

APPENDIX A

MINISTRY OF DEFENCE
KUCHING, MALAYSIA
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**Procurement System of the
Ministry of Defence
Malaysia**

It is a Ministry of Finance requirement that defence purchases be made through a registered agent. Any company which is registered with the Registrar of Companies in Malaysia can seek to become a defence procurement agent.

5.1. Procurement Agent

Lehni is interested in finding a procurement agent who will be offset to the Malaysian market. This will be handled by a local agent appointed by Lehni. The agent will be responsible for the collection of payment and for the payment of a commission. The commission is currently at the range of 3 - 4 per cent and can be increased to 5% on the realization of the purchase price.

5.2. Product Promotion and Support

The main purpose of our service personnel like to visit the manufacturer's production plant to satisfy themselves that the product is up to specification and that the company can provide post delivery support if necessary. Such visits are, of course, important marketing opportunities.

The services also have to see the product in actual operation. It is a further advantage if the relevant home country has the production line and will allow Malaysian personnel to see it in operation. A further advantage is if the contract can be reached for a local personnel to train on the equipment. The home country can be an example of this. The German Navy has been training on German ships.



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