



Synergy House Berhad Group of Companies - Purchasing Policy



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|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 2 of 11 |
| | Purchasing Policy | | | | |

TABLE OF CONTENTS

| | Page |
|--------------------------------|-------------|
| 1. INTRODUCTION/PURPOSE | 3 |
| 2. SCOPE | 3 |
| 3. POLICY/PROCEDURE | 3 |
| 4. REVIEW AND UPDATE | 4 |

| | | | | | |
|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 3 of 11 |
| | Purchasing Policy | | | | |

1. INTRODUCTION/PURPOSE

This Purchasing Policy is established to provide clear guidelines and standards for the acquisition of goods and services, fostering a transparent, ethical, and cost-effective approach to procurement of Synergy House.

2. SCOPE

This Purchasing Policy applies to all procurement activities conducted by Synergy House. It encompasses the acquisition of goods procurement, service procurement, vendor selection, contracting, budgeting, authorization, and record keeping.

3. POLICY/PROCEDURE

3.1 Costing Request / Raw Material Request


All requests must be submitted through Wrike with detailed information, such as item descriptions, quantities, preferred suppliers (if any), and justifications for the purchase.

3.2 Margin List / Target Selling Price

Procurement team will perform cost analysis, identify the desired profit margin, and get approval from upper level. Then purchasing to provide Target Selling Price to marketing (B2B customer) after approved.

3.3 Vendor Selection

Vendor selection will be based on predetermined criteria, including cost, quality, reliability, and ethical business practices. Purchasing team will maintain an approved vendor list and periodically review and update it.

| | | | | | |
|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 4 of 11 |
| | Purchasing Policy | | | | |

3.4 Ethics and Compliance


All purchasing activities must adhere to ethical standards, avoiding conflicts of interest and ensuring compliance with legal and regulatory requirements. Employees involved in purchasing must disclose any personal relationships or financial interests with potential or existing suppliers.

3.5 Record Keeping

All relevant documentation, including Costing Request, Target Selling Price, Margin List, and approvals, must be accurately recorded, and maintained for auditing purposes.

4. REVIEW AND UPDATE

The purchasing policy will be subject to regular reviews to assess its effectiveness and relevance. Any necessary revisions will be made to align with changing organizational needs and industry best practices.

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|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 5 of 11 |
| | Purchasing Policy | | | | |


Appendix 1:

Vendor Assessment Form



Supplier Assessment Form

| | |
|-----------------------------------------------|--|
| Vendor name | |
| Vendor contact email address | |
| Factory address | |
| Factory contact and title | |
| Factory contact mobile no. / Office Phone No. | |
| Date of establishment | |
| Total operating space (area) | |
| Product ranges | |
| Export percentage | |
| Last year turnover | |
| Total employees | |
| Production capacity | |
| Total Lead Time | |
| Major customers | |
| Is factory ISO9001:2015 Approved? | |

| | | | | | |
|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 6 of 11 |
| | Purchasing Policy | | | | |

| Area | Audit Scores |
|--------------------------------------|--------------|
| 1. Incoming Goods and Pre production | |
| 2. Production process and facilities | |
| 3. Corporate Social Responsibility | |
| Total Scores | |
| Grade Attained | |

| | |
|--------------|--|
| Auditor Name | |
| Audit Date | |
| Checked By | |
| Checked Date | |


Table 1

| Score | Descriptions |
|-------|-------------------------------------------------|
| 0 | Not Meet Requirement |
| 1 | Partially Meet Requirement / Improvement needed |
| 2 | Meet Requirement |


**Please provide the requested information and rate the supplier's performance on a scale of 0 to 2, where 0 is not meet requirement and 2 is meet requirement.

