

# MOHE says MoF refused restrospective approval of RM259.98m capital injection in UiTM Holdings

By [Diyana Isamudin](#) - July 17, 2024 @ 9:15pm



The Public Accounts Committee's (PAC) follow-up action report on UiTM Holdings Sdn Bhd revealed that the Ministry of Finance (MoF) refused an appeal by the Higher Education Ministry (MOHE) in April 2024 to give restrospective approval for a RM259.98 million investment UiTM made in UiTM Holdings Sdn Bhd (UHSB) in 2021. - STR/MOHD ASRI SAIFUDDIN MAMAT

KUALA LUMPUR: The Public Accounts Committee's (PAC) follow-up action report on UiTM Holdings Sdn Bhd revealed that the Ministry of Finance (MoF) refused an appeal by the Higher Education Ministry (MOHE) in April 2024 to give restrospective approval for a RM259.98 million investment UiTM made in UiTM Holdings Sdn Bhd (UHSB) in 2021.

The investment made was in the form of capital injections and loan-to-equity conversions.

According to the PAC report released on July 16, 2024, MOHE made an appeal with MoF in April 2024 to give restrospective approval for the investments as part of its efforts to make corrective measures for PAC investigation findings in March 2024.

The MOF however refused due to legal requirements, and UiTM's action of injecting capital based solely on decisions at the University's Board of Directors level is irregular because it contradicts Act 173.

MOHE said in order to ensure compliance with MoF approval requirements for investments and financing, a briefing was conducted on the use of the Investment and Financing Guidelines by Public Universities for the Year 2024.

MOHE said the briefing was held for all Public University Treasurers on April 23-24, 2024 at Hotel Royal Chulan Damansara.

The PAC acknowledged UiTM and MOHE corrective efforts, but warned against a repeat of investment without approval of MoF.

PAC also noted MOF's decision and stance that retrospective approval is irregular and not in line with Act 173, which requires approvals to be given within the current financial year.

It said MOHE and UiTM must ensure that this issue does not recur in the future.

As for the issue related to the actual exchange of land conditions at its Solar Park I project in Gambang, Pahang, the status remains for 'higher education institution site' following the withdrawal of the previous application from UiTM.

UiTM Energy & Facilities Sdn. Bhd. and the Kuantan District and Land Office also reached an agreement to resolve the issue on land tax arrears along with penalties amounting to RM3.15 million in installments over a period of six months starting from May until October 2024.

"The PAC recognises the efforts of the MOHE, UiTM, and UiTM Holdings in ensuring the activities of UHSB are executed in an orderly, efficient, and effective manner, complying with good corporate governance practices," PAC chairman Datuk Mas Ermieyati Samsudin said in a statement issued by UHSB.

In ensuring a more effective regulatory system for UHSB and its subsidiaries to yield more profits and pay dividends per its establishment objectives, the committee is informed of the measures taken by MOHE and UiTM.

The PAC also acknowledged the presentation of UiTM Holdings' 10-Year Strategic Roadmap which UiTM Holdings set a target for the recovery of the company's performance with an expected profit margin of 12 per cent and dividend return within five years.