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# Tabung Haji plans RM2b real estate investments

*We have identified a building able to provide 8% returns yearly, says Johan*

by AZREEN HANI

**LEMBAGA** Tabung Haji (TH) plans to allocate RM2 billion for investments in real estate opportunities in the UK and Australia in the next three years.

Its group MD/CEO Datuk Seri Johan Abdullah said this investment strategy will ensure TH's future recurring income.

"We haven't made any final decisions yet. We have identified a building which would be able to provide 8% returns yearly," he said, according to a *Bernama* report.

TH will also focus on concessional projects for 2017, especially those involving the government in relation to infrastructure, in order to strengthen the fund's acquisitions in the future.

"We are also in the middle of strengthening our involvement in Shariah-compliant hotels, which includes TH's hotel and complex in Sepang that will be completed soon," he said during the announcement on the 2016 *hibah* (income distribution).



Johan says the RM400m TH complex in Sepang will replace its current complex in Kelana Jaya, which the fund plans to redevelop

He said the RM400 million TH complex in Sepang, scheduled to be completed early next year, will replace the current complex in Kelana Jaya.

"We are aiming for the complex to be ready for use as a departure point for the haj pilgrims before they leave for their flights.

"The complex will also function as a four-star hotel to (cater

to) members of the public," he said, adding that TH also plans to redevelop its complex in Kelana Jaya.

Last Friday, Minister in the Prime Minister's Department Datuk Seri Jamil Khir Baharom announced TH's profit distribution of 4.25% and an additional 1.5% for those who have not performed their haj for the financial year ended

Dec 31, 2016 (FY16).

*The Malaysian Reserve* reported last Friday that TH is expected to declare a bonus distribution between 4.5% and 5.75% for the financial year 2016. According to a source, it is weighing up a few options to distribute the bonus this year. One option is an outright total bonus at 4.25% plus 1.5%, while another being considered is a 4.5% plus 1% payment.

TH's net profit slumped to RM2.48 billion for FY16 compared to RM3.54 billion a year ago. Revenue for the 12-month of 2016 also fell RM1 billion to RM3.42 billion compared to the RM4.47 billion achieved in 2015.

TH's profit distribution for 2016 totalled RM2.88 billion.

Jamil Khir was reported as saying that the 4.25% will be distributed to 9.1 million depositors while the additional 1.5% will be credited into the accounts of 8.5 million depositors who have not performed the haj.

He said TH's earnings decreased last year due to the one-off revenue from the sale of a plantation in Indonesia for RM874 million and a building in London for RM290 million in 2015.

TH distributed a 5% bonus for all depositors and an additional 3% for those who had not performed the haj for FY15.