



**創建集團**  
**CCM GROUP LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 200916763W)

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- (A) **INCORPORATION OF A NEW WHOLLY-OWNED SUBSIDIARY AND PROPOSED DIVERSIFICATION BY THE GROUP INTO PROPERTY DEVELOPMENT BUSINESS (THE “PROPOSED DIVERSIFICATION”);**
- (B) **PROPOSED ISSUE OF 18% SECURED REDEEMABLE EXCHANGEABLE NOTES DUE IN 2016 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$5 MILLION (THE “PROPOSED NOTES ISSUE”);**
- (C) **PROPOSED ISSUE OF BONUS WARRANTS AND PIGGYBACK WARRANTS (THE “PROPOSED WARRANTS ISSUE”); AND**
- (D) **PROPOSED ADOPTION OF SHARE OPTION SCHEME (THE “PROPOSED CCM SHARE OPTION SCHEME”)**
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- (A) **INCORPORATION OF A NEW WHOLLY-OWNED SUBSIDIARY AND PROPOSED DIVERSIFICATION BY THE GROUP INTO PROPERTY DEVELOPMENT BUSINESS**

Introduction

1. The Board of Directors (the “**Board**”) of CCM Group Limited (“**CCM**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has incorporated a new wholly-owned subsidiary, CCM Property Pte. Ltd. (“**CCMP**”) on 2 August 2013. CCMP (Company Registration Number: 201321124K) is a company incorporated in Singapore having its registered office at 64 Woodlands Industrial Park E9 Singapore 757833. As at the date of this announcement, CCMP has an issued and paid-up share capital of S\$1.
2. As part of the Group’s strategy to strengthen the Group’s operations and financial position, the Board proposes for the Group to diversify into the business of property development (the “**Property Development Business**”). CCMP will be the vehicle through which the Group will engage in the Property Development Business, which will involve the following activities:
  - (a) actively acting as a developer for property projects;
  - (b) investing in property development projects; and/or
  - (c) other investments and/or strategic alliance plans of CCMP as may be approved by the board of directors of CCMP.

Rationale for the Proposed Diversification

3. The Board intends to diversify the Group’s business to include the Property Development Business due to the following principal reasons:
  - (a) The Proposed Diversification represents an opportunity to establish a new and profitable business segment for the Group. The Proposed Diversification is one of the

Group's strategies to diversify the Group's 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 markets.

- (b) The Property Development Business is complementary to the Group's current core business in building construction with strong synergy between these two business segments, which will give the Group a competitive edge in securing construction contracts while generating additional revenue streams from property development projects.

#### Further Information on the Proposed Diversification

4. The Proposed Diversification will be funded through, *inter alia*, the following:
- (a) the Proposed Notes Issue; and
- (b) the Proposed Warrants Issue,
- (collectively, the "**Proposed Fundraising**"), further details of which are set out below in this announcement.
5. The Company will be seeking approval of the shareholders of the Company (the "**Shareholders**") for, *inter alia*, the Proposed Diversification and Proposed Fundraising at an extraordinary general meeting to be convened in due course (the "**EGM**").

#### **(B) PROPOSED ISSUE OF 18% SECURED REDEEMABLE EXCHANGEABLE NOTES DUE IN 2016 IN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$5 MILLION**

##### Introduction

1. The Board wishes to announce that CCMP is proposing to undertake an issue of secured redeemable exchangeable notes (the "**Notes**"), each with a denomination of S\$250,000 and bearing an interest rate of 18% per annum. Each Note contains the following characteristics:
- (a) a right but not an obligation for CCMP to redeem the Note before the Maturity Date (as defined below); and
- (b) a right but not an obligation for each holder of the Note (the "**Noteholder**") to either exchange the Note for new ordinary shares in the share capital of the Company (the "**New CCM Shares**") or to convert the Note into new ordinary shares in the share capital of CCMP (the "**New CCMP Shares**").
2. The Notes will be constituted by a deed poll, to be executed by CCMP, which will set out the terms and conditions of the Notes (the "**Notes Deed Poll**").