Table 2


| Total Score | Grade | Description |
|-------------|-------|-------------------------------------------------|
| 0% - 40% | F | Fail |
| 41% - 59% | B | Partially Meet Requirement / Improvement needed |
| 60% - 100% | A | Pass |

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|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 7 of 11 |
| | Purchasing Policy | | | | |


| | Incoming Goods and Pre production | Score | Comments |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|
| 1 | Are handling and storage facilities fit for purpose? | | |
| 2 | Are processes in place to identify and check all incoming goods? | | |
| 3 | Is there appropriate (calibrated or tested) measuring equipment available to check incoming goods? Is measuring equipment regularly calibrated? | | |
| 4 | Does the factory monitor the outcome of failed inspections and take corrective action with their suppliers? | | |
| 5 | Does the factory audit their supply base? | | |
| 6 | Is the product packaging developed at the factory? | | |
| 7 | Does the factory have its own compliance testing? | | |
| 8 | Do the factory use outside testing from accredited 3rd parties? | | |
| 9 | Is any in-house testing carried out on the packaging? Transit testing? | | |
| 10 | Is Design/Research & Development done in house at the factory? | | |
| 11 | Are internal pre-production meetings held? | | |
| 12 | Is documentation/QC files provided to production and QC from Engineering/QA/Development, before production can begin? | | |
| 13 | Does the factory have a proper documentation control system for all product drawing? | | |
| | Total Scores | | |

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|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 8 of 11 |
| | Purchasing Policy | | | | |

| | Production process and facilities | Score | Comments |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|
| 1 | Is the cleanliness of the machine and environment being maintained to ensure that product quality and finishing remain unaffected? | | |
| 2 | Is lighting level meet 300-500lux? | | |
| 3 | Do raw materials / components have appropriate identification? | | |
| 4 | Are the processes used in the manufacturing of goods sufficiently accurate to achieve the desired build quality? | | |
| 5 | Is the machinery used in the manufacturing of goods sufficiently accurate to achieve the desired quality? | | |
| 6 | Are jigs used in the factory and being maintaining with a proper control system? | | |
| 7 | Are Inline inspections carried out by in house QC during production? Is there an independent Quality Control Department available? | | |
| 8 | Is there an adequate space for inline and final inspections to be carried out? | | |
| 9 | Are failings from the in-line inspections recorded, and CAP's put in place to prevent recurrence? | | |
| 10 | Are formal inspection instructions provided at each stage of the production? | | |
| 11 | Is finished product clearly identified? | | |
| 12 | Does the factory operate an effective sharp tools/needle policy? | | |
| 13 | Are the storage area/pallets being used for packaged product an adequate size? | | |
| 14 | Does the factory have a proper goods loading platform to ensure the stability of loading process so that the product arrives at destination in pristine condition? | | |
| | Total Scores | | |

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|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|---------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supercedes: 17-Nov-2023 | Page No. 9 of 11 |
| | Purchasing Policy | | | | |

| | Corporate Social Responsibility | Score | Comments |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------|
| 1 | Have workers been issued with, and are wearing, appropriate forms of personal protective equipment (PPE) e.g. Gloves, safety glasses, face masks, ear plugs etc | | |
| 2 | Are hazardous products stored in a manner consistent with proper safety measures? Is there a defined process in position for managing and disposing of chemical waste? | | |
| 3 | Is there an evacuation plan on each floor that is clear and visible to all workers, outlining all exits and locations of extinguishers and hoses? Did fire drill training in the factory and dormitory conducted every year? | | |
| 4 | Are all fire routes/exits clearly visible, unlocked, and have clear access? | | |
| 5 | Are fire extinguishers available, accessible, maintained and appropriately positioned? | | |
| 6 | Have any risks of fire been observed? E.g. unsafe/bare electrical wires or processes where flammable materials and excessive heat exists | | |
| 7 | Are there fully stocked first aid boxes and eye wash facilities (where appropriate) readily available? | | |
| 8 | Is there clean and freely available drinking water for all workers? | | |
| 9 | If employees live at a dormitory provided by the factory, is their living accommodation to the local standards? | | |
| 10 | Foreign workers' passports retained by the factory management? | | |
| 11 | Workers' working hours exceed 60 hours in a week? | | |
| 12 | Are there any recruitment fees at any stages during employment that need to be paid by the foreign workers? | | |
| | Total Scores | | |

