



創建集團

CCM GROUP LIMITED

(Incorporated in Singapore)

(Company Registration No. 200916763W)

PROPOSED PLACEMENT OF 35,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF CCM GROUP LIMITED (THE "PLACEMENT SHARES") AT S\$0.086 FOR EACH PLACEMENT SHARE TO RAISE GROSS PROCEEDS OF S\$3,010,000

1. BACKGROUND

The Board of Directors (the "**Board**") of CCM Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has on 12 April 2013, entered into a subscription agreement (the "**Subscription Agreement**") with Hengfai Strategic Investments Pte. Ltd. (the "**Subscriber**").

The shareholders of the Company (the "**Shareholders**") had, at the annual general meeting of the Company held on 27 April 2012 ("**2012 AGM**"), approved a general share issue mandate by way of an ordinary resolution (the "**2012 Share Issue Mandate**"). The 2012 Share Issue Mandate will expire at the forthcoming annual general meeting of the Company to be held on 30 April 2013.

The 2012 Share Issue Mandate authorises the Directors of the Company to allot and issue new shares in the capital of the Company ("**Shares**") not exceeding 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2012 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares).

The number of issued Shares (as at the date of the 2012 AGM) was 92,220,000 Shares. No Shares were previously issued under the 2012 Share Issue Mandate prior to the Proposed Placement and as such, the number of Shares that may be issued pursuant to the 2012 Share Issue Mandate is 92,220,000 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 46,110,000 Shares.

Pursuant to the terms of the Subscription Agreement, the Company proposes to raise capital by issuing an aggregate of 35,000,000 new ordinary shares in the share capital of the Company (the "**Placement Shares**") to the Subscriber (the "**Proposed Placement**"). The total consideration payable by the

Subscriber for the subscription of the Placement Shares is S\$3,010,000 (the “**Total Consideration**”). The total number of Placement Shares represent approximately: (i) 37.95% of the share capital of the Company as at the date of the 2012 Share Issue Mandate (excluding treasury shares); and (ii) 27.51% of the share capital of the Company on an enlarged basis (excluding treasury shares), following the Proposed Placement.

The offer of the Placement Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. TERMS OF THE PROPOSED PLACEMENT

2.1 Issue Price

The Placement Shares shall be allotted and issued at S\$0.086 per Placement Share (the “**Issue Price**”). The Issue Price was arrived at following arm’s length negotiations between the Company and the Subscriber and represents a discount of 4.4% to the weighted average price of S\$0.09 of the Shares for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 10 April 2013 (being the last trading day before the Subscription Agreement was signed) up to the time the Subscription Agreement was signed on 12 April 2013.

2.2 The Placement Shares

The Placement Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Placement.

Pursuant to the allotment and issue of the Placement Shares, the Company’s issued and paid-up share capital (excluding treasury shares) will increase from 92,220,000 Shares, as at the date of this announcement, to 127,220,000 Shares.

2.3 Additional Listing Application

The Company will be making an application to the SGX-ST via the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd., (the “**Sponsor**”) for the admission of the Placement Shares to Catalist of the SGX-ST and for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST.

2.4 Conditions

The Proposed Placement is subject to, among others, the following:-

- (a) the listing and quotation notice (the “**LQN**”) of the Placement Shares on the Official List of the SGX-ST being obtained from the SGX-ST via the Sponsor and not revoked or amended as at the date of completion

(the “**Completion Date**”) and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber;

- (b) the 2012 Share Issue Mandate being valid, subsisting and adequate for the purposes of the issue of the Placement Shares as at the Completion Date;
- (c) the issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore;
- (d) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and
- (e) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Subscription Agreement at the Completion Date.

An announcement of the receipt of the LQN in relation to the Placement Shares will be made in due course when the LQN is obtained.

2.5 Completion

Completion is scheduled to take place on the date falling five (5) business days after the satisfaction of the conditions set out above. If condition (a) in paragraph 2.4 above is not satisfied by 23 April 2013 or such other date as may be mutually agreed between the Company and the Subscriber, the Subscription Agreement shall cease and determine.

2.6 Board Representation

Subject to the approval of the nominating committee and the existing Board of Directors of the Company, the Subscriber shall be entitled to appoint (i) one (1) nominee to the Board of Directors of the Company as an executive Director of the Company; and (ii) one (1) nominee to the Board of Directors of the Company as a non-executive Director of the Company.

3. ABOUT THE SUBSCRIBER

The Subscriber is a private investment holding company in the business of investing in listed equities. The sole shareholder of the Subscriber is Chan Heng Fai Ambrose. The directors of the Subscriber are Chan Heng Fai Ambrose and Chan Tong Wan.

The Subscriber has no connection (including business relationships) with the Company, its Directors and substantial Shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist (the

“**Listing Manual**”). As at the date of this announcement, the Subscriber does not hold any Shares in the Company.

