with **Condition 4(B)** below may not be withdrawn without the consent in writing of the Company.

(B) Payment of Bonus Warrants Exercise Price

Payment of the Bonus Warrants Exercise Price shall be made to the specified office of the Warrant Agent:

- (i) by way of a remittance in Singapore currency by banker’s draft or cashier’s order drawn on a bank operating in Singapore for the credit of the Special Account for the full amount of the Bonus Warrants Exercise Price payable in respect of the Bonus Warrants exercised;

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and any banker’s drafts or cashier’s orders shall be endorsed on the reverse side with (i) the number of Bonus Warrants exercised, (ii) the name of the exercising Warrantholder and (iii) the certificate numbers of the relevant Bonus Warrant Certificates or, if the relevant Bonus Warrant Certificates are registered in the name of the Depository, the Securities Account(s) of the exercising Warrantholder which is to be debited with the Bonus Warrants being exercised and in each case compliance must also be made with any exchange control or other statutory requirements for the time being applicable.

APPENDIX I – TERMS AND CONDITIONS OF THE BONUS WARRANTS

If the payment advice fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Bonus Warrant, and the exercise of the relevant Bonus Warrants may accordingly be delayed or treated as invalid and neither the Warrant Agent nor the Company shall be liable to the Warrantholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported payment of the Bonus Warrants Exercise Price relating to all the relevant Bonus Warrants lodged with the Warrant Agent is less than the full amount of such Bonus Warrants Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Bonus Warrants Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Special Account (subject to **Condition 4(D)** below) unless and until a further payment is made in accordance with the requirements set out above in this **Condition 4(B)** in an amount sufficient to cover the deficiency provided that the Company will not be held responsible for any loss arising from any retention of such payment by the Warrant Agent.

(C) Exercise Date

A Bonus Warrant shall (provided the provisions of this **Condition 4** have been satisfied) be treated as exercised on the Exercise Date which shall be the Business Day (falling within the Warrants Exercise Period) on which all the conditions for and provisions relating to the exercise of the Bonus Warrant have been fulfilled or, if fulfilled on different dates, the last of such dates provided that if any Bonus Warrant is exercised on a date when the Register is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register is open and the Expiration Date.

The relevant Bonus Warrants and Bonus Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Bonus Warrant Certificates in the name of the Depository, such Bonus Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from the Depository of instructions as to the cancellation of the Bonus Warrants and the said Bonus Warrant Certificates.

(D) Special Account

Payment of the Bonus Warrants Exercise Price received by the Warrant Agent for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Bonus Warrants in payment for the Shares to be delivered in consequence of the exercise of such Bonus Warrants. The relevant Bonus Warrants and Bonus Warrants Certificates shall be cancelled on the Exercise Date except that, in relation to Bonus Warrant Certificates in the name of the Depository, such Bonus Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from the Depository of instructions as to the cancellation of the Bonus Warrants and the said Bonus Warrant Certificates.

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Bonus Warrants or the relevant payment is less than the full amount of the Bonus Warrants Exercise Price or the conditions set out in **Condition 4(A)** above have not then all been fulfilled in relation to the exercise of such Bonus Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or fulfilment of the lodgment conditions set out in **Condition 4(A)**, as the case may be, but on whichever is the earlier of:

- (i) the fourteenth (14th) day after receipt of such Exercise Notice by the Warrant Agent; and
- (ii) the Expiration Date,

such payment will (if the Exercise Date in respect of such Bonus Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment.

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The Warrant Agent will, if it is possible to relate the payment so received to any Bonus Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Bonus Warrant Certificates (if applicable) and the relevant Exercise Notice to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company and the Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder but it may only be withdrawn within the abovementioned 14-day period with the consent in writing of the Company.

(E) Allotment of New Shares and Issue of Balancing Bonus Warrant Certificates

A Warrantholder exercising Bonus Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of new Shares arising from the exercise of such Bonus Warrants to be effected by crediting such Shares to the Securities Account of such Warrantholder as specified in the Exercise Notice within five (5) Market Days of the date on which the Warrant Agent confirms with the Depository that the Bonus Warrants which have been tendered for exercise are available for exercise in the relevant Securities Account of the exercising Warrantholder.

A Warrantholder exercising Bonus Warrants which are registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the new Shares arising from the exercise of such Bonus Warrants or to have the delivery of such new Shares effected by crediting such new Shares to his Securities Account with the Depository.

The Company shall allot and issue the new Shares arising from the exercise of the relevant Bonus Warrants by a Warrantholder and deliver such new Shares in accordance with the instructions of such Warrantholder as set out in the Exercise Notice and:

- (i) where such Warrantholder has elected in the Exercise Notice to receive physical share certificates in respect of the new Shares arising from the exercise of the relevant Bonus Warrants, the Company shall despatch, on or after three (3) Business Days but in any event not later than five (5) Business Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice and at the risk of such Warrantholder, the certificates relating to such new Shares registered in the name of such Warrantholder; or
- (ii) where such Warrantholder has elected in the Exercise Notice to have the delivery of new Shares arising from the exercise of the relevant Bonus Warrants to be effected by the crediting of such new Shares to the Securities Account of such Warrantholder as specified in the Exercise Notice, the Company shall on or after three (3) Business Days but in any event not later than five (5) Business Days after the relevant Exercise Date despatch the certificates relating to such new Shares in the name of, and to, the Depository for the credit of such new Shares to the Securities Account of such Warrantholder as specified in the Exercise Notice (in which case, such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository, failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such new Shares at his address specified in the Register).

Where a Warrantholder exercises part only (and not all) of the subscription rights represented by Bonus Warrants which are registered in the name of the Depository, the number of Warrants represented by the Warrant Certificate registered in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Bonus Warrants so exercised. Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Bonus Warrants which are registered in his name, the Company shall despatch a balancing Bonus Warrant Certificate in the name of the exercising Warrantholder in respect of any Bonus Warrants remaining unexercised (as defined in the Bonus Warrants Deed Poll) by ordinary post to the address specified in the relevant Exercise Notice and at the risk of that Warrantholder at the same

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time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the new Shares arising upon exercise of such Bonus Warrants.

Where a Warrantholder exercises Bonus Warrants in accordance with this **Condition 4**, the Company shall further despatch, on or after three (3) Business Days but in any event not later than five (5) Business Days, to such Warrantholder a certificate (in registered form and substantially in the form as set out in the Piggyback Warrants Deed Poll) in respect of the Piggyback Warrants (the “**Piggyback Warrants Certificate**”) which shall be issued to the exercising Warrantholder arising from such exercise of Bonus Warrants. Such despatch of the Piggyback Warrants Certificate shall be done by way of ordinary post or in such other manner as may be decided by the Company at its discretion.

(F) Register of Warrantholders

The Warrant Agent shall maintain a register (the “**Register**”) containing particulars of the Warrantholders (other than Warrantholders who are Depositors) and if the Depository holds any Bonus Warrants, the Depository and such other information relating to the Bonus Warrants as the Company may require. The Register shall be closed during such periods as the Register of Transfers of the Company may be closed and during such periods as may be required to determine the adjustments to the Bonus Warrants Exercise Price and/or the number of Bonus Warrants under **Condition 5** or during such other period as the Company may determine. Notice of the closure of the Register will be given to the Warrantholders in accordance with **Condition 13**.

Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Register (where the registered holder of a Bonus Warrant is a person other than the Depository) or the Depository Register (where the Depository is the registered holder of a Bonus Warrant) or any statement or certificate issued by the Depository to the Company or any Warrantholder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrantholders, the number of Bonus Warrants to which any such Warrantholders are entitled, to give effect to the exercise of the subscription rights constituted by the Bonus Warrants and for all other purposes in connection with the Bonus Warrants (whether or not the Company shall be in default in respect of the Bonus Warrants or any of the terms and conditions contained herein or in the Bonus Warrants Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Bonus Warrant or Bonus Warrant Certificate).

