

CIMB-Principal to ride on China's recovery

KUALA LUMPUR: CIMB-Principal Asset Management Bhd (CIMB-Principal) aims to ride on an expected recovery and growth of the Greater China region such as China, Hong Kong and Taiwan, said chief investment officer Raymond Tang.

Its new fund, the CIMB Islamic Greater China Equity Fund, will invest primarily in *syariah*-compliant equities and *syariah*-compliant equity-related securities of companies based in the Greater China region, which currently offer attractive valuations and medium- to long-term growth potential, he said.

"These include *syariah*-compliant companies listed or to be listed on the recognised exchanges of China, Taiwan and Hong Kong as well as China-based companies listed on overseas recognised

exchanges," he said after the launch of the new fund here yesterday.

Tang is upbeat on stocks related to the construction or industrial sector in China as about 60% of its stimulus package of 4 trillion renminbi (RM2 trillion) are allocated for infrastructure spending such as railways, roads and airports as well as post-earthquake reconstruction.

"We are looking at mid- to large-cap stocks in this sector trading at low price to earnings ratio compared to its previous historic highs before the Lehman Brothers collapsed last year," he added.

Tang is also bullish on China's consumer sector, noting various government initiatives such as the Chinese government's shopping voucher programme, nationwide insurance and medical care network will gradually increase consumer confidence and spending.