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CCM shares up 24% on \$3m capital injection

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Mr Chan: CCM hopes to harness his contacts and experience in corporate restructuring. - FILE PHOTO

SHARES in Catalist-listed construction company CCM Group closed trading 24.4 per cent higher at 11.2 cents yesterday on news of a \$3 million capital injection by businessman and investor Chan Heng Fai.

The stock hit an intra-day high of 15 cents.

The deal was done through a placement of 35 million new shares at 8.6 cents apiece to Hengfai Strategic Investments Pte Ltd, Mr Chan's private investment vehicle. Hengfai will become the second-largest shareholder of CCM and will get two board seats.

Post-placement, Mr Chan owns 27.5 per cent of CCM's enlarged share capital base of 127.2 million shares, after the 42.8 per cent deemed stake held by CCM executive chairman Joseph Liew and his family.

The placement is at a 4.4 per cent discount to the volume-weighted average price of CCM shares traded on the Singapore Exchange between April 10 and April 12, when the placement was signed. Net proceeds of \$2.7 million will be used as working capital for the group, CCM said in a statement yesterday.

Mr Chan is deputy managing director of Catalist-listed property developer SingHaiyi Group, formerly SingXpress Land.

A Hong Kong native who is now a Singaporean, he made a fortune from an aircraft chartering business he started as a student. He also acquired a US commercial bank, restructured it and eventually sold it.

Mr Chan said in a CCM statement that the company has "tremendous potential and a strong management team".

"I hope to be able to offer my experience and network and to work closely with Joseph and his team to build up CCM," he said.

Mr Liew said Mr Chan's experience in corporate restructuring and his contacts in international finance circles and regional developers will be of "tremendous strategic value".

He added that CCM plans to increase its order book, which currently stands at about \$209 million, as well as raise its profile in the business and among investors.