(G) Warrant Agent and Registrar

The name of the initial Warrant Agent and Registrar and its specified office is set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent and Registrar and to appoint an additional or another Warrant Agent and/or another Registrar, Provided that it shall at all times maintain a Warrant Agent and a Registrar having a specified office in Singapore so long as the Bonus Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent and/or the Registrar shall be given to the Warrantholders in accordance with **Condition 13**.

Warrant Agent and Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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5. Adjustments of Bonus Warrants Exercise Price and Number of Bonus Warrants

(A) The Bonus Warrants Exercise Price and the number of Bonus Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank and/or the Auditors and certified to be in accordance with **Condition 5(B)** below by the Auditors. The Bonus Warrants Exercise Price and/or the number of Bonus Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Bonus Warrants Deed Poll in all or any of the following cases:

- (i) any consolidation, subdivision (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), or conversion of Shares; or
- (ii) an issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to its members ("**Members**") who had an option to take cash or other dividend in lieu of the relevant Shares); or
- (iii) a Capital Distribution (as defined below) made by the Company to its Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (iv) an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights; or
- (v) an issue (otherwise than pursuant to a rights issue available to all Members, requiring an adjustment under **Condition 5(A)(iv)** above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90.0%) of the Current Market Price (as defined below) for each Share (calculated as provided below).

(B) Subject to these Conditions and the Bonus Warrants Deed Poll, the Bonus Warrants Exercise Price and the number of Bonus Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of **Conditions 5(A)(i) to (v)** above or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or Auditors shall determine):

- (i) Consolidation or Subdivision or Conversion of Shares

If, and whenever, consolidation or subdivision or conversion of the Shares occurs (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), the Bonus Warrants Exercise Price shall be adjusted in the following manner:

$$\text{New Bonus Warrants Exercise Price} = \frac{A}{B} \times X$$

and the number of Bonus Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Bonus Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision or conversion;

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- B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision or conversion;
- X = the existing Bonus Warrants Exercise Price; and
- W = the existing number of Bonus Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective.

(ii) Capitalisation Issues

If and whenever the Company shall make any issue of Shares to its Members credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares), the Bonus Warrants Exercise Price and/or the number of Bonus Warrants shall be adjusted in the following manner:

$$\text{New Bonus Warrants Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Bonus Warrants} = \frac{A + B}{A} \times W$$

where:

- A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;
- B = the aggregate number of Shares to be issued pursuant to any allotment to Members credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares);
- X = as in X above; and
- W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.

For the purpose of this **Condition 5**, “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Members must be registered as such to participate therein.

(iii) Capital Distribution or Rights Issues

If and whenever the Company shall make:

- (a) a Capital Distribution (as defined below) to its Members whether on a reduction of capital or otherwise; or

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- (b) any offer or invitation to Members by way of rights whereunder they may acquire or subscribe for Shares;

then the Bonus Warrants Exercise Price shall be adjusted in the following manner:

$$\text{New Bonus Warrants Exercise Price} = \frac{C - D}{C} \times X$$

and, in the case of Condition 5(B)(iii)(b), the number of Bonus Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{Adjusted number of Bonus Warrants} = \frac{C}{C - D} \times W$$

where:

C = the Current Market Price on the Market Day immediately preceding the date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the Capital Distribution;

- D = (1) in the case of a transaction falling within **Condition 5(B)(iii)(a)**, the fair market value, as determined by an Approved Bank and/or Auditors, of that portion of the Capital Distribution attributable to one Share; and
- (2) in the case of a transaction falling within **Condition 5(B)(iii)(b)**, the value of rights attributable to one (1) Share (as defined below);

X = as in X above; and

W = as in W above.

For the purpose of sub-paragraph (2) of D above, the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as in C above;

E = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation; and

F = the number of Share(s) which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) Share.

For the purposes of **Conditions 5(A)(iii) and 5(B)(iii)**, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5(B)(ii) above) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding any issue of Shares made where the Members had an option to take cash or other dividend in lieu of the relevant Shares). Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any

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of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

For the purpose of this **Condition 5**, the “**Current Market Price**” in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest S\$0.01 per Share) of Shares quoted on the Catalist Board of the SGX-ST for the five (5) consecutive Market Days (on each of which trading of the Shares on the Catalist Board of the SGX-ST has been transacted) immediately preceding that Market Day.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such Capital Distribution or such offer or invitation, as the case may be.

(iv) Concurrent Capitalisation Issue and Rights Issue

If and whenever the Company makes any allotment to its Members as provided in **Condition 5(B)(ii)** above and also makes any offer or invitation to its Members as provided in **Condition 5(B)(iii)(b)** and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Bonus Warrants Exercise Price and/or the number of Bonus Warrants shall be adjusted in the following manner:

$$\text{New Bonus Warrants Exercise Price} = \frac{(I \times C) + (J \times E)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Bonus Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times E)} \times W$$

where:

B = as in B above;

C = as in C above;

E = as in E above;

I = the aggregate number of issued and fully paid-up Shares on the record date;

J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

W = as in W above; and

X = as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

For the purpose of this paragraph, “**closing date**” shall mean the date by which acceptance of and payment for the Shares are to be made under the terms of such offer or invitation.

(v) Issues at Discount other than by way of Rights

If and whenever (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under **Conditions 5(B)(iii)(b)** or **5(B)(iv)** above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90.0%) of the Current Market Price for each Share on the SGX-ST on the date on which the issue price of such Shares is

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determined or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Bonus Warrants Exercise Price shall be adjusted in the following manner:

$$\text{New Bonus Warrants Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

- K = the number of Shares in issue at the close of business on the SGX-ST on the day immediately preceding the date on which the relevant adjustment becomes effective;
- L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);
- M = the aggregate number of Shares so issued; and
- X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of **Conditions 5(A)(v) and 5(B)(v)**, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and/or Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

- (C) Notwithstanding any of the provisions contained in **Condition 5(A) and 5(B)**, no adjustment to the Bonus Warrants Exercise Price and the number of Bonus Warrants will be required in respect of:
- (i) an issue by the Company of Shares to officers, including directors or employees of the Company or any of its subsidiaries, related corporations and/or associated companies pursuant to any scheme approved by the Members in any general meeting;
 - (ii) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
 - (iii) any issue by the Company of Shares pursuant to the exercise of any of the Bonus Warrants;
 - (iv) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights; or
 - (v) any purchase by the Company of Shares.

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- (D) Any adjustment to the Bonus Warrants Exercise Price will be rounded upwards to the nearest 0.1 cent and in no event shall any adjustment involve an increase in the Bonus Warrants Exercise Price (other than upon the consolidation of Shares). No adjustments to the Bonus Warrants Exercise Price shall be made unless it has been certified to be in accordance with Condition 5(B) above by the Auditors. No adjustment will be made to the Bonus Warrants Exercise Price in any case in which the amount by which the same would be adjusted would be less than 0.1 cent but any such adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- (E) Any adjustment to the number of Bonus Warrants held by each Warrantholder will be rounded downwards to the nearest whole Bonus Warrant. No adjustment to the number of Bonus Warrants shall be made unless (i) it has been certified to be in accordance with **Condition 5(B)** above by the Auditors and (ii) on the Market Day immediately before such adjustment, approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of any of such Bonus Warrants.
- (F) Notwithstanding the provisions referred to in this **Condition 5**, in any circumstance where the Directors consider that any adjustments to the Bonus Warrants Exercise Price and/or the number of Bonus Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Bonus Warrants Exercise Price and/or the number of Bonus Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank and/or the Auditors to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this **Condition 5** is appropriate or inappropriate, as the case may be, and, if such Approved Bank and/or the Auditors shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or if such Approved bank and/or Auditors shall consider an adjustment to be appropriate, an adjustment shall be made instead of no adjustment in such manner as shall be considered by such Approved Bank and/or Auditors to be in its opinion appropriate. Any adjustment made pursuant to this **Condition 5** (unless otherwise provided under the rules of the SGX-ST from time to time) shall be announced as soon as practicable by the Company.
- (G) Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantholders in accordance with **Condition 13** below that the Bonus Warrants Exercise Price and/or the number of Bonus Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Bonus Warrants Exercise Price and/or the number of Bonus Warrants in effect prior to such adjustment, the adjusted Bonus Warrants Exercise Price and/or adjusted number of Bonus Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Bonus Warrants remains exercisable make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Bonus Warrants Exercise Price and/or the number of Bonus Warrants and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Bonus Warrants Exercise Price and/or number of Bonus Warrants in effect prior to such adjustment, the adjusted Bonus Warrants Exercise Price and/or number of Bonus Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Bonus Warrants, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Bonus Warrant Certificates for the additional number of Bonus Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, to his address appearing in the Register or, in respect of Bonus Warrants registered in the name of the Depository, to the Depository.
- (H) If the Directors, the Approved Bank and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank and/or auditors acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.