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|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|----------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 10 of 11 |
| | Purchasing Policy | | | | |

Appendix 2:

Vendor Registration Form



OFFICE: LOT 18A & 18B & 19A, TOP GLOVE TOWER, 16, PERSIARAN SETIA DAGANG SETIA ALAM, SEKSYEN U13, 40170 SHAH ALAM, SELANGOR, MALAYSIA.
SHOWROOM : 21 & 23, LORONG SULTAN MUHAMED 25A, TAMAN IKS PKNS, BANDAR SULTAN SULEIMAN, 42000 PORT KLANG, SELANGOR, MALAYSIA
WEBSITE: <https://www.synergyhouseberhad.com>

Vendor Registration Form

Synergy House Furniture Sdn Bhd
Synergy House International Sdn Bhd

COMPANY PROFILE:

Company Full Name _____
Company Register No. _____
Date Established _____
Company Address _____
Contact Person (Name) _____
Designation _____
Mobile Phone _____
Phone _____
Email _____

PAYMENT TERM:

Deposit: YES NO

If YES: (Deposit will be pay 2 months before shipment) - based on SPO state date

Deposit: _____% Balance: _____%
Deposit: _____days before shipment (SPO) Balance: _____days after shipment ETD

If NO: (Example: 30days)

Term: _____days after shipment ETD

Currency: USD RMB MYR

PAYMENT TERM: (For B2C & SHI)

Deposit: YES NO

If YES: (Deposit will be pay 2 months before shipment)

Deposit: _____% Balance: _____%
Deposit: _____days before shipment Balance: _____days after Inspection Passed

If NO: (Example: 30days)

Term: _____days after Inspection Passed

Currency: USD RMB MYR

FINANCE PERSON INCHARGE:

Contact Person (Name) _____
Designation _____
Email _____
Contact No _____

BANK DETAILS:

Company Name in FULL _____
Company Register No. _____
Name of Bank _____
Bank Account No. _____
Swift Code (Only for overseas supplier) _____


CUSTOMER REFERENCES – please provide the names of your top 5 customers by turnover.

1 _____
2 _____
3 _____
4 _____
5 _____

SHIPPING TERM

FOB YES NO
EX-Factory YES NO
Delivery to SHF warehouse (B2C & SHI) YES NO

Signed: _____
Name: _____
Date: _____
Company Chop: _____

| | | | | | |
|-----------------------------------------------------------------------------------|--------------------------------------------|---------------|----------------|-----------------------------------|----------------------|
|  | Document Code: SHB-PCHG-2023-P01 | Revision No.: | Revision Date: | Supersedes: 17-Nov-2023 | Page No. 11 of 11 |
| | Purchasing Policy | | | | |

Appendix 3:

Vendor Performance

| Status | Third party manufacturers (Company name) | Country | Audit | Specialty | Price Competitiveness | Product Quality | On Time Delivery | Product Development | Communication /Partnership | Production Capacity | Total | Total Capacity |
|--------|---------------------------------------------|---------|-------|-----------|--------------------------|--------------------|---------------------|------------------------|-------------------------------|------------------------|-------|-------------------|
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
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| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

** Willing to grow together

| Score | Description | |
|-------|----------------------------|-----------|
| 0 | Not Meet Requirement | < 40% |
| 1 | Partially Meet Requirement | 41% - 59% |
| 2 | Meet Requirement | > 60% |

| Grade | Description | Criteria |
|-------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| A | Large Capacity , Fast in development , willing to grow with SHF , good performance | 50% - 100% |
| B | Small Capacity , slow in development , remain current order , review time to time | 30% - 49% or 50% -75% (Capacity score 0-1) |
| C | Remain current order , no new development | 21% -29% or 50% - 60% (Price Competitiveness / Product Development score 0) |
| F | Stop all development , Inactive from SHF list | 0% - 20% |