



27 June 2024

PAC MEDIA STATEMENT

1. The Public Accounts Committee (PAC) today tabled the **PAC Report on the Follow-up Actions of the Langkawi Development Authority (LADA) and the Ministry of Finance (MOF) for the Recommendations of the PAC Report Regarding LADA's Property Development Management (DR.19/2024)**.
2. This report is to inform the follow-up actions taken by MOF and LADA against the PAC recommendations in the PAC Report regarding LADA's Property Development Management (DR.4/2024) which was tabled in the Parliament on 19 March 2024 as stated in the Treasury Instruction 304 (b) Year 2023.
3. PAC held a Follow-up Action Proceeding of the Controlling Officer on the PAC recommendations for the PAC Report DR.4/2024 on **12 June 2024** and the witnesses present were **YBhg. Datuk Dr. Shahrazat binti Haji Ahmad**, Deputy Secretary General of Treasury (Investment), MOF and **YBhg. Dato' Haslina binti Abdul Hamid**, Chief Executive Officer of LADA.
4. This Committee provides feedback on each follow-up action taken by MOF and LADA like in each follow-up action against the recommendations of the PAC report.

5. PAC takes note of the positive efforts taken by MOF and LADA to ensure that Langkawi continues to be the main geotourism destination in the region as well as the tourist attraction.
6. Following the PAC recommendations on the LADA land lease issue for the St. Regis Hotel, this Committee has been informed that the agreement between the shareholders has been finalised and signed on 10 June 2024, which was a day before the PAC held a working visit to Langkawi Island on 11 June 2024.
7. In this regard, PAC would like to emphasise that MOF and LADA need to ensure the compliance with the land lease agreement and amendment of the shareholder agreement between INR Sdn. Bhd., MKD and LADA. MOF needs to immediately ensure that land lease arrears are paid within six (6) months after the agreement is signed.
8. The negotiation on the comprehensive recovery plan that initiated by INR Sdn. Bhd. with Bank Pembangunan Malaysia Berhad (BPMB) and the Receiver and Manager (R&M) need to be finalised as soon as possible to ensure loan arrears by INR Sdn. Bhd. can be paid to BPMB.
9. In addition, MOF must ensure that the direction of the Tok Senik Village Resort project will not involve financial and legal implications on the Government.
10. In addition, PAC is of the view that the management of the Kuah Jetty, which was built at a cost of RM7.3 million, should be managed by LADA itself or through its subsidiary, Langsura Geopark Sdn. Bhd. since the provision for the construction of this jetty comes from the Government's allocation.

11. For development projects, LADA needs to be more committed and proactive in monitoring the implementation of each development project to ensure the quality and the progress of the project is as scheduled.
12. PAC also calls on various Government agencies and departments at the Federal or State level to work together with LADA in improving the accessibility of passenger ferry to ensure that various segments of tourists have access to Langkawi.
13. The advantage of Langkawi tourism is the Geopark and LADA needs to exploit this industry more aggressively at the international level. Therefore, LADA should be more active in engaging with related parties in an effort to implement the planned programmes, hence promoting Langkawi Island as a tourist destination and remain recognised in the eyes of the world.
14. The public can read every LADA and MOF follow-up action as well as PAC feedback by visiting the PAC website at www.parlimen.gov.my/pac.

Thank you.

Honourable Datuk Wira Mas Ermieyati binti Samsudin
Chairman of PAC