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- (I) If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank and/or Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or Auditors and the Directors shall determine that any adjustment is appropriate, the Bonus Warrants Exercise Price and/or the number of Bonus Warrants shall be adjusted accordingly.
- (J) Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST and no approval or consent of the Warrantheolders shall be required for such buy-back of any class of shares. There shall be no adjustments to the Bonus Warrants Exercise Price and number of Bonus Warrants by reason of such buy-back of any classes of shares.
- (K) Any new Bonus Warrants which may be issued by the Company under this **Condition 5** shall be part of the series of Bonus Warrants constituted by the Bonus Warrants Deed Poll, and shall be issued subject to and with the benefit of the Bonus Warrants Deed Poll and on such terms and conditions as the Directors may from time to time think fit including but not limited to the terms and conditions as set out herein for the Bonus Warrants.
- (L) In giving any certificate or making any adjustment hereunder, the Approved Bank and/or Auditors shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Bonus Warrants.
- (M) Notwithstanding anything herein contained, any adjustment to the Bonus Warrants Exercise Price and/or the number of Bonus Warrants other than in accordance with the provisions of this **Condition 5** shall be subject to the approval of the SGX-ST (if required) and agreed to by the Company, the Approved Bank and/or the Auditors.
- (N) Any adjustments made pursuant to this **Condition 5** shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on SGXNET.

6. Status of Allotted Shares

Shares allotted and issued upon the exercise of the Bonus Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Record Date for which is before the relevant Exercise Date of the Bonus Warrants. For the purpose of this **Condition 6**, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

7. Winding-Up of the Company

If an Extraordinary Resolution is passed for a members’ voluntary winding-up of the Company, then:

- (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantheolders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantheolders and all persons having an interest in the Bonus Warrants; and
- (ii) if notice is given by the Company to its Members to convene a general meeting for the purposes of considering a members’ voluntary winding-up of the Company, every Warrantheolder shall be entitled, no later than two (2) Business Days prior to the proposed general meeting, by irrevocable surrender of his Bonus Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all relevant payments payable, to elect to be treated as if he had exercised the Bonus Warrants to the extent of the

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number of Bonus Warrants exercised and had on such date been the holder of the New Exercised Shares. The New Exercised Shares will be allotted to such Warrantholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

Subject to the foregoing, if the Company is wound-up for any other reason, all Bonus Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Bonus Warrants shall cease to be valid for any purpose.

8. Further Issues

Subject to these Conditions, the Company shall be at liberty to issue Shares to Members either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

9. Transfer of Warrants

- (A) In order to transfer Bonus Warrants, the Warrantholder must fulfil the following conditions:
- (i) lodgment during normal business hours of the relevant Bonus Warrant Certificate(s) registered in the name of the Warrantholder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof (the “**Transfer Form**”), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Warrants to it;
 - (ii) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warrantholder;
 - (iii) the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Directors) for every Bonus Warrant Certificate issued together with any stamp duty (if any) specified by the Warrant Agent to the Warrantholder; and
 - (iv) the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of the new Bonus Warrant Certificate(s) to be issued in the name of the transferee.
- (B) The Warrantholder specified in the Register shall remain the registered holder of the Bonus Warrants until the name of the transferee is entered in the Register maintained by the Warrant Agent.
- (C) If the Transfer Form has not been fully or correctly completed by the transferring Warrantholder or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the transferring Warrantholder accompanied by written notice of the omission(s) and/or error(s) and requesting the transferring Warrantholder to complete and/or amend the Transfer Form and/or to make the requisite payment.
- (D) If the Transfer Form has been fully and correctly completed the Warrant Agent shall, as agent for and on behalf of the Company:
- (i) register the person’s name in the Transfer Form as transferee in the Register as the registered holder of the Bonus Warrant in place of the transferring Warrantholder;
 - (ii) cancel the Bonus Warrant Certificate(s) in the name of the transferring Warrantholder; and

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- (iii) issue new Bonus Warrant Certificate(s) in respect of the Bonus Warrants in the name of the transferee.
- (E) The executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Bonus Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the fees and expenses referred to in sub-paragraphs 9(A)(iii) and (iv) above be entitled to be registered as a holder of the Bonus Warrants or to make such transfer as the deceased Warrantholder could have made.
- (F) Where the Bonus Warrants are registered in the name of the Depository and the Bonus Warrants are to be transferred between Depositors, such Bonus Warrants must be transferred in the Depository Register by the Depository by way of book-entry.
- (G) A transferor or Depositor, as the case may be, shall be deemed to remain a holder of the Bonus Warrant until the name of the transferee is entered in the Register by the Warrant Agent or the Depository Register by the Depository, as the case may be.

10. Replacement of Bonus Warrant Certificates

Should any Bonus Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred in connection therewith and the replacement fee of S\$2.00 (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law or requirement of the SGX-ST) for every Bonus Warrant Certificate issued and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Bonus Warrant Certificate(s) in respect of the Bonus Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Bonus Warrants at the time of the replacement thereof) as the Company and/or the Warrant Agent may reasonably require. Mutilated or defaced Bonus Warrant Certificates must be surrendered before replacements will be issued. The replacement Bonus Warrant Certificate(s) will be issued in the name of the registered holder of the Bonus Warrant Certificate(s) being replaced.

11. Warrant Agent not Acting for the Warrantholders

In acting under the Bonus Warrant Agency Agreement, the Warrant Agent is, subject to the terms and conditions therein, acting solely as agent for the Company for certain specified purposes and does not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders.

12. Meetings of Warrantholders and Modification

- (A) The Bonus Warrants Deed Poll contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonus Warrants or the Bonus Warrants Deed Poll. Such a meeting may be convened by the Company or by Warrantholders holding not less than ten per cent. (10.0%) of the Bonus Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing over fifty per cent. (50.0%) of the Bonus Warrants for the time being unexercised, or at any adjourned meeting two (2) or more persons being or representing Warrantholders whatever the number of Bonus Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Bonus Warrants or of the Bonus Warrants Deed Poll affecting the rights of the Warrantholders (including cancelling the subscription rights constituted by the Bonus Warrants or changing the Warrants Exercise Period), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing not less than

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seventy-five per cent. (75.0%), or at any adjournment of such meeting, over fifty per cent. (50.0%), of the Bonus Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warranholders shall be binding on all Warranholders, whether or not they are present at the meeting. Bonus Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgment, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warranholders.

- (B) The Company may, without the consent of the Warranholders but in accordance with the terms and conditions of the Bonus Warrants Deed Poll, effect any modification to the Bonus Warrants, the Bonus Warrant Agency Agreement or the Bonus Warrants Deed Poll which, in the opinion of the Company:
- (i) is not materially prejudicial to the interests of the Warranholders;
 - (ii) is of a formal, technical or minor nature;
 - (iii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
 - (iv) is to vary or replace provisions relating to the transfer or exercise of the Bonus Warrants including the issue of new Shares arising from the exercise thereof or meetings of the Warranholders in order to facilitate trading in or the exercise of the Bonus Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Catalist Board of the SGX-ST.

