



PENGERUSI JAWATANKUASA  
KIRA-KIRA WANG NEGARA (PAC)  
MERANGKAP AHLI PARLIMEN MASJID TANAH  
PEJABAT SEKRETARIAT  
JAWATANKUASA KIRA-KIRA WANG NEGARA

Tel : 03-2601 7263 / 2698 6852 (DL)  
Faks : 03-2698 9218  
Email : [pacparlimen@parlimen.gov.my](mailto:pacparlimen@parlimen.gov.my)  
Laman Web : <http://www.parlimen.gov.my/pac>

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## PAC MEDIA STATEMENT

### PAC REPORT REGARDING THE PROGRESS OF THE SECOND GENERATION PATROL VESSEL DEVELOPMENT PROJECT - LITTORAL COMBAT SHIP (LCS) OF THE ROYAL MALAYSIAN NAVY (TLDM) UNDER THE MINISTRY OF DEFENSE (MINDEF) FOR THE PERIOD FROM JUNE TO SEPTEMBER 2023

1. The Public Accounts Committee (PAC) today presented “The Report Regarding the Progress of the Second Generation Patrol Vessel Development Project – Littoral Combat Ship (LCS) of The Royal Malaysian Navy (TLDM) under the Ministry of Defense (MINDEF) for the Period from June to September 2023”.
2. This is the second time the PAC of the 15th Parliament presented the LCS Report after it was presented the first time on 9 October 2023. For the purpose of this report, the PAC held a proceeding on 3 October 2023. During the proceeding, the witnesses who appeared before the PAC were as follows:
  - i. From MINDEF:
    - a) **Datuk Seri Isham bin Ishak**, Secretary General;
    - b) **Datuk Dr. Shahrazat binti Haji Ahmad**, Deputy Secretary General (Development); and
    - c) **Laksamana Ir. Ts. Franklin Jeyasekhar Joseph**, Director General of the TLDM LCS Project Team.

- ii. From BNS, the company:
    - a) **Mr. Izaddeen bin Daud**, Deputy Chairman of the Board of Directors; and
    - b) **Captain (B) Ir. Azhar bin Jumaat**, Chief Executive Officer.
3. PAC, together with the Speaker of the House of Representatives, **Tan Sri Dato' Johari bin Abdul**, also had a work visit to the Boustead Naval Shipyard Sdn. Bhd. (BNS) on 5 October 2023 to see the progress of the LCS construction works that are being carried out.
4. The meeting for preparing this report was held on 26 October 2023. It was attended also by seven PAC ex-officio who were from the Attorney General's Department, Public Service Department, Ministry of Finance, National Audit Department, Malaysian Anti-Corruption Commission, Ministry of Economy and Accountant General's Department. They agreed with the content, conclusions and recommendations of the report.
5. In overall, the report contains the following matters:
  - a) the sixth supplementary agreement (SA6);
  - b) details of the additional cost of RM 2.098 bilion;
  - c) LCS project timeline,
  - d) the take-over of BNS by the Ocean Sunshine Berhad, a special-purpose vehicle established by the Ministry of Finance; and
  - e) the LCS project variation orders as of 25 September 2023.

6. The public who are interested in reading the PAC's Report Regarding the Progress of the Second Generation Patrol Vessel Development Project – Littoral Combat Ship (LCS) of The Royal Malaysian Navy (TLDM) under the Ministry of Defense (MINDEF) for the Period from June to September 2023, especially the summary and recommendations, can download the report from the PAC website: [www.parlimen.gov.my/pac](http://www.parlimen.gov.my/pac)

Thank you.

**Hon. Datuk Wira Mas Ermieyati binti Samsudin**  
**PAC Chairperson**