##### Principle Terms of the Proposed Notes Issue

3. The salient terms of the Notes are summarised in the table below.

Issue Instrument	18% secured redeemable exchangeable notes due 2016
Investment Size of the Proposed Notes Issue	The aggregated principal amount of the Notes is up to S\$5 million in certificates with a denomination of S\$250,000 per unit (" <b>Face Value</b> "). The Notes will be issued by way of a placement.
Issue Price	100% of the Face Value of the Notes

Interest Rate	<p>The Notes shall bear interest from the date on which they are issued at the rate of 18% simple interest, as calculated on an annual basis assuming a 365-day year, payable in cash on the anniversary date of the date of completion of issue of the Notes until the Maturity Date.</p> <p>The Notes shall cease to bear interest upon their respective exchange into New CCM Shares or conversion into New CCMP Shares, as the case may be, and the interest payable on Notes that have been exchanged or converted, as the case may be, shall be calculated up to, but excluding, the date of exchange or conversion.</p>
Maturity Date	<p>The Notes have a term of three (3) years and will mature on the third anniversary of the date of completion of issue of the Notes (i.e. in 2016).</p> <p>Unless previously exchanged or converted, CCMP shall redeem each Note at 106% of the Face Value upon the Maturity Date.</p>
Security	<p>The Notes will be secured by:</p> <ul style="list-style-type: none"> <li>(i) A registered charge over all issued and outstanding ordinary shares of CCMP; and</li> <li>(ii) A negative pledge of all fixed and floating assets of CCMP.</li> </ul> <p>For the avoidance of doubt, the Noteholders shall not have a charge over any or all of the assets of CCM in respect of the Notes.</p>
Redemption	<p>Unless previously exchanged or converted, CCMP has a right but not an obligation to redeem all or a portion of (being S\$250,000 in principal amount or an integral multiple thereof) the Notes on the first anniversary or the second anniversary of the issue date of the Notes.</p>
Redemption Notice	<p>CCMP shall provide a minimum of five (5) business days' written notice (which notice will be irrevocable) to the Noteholders.</p>
Redemption Value	<p>In the event of a Redemption by CCMP on the first anniversary of the issue date of the Notes, CCMP shall redeem the Notes at 102% of the Face Value. In the event of a Redemption by CCMP on the second anniversary of the issue date of the Notes, CCMP shall redeem the Notes at 104% of the Face Value.</p>
Exchangeable / Conversion Terms	<p>Unless previously redeemed, and subject to and upon compliance with the relevant conditions as set out in the OIS (as defined hereunder), the Noteholders shall, at any time upon issuance of the Notes and before the Maturity Date, have the right but not an obligation to:</p>

	<p>(i) exchange the whole or part of their Notes into New CCM Shares (the “<b>Shares Exchange</b>”) based on the Exchangeable Price; or</p> <p>(ii) convert the whole or part of their Notes into New CCMP shares (the “<b>Shares Conversion</b>”), based on the Conversion Price.</p>
Exchangeable Price	1 unit of Notes (denominated face value of S\$250,000 each) shall be exchangeable into 2,500,000 ordinary shares of the Company at S\$0.10 each, subject to the Anti-Dilution and Adjustment Provisions.
Conversion Price	<p>Face Value of the Notes (denominated face value of S\$250,000 each) divided by the issued and paid-up share capital of CCMP as at the date of the Conversion Notice (the “<b>Conversion Notice Date</b>”).</p> <p>The “<b>Conversion Notice Date</b>” herein refers to the date the Noteholder submits to CCMP the notice of conversion to convert his/her Notes(s) into New CCMP Shares.</p>
New CCM Shares	<p>The New CCM Shares issued to the Noteholders pursuant to the Shares Exchange shall be new ordinary shares of CCM that:</p> <p>(i) have been validly issued and fully paid for;</p> <p>(ii) are free and clear of any security interests, claims (including pre-emptive), liens or encumbrances;</p> <p>(iii) are freely transferable; and</p> <p>(iv) rank <i>pari passu</i> in all respects with all other issued and outstanding ordinary shares of CCM, except that they will not rank for any dividend, right, allotment or other distributions the record date for which falls on or before the date of issue of the New CCM Shares.</p>
New CCMP Shares	<p>The New CCMP Shares issued to the Noteholders pursuant to the Shares Conversion shall be new ordinary shares of CCMP that:</p> <p>(i) have been validly issued and fully paid for;</p> <p>(ii) are free and clear of any security interests, claims (including pre-emptive), liens or encumbrances;</p> <p>(iii) are freely transferable; and</p> <p>(iv) rank <i>pari passu</i> in all respects with all other issued and outstanding ordinary shares of</p>

	CCMP, except that they will not rank for any dividend, right, allotment or other distributions the record date for which falls on or before the date of issue of the New CCMP Shares.
Anti-Dilution and Adjustment Provisions	The Proposed Notes Issue is subject to adjustments to the Exchangeable Price and/or the Conversion Price upon the occurrence of certain dilutive events, including, <i>inter alia</i> , bonus issues, rights issues and capital distributions by CCM and/or CCMP respectively. An announcement on any adjustments will be made by the Company.