The Placement Shares are placed to the Subscriber as it has indicated an interest to invest in the Company, and the Placement Shares are issued purely for the purposes of investment by the Subscriber.

The Subscriber was independently introduced to the Company by Integrite Consultancy Pte. Ltd. (the “**Introducer**”). The director of the Introducer is Mr. Foo Sek Kuan. He was an accountant by profession and was previously with several international corporations holding a multitude of positions. A placement commission of 5.0% of the Total Consideration, for an aggregate commission of S\$150,500, is payable by the Company to the Introducer. An arranger’s fee of S\$90,000 is also payable by the Company to the Sponsor.

4. INFORMATION REQUIRED PURSUANT TO RULE 810(2) OF THE LISTING MANUAL

The Subscriber will subscribe for all 35,000,000 Placement Shares. The Company’s rationale for placing to the Subscriber is to raise funds for general working capital purposes which is detailed in Section 6 below.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (a) the audited consolidated financial statements of the Group for the full year ended 31 December 2011 (“**FY2011**”) and the unaudited consolidated financial statements of the Group for the full year ended 31 December 2012 (“**FY2012**”);
- (b) the financial impact on the consolidated net tangible assets (“**NTA**”) per Share is computed based on the assumption that the Proposed Placement was completed on 31 December 2011 and 31 December 2012 respectively; and
- (c) the financial impact on the consolidated earnings per Share (“**EPS**”) is computed based on the assumption that the Proposed Placement was completed on 1 January 2011 and 1 January 2012 respectively.

	Before completion of the Proposed Placement		After completion of the Proposed Placement	
	FY2011	Unaudited FY2012	FY2011	Unaudited FY2012
Share Capital				

Paid-up share capital (S\$'000)	9,565	9,565	12,575	12,575
No. of shares	92,220,000	92,220,000	127,220,000	127,220,000
NTA (S\$'000)	6,225	4,357	9,235	7,367
NTA per share (Singapore cents)	6.75	4.72	7.26	5.79
EPS (Singapore cents)	(4.09)	(2.03)	(2.97)	(1.47)

6. USE OF PROCEEDS

Based on the Issue Price, the estimated amount of proceeds from the Proposed Placement (net of estimated expenses of approximately S\$260,500) will be approximately S\$2,749,500 ("**Net Proceeds**").

The Company intends to use 100% of the Net Proceeds from the Proposed Placement (after deducting expenses relating thereto) for general working capital purposes which includes general and administration expenses, payments to suppliers and funds for the proposed upgrading of the Group's financial grading with the Building and Construction Authority for building development from A2 to A1 which will allow the Group to tender for larger Government projects.

The Company will make periodic announcements on the utilisation of proceeds from the Proposed Placement as and when the funds 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 the proceeds raised from the Proposed Placement in the Company's interim and full year financial statements issued under Rule 705 of the Listing Manual and the Company's annual report. Where the proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds from the Proposed Placement, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

7. CHANGE IN SHAREHOLDING INTERESTS OF THE SUBSCRIBER

Pursuant to the completion of the Proposed Placement, the Company's issued and paid-up share capital will increase from 92,220,000 Shares to 127,220,000 Shares (the "**Enlarged Share Capital**").

The Placement Shares represents approximately 27.51% of the Enlarged Share Capital.

The substantial Shareholders' shareholdings before and after the Proposed Placement based on the substantial Shareholders' shareholdings as at 28 March 2013 are set out below:

	Before the Proposed Placement⁽¹⁾		After the Proposed Placement⁽²⁾	
	Direct %	Deemed %	Direct %	Deemed %
Liew Sen Keong	46.30	6.40 ⁽³⁾	33.56	4.64 ⁽³⁾
Chan Pui Yee	6.40	52.70 ⁽⁴⁾	4.64	38.20 ⁽⁴⁾
Chan Tien Chih	6.40	6.40 ⁽⁵⁾	4.64	4.64 ⁽⁵⁾
The Subscriber	-	-	27.51	-

Notes:

- (1) Based on the Company's issued and paid-up share capital of 92,220,000 Shares.
- (2) Based on the Company's enlarged issued and paid-up share capital of 127,220,000 Shares.
- (3) 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.
- (4) 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.
- (5) Chan Tien Chih is the brother of Chan Pui Yee and is the brother-in-law of Liew Sen Keong.

Accordingly, there will be no transfer of a controlling interest in the Company pursuant to the completion of the Proposed Placement.

8. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding this, the Company has decided to undertake the Proposed Placement to strengthen its financial position in order to meet its anticipated general working capital requirements.

9. GENERAL

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than their shareholdings in the Company), in the Proposed Placement.

The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Placement Shares has been obtained from the SGX-ST.

10. RESPONSIBILITY STATEMENT

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the Company's registered office at 64 Woodlands Industrial Park E9, Singapore 757833 during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Liew Sen Keong
Executive Chairman and CEO
12 April 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

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.