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SHOPHOUSES

Value of shophouse transactions rises 8% in 2015

REAL ESTATE / 15



CURRENCIES ON EDGE

S\$ down sharply; Fall in RM could set tone for more weakness TOP STORIES / 4

FUNDS IN PLAY

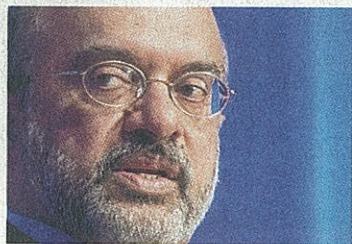
APS a star performer in 2015 COMPANIES & MARKETS / 8



MARKETS

	Wednesday	Change
STI	2,804.27	-29.96
KL Comp	1,667.97	+2.27
Nikkei 225	18,191.32	-182.68
Hang Seng	20,980.81	-207.91
Shenzhen B	1,272.09	+18.80
Dow (10:45 EST)	16,937.38	-221.28

DAILY DIGEST



This will be a year of "currency wars" and a yuan depreciation could lead to more corporate defaults by unhedged Chinese companies, warns DBS CEO Piyush Gupta.

TOP STORIES / 4

A fragile economic climate awaits companies as they face weakening export demand in the coming months, going by the latest Nikkei Singapore Purchasing Managers' Index.

TOP STORIES / 5

Collaboration among

SINGAPORE'S FUTURE ECONOMY

SBF calls for bold and decisive steps to energise Singapore economy

It suggests investing CPF funds in the local bourse and appointing a minister for local enterprises, among others

By Lee U-Wen
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Singapore

INVEST Singapore workers' pension funds in the stock market. Appoint a minister to oversee the government's efforts to develop local enterprises. Use more of the reserves to help suitable firms expand overseas.

These were just some of the many wide-ranging proposals and recommendations in a new economic position paper released by the Singapore

28 trade associations and about 70 corporate leaders, academics and economists.

The aim, said SBF chairman Teo Siong Seng, is to encourage the government to take "bold and decisive" steps that will strengthen Singapore's position in the global economy.

The immediate priority is to help companies cope with the ongoing economic restructuring, while the goal for the medium to long term should be to encourage more firms to expand abroad but with their home bases firmly anchored in Singapore.

with the country's other reserves to be managed by GIC.

"Unlike other jurisdictions where their pension funds have provided strong support for their stock market, Singapore rides against the wave by specifically stating as a policy that the funds managed by GIC are to be invested abroad," SBF said in the paper.

The federation mooted the idea of separating the CPF component and managing it differently, as this would free these funds from GIC's investment restrictions and would probably result in some investments in the Singapore market.

"These investments will send strong signals on our market to other

Position paper for a vibrant Singapore

Key recommendations for the government to consider

IMMEDIATE TERM

Assist businesses to transit through this difficult period into the new restructured economy for sustainable growth

- Identify reasons for sharp increase in costs faced by businesses and how to manage them
- Review manpower-lean policy
- Refine foreign manpower policies in different sectors for Singapore to continue to be

MEDIUM TO LONG TERM

Create an economy that's not constrained by geographical boundaries

- Encourage Singapore-based firms to expand abroad in terms of operations and markets, but with their base still anchored here.
- Develop Singapore as a strong home base for nerve centre, thought leadership, innovation and growth activities
- Capitalise on Singapore's

THE BUSINESS TIMES NOTICES



LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in Republic of Singapore)
(Company Registration Number: 198700318G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held on 22 January 2016 at 10 a.m. at No. 3 Sungei Kadut Drive, Singapore 729556, for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution:

ORDINARY RESOLUTION – THE PROPOSED CHANGE OF AUDITORS

IT IS RESOLVED that:

- the resignation of KPMG LLP as auditors of the Company be and is hereby accepted and that Foo Kon Tan LLP be and are hereby appointed auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company, at such remuneration and on such terms to be agreed between the Directors and Foo Kon Tan LLP; and
- the Directors or any of them be and is hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this resolution as they or he may think fit.

By Order of the Board

Toh Choo Huat
Executive Chairman and Chief Executive Officer

7 January 2016

Notes:

- Terms and expressions not defined herein but which are defined in the Circular shall have the same meanings when used herein.
- A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than 2 proxies to attend and vote on his/her behalf, save that no such limit shall be imposed on the number of proxies appointed by members which are nominee companies. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
- A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
"Relevant intermediary" means:
 - a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- The Proxy Form must be deposited at the registered office of the Company at 3 Sungei Kadut Drive Singapore 729556, not less than 48 hours before the time fixed for holding the Extraordinary General Meeting in order to be entitled to attend and to vote at the Extraordinary General Meeting. The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is unable to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the Extraordinary General Meeting in order to be entitled to attend and vote at the Extraordinary General Meeting.
- The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

FUNDS IN PLAY

Singapore's APS a star performer in 2015

By Cai Haoxiang
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Singapore

AS fund managers compile their performance data for 2015 these two weeks, homegrown manager APS Asset Management is likely to come out tops among Asia-focused funds.