#### Purpose of the Proposed Notes Issue and Use of Proceeds

#### 4. Purpose of the Proposed Notes Issue

The Proposed Notes Issue enables CCMP to raise funds from the debt capital markets for the proposed expansion plans into the Property Development Business. Such proceeds raised from the Proposed Notes Issue will be managed for and employed solely towards the Property Development Business (if approved) and other investments and/or strategic alliance plans of CCMP as may be approved by the board of directors of CCMP. The Board is of the view that the terms and conditions of the Notes are fair and reasonable and are in the interests of the Group as a whole.

#### 5. Use of Proceeds from Proposed Notes Issue

Subject to Shareholders' approval of the Proposed Notes Issue, the proceeds from the Proposed Notes Issue (the "**Proposed Notes Issue Proceeds**") are intended to be used for the following purposes for the Property Development Business, in the following percentage allocation basis:

	Purpose	Percentage Allocation
(a)	Participation in residential and/or commercial property development projects	80%
(b)	Working capital for CCMP	10%
(c)	Investments and/or strategic alliance plans of CCMP as may be approved by the board of directors of CCMP	10%

### (C) PROPOSED ISSUE OF BONUS WARRANTS AND PIGGYBACK WARRANTS

#### Introduction

1. In connection with the Proposed Diversification, the Board wishes to concurrently announce that the Company is proposing to undertake an issue of:
  - (a) up to 1,712,200,000 bonus warrants (the "**Bonus Warrants**") on the basis of ten (10) Warrants for every one (1) existing ordinary share of the Company ("**Share**") held by Shareholders as at a books closure date to be determined by the Board (the "**Warrants Books Closure Date**"), fractional entitlements to be disregarded; and

- (b) up to 1,712,200,000 additional company warrants (the **"Piggyback Warrants"**) on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant (described in sub paragraph (a) above) which is exercised, fractional entitlements to be disregarded.

The Bonus Warrants and the Piggyback Warrants shall be collectively referred to as the **"Warrants"**. The proposed issue of the Bonus Warrants and Piggyback Warrants as described above shall be referred to as the **"Proposed Warrants Issue"**.

2. Each Bonus Warrant will entitle the warrant holder to subscribe for one (1) new ordinary share in the share capital of the Company (**"New Exercised Share"**) at the exercise price of S\$0.01 (the **"Bonus Warrants Exercise Price"**), exercisable during the period commencing on and including the date of the issue of the Bonus Warrants and expiring at 5.00 p.m. on the market day immediately preceding the third (3rd) anniversary of such date of issue of the Bonus Warrants (the **"Warrants Exercise Period"**). Each Bonus Warrant will also entitle the warrant holder to one (1) free Piggyback Warrant upon the exercise of the Bonus Warrant. Each Piggyback Warrant shall entitle the warrant holder to subscribe for one (1) New Exercised Share at the exercise price of S\$0.011 (the **"Piggyback Warrants Exercise Price"**), exercisable within the Warrants Exercise Period and only if the underlying Bonus Warrant is first exercised by such holder of the underlying Bonus Warrant.
3. For illustration purposes, for every existing 1,000 Shares held by a Shareholder, he will be issued 10,000 Bonus Warrants. On the assumption that such Shareholder exercises all of his 10,000 Bonus Warrants, he will receive 10,000 new ordinary shares in the Company and he will also be issued 10,000 Piggyback Warrants. Assuming such Shareholder exercises all of his 10,000 Piggyback Warrants, he will receive another 10,000 new ordinary shares in the Company. The final terms and conditions of the Warrants will be set out in deed poll(s) to be executed by the Company for the purpose of constituting the Warrants (the **"Warrants Deed Poll(s)"**).
4. The Bonus Warrants will, subject to the approval of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**), be listed and traded on the Catalist Board of the SGX-ST (the **"SGX Catalist"**) under the book-entry (scripless) settlement system.
5. The Piggyback Warrants will **NOT** be listed and traded on the SGX Catalist.

