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Tabung Haji likely to give higher dividends

KUALA LUMPUR: 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 was 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.

He told Bernama in an interview recently that LTH would ensure that any investment made would bear fruit for them and their depositors at the end of the day.

"Last year, we declared six per cent dividend (and) hopefully, this year, we should be able to maintain our performance.

"We are working very hard to ensure that Tabung Haji 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 Tabung Haji.

The higher returns on investment have allowed LTH to continue to absorb some of the pilgrimage cost for Malaysians that continues to rise every year due to different external factors, Ismee said.

"Alhamdulillah, in the past few years, we have been subsidising haj pilgrims.

"We have been able to do it because of the good returns from our investments," he said.

This year, he said, the subsidy 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.

"In the haj training course, we always inform them: if you are a first-timer and going under muassasah (normal package service), this is how much Tabung Haji supports.

"In a way, our higher returns on investments directly benefit intending haj pilgrims," he said.

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

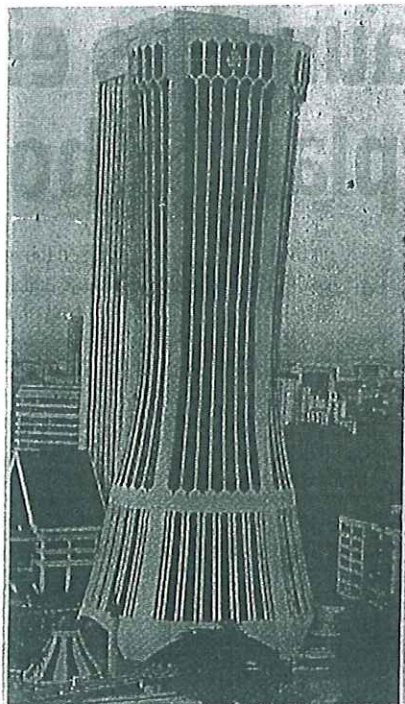
On the RM3 billion proposed sale of its 95 per cent stake in PT TH Indo Plantations, Ismee said the buyer has been given until the end of August to complete the due diligence process.

"Of course, with the sale, this is going to be an exceptional item for the year and of course, we will be making a handsome profit from this transaction.

"We are going to declare as dividends to depositors, (definitely) it will translate to higher dividends," he said.

LTH first bought the stake in 1997 for between RM800 million to RM1 billion.

The Indonesian unit has 83,879 hectares of plantation land in Riau, Sumatra, out of LTH's total landbank of 210,000 hectares. — Bernama



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