Any such modification shall be binding on the Warranholders and shall be notified to them in accordance with **Condition 13** as soon as practicable thereafter. Unless made pursuant to subparagraphs (i) to (iv) above, any alteration to the terms of the Bonus Warrants to the advantage of the Warranholders is subject to the approval of the Members.

13. Notices

- (A) All notices to Warranholders shall be valid if published in any leading daily English language newspaper for general circulation in Singapore. If at any time publication in such newspaper is not practicable, notices shall be valid if published in such other manner as the Company, with the approval of the Warrant Agent, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.
- (B) All notices required to be given pursuant to these Conditions shall also be announced by the Company on the internet website of the SGX-ST on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.
- (C) Notwithstanding the foregoing, the Company shall, not later than ten (10) Market Days before each Record Date, announce to Warranholders the Record Date and inform Warranholders they should exercise their Bonus Warrants in a timely manner in view of **Condition 4(E)** if they wish to ensure that they may be in receipt of the Piggyback Warrants Certificate and the relevant exercise notice to exercise the relevant Piggyback Warrants prior to such Record Date, on the internet website of the SGX-ST. For the purpose of this **Condition 13(C)**, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

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14. Notice of Expiration Date

- (A) The Company shall, not later than one (1) month before the Expiration Date, give notice to the Warrantheolders in accordance with **Condition 13**, of the Expiration Date.
- (B) In the aforementioned notice, the Company shall inform Warrantheolders that they should exercise their Bonus Warrants in a timely manner in view of **Condition 4(E)** if they wish to ensure that they may be in receipt of the Piggyback Warrants Certificate and the relevant exercise notice to exercise the relevant Piggyback Warrants prior to the Expiration Date.
- (C) Additionally, the Company shall take reasonable steps to notify the Warrantheolders in writing of the above and such notice shall be delivered by post to the addresses of the Warrantheolders as recorded in the Register or in the case of Warrantheolders whose Bonus Warrants are registered in the name of the Depository, their addresses as shown in the records of the Depository. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

15. Governing Law and Jurisdiction

The Bonus Warrants and the Bonus Warrants Deed Poll are governed by, and shall be construed in accordance with, the laws of Singapore.

The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonus Warrants and the Bonus Warrants Deed Poll and accordingly any legal action or proceedings arising out of or in connection with the Bonus Warrants and the Bonus Warrants Deed Poll (the “**Proceedings**”) may be brought in such courts. The Company irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

Notes:

- (1) The attention of Warrantheolders is drawn to Rule 14 of The Singapore Code on Take-Overs and Mergers and Sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time. In particular, a Warrantheolder should note that he may be under an obligation to extend a take-over offer of the Company if:
 - (a) he intends to acquire, by the exercise of the Bonus Warrants, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30.0%) or more of the voting rights of the Company; or
 - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30.0%) but not more than fifty per cent. (50.0%) of the voting rights of the Company, and either alone or together with persons acting in concert with him, intends to acquire additional Shares by the exercise of the Bonus Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1.0%).
- (2) The attention of Warrantheolders is drawn to Condition 3(B) and 3(C) of the Bonus Warrants relating to restrictions on the exercise of the Bonus Warrants.
- (3) A Warrantheolder who holds not less than five per cent. (5.0%) of the aggregate of the nominal amount of the issued share capital of the Company (assuming all the Bonus Warrants he holds are fully exercised), is under an obligation to notify the Company of his interest in the manner set out in Sections 82, 83 and 84 of the Act, and Sections 135, 136, 137, 137A and 137B of the Securities and Futures Act, Chapter 289 of Singapore.

APPENDIX II – TERMS AND CONDITIONS OF THE PIGGYBACK WARRANTS

The warrants to subscribe for new ordinary shares in the capital of CCM Group Limited (the “**Company**” and such warrants, the “**Piggyback Warrants**”), are issued subject to the benefit of a deed poll dated 9 December 2013 executed by the Company (the “**Piggyback Warrants Deed Poll**”). The issue of the Piggyback Warrants was authorised by resolutions of the board of directors of the Company passed on 16 October 2013 and of the shareholders of the Company passed on 20 November 2013. As at the date of issue of the Piggyback Warrants, the listing and quotation notice has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for the new Shares (as defined below) arising from the exercise of the Piggyback Warrants. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Piggyback Warrants Deed Poll. Copies of the Piggyback Warrants Deed Poll are available for inspection at the registered office for the time being of the Company and at the specified office of the Warrant Agent (as defined below) referred to in **Condition 4(G)** and the Warrant holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Piggyback Warrants Deed Poll.

1. Definitions

For the purposes of these Conditions and subject as otherwise provided herein:

“**Act**” means the Companies Act, Chapter 50 of Singapore, as amended from time to time;

“**Approved Bank**” means any bank or merchant bank in Singapore of international repute and selected by the Directors;

“**Auditors**” means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of them being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Piggyback Warrants Deed Poll or the Conditions, such other auditors as may be nominated by the Company;

“**Business Day**” means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks in Singapore, the SGX-ST, the Depository and the Warrant Agent are open for business;

“**Catalist Rules**” means the SGX-ST Listing Manual Section B: Rules of Catalist;

“**Depositor**” and “**Depository**” shall have the respective meanings ascribed to them in Section 130A of the Act;

“**Directors**” means the directors for the time being of the Company;

“**Exercise Date**” means, in relation to the exercise of a Piggyback Warrant, the Business Day on which the applicable conditions referred to in **Condition 4(A)** are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register of Members of the Company is closed, then the “**Exercise Date**” shall be earlier of the next Business Day on which the Register of Members of the Company is open and the Expiration Date;

“**Exercise Notice**” means a notice (for the time being current) for the exercise of the Piggyback Warrants, copies of which may be obtained from the Warrant Agent;

“**Expiration Date**” means the last date of the Warrants Exercise Period;

“**Extraordinary Resolution**” shall have the meaning set out in **paragraph 20 of Schedule 2** of the Piggyback Warrants Deed Poll;

“**Market Day**” shall have the meaning ascribed to it in the Catalist Rules;

APPENDIX II – TERMS AND CONDITIONS OF THE PIGGYBACK WARRANTS

“**Piggyback Warrant Agency Agreement**” means the warrant agency agreement dated 9 December 2013 appointing, *inter alia*, the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Piggyback Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

“**Piggyback Warrant Certificates**” means the certificates (in registered form) to be issued in respect of the Piggyback Warrants substantially in the form set out in Schedule 1 to the Deed Poll, as from time to time modified in accordance with the provisions set out herein; and

“**Piggyback Warrants Exercise Price**” means, in respect of each Piggyback Warrant, S\$0.011 at issuance of the Piggyback Warrant, fractional entitlements to be disregarded, subject to adjustment in accordance with **Condition 5** below;

“**Register**” means the Register of Warrantholders to be maintained by the Warrant Agent pursuant to **Condition 4(F)** below;

“**Registrar**” means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person, firm or company as may be appointed as such from time to time by the Company;

“**Securities Account**” means a securities account maintained by a Depositor with the Depository;

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited;

“**Shares**” means ordinary shares in the capital of the Company;

“**Special Account**” means the account maintained by the Company with a bank in Singapore for the purpose of crediting moneys paid by exercising Warrantholders in satisfaction of the Piggyback Warrants Exercise Price in relation to the Piggyback Warrants exercised by such exercising Warrantholders;

“**S\$**” means the lawful currency of Singapore;