#### Principal Terms of the Proposed Warrants Issue

##### 6. **Terms of the Warrants**

- (a) Each Bonus Warrant, to be credited and allotted free to all existing Shareholders, and each Piggyback Warrant, to be credited and allotted free to the holder of the underlying Bonus Warrant upon exercise of his/her underlying Bonus Warrant, will be in registered form and be constituted by the Warrants Deed Poll(s) which shall set out the terms and conditions of the Warrants and which may from time to time be amended, modified or supplemented. Each Bonus Warrant will, subject to the terms and conditions in the Warrants Deed Poll(s), carry the right but not the obligation to subscribe for one (1) New Exercised Share at the Bonus Warrants Exercise Price within the Warrants Exercise Period. Each Piggyback Warrant will, subject to the terms and conditions in the Warrants Deed Poll(s), carry the right but not the obligation to subscribe for one (1) New Exercised Share at the Piggyback Warrants Exercise Price within the Warrants Exercise Period, subject to the condition that the underlying Bonus Warrant is first validly exercised by the holder of such Bonus Warrant.
- (b) Upon the exercise of the Bonus Warrants and, where applicable, the Piggyback Warrants, and payment of the Bonus Warrants Exercise Price and where applicable, the Piggyback Warrants Exercise Price, under the terms and conditions as set out in the Warrants Deed Poll(s), the holders of the Warrants will be issued the New Exercised Shares in respect of their exercised Bonus Warrants and where applicable,

exercised Piggyback Warrants. Any Warrant(s) remaining unexercised upon the expiry of the Warrants Exercise Period shall thereafter lapse and cease to be valid for all purposes.

- (c) The Bonus Warrants Exercise Price for each Bonus Warrant is S\$0.01, representing a discount of approximately 88.1% to the last transacted price of S\$0.084 per Share on the SGX Catalist on 31 July 2013 (being the last market day preceding the date of this announcement). The Piggyback Warrants Exercise Price for each Piggyback Warrant is S\$0.011, representing a discount of approximately 86.9% to the last transacted price of S\$0.084 per Share on the SGX Catalist on 31 July 2013 (being the last market day preceding the date of this announcement). The Bonus Warrants Exercise Price, the Piggyback Warrants Exercise Price and the number of Warrants to be issued will be subject to adjustments under certain circumstances in accordance with the terms and conditions of the Warrants Deed Poll(s).
- (d) Each holder of Warrants shall not, in respect of his Warrants, be entitled to any dividends, voting rights, allotments, distributions or any other rights attached to Shares of the Company, unless and until such holder of Warrants exercises his Warrants and is issued and allotted New Exercised Shares.
- (e) The New Exercised Shares arising from the exercise of the Warrants, when issued and allotted, shall 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 date of the allotment and issue of the New Exercised Shares. For this purpose, “**Record Date**” means, 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 in order to participate in such dividends, rights, allotments or other distributions.
- (f) Each board lot of Bonus Warrants will consist of 1,000 Bonus Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.
- (g) The proposed terms and conditions of the Warrants are subject to such changes as the Directors, in their absolute discretion, may deem fit. The final terms and conditions of the Warrants will be set out in the Warrants Deed Poll(s).
- (h) An announcement on the expiry of the Warrants will be made and a notice will be sent to all holders of the Warrants at least one (1) month before the expiry of the Warrants Exercise Period.

## 7. Eligibility

- (a) The Bonus Warrants are proposed to be issued to Shareholders whose names appear in the Register of Members of the Company or whose names appear in the records of the Central Depository (Pte) Limited (the “**CDP**”), as the case may be, as at the Warrants Books Closure Date. Notice will be given at a later date on the Warrants Books Closure Date in order to determine the entitlements of Shareholders to the proposed issue of the Bonus Warrants, after all the necessary approvals have been obtained. Fractional entitlements (if any) to the Bonus Warrants will be disregarded.
- (b) For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Bonus Warrants will NOT be offered to Shareholders whose registered addresses are outside Singapore as at the Warrants Books Closure Date and who had not, at least five (5) market days prior to the Warrants Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”).