The company's long only China A Share Fund strategy, which has assets under management of US\$2.3 billion, was up 20 per cent for the year at end-November 2015.

This placed it second among 19 funds with the same strategy, according to data obtained by *The Business Times* from database provider EurekaHedge. The top performer for the period was up 23 per cent, while the median performer was down 1.55 per cent.

Meanwhile, EurekaHedge data also shows the company top among 38 funds for its Asia Pacific long-short fund, which generated a 29 per cent return. It ranked second among 48 funds for its Greater China long-short fund, which made 40 per cent.

APS outperformed its peers in a turbulent 2015 with bets on Chinese firms like cyber security software provider Venustech Group and laminating film maker Jiangsu Kangde Xin Composite Material, APS founder Wong Kok Hoi told *The Business Times* in an interview last month.

In China, he likes the Internet, healthcare, environment, logistics, sports and entertainment themes.

Recent buys include environment monitoring systems firm Focused Photonics Hangzhou, and server network operator Shanghai Wangsu Science, according to the fund's November factsheet.

Mr Wong said he believes cyber security will be a 10-year theme, especially with low capital expenditure in the area for Chinese companies relative to Western firms.

"You need to develop all kinds of software against different types of hacking," he said.

"The economy is moving towards a digital economy. Therefore, cyber security defenses will have to be increased even further."



Mr Wong says that on the whole, Asian equities are not expensive and are more attractive than bonds and real estate. PHOTO: ARTHUR LEE

Mr Wong said he was shorting "a large online e-commerce retailer listed in Nasdaq", China H-shares, Asean banks, a few food and beverage firms listed in Hong Kong, and Macau casinos. Shorting refers to the practice of borrowing securities to sell with the intention of repurchasing them at lower prices. This benefits the shorter when prices drop.

On casinos, Mr Wong said: "The anti-corruption drive is not easing at all. It's picking up in intensity ... I won't be surprised if some Macau casinos will be loss making from next year onwards. That has not been reflected in share prices yet." He said he is also steering clear of stocks in steel, infrastructure, construction, banks, and shipbuilding. However, he likes "old economy" counters like Chinese liquor maker Kweichow Moutai and air-conditioner manufacturer Gree Electric Appliances.

In Singapore, Mr Wong said he did not have many big positions. He was long two manufacturing companies with operations in China. He was shorting a financial services firm, which he declined to elaborate on.

The outlook is dim for many local stocks including banks, shipbuilding, oil and gas, tourism and manufacturing, he said. Healthcare or hospitality might work but these stocks are expensive, he said.

In South-east Asia, growth is slowing down significantly and bank non-performing loan (NPL) ratios will rise, he said.

"We're still on the down cycle across all countries, Singapore, Malaysia, Thailand, the Philippines, Indonesia", Mr Wong said.

However, he said that on the whole, Asian equities are not expensive and are more attractive than bonds and real estate. While expected growth rates are not strong, they are still good given today's environment. Dividend yields are also higher than bond yields. And interest rates in the two largest economies in Asia, China and Japan, will also not follow the US in going up.

Mr Wong, who began his career with sovereign wealth fund Government of Singapore Investment Corporation (GIC), set up APS in 1995.

The firm managed just US\$24 million in 1997, and went on to survive various market and internal challenges. Assets under management notably soared from US\$400 million in 2001 to US\$4 billion in 2004, and plunged back to US\$400 million again in 2008 after a period of underperformance.

Mr Wong restructured his team and stuck to his investment process, and was vindicated eventually by performance. Today, the firm manages US\$3.2 billion, mostly for institutions. It employs 27 fund managers.

The year 2016 promises to be a good year for the firm because its strong 2015 performance is attracting more investors, he said.

"To do well in this business you need to be very consistent in what you do. You cannot flip, cannot change ... Once you do that, you lose credibility. You yourself will be confused, clients will also be confused," he said. "Two, you need to build a star team. Not star managers. If they leave, you're in big trouble."

Looking ahead, APS is looking at ways to launch an actively managed exchange-traded fund based on the investment approach of its China A Share fund, he said. The fund might hold 100-150 stocks and charge one percentage point in fees. APS is talking to market makers, dealers, and two exchanges, he said.

The firm is also strengthening its investment team in Japan, having hired two senior analysts.

Mr Wong said that his plans are to strengthen all aspects of APS' business, such as compliance and risk management, operations, marketing and sales.

"In our business, performance sells but up to a point. You can't sit in the office and wait for assets to come in. You have to hire salespeople," Mr Wong said.

At 60 years of age, he does not see himself retiring, he said.

"I ask myself, should I retire and play golf? You want to play golf every day? I love to read. Do you want to read 12 hours a day?"

"I decided that for as long as I enjoy doing what I do, I don't have to think about retirement."