“**unexercised**” means, in relation to the Piggyback Warrants, all the Piggyback Warrants which have been issued pursuant to the shareholders’ resolution passed at an extraordinary general meeting of the Company held on 20 November 2013 and all the Piggyback Warrants which are issued pursuant to **Condition 5** for so long as the Piggyback Warrants shall not have lapsed in accordance with **Condition 3** other than (a) those which have been exercised in accordance with their terms, (b) those mutilated or defaced Piggyback Warrants in respect of which replacement Piggyback Warrants have been duly issued pursuant to **Condition 10**, and (c) for the purpose of ascertaining the number of Piggyback Warrants unexercised at any time (but not for the purpose of ascertaining whether any Piggyback Warrants are unexercised), those Piggyback Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Piggyback Warrants have been issued pursuant to **Condition 10**; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warrantholders and (ii) the determination of how many and which Piggyback Warrants for the time being remain unexercised for the purposes of **Condition 12 and paragraphs 1, 3, 4 and 8 of Schedule 2**, those Piggyback Warrants which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgment, be deemed not to remain unexercised;

“**Warrant Agent**” means Boardroom Corporate & Advisory Services Pte. Ltd. or such other person as may be appointed as such from time to time by the Company pursuant to the Piggyback Warrant Agency Agreement;

“**Warrantholders**” means the registered holders of the Piggyback Warrants. The word “**holder**” or “**holders**” in relation to Piggyback Warrants shall (where appropriate) be construed accordingly;

APPENDIX II – TERMS AND CONDITIONS OF THE PIGGYBACK WARRANTS

“**Warrants Exercise Period**” means the period commencing on (and including) the date of issue of the Piggyback Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Bonus Warrants (as provided for under a deed poll dated 9 December 2013 in respect of warrants referred to as “**Bonus Warrants**” issued by the Company on the basis of ten (10) Bonus Warrants for every (1) ordinary share in the share capital of the Company), but excluding such period(s) during which the Register may be closed pursuant to **Condition 4(F)** below;

2. Form and Title

(A) The Piggyback Warrants are issued in registered form. Title to the Piggyback Warrants shall be transferable in accordance with **Condition 9**. The Warrant Agent shall maintain the Register on behalf of the Company and except as required or provided by law:

(i) the registered holder of the Piggyback Warrants

will be deemed to be and be treated as the absolute owner thereof and as the holder of all the rights and interests in the number of Piggyback Warrants so entered (whether or not the Company shall be in default in respect of the Piggyback Warrants or its covenants contained in the Piggyback Warrants Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Piggyback Warrant Certificate or any irregularity or error in any express notice to the Company or the Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Piggyback Warrants and for all other purposes.

(B) If two or more persons are entered in the Register as joint holders of any Piggyback Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

(i) the Company shall not be bound to register more than three persons as the registered joint holders of any Piggyback Warrant but this provision shall not apply in the case of executors or administrators (or trustees) of the estate of a deceased Warrantholder;

(ii) joint holders of any Piggyback Warrant whose names are entered in the Register shall be treated as one Warrantholder;

(iii) the Company shall not be bound to issue more than one Piggyback Warrant Certificate for a Piggyback Warrant registered jointly in the names of several persons and delivery of a Piggyback Warrant Certificate to the joint holder whose name stands first in the Register shall be sufficient delivery to all; and

(iv) the joint holders of any Piggyback Warrant whose names are entered in the Register shall be, jointly and severally, liable severally in respect of all payments which ought to be made in respect of such Piggyback Warrants.

3. Exercise Rights

(A) Each Warrantholder shall have the right, by way of exercise of each Piggyback Warrant, at any time during normal business hours on any Business Day during the Warrants Exercise Period in the manner set out in **Condition 4** and otherwise on the terms of and subject to the Conditions set out below, to subscribe for one (1) Share at the Piggyback Warrants Exercise Price, subject to adjustments in accordance with **Condition 5**, on the Exercise Date applicable to such Piggyback Warrant. The Piggyback Warrants Exercise Price shall, on the Exercise Date, be applied towards payment for the Share to be issued on the exercise of the relevant Piggyback Warrant. Each Piggyback Warrant shall, following its exercise in accordance with these Conditions, be cancelled by the Company. No payments shall be refunded and no fraction of a Share shall be allotted.

(B) At the expiry of the Warrants Exercise Period, any Piggyback Warrant which has not been exercised in accordance with **Condition 4** will lapse and cease to be valid for any purpose.

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- (C) Any Piggyback Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under **Condition 4** to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.

4. Procedure for Exercise of Piggyback Warrants

(A) Lodgment Conditions

In order to exercise one or more Piggyback Warrants, a Warrantholder must fulfill the following conditions:

- (i) lodgment during the normal business hours on any Business Day during the Warrants Exercise Period, of the relevant Piggyback Warrant Certificate registered in the name of the exercising Warrantholder for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Piggyback Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Agent and which are in the form or substantially in the form prescribed by the Piggyback Warrants Deed Poll, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty;
- (ii) the furnishing of such evidence (if any, including evidence of nationality) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any) or otherwise ensure the due exercise of the Piggyback Warrants and such other evidence as the Company may require to verify due compliance for the purposes of administering and implementing the provisions set out in these Conditions;
- (iii) the payment or satisfaction of the Piggyback Warrants Exercise Price in accordance with the provisions of **Condition 4(B)** below;
- (iv) the payment of any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Piggyback Warrants as the Warrant Agent may require; and
- (v) the payment of the expenses for, and the submission of any necessary documents required in order to effect, the registration of the new Shares in the name of the exercising Warrantholder, as the case may be, and the delivery of the certificates for such new Shares and any property or other securities to be delivered upon the exercise of the relevant Piggyback Warrants to the place specified by the exercising Warrantholder in the Exercise Notice.

An Exercise Notice which does not comply with the conditions above shall be void for all purposes.

Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Piggyback Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in or towards payment of the Piggyback Warrants Exercise Price in accordance with **Condition 4(B)** below may not be withdrawn without the consent in writing of the Company.

(B) Payment of Piggyback Warrants Exercise Price

Payment of the Piggyback Warrants Exercise Price shall be made to the specified office of the Warrant Agent:

- (i) by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore for the credit of the Special Account for the full amount of the Piggyback Warrants Exercise Price payable in respect of the Piggyback Warrants exercised;

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Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and any banker's drafts or cashier's orders shall be endorsed on the reverse side with (i) the number of Piggyback Warrants exercised, (ii) the name of the exercising Warrantholder and (iii) the certificate numbers of the relevant Piggyback Warrant Certificates and compliance must also be made with any exchange control or other statutory requirements for the time being applicable.

If the payment advice fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Piggyback Warrant, and the exercise of the relevant Piggyback Warrants may accordingly be delayed or treated as invalid and neither the Warrant Agent nor the Company shall be liable to the Warrantholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrantholder's purported payment of the Piggyback Warrants Exercise Price relating to all the relevant Piggyback Warrants lodged with the Warrant Agent is less than the full amount of such Piggyback Warrants Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Piggyback Warrants Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Special Account (subject to **Condition 4(D)** below) unless and until a further payment is made in accordance with the requirements set out above in this **Condition 4(B)** in an amount sufficient to cover the deficiency provided that the Company will not be held responsible for any loss arising from any retention of such payment by the Warrant Agent.

(C) Exercise Date

A Piggyback Warrant shall (provided the provisions of this **Condition 4** have been satisfied) be treated as exercised on the Exercise Date which shall be the Business Day (falling within the Warrants Exercise Period) on which all the conditions for and provisions relating to the exercise of the Piggyback Warrant have been fulfilled or, if fulfilled on different dates, the last of such dates provided that if any Piggyback Warrant is exercised on a date when the Register is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register is open and the Expiration Date.

The relevant Piggyback Warrants and Piggyback Warrant Certificates shall be cancelled on the Exercise Date.

(D) Special Account

Payment of the Piggyback Warrants Exercise Price received by the Warrant Agent for credit to the Special Account will be available for release to the Company on the Business Day after the Exercise Date relating to the relevant Piggyback Warrants in payment for the Shares to be delivered in consequence of the exercise of such Piggyback Warrants. The relevant Piggyback Warrants and Piggyback Warrants Certificates shall be cancelled on the Exercise Date.

