

## **2011 the 2nd most active year in buyback history**

*by Robert Halili*

DIRECTORS ended 2011 with a whimper as their purchase activity fell for the second straight week while the selling remained very low during the holiday-shortened week of Dec 27 to 30, 2011. A paltry seven companies recorded 11 purchases worth \$760,000 versus three companies with three disposals worth \$80,000. The buy figures were sharply down from the previous week's five-day totals of 19 firms, 28 purchases and \$1.56 million. The sales, on the other hand, were consistent with the previous week's three firms, six disposals and \$230,000.

While the buying by directors fell for the second straight week, the buyback activity among listed firms was high for the fourth straight week with 16 companies that posted 49 repurchases worth \$14.0 million. The figures were consistent with the previous week's five-day totals of 22 firms, 63 trades, and \$13.6 million. The heavy repurchases in the past month capped off one of the most bullish years since buybacks were introduced by the Exchange in June 1999.

2011 was the second most active year in Singapore buyback history with 96 companies that recorded a whopping 3,007 repurchases worth \$1.059 billion. The figures are sharply higher than the 63 firms, 1,082 transactions, and \$282.2 million in 2010, and 68 companies, 1,563 trades, and \$194.6 million in 2009. The repurchases in 2011 are also not far off from the record high of 109 firms, 3,660 transactions, and \$1.071 billion at the peak of the global recession in 2008.

To show how heavy the buyback activity was last year, the trade totals in 2011 were significantly more than the yearly averages of 40 companies, 1,281 trades, and \$526 million from 2000 to 2010. Investors should note that 2008 and 2011 are the only years where the number of trades was over 3,000 compared to the other years' range of 317 to 1,831 transactions.

With the low activity by directors at the end of

2011, the bulk of the significant trades were by institutional shareholders last week.

### **Boustead Singapore Limited**

Chartered Asset Management (CAM) recorded its first notice in global engineering services & geo-spatial solutions provider **Boustead Singapore Limited** since January 2008 with a purchase-related filing on Dec 23, 2011 of 22.63 million shares, which increased its deemed holdings by 98 per cent to 45.656 million shares or 9.04 per cent of the issued capital. The filing stated that the purchases were made from Jan 29, 2008 to Dec 23, 2011. The group's last purchase on Dec 23 was made on the back of the drop in the share price since July from 97 cents. The counter closed at 81 cents in 2011.

### **Frasers Centrepoint Trust**

Schroder Investment Management Limited became a substantial shareholder of retail real estate investment trust Frasers Centrepoint Trust on Dec 22, 2011 following the purchase of 46,000 units at an estimated price of \$1.44 each. The trade increased its deemed holdings to 41.13 million units, or 5.0 per cent. The unit trust closed at \$1.44 in 2011.

### **City Developments Limited**

Aberdeen Asset Management Asia Limited acquired more shares of residential property developer City Developments at a lower price with a purchase-related filing on Dec 28, 2011 of 143,000 shares at an estimated price of \$8.99 each. The trade increased its deemed holdings to 118.324 million shares or 13.01 per cent. The stock closed at \$8.90 in 2011.

### **Lee Metal Group Ltd**

Executive chairman Lee Lin Poey resumed buying shares of the reinforcement steel products distributor and fabricator at lower than his acquisition price in March 2011 with 219,000 shares purchased on Dec 27, 2011 at 21 cents each. The trade increased his direct holdings to 83.689 million shares or 17.64 per cent. The counter closed at 20 cents in 2011.

**Cerebos Pacific Limited**

President & CEO Eiji Koike recorded his first on-market trades in the food products manufacturer and distributor since March 2007 with 39,000 shares sold from Dec 22 to 27, 2011 at an average of \$4.935 each. The trades reduced his direct holdings to 873,000 shares or 0.28 per cent of the issued capital. The stock closed at \$4.96 in 2011.

**Ascendas India Trust**

Sales by The Capital Group Companies, Inc in real estate investment trust Ascendas India Trust since February 2011 totalling 47.46 million units reduced its deemed holdings to below 5.0 per cent of the issued capital. The unit trust closed at 69 cents in 2011.

**Overseas Union Enterprise Ltd**

JPMorgan Asset Management (Singapore) Limited lowered its stake in real estate investor and developer Overseas Union Enterprise

Limited to below 5.0 per cent of the issued capital at lower than its initial filing price in September 2011. The group sold a net 2.538 million shares on Dec 21, 2011 at an estimated price of \$2.09 each, which reduced its direct holdings by 5 per cent to 47.132 million shares or 4.99 per cent. The stock closed at \$2.10 in 2011.

**Hotung Investment Holdings Ltd**

There are conflicting trades in investment management firm Hotung Investment with buybacks by the company versus a sale by CIM Investment Management Limited. The group repurchased 6.152 million shares from Dec 1 to 30, 2011 at an average of 12.6 cents each. The trades accounted for 62 per cent of the stock's trading volume. More significantly, the company bought back shares on 15 out of the 21 days during that period. The counter closed at 12.6 cents in 2011.