- (c) The Bonus Warrants which would otherwise have been allotted to Foreign Shareholders will, if practicable to do so, be sold by the Company at its sole discretion on the SGX Catalist. The net proceeds from such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Warrants Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10, the Company shall be entitled to retain or deal with such net proceeds as the Board may, in its absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or the CDP or the Board or the Sponsor (as defined herein) and their respective officers in connection therewith.
- (d) Where such Bonus Warrants are sold on the SGX Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or the CDP or the Board or the Sponsor (as defined herein) and their respective officers in respect of such sale.
- (e) If such Bonus Warrants cannot be or are not sold on the SGX Catalist as aforesaid for any reason, the Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or the CDP or the Board or the Sponsor (as defined herein) and their respective officers in connection therewith.

#### Purpose of Proposed Warrants Issue and Use of Proceeds

#### **8. Purpose of the Proposed Warrants Issue and Use of Proceeds from Proposed Warrants Issue**

- (a) The Directors believe that the Proposed Warrants Issue will provide Shareholders with the opportunity to obtain further equity participation in the future growth of the Company by subscribing for the New Exercised Shares through the exercise of the Warrants. Additionally, as and when the Warrants are exercised, the proceeds arising therefrom will provide additional financial flexibility to the Group for the purposes of funding its expanding portfolio of businesses (taking the Proposed Diversification into account).
- (b) As at the date hereof, the existing issued and paid-up share capital of the Company is 171,220,000 Shares (the “**Existing Issued Share Capital**”). As at the date of this announcement, the Company has no treasury shares or any existing warrants or other convertible securities. Assuming the Bonus Warrants are fully exercised into New Exercised Shares, the issued share capital of the Company would increase by 1,712,200,000 Shares, representing 1000% of the Existing Issued Share Capital. Assuming the Piggyback Warrants are fully exercised into New Exercised Shares, the issued share capital of the Company would increase by an additional 1,712,200,000 Shares, representing an additional 1000% of the Existing Issued Share Capital. Assuming that all of the Notes are exchanged into New CCM Shares, the issued share capital of the Company would increase by 50,000,000 Shares, representing approximately 29.2% of the Existing Issued Share Capital. Assuming that all of the Warrants issued are exercised and all of the Notes issued are exchanged into New CCM Shares, the share capital of the Company will increase to 3,645,620,000 Shares, representing approximately 2129% of the Existing Issued Share Capital.
- (c) Assuming the Bonus Warrants and Piggyback Warrants are fully exercised into New Exercised Shares, the estimated gross proceeds from such exercise of Bonus Warrants and Piggyback Warrants will amount to approximately S\$17.12 million and approximately S\$18.83 million respectively. Under the above assumption, the



estimated aggregate gross proceeds from the exercise of the Warrants will amount to approximately S\$35.95 million (the “**New Exercised Shares Proceeds**”). As and when the Warrants are exercised, the Company intends to use the proceeds arising therefrom to support the business activities, operations and expansion of the Group in respect of the Property Development Business, for general working capital purposes of CCMP and for investments and/or strategic alliance plans of CCMP as may be approved by the board of directors of CCMP. The percentage allocation for each intended use is intended to be as set out in the table below.

	Purpose	Percentage Allocation
(a)	Used towards Property Development Business	80%
(b)	general working capital purposes of CCMP	10%
(c)	other investments and/or strategic alliance plans of CCMP as may be approved by the board of directors of CCMP	10%

**(D) PROPOSED ADOPTION OF SHARE OPTION SCHEME (THE “PROPOSED CCM SHARE OPTION SCHEME”)**

Introduction

1. The Board wishes to announce that the Company is proposing to adopt a share option scheme which will enable employees (including the Executive Directors) and Non-Executive Directors (including the Independent Directors) of the Company, including those who may be controlling shareholders (as defined in the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”)) of the Company, to be eligible to participate in the equity of the Company through the grant of share options containing the right to subscribe for ordinary shares in the capital of the Company (the “**Scheme Share Options**”) under the Proposed CCM Share Option Scheme. The holder of one (1) Scheme Share Option will be entitled to have the right but not the obligation to subscribe for one (1) new Share at the Scheme Exercise Price (as defined hereunder) (the “**Scheme Share**”).