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Piggyback Warrants or the relevant payment is less than the full amount of the Piggyback Warrants Exercise Price or the conditions set out in **Condition 4(A)** above have not then all been fulfilled in relation to the exercise of such Piggyback Warrants, such payment will remain in the Special Account pending recognition of such payment or full payment or fulfilment of the lodgment conditions set out in **Condition 4(A)**, as the case may be, but on whichever is the earlier of:

- (i) the fourteenth (14th) day after receipt of such Exercise Notice by the Warrant Agent; and
- (ii) the Expiration Date,

such payment will (if the Exercise Date in respect of such Piggyback Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment.

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The Warrant Agent will, if it is possible to relate the payment so received to any Piggyback Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Piggyback Warrant Certificates (if applicable) and the relevant Exercise Notice to the exercising Warrantholder at the risk and expense of such Warrantholder. The Company and the Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrantholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Special Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrantholder but it may only be withdrawn within the abovementioned 14-day period with the consent in writing of the Company.

(E) Allotment of New Shares and Issue of Balancing Piggyback Warrant Certificates

A Warrantholder exercising Piggyback Warrants which are registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the new Shares arising from the exercise of such Piggyback Warrants or to have the delivery of such new Shares effected by crediting such new Shares to his Securities Account with the Depository.

The Company shall allot and issue the new Shares arising from the exercise of the relevant Piggyback Warrants by a Warrantholder and deliver such new Shares in accordance with the instructions of such Warrantholder as set out in the Exercise Notice and:

- (i) where such Warrantholder has elected in the Exercise Notice to receive physical share certificates in respect of the new Shares arising from the exercise of the relevant Piggyback Warrants, the Company shall despatch, as soon as practicable but in any event not later than five (5) Business Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice and at the risk of such Warrantholder, the certificates relating to such new Shares registered in the name of such Warrantholder; or
- (ii) where such Warrantholder has elected in the Exercise Notice to have the delivery of new Shares arising from the exercise of the relevant Piggyback Warrants to be effected by the crediting of such new Shares to the Securities Account of such Warrantholder as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Business Days after the relevant Exercise Date despatch the certificates relating to such new Shares in the name of, and to, the Depository for the credit of such new Shares to the Securities Account of such Warrantholder as specified in the Exercise Notice (in which case, such Warrantholder shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository, failing which such exercising Warrantholder shall be deemed to have elected to receive physical share certificates in respect of such new Shares at his address specified in the Register).

Where a Warrantholder exercises part only (but not all) of the subscription rights represented by Piggyback Warrants which are registered in his name, the Company shall despatch a balancing Piggyback Warrant Certificate in the name of the exercising Warrantholder in respect of any Piggyback Warrants remaining unexercised (as defined in the Piggyback Warrants Deed Poll) by ordinary post to the address specified in the relevant Exercise Notice and at the risk of that Warrantholder at the same time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the new Shares arising upon exercise of such Piggyback Warrants.

(F) Register of Warrantholders

The Warrant Agent shall maintain a register (the “**Register**”) containing particulars of the Warrantholders and such other information relating to the Piggyback Warrants as the Company may require. The Register shall be closed during such periods as the Register of Transfers of the Company may be closed and during such periods as may be required to determine the adjustments to the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants under **Condition 5** or during such other period as the Company may determine. Notice of the closure of the Register will be given to the Warrantholders in accordance with **Condition 13**.

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Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Register to ascertain the identity of the Warranholders, the number of Piggyback Warrants to which any such Warranholders are entitled, to give effect to the exercise of the subscription rights constituted by the Piggyback Warrants and for all other purposes in connection with the Piggyback Warrants (whether or not the Company shall be in default in respect of the Piggyback Warrants or any of the terms and conditions contained herein or in the Piggyback Warrants Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Piggyback Warrant or Piggyback Warrant Certificate).

(G) Warrant Agent and Registrar

The name of the initial Warrant Agent and Registrar and its specified office is set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent and Registrar and to appoint an additional or another Warrant Agent and/or another Registrar, Provided that it shall at all times maintain a Warrant Agent and a Registrar having a specified office in Singapore so long as the Piggyback Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent and/or the Registrar shall be given to the Warranholders in accordance with **Condition 13**.

Warrant Agent and Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

5. Adjustments of Piggyback Warrants Exercise Price and Number of Piggyback Warrants

(A) The Piggyback Warrants Exercise Price and the number of Piggyback Warrants held by each Warranholder shall from time to time be adjusted by the Directors in consultation with an Approved Bank and/or the Auditors and certified to be in accordance with **Condition 5(B)** below by the Auditors. The Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants held by each Warranholder shall from time to time be adjusted as provided in these Conditions and the Piggyback Warrants Deed Poll in all or any of the following cases:

- (i) any consolidation, subdivision (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), or conversion of Shares; or
- (ii) an issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to its members ("**Members**") who had an option to take cash or other dividend in lieu of the relevant Shares); or
- (iii) a Capital Distribution (as defined below) made by the Company to its Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (iv) an offer or invitation made by the Company to its Members whereunder they may acquire or subscribe for Shares by way of rights; or
- (v) an issue (otherwise than pursuant to a rights issue available to all Members, requiring an adjustment under **Condition 5(A)(iv)** above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90.0%) of the Current Market Price (as defined below) for each Share (calculated as provided below).

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(B) Subject to these Conditions and the Piggyback Warrants Deed Poll, the Piggyback Warrants Exercise Price and the number of Piggyback Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of **Conditions 5(A)(i) to (v)** above or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank and/or Auditors shall determine):

(i) Consolidation or Subdivision or Conversion of Shares

If, and whenever, consolidation or subdivision or conversion of the Shares occurs (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves), the Piggyback Warrants Exercise Price shall be adjusted in the following manner:

$$\text{New Piggyback Warrants Exercise Price} = \frac{A}{B} \times X$$

and the number of Piggyback Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Piggyback Warrants} = \frac{B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such consolidation or subdivision or conversion;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision or conversion;

X = the existing Piggyback Warrants Exercise Price; and

W = the existing number of Piggyback Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective.

(ii) Capitalisation Issues

If and whenever the Company shall make any issue of Shares to its Members credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares), the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants shall be adjusted in the following manner:

$$\text{New Piggyback Warrants Exercise Price} = \frac{A}{A + B} \times X$$

$$\text{Adjusted number of Piggyback Warrants} = \frac{A + B}{A} \times W$$

where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

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B = the aggregate number of Shares to be issued pursuant to any allotment to Members credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares);

X = as in X above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.

For the purpose of this **Condition 5**, “**record date**” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Members must be registered as such to participate therein.

(iii) Capital Distribution or Rights Issues

If and whenever the Company shall make:

(a) a Capital Distribution (as defined below) to its Members whether on a reduction of capital or otherwise; or

(b) any offer or invitation to Members by way of rights whereunder they may acquire or subscribe for Shares;

then the Piggyback Warrants Exercise Price shall be adjusted in the following manner:

$$\text{New Piggyback Warrants Exercise Price} = \frac{C - D}{C} \times X$$

and, in the case of Condition 5(B)(iii)(b), the number of Piggyback Warrants held by each Warrantholder shall be adjusted in the following manner:

$$\text{Adjusted number of Piggyback Warrants} = \frac{C}{C - D} \times W$$

where:

C = the Current Market Price on the Market Day immediately preceding the date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the Capital Distribution;

D = (1) in the case of a transaction falling within **Condition 5(B)(iii)(a)**, the fair market value, as determined by an Approved Bank and/or Auditors, of that portion of the Capital Distribution attributable to one Share; and

(2) in the case of a transaction falling within **Condition 5(B)(iii)(b)**, the value of rights attributable to one (1) Share (as defined below);

X = as in X above; and

W = as in W above.

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For the purpose of sub-paragraph (2) of D above, the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

Where:

- C = as in C above;
- E = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation; and
- F = the number of Share(s) which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) Share.

