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Tabung Haji set to sell stake in THIP to Indonesian company

KUALA LUMPUR: Lembaga Tabung Haji (Tabung Haji) says it has conditionally accepted a proposal by an Indonesian-based company to buy its 95 per cent equity interest in PT TH Indo Plantations (THIP).

Tabung Haji said it first received a proposal to acquire its stake in THIP in February.

"Based on the evaluation and assessment of the offer, Tabung Haji had decided to conditionally accept the proposal, subject to transaction

details to be finalised in due course," Tabung Haji group managing director Datuk Ismee Ismail said in a statement yesterday.

THIP has been managing 83,879ha of oil palm plantations in Riau, Indonesia, since 1997.

Tabung Haji said it believed that the offer provided a good opportunity for it to realise the appreciation in value of its investment in THIP.

Compared to the value of its initial investment, the offer received will provide a favourable return on investment.

"Transaction such as this will definitely benefit our depositors directly," Ismee added.

Proceeds from the divestment will be invested in other plantation assets.

"Plantation will continue to be one of the main investment sectors in Tabung Haji, taking into consideration its steady cash flows and good long-term prospect," he added.



Tabung Haji group MD Datuk Ismee Ismail says the offer will provide a favourable return on investment