Rationale

2. The Company hopes to create a long term share incentive scheme that can provide the Company with greater flexibility in tailoring reward and incentive packages for suitable employees and Directors of the Company and to better align the interests of employees and the Directors of the Company to those of the Shareholders’. The Proposed CCM Share Option Scheme is a share incentive scheme. The purpose of the Proposed CCM Share Option Scheme is to allow persons, such as employees of the Group, and Directors and including those who are also controlling shareholders of the Company, who have contributed significantly to the growth and development of the Group to have a personal stake in the Company at a relatively low direct cost to the Company’s profitability. Implementation of the Proposed CCM Share Option Scheme will give the Company the flexibility in relation to the Group’s remuneration packages.

Salient Terms of the CCM Share Option Scheme

3. The Proposed CCM Share Option Scheme will be administered by the Remuneration Committee of the Board serving as the “**Scheme Committee**”, which will determine the selection for participation in the Proposed CCM Share Option Scheme as well as the terms and conditions of the grant of Scheme Share Options under the Proposed CCM Share Option Scheme. Where a member of the Scheme Committee is also a proposed recipient of the grant of Scheme Share Options, he will not be involved in the deliberations of the Scheme Committee in respect of the Scheme Share Options granted, or to be granted, to him.

4. The persons who are entitled to participate in the Proposed CCM Share Option Scheme (the “**Participants**”) include confirmed employees of the Group and Directors of the Company, who in the opinion of the Scheme Committee have contributed or will contribute to the success of the Group, and the controlling shareholders of the Company and/or their associates (as defined in the Catalist Rules).
5. Subject to the relevant applicable regulations and the rules of the Proposed CCM Share Option Scheme (the “**Scheme Rules**”), the total number of Scheme Share Options that may be granted to a Participant shall be determined at the absolute discretion of the Scheme Committee. The Board believes that such discretion will allow the Scheme Committee to have sufficient flexibility in adjusting the number of Scheme Share Options to be granted, to achieve certain goals of the Company through the customisation of a compensation and incentive package suitable for each Participant. In determining the extent of the Scheme Share Options to be granted to an eligible Participant, the Scheme Committee shall take into account, *inter alia*, criteria such as rank, skills and experience, past performance, years of service and potential for future development.
6. Subject to the Scheme Rules, the exercise price for each Scheme Share Option (the “**Scheme Exercise Price**”) shall be payable upon the exercise of such Scheme Share Option and shall be determined by the Scheme Committee in its absolute discretion, and fixed by the Scheme Committee at the prevailing market price at the date of grant of the Scheme Share Option (pursuant to a formula to be set out in the Scheme Rules, and such market price, referred to as the “**Market Price**”) or at a discount to the Market Price.
7. Scheme Share Options granted under the Proposed CCM Share Option Scheme with the Scheme Exercise Price set at Market Price shall only be exercisable by a Participant after the first anniversary of the date of grant of the relevant Scheme Share Options, and Scheme Share Options granted with the Scheme Exercise Price set at a discount to Market Price shall only be exercisable by a Participant after two years from the date of grant of the relevant Scheme Share Options.
8. The Proposed CCM Share Option Scheme will continue to be in operation at the discretion of the Scheme Committee, subject to a maximum duration of ten (10) years commencing from the date of its adoption by Shareholders at the EGM. The Proposed CCM Share Option Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.
9. If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, or a reduction, sub-division or consolidation of the existing Shares) takes place, adjustments will be made to, *inter alia*, the Scheme Exercise Price, the class and/or number of Scheme Share Options under the Proposed CCM Share Option Scheme to the extent unexercised and the rights attached to them, in such manner as the Scheme Committee may determine to be appropriate.

## **ADDITIONAL INFORMATION**

### **1. Pending Deployment of Proceeds from Proposed Fundraising**

Pending the deployment of the New Exercised Shares Proceeds or the Proposed Notes Issued Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Board (in the case of the New Exercised Shares Proceeds), and the board of directors of CCMP (in the case of the Proposed Notes Issued Proceeds) may, in their absolute discretion, deem fit. The Company will make periodic announcements on the utilisation of such proceeds as and when they are materially disbursed. Where there is any material deviation from the stated use of such proceeds, the Company will announce the reasons for such deviation pursuant to Rule 704(30) of the Catalist Rules. The Company will also provide a status report on the use of such proceeds in

the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules. Where such proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied.

