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TABUNG Haji is eyeing properties to diversify its investment portfolio and will focus on acquiring assets in Malaysia.

*Tabung Haji group managing director and CEO Tan Sri Ismee Ismail says it has no immediate need to buy real estate overseas*

REPORT ON B2

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# Tabung Haji set to invest in domestic properties

**FOCUS ON LOCAL VENTURES:** Move will help diversify investment portfolios and raise wealth

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**T**HE chief of Lembaga Tabung Haji says the pilgrim fund will focus on domestic property acquisitions this year instead of venturing overseas.

Group managing director and chief executive officer (CEO) Tan Sri Ismee Ismail said Tabung Haji has been actively seeking for potential properties to acquire locally, in its drive to diversify its investment portfolios and raise wealth.

He said due to the current economic conditions, Tabung Haji would be focusing on local ventures while keeping its options open on overseas opportunities.

"For now, it may not be the best time to do a transaction but when the time is right, we may go in again to invest. I am a great believer in terms of property investments.

"Today, we have investments in Saudi Arabia, Australia and the United Kingdom (UK). We will always explore overseas ventures to continue our role as a global player.

"For this year, we will adopt the look and see approach. We have no immediate need to acquire real estate overseas. Our focus today is on domestic properties as a tactical



**Lembaga Tabung Haji, with a fund size of RM60 billion, reviews its strategic asset allocation every three years, allocating 20 per cent for property investments.**

strategy but we will keep track on the players overseas," he said in an interview, here, recently.

Tabung Haji has properties in 10, Queen Street Place, 151 Buckingham Palace Road and Unilever UK headquarters in London as well as ATO Building in Collins Square, Australia and Al Haram, Al Aqiq, Al Saha hotels and the Hajar Tower in Saudi Arabia.

The pilgrims fund purchased Unilever's Surrey headquarters in England for £75 million (RM420 million) in January last year.

With a fund size of RM60 billion, Tabung Haji reviews its strategic asset allocation every three years, allocating 20 per cent for property investments.

Ismee, who took over as CEO in 2006, has managed to elevate and transform the pilgrims fund's deposit base from RM13.3 billion in 2006 to RM60 billion currently.

Asked whether this would be the right time to dispose of some properties under its stable, Ismee said it is (a good time to sell) but Tabung Haji would observe the taxation structure in the respective countries before doing so.

"Most foreign property owners will acquire properties via offshore companies, i.e. British Virgin Islands to get some tax benefits and there are some restrictions when acquiring through such a vehicle."

Stressing on the importance of real estate as a good avenue for

wealth accumulation, Ismee said he plans to focus on Tabung Haji's ventures in the UK, Australia and Saudi Arabia for the time being.

"Before we go to any other cities or countries, we should focus on these three first as we have not fully utilised the abundant opportunities there.

"I think for now, I will stay put with UK, Saudi Arabia and Australia where Tabung Haji already has a real estate footing. We are still quite new in London and we need to hold the property for at least five years to avoid the notion that we are speculating or soliciting to sell," Ismee said, adding that if there was a good offer, Tabung Haji would consider to sell.