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MEDIA STATEMENT BY PAC

Follow-Up Proceeding by the Ministry of Defence (MINDEF) on the PAC Recommendations Regarding the Progress of the Second-Generation Patrol Vessel Project – Littoral Combatant Ship (LCS) for the Royal Malaysian Navy under the Ministry of Defence

- The Public Accounts Committee (PAC) views with great concern the issue of delays in the progress of the construction of the Littoral Combatant Ship (LCS) owned by the Royal Malaysian Navy and requires thorough and periodic monitoring of the progress.
- 2. The progress of the LCS construction project was reported to the PAC today, in the Follow-Up Proceeding by the Ministry of Defence on two recommendations from the PAC Report, regarding the Progress of the LCS Construction Project for the period of October 2022 to May 2023 (DR.6/2023) and for the period from June to September 2023 (DR.13/2023).
- 3. Present in the follow-up proceeding are:
 - i. Datuk Seri Isham bin Ishak, Chief Secretary (KSU) MINDEF;
 - ii. Admiral Ir. Ts. Franklin Jeyasekhar Joseph, Head of LCS Project Team; and
 - iii. Captain Ir. (B) Azhar Jumaat, Chief Executive Officer of Boustead Naval Shipyard.

- 4. The revelation of the delay is a surprising matter and is of concern to the PAC, which urges the contractor and the LCS Project Team to take proactive measures to address the issues.
- 5. However, the committee welcomes the statement by Datuk Isham that MINDEF will take immediate action to ensure the issue is addressed.
- 6. The duration of the construction delay cannot be disclosed at this time, complying to the Standing Order 85 of the Dewan Rakyat Standing Order.
- 7. The PAC is expected to present a report on today's proceeding in the Follow-Up Report by the Ministry of Defence on the recommendation by the PAC on LCS in the session of the Dewan Rakyat which is scheduled to begin on 26 February 2024.
- 8. The committee was also informed that LCS 1 (KD Maharajalela) will only be handed over to the Royal Malaysian Navy (TLDM) in October 2026.
- 9. The PAC was also informed that the previously announced tests, expected to be conducted between May and June 2024, are equipment tests that the contractor must perform when the ship is afloat to ensure that the LCS ship is truly ready before being handed over to TLDM.

Thank you.

Hon. Datuk Wira Mas Ermieyati binti Samsudin Chairman of PAC