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# Tabung Haji likely to give higher dividends this year

*Its the board's efforts to ensure depositors' capital remains protected while at the same time giving them decent returns*

LEMBAGA Tabung Haji (LTH) is well-placed to disburse higher dividends this year to depositors following attractive returns on investments coupled with proceeds from the sale of its stake in a plantation company in Indonesia.

This is a reflection of the national pilgrim fund board's efforts to ensure depositors' capital remains protected, while at the same time giving them "handsome" returns, said group managing director and chief executive officer Datuk Ismee Ismail.

"Last year, we declared a 6% dividend (and) hopefully, this year, we should be able to maintain our performance. We are working very hard to ensure that LTH depositors' money, the capital, is protected and for them to get a decent return for their savings," he said.

As of February 2012, there were 6.9 million depositors in LTH. The higher returns on investment have allowed LTH to continue to absorb some of the pilgrimage costs for Malaysians that continue to rise every year due to different external factors, Ismee said.

This year, he said, the cost per person has risen to RM5,175 from RM4,320 last year due to the rise in accommodation, transportation and related costs, yet LTH depositors on their first pilgrimage are

charged RM9,980 for the haj package, a rate that has not changed since 2009.

He said the fund board's real estate investments in Mecca are also a long-term strategy to reduce pilgrimage cost as it can use the returns on investments as cross subsidy.

On the RM3 billion proposed sale of its 95% stake in PT TH Indo Plantations, Ismee said the buyer has been given until the end of August to complete the due diligence process.

LTH first bought the stake in 1997 for between RM800 million to RM1 billion. The Indonesian unit has 83,879ha of plantation land in Riau, Sumatera, out of LTH's total landbank of 210,000ha.

Through the proceeds, LTH is planning to increase its interest in plantations and is looking at Malaysia and Indonesia for

possible new investments.

"The plantation sector is one of LTH's main areas of continued involvement. From here we will look at opportunities to re-invest in new areas offering better returns," he said.

"Increasing the landbank will be done over the next few years. We will continue to look at Malaysia and Indonesia because we are here to stay in the plantation sector," Ismee said, adding that LTH's unit, TH Plantations Bhd, will be the flagship in the plantation sector.

The pilgrimage fund also has another six wholly-owned subsidiaries in the plantation sector — TH Agro Sdn Bhd, TH Bakti Sdn Bhd, TH Estates (Holding) Sdn Bhd, TH Indo Industries Sdn Bhd and TH Ladang (Sabah & Sarawak) Sdn Bhd. — *Bernama*