## 2. **Shareholder Approvals**

Pursuant to Rule 805(1) of the Catalist Rules, the Proposed Notes Issue (including the issue and allotment of the New CCM Shares and New CCMP Shares upon any exchange or conversion of the Notes) and the Proposed Warrants Issue (including the issue and allotment of the New Exercised Shares upon exercise of the Warrants) are subject to the approval of the Shareholders. Pursuant to Rule 842(3) of the Catalist Rules, the Proposed CCM Share Option Scheme is subject to the approval of the Shareholders. Participation by the controlling shareholders of the Company and their associates in the Proposed CCM Share Option Scheme will also be subject to the approval of the independent shareholders of the Company pursuant to Rule 852 of the Catalist Rules. The Company will seek specific approval for the Proposed Diversification, Proposed Fundraising, and Proposed CCM Share Option Scheme from the Shareholders at the EGM. A circular to Shareholders containing further information on the Proposed Diversification, Proposed Fundraising and Proposed CCM Share Option Scheme (the "**Circular**"), together with a notice of the EGM, will be despatched to the Shareholders in due course.

## 3. **Offer Information Statement**

An offer information statement ("**OIS**") will be lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), acting as agent of the Monetary Authority of Singapore, in relation to, and for the purpose of, the Proposed Notes Issue (if required) and the Proposed Warrants Issue before the Notes and the Warrants are issued. The OIS will set out full details of the Proposed Diversification, the terms and conditions of the Proposed Notes Issue (if required), and the terms and conditions of the Proposed Warrants Issue. An announcement will be made at a later date on the lodgement and the uploading of the OIS on the SGX-ST's website.

## 4. **Application to the SGX-ST**

An additional listing confirmation will be submitted to the SGX-ST on behalf of the Company by PrimePartners Corporate Finance Pte. Ltd., acting as Sponsor to the Company, for the listing and quotation of the New CCM Shares at the appropriate time, upon the exchange of the Notes from time to time before the Maturity Date, for the listing and quotation of the Bonus Warrants and the New Exercised Shares, and for the listing and quotation of the Scheme Shares on the SGX Catalist.

Appropriate announcements in relation to the abovementioned will be made in due course.

## 5. **SGX-ST Approval**

The Proposed Fundraising and the Proposed CCM Share Option Scheme are subject to, *inter alia*, the receipt of approval-in-principle of the SGX-ST for the listing and quotation of the New CCM Shares, Bonus Warrants, New Exercised Shares and Scheme Shares on the SGX Catalist and lodgement of the OIS (in respect of the Proposed Notes Issue (if required) and the Proposed Warrants Issue) with SGX-ST.

The listing of the Bonus Warrants on the SGX Catalist will also be subject to there being an adequate spread of holdings for the Bonus Warrants to provide an orderly market for the Bonus Warrants.

The date for the Warrants Books Closure Date will be fixed and announced after the SGX-ST has issued the approval-in-principle or approved the Proposed Warrants Issue, as the case may be.

## 6. **Interests of Directors and Controlling Shareholders**

The directors of CCMP are Mr Liew Sen Keong, Mr Chan Heng Fai Ambrose and Mr Teh Wing Kwan. Mr Liew Sen Keong is also the Executive Chairman and Chief Executive Officer of the Company. Mr Chan Heng Fai Ambrose and Mr Teh Wing Kwan are Non-Executive Directors of the Company. Further, Mr Liew Sen Keong, Ms Chan Pui Yee (an Executive Director of the Company), and Mr Chan Heng Fai Ambrose are controlling shareholders of the Company. Mr Chan Tien Chih (an Executive Director of the Company) is an associate of Ms Chan Pui Yee.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above Proposed Diversification, Proposed Fundraising and Proposed CCM Share Option Scheme other than through their shareholdings in the Company.

**7. Board's Opinion on Working Capital**

The Board is of the opinion that, after taking into consideration the present bank facilities, the Proposed Notes Issue Proceeds and the New Exercised Shares Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

**8. Trading Caution**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Notes Issue, Proposed Warrants Issue and Proposed CCM Share Option Scheme will be subject to conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Notes Issue, Proposed Warrants Issue and Proposed CCM Share Option Scheme will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments relating to the above. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**9. Responsibility Statement**

The Directors (including any director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept responsibility for the accuracy of the information given in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this announcement are fair and accurate in all material respects and that there are no material facts the omission of which would make any statement in this announcement misleading.

Further announcements will be made in connection with the Proposed Diversification, the Proposed Fundraising and the Proposed CCM Share Option Scheme as and when appropriate.

BY ORDER OF THE BOARD

Liew Sen Keong  
Executive Chairman and CEO

6 August 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.

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