



Corporate Proposal
Special Review
Fine Line Technology Sdn. Bhd.



Prepared by:



13 November 2015

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The certified company of:



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DISCLAIMER

This corporate proposal is prepared by Salihin Consulting Group Sdn. Bhd. ("SALIHIN") in response to a request for proposal by Malaysian Technology Development Corporation ("MTDC") for Special Review for Fine Line Technology Sdn. Bhd. ("Company"). This proposal is for the sole and exclusive use of MTDC.

The scopes of the engagement have been deliberated by MTDC and have been incorporated in this proposal.

This proposal is therefore considered to be proprietary by SALIHIN and shall not be made available, in whole or in part, to anyone other than MTDC or people within MTDC who are designated to evaluate or implement the proposal, unless express and written permission of SALIHIN is obtained.

Only the hardcopy version of the proposal printed on paper and signed by an authorized personnel of SALIHIN constitutes the official version of the proposal. The date of this proposal is stipulated on its cover letter. Any queries with respect to this proposal should be addressed to the undersigned as per cover letter.

AN OVERVIEW

About the Company

The Company is a private limited company, incorporated under the Companies Act 1965 on 23 August 2004, and domiciles at Kuala Lumpur. The Company is focusing in system design and integration as well as marketing software for business solutions.

In regards to financial performance, the Company has recorded revenue of RM1.6 million for the financial year ended 30 June 2014. Respectively, the Company has recorded Profit After Tax of RM116k in the same financial year.

In addition, the Company has recorded positive working capital of RM797k for the respective financial year 2014.

Justification of the Special Review

MTDC has noted potential & anticipated risks in regards to the Company and its operations. Among others was the departure of key executive personnel of the Company since the MTDC's fund was disbursed.

Thus, the specific areas for review have been deliberated by MTDC as follows:

- Review of fund utilisation of RM841,943;
- Review of financial performance & possible irregularities in regards to revenue, profitability, receivables and others financial ratios, and comparison with the Company's historical performance;
- Review of quality level of the products & services in relation to assessment of its deliverables to clients and satisfaction level by clients;
- Review of organisational & corporate structure of the Company and its relation to other related entities;
- Review of financial transactions with related & 3rd parties entities;
- Review of the cash flow of the Company;
- Review of revenue segment, revenue contributor and key clients;
- Review of corporate governance of the Company in regards to board members & key executives' duties & responsibilities; and
- Review of status of Condition Subsequent ("CS") of the executed Due Diligence engagement.

EXECUTIVE SUMMARY

We believe there are compelling reasons for choosing SALIHIN to work alongside MTDC to enhance the value of its investment. A critical element to the success of this engagement is how well we work together. SALIHIN has the team, credentials and commitment to work with the Company on this strategic initiative to assist in delivering your desired outcomes.

Our Experienced Team

We have an experienced team of professionals who have worked on a variety of clients which committed to results and providing value to MTDC. Please refer to **Page 8**, **Page 36** and **Page 37** for details of our team.

Our External Track Record

We have track record of delivering similar engagements successfully for a number of organizations in various industry sectors. Please refer to **Page 22** to **Page 28** for details of similar engagement undertaken.

Our Clarity of Approach

Our approach is in compliance with the Securities Commission Guidelines on Due Diligence Conduct for Corporate Proposal and other relevant standards in performing professional Financial Due Diligence review. Please refer to **Page 30** to **Page 34** for details of our approach.

Our Competitive Fees

We have crafted a fee structure which we believe is reasonable and reflects the caliber of the team's experience and the value we can bring to MTDC. Please refer to **Page 35** for details of proposed professional fee.



ABOUT US

ABOUT US

FIRM'S DESCRIPTION



SALIHIN introduced its name to the world on January, 2002. The genesis of our 13 years' journey began with an ardent determination to spread our wings and make our presence felt. Since then, each year that passes confirms and demonstrates our commitment to our vision.

The past decade spent witnessed continuing effort to build our brand, which has now become identical to our commitment to integrity and high quality services. SALIHIN is MSC Status Company and a certified company of 1-innocert and Enterprise 50.

In addition, SALIHIN is an established boutique firm specialising in all aspects of corporate finance advisory and investment management, providing services to the Government, Ministries, Multinational Companies, Public Listed Companies and Government Linked Institutions, Commercial Banks and Private Companies.

We are licensed by the Securities Commission Malaysia to advise on Corporate Finance under the Capital Market and Services Act 2007. We have performed various engagements from Strategic Transaction Advisory, Fund Raising Exercise for both Debt & Equity Markets, Strategic and Financial Advisory on Public Private Partnership and Corporate Restructuring.

For further info, visit www.SALIHIN.com.my

ABOUT US

LEADERSHIP



SALIHIN ABANG
Managing Partner / CEO



AHMAD ALJAFREE RAZALLI