For the purposes of **Conditions 5(A)(iii) and 5(B)(iii)**, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Condition 5(B)(ii) above) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (but excluding any issue of Shares made where the Members had an option to take cash or other dividend in lieu of the relevant Shares). Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

For the purpose of this **Condition 5**, the “**Current Market Price**” in relation to each Share for any relevant Market Day shall be the average of the last dealt prices (rounded down to the nearest S\$0.01 per Share) of Shares quoted on the Catalist Board of the SGX-ST for the five (5) consecutive Market Days (on each of which trading of the Shares on the Catalist Board of the SGX-ST has been transacted) immediately preceding that Market Day.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such Capital Distribution or such offer or invitation, as the case may be.

(iv) **Concurrent Capitalisation Issue and Rights Issue**

If and whenever the Company makes any allotment to its Members as provided in **Condition 5(B)(ii)** above and also makes any offer or invitation to its Members as provided in **Condition 5(B)(iii)(b)** and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants shall be adjusted in the following manner:

$$\text{New Piggyback Warrants Exercise Price} = \frac{(I \times C) + (J \times E)}{(I + J + B) \times C} \times X$$

$$\text{Adjusted number of Piggyback Warrants} = \frac{(I + J + B) \times C}{(I \times C) + (J \times E)} \times W$$

where:

- B = as in B above;
- C = as in C above;

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- E = as in E above;
- I = the aggregate number of issued and fully paid-up Shares on the record date;
- J = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;
- W = as in W above; and
- X = as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the date next following the closing date for such offer or invitation.

For the purpose of this paragraph, “**closing date**” shall mean the date by which acceptance of and payment for the Shares are to be made under the terms of such offer or invitation.

(v) Issues at Discount other than by way of Rights

If and whenever (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under **Conditions 5(B)(iii)(b) or 5(B)(iv)** above and other than an issue of Shares to Members who had an option to take cash or other dividend in lieu of the relevant Shares) the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90.0%) of the Current Market Price for each Share on the SGX-ST on the date on which the issue price of such Shares is determined or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Piggyback Warrants Exercise Price shall be adjusted in the following manner:

$$\text{New Piggyback Warrants Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

- K = the number of Shares in issue at the close of business on the SGX-ST on the day immediately preceding the date on which the relevant adjustment becomes effective;
- L = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);
- M = the aggregate number of Shares so issued; and
- X = as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of **Conditions 5(A)(v) and 5(B)(v)**, the “**Total Effective Consideration**” shall be determined by the Directors with the concurrence of an Approved Bank and/or Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration for each Share**” shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

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- (C) Notwithstanding any of the provisions contained in **Condition 5(A) and 5(B)**, no adjustment to the Piggyback Warrants Exercise Price and the number of Piggyback Warrants will be required in respect of:
- (i) an issue by the Company of Shares to officers, including directors or employees of the Company or any of its subsidiaries, related corporations and/or associated companies pursuant to any scheme approved by the Members in any general meeting;
 - (ii) an issue by the Company of Shares or other securities convertible into or right to acquire or subscribe for Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
 - (iii) any issue by the Company of Shares pursuant to the exercise of any of the Piggyback Warrants;
 - (iv) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights; or
 - (v) any purchase by the Company of Shares.
- (D) Any adjustment to the Piggyback Warrants Exercise Price will be rounded upwards to the nearest 0.1 cent and in no event shall any adjustment involve an increase in the Piggyback Warrants Exercise Price (other than upon the consolidation of Shares). No adjustments to the Piggyback Warrants Exercise Price shall be made unless it has been certified to be in accordance with **Condition 5(B)** above by the Auditors. No adjustment will be made to the Piggyback Warrants Exercise Price in any case in which the amount by which the same would be adjusted would be less than 0.1 cent but any such adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- (E) Any adjustment to the number of Piggyback Warrants held by each Warrantholder will be rounded downwards to the nearest whole Piggyback Warrant. No adjustment to the number of Piggyback Warrants shall be made unless (i) it has been certified to be in accordance with **Condition 5(B)** above by the Auditors and (ii) on the Market Day immediately before such adjustment, approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Shares as may be issued on the exercise of any of such Piggyback Warrants.
- (F) Notwithstanding the provisions referred to in this **Condition 5**, in any circumstance where the Directors consider that any adjustments to the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Bank and/or the Auditors to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this **Condition 5** is appropriate or inappropriate, as the case may be, and, if such Approved Bank and/or the Auditors shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or if such Approved bank and/or Auditors shall consider an adjustment to be appropriate, an adjustment shall be made instead of no adjustment in such manner as shall be considered by such Approved Bank and/or Auditors to be in its opinion appropriate. Any adjustment made pursuant to this **Condition 5** (unless otherwise provided under the rules of the SGX-ST from time to time) shall be announced as soon as practicable by the Company.

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- (G) Whenever there is an adjustment as herein provided, the Company shall give notice to Warrantholders in accordance with **Condition 13** below that the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants in effect prior to such adjustment, the adjusted Piggyback Warrants Exercise Price and/or adjusted number of Piggyback Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Piggyback Warrants remains exercisable make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Piggyback Warrants Exercise Price and/or number of Piggyback Warrants in effect prior to such adjustment, the adjusted Piggyback Warrants Exercise Price and/or number of Piggyback Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantholder. Whenever there is an adjustment to the number of Piggyback Warrants, the Company will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Piggyback Warrant Certificates for the additional number of Piggyback Warrants issued to each Warrantholder, at the risk and expense of that Warrantholder, to his address appearing in the Register.
- (H) If the Directors, the Approved Bank and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank and/or auditors acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- (I) If the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Bank and/or Auditors to consider whether any adjustment is appropriate and if such Approved Bank and/or Auditors and the Directors shall determine that any adjustment is appropriate, the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants shall be adjusted accordingly.
- (J) Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST and no approval or consent of the Warrantholders shall be required for such buy-back of any class of shares. There shall be no adjustments to the Piggyback Warrants Exercise Price and number of Piggyback Warrants by reason of such buy-back of any classes of shares.
- (K) Any new Piggyback Warrants which may be issued by the Company under this **Condition 5** shall be part of the series of Piggyback Warrants constituted by the Piggyback Warrants Deed Poll, and shall be issued subject to and with the benefit of the Piggyback Warrants Deed Poll and on such terms and conditions as the Directors may from time to time think fit including but not limited to the terms and conditions as set out herein for the Piggyback Warrants.
- (L) In giving any certificate or making any adjustment hereunder, the Approved Bank and/or Auditors shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Piggyback Warrants.
- (M) Notwithstanding anything herein contained, any adjustment to the Piggyback Warrants Exercise Price and/or the number of Piggyback Warrants other than in accordance with the provisions of this **Condition 5** shall be subject to the approval of the SGX-ST (if required) and agreed to by the Company, the Approved Bank and/or the Auditors.
- (N) Any adjustments made pursuant to this **Condition 5** shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on SGXNET.

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6. Status of Allotted Shares

Shares allotted and issued upon the exercise of the Piggyback Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions the Record Date for which is before the relevant Exercise Date of the Piggyback Warrants. For the purpose of this **Condition 6**, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date at the close of business on which Members must be registered in order to participate in such dividends, rights, allotments or other distributions.

7. Winding-Up of the Company

If an Extraordinary Resolution is passed for a members’ voluntary winding-up of the Company, then:

- (i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Piggyback Warrants; and
- (ii) if notice is given by the Company to its Members to convene a general meeting for the purposes of considering a members’ voluntary winding-up of the Company, every Warranholder shall be entitled, no later than two (2) Business Days prior to the proposed general meeting, by irrevocable surrender of his Piggyback Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with all relevant payments payable, to elect to be treated as if he had exercised the Piggyback Warrants to the extent of the number of Piggyback Warrants exercised and had on such date been the holder of the New Exercised Shares. The New Exercised Shares will be allotted to such Warranholder as soon as possible and in any event no later than the day immediately prior to the date of the proposed general meeting.

