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Lower dividend from Tabung Haji

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KUALA LUMPUR, Tues. - Tabung Haji will pay a dividend of less than five per cent for the 2001 financial year, the lowest in nine years.

"Yes, I can confirm that the dividend will be less than five per cent," chairman Tan Sri Zainol Mahmood said today when asked on speculations that the agency was expected to declare a lower dividend than 2000's 5.5 per cent.

Zainol, who was reappointed to the post last August, said the official announcement would be made next month.

He was speaking to reporters after an aid presentation ceremony to orphans officiated by Prime Minister Datuk Seri Dr Mahathir Mohamad at Tabung Haji headquarters.

The event, which saw 255 orphans from various races receiving donations ranging from RM150 to RM250 each, was organised by the Federal Territory Muslim Orphans Welfare Association.

Zainol said Tabung Haji was not able to pay a higher dividend due to lower investment returns in the stock and financial markets.

"The economic slowdown has affected our earnings," he said.

Zainol said the lower dividend for last year was a drastic drop compared to previous payouts and might not be well-received by depositors.

On steps taken to ensure depositors would be paid better dividends in the future, he said Tabung Haji had appointed professionals to its investment panel comprising syariah law experts, accountants and corporate figures.

The new appointments are part of the efforts to restructure the agency and overcome its weaknesses.

Despite insufficient profits, Tabung Haji paid an eight per cent dividend in 1999, according to the Auditor-General.

To ensure it could pay the high dividends, it approved the selling and buying back of its shares totalling RM229.43 million in Nestle Company, Federal Flour Mills and MISC to its subsidiary company, Tabung Haji Plantations Sdn Bhd.

But the Auditor-General felt the move was not prudent and not in accordance with international accounting standards.

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