Subject to the foregoing, if the Company is wound-up for any other reason, all Piggyback Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Piggyback Warrants shall cease to be valid for any purpose.

8. Further Issues

Subject to these Conditions, the Company shall be at liberty to issue Shares to Members either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

9. Transfer of Warrants

- (A) In order to transfer Piggyback Warrants, the Warranholder must fulfil the following conditions:
 - (i) lodgment during normal business hours of the relevant Piggyback Warrant Certificate(s) registered in the name of the Warranholder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof (the “**Transfer Form**”), in the form approved by the Company, duly completed and signed by or on behalf of the Warranholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty;
 - (ii) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warranholder;

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- (iii) the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Directors) for every Piggyback Warrant Certificate issued together with any stamp duty (if any) specified by the Warrant Agent to the Warrantholder; and
 - (iv) the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of the new Piggyback Warrant Certificate(s) to be issued in the name of the transferee.
- (B) The Warrantholder specified in the Register shall remain the registered holder of the Piggyback Warrants until the name of the transferee is entered in the Register maintained by the Warrant Agent.
- (C) If the Transfer Form has not been fully or correctly completed by the transferring Warrantholder or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the transferring Warrantholder accompanied by written notice of the omission(s) and/or error(s) and requesting the transferring Warrantholder to complete and/or amend the Transfer Form and/or to make the requisite payment.
- (D) If the Transfer Form has been fully and correctly completed the Warrant Agent shall, as agent for and on behalf of the Company:
 - (i) register the person's name in the Transfer Form as transferee in the Register as the registered holder of the Piggyback Warrant in place of the transferring Warrantholder;
 - (ii) cancel the Piggyback Warrant Certificate(s) in the name of the transferring Warrantholder; and
 - (iii) issue new Piggyback Warrant Certificate(s) in respect of the Piggyback Warrants in the name of the transferee.
- (E) The executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Piggyback Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the fees and expenses referred to in sub-paragraphs 9(A)(iii) and (iv) above be entitled to be registered as a holder of the Piggyback Warrants or to make such transfer as the deceased Warrantholder could have made.
- (F) A transferor shall be deemed to remain a holder of the Piggyback Warrant until the name of the transferee is entered in the Register by the Warrant Agent.

10. Replacement of Piggyback Warrant Certificates

Should any Piggyback Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred in connection therewith and the replacement fee of S\$2.00 (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law or requirement of the SGX-ST) for every Piggyback Warrant Certificate issued and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Piggyback Warrant Certificate(s) in respect of the Piggyback Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Piggyback Warrants at the time of the replacement thereof) as the Company and/or the Warrant Agent may reasonably require. Mutilated or defaced Piggyback Warrant Certificates must be surrendered before replacements will be issued. The replacement Piggyback Warrant Certificate(s) will be issued in the name of the registered holder of the Piggyback Warrant Certificate(s) being replaced.

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11. Warrant Agent not Acting for the Warrantholders

In acting under the Piggyback Warrant Agency Agreement, the Warrant Agent is, subject to the terms and conditions therein, acting solely as agent for the Company for certain specified purposes and does not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders.

12. Meetings of Warrantholders and Modification

- (A) The Piggyback Warrants Deed Poll contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Piggyback Warrants or the Piggyback Warrants Deed Poll. Such a meeting may be convened by the Company or by Warrantholders holding not less than ten per cent. (10.0%) of the Piggyback Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing over fifty per cent. (50.0%) of the Piggyback Warrants for the time being unexercised, or at any adjourned meeting two (2) or more persons being or representing Warrantholders whatever the number of Piggyback Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Piggyback Warrants or of the Piggyback Warrants Deed Poll affecting the rights of the Warrantholders (including cancelling the subscription rights constituted by the Piggyback Warrants or changing the Warrants Exercise Period), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing not less than seventy-five per cent. (75.0%), or at any adjournment of such meeting, over fifty per cent. (50.0%), of the Piggyback Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warrantholders shall be binding on all Warrantholders, whether or not they are present at the meeting. Piggyback Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgment, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantholders.
- (B) The Company may, without the consent of the Warrantholders but in accordance with the terms and conditions of the Piggyback Warrants Deed Poll, effect any modification to the Piggyback Warrants, the Piggyback Warrant Agency Agreement or the Piggyback Warrants Deed Poll which, in the opinion of the Company:
- (i) is not materially prejudicial to the interests of the Warrantholders;
 - (ii) is of a formal, technical or minor nature;
 - (iii) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
 - (iv) is to vary or replace provisions relating to the transfer or exercise of the Piggyback Warrants including the issue of new Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate the transfer or the exercise of the Piggyback Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the Catalist Board of the SGX-ST.

Any such modification shall be binding on the Warrantholders and shall be notified to them in accordance with **Condition 13** as soon as practicable thereafter. Unless made pursuant to subparagraphs (i) to (iv) above, any alteration to the terms of the Piggyback Warrants to the advantage of the Warrantholders is subject to the approval of the Members.

APPENDIX II – TERMS AND CONDITIONS OF THE PIGGYBACK WARRANTS

13. Notices

- (A) All notices to Warranholders shall be valid if published in any leading daily English language newspaper for general circulation in Singapore. If at any time publication in such newspaper is not practicable, notices shall be valid if published in such other manner as the Company, with the approval of the Warrant Agent, shall determine. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.
- (B) All notices required to be given pursuant to these Conditions shall also be announced by the Company on the internet website of the SGX-ST on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

14. Notice of Expiration Date

- (A) The Company shall, not later than one (1) month before the Expiration Date, give notice to the Warranholders in accordance with **Condition 13**, of the Expiration Date.
- (B) Additionally, the Company shall take reasonable steps to notify the Warranholders in writing of the above and such notice shall be delivered by post to the addresses of the Warranholders as recorded in the Register. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

15. Governing Law and Jurisdiction

- (A) The Piggyback Warrants and the Piggyback Warrants Deed Poll are governed by, and shall be construed in accordance with, the laws of Singapore.
- (B) The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Piggyback Warrants and the Piggyback Warrants Deed Poll and accordingly any legal action or proceedings arising out of or in connection with the Piggyback Warrants and the Piggyback Warrants Deed Poll (the “**Proceedings**”) may be brought in such courts. The Company irrevocably submits to the exclusive jurisdiction of such courts and waives any objections to the Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

Notes:

- (1) The attention of Warranholders is drawn to Rule 14 of The Singapore Code on Take-Overs and Mergers and Sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time. In particular, a Warranholder should note that he may be under an obligation to extend a take-over offer of the Company if:
 - (a) he intends to acquire, by the exercise of the Piggyback Warrants, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30.0%) or more of the voting rights of the Company; or
 - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30.0%) but not more than fifty per cent. (50.0%) of the voting rights of the Company, and either alone or together with persons acting in concert with him, intends to acquire additional Shares by the exercise of the Piggyback Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1.0%).
- (2) The attention of Warranholders is drawn to Condition 3(B) and 3(C) of the Piggyback Warrants relating to restrictions on the exercise of the Piggyback Warrants.
- (3) A Warranholder who holds not less than five per cent. (5.0%) of the aggregate of the nominal amount of the issued share capital of the Company (assuming all the Piggyback Warrants he holds are fully exercised), is under an obligation to notify the Company of his interest in the manner set out in Sections 82, 83 and 84 of the Act, and Sections 135, 136, 137, 137A and 137B of the Securities and Futures Act, Chapter 289 of Singapore.

Offer Information Statement dated this 27 December 2013.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

For and on behalf of **CCM GROUP LIMITED**

LIEW SEN KEONG

CHAN PUI YEE

CHAN TIEN CHIH

CHAN HENG FAI AMBROSE

TEH WING KWAN

WONG YEE LEONG

ALOYSIUS WEE MENG SENG

DR TAN ENG KHIAM

TAO YEOH CHI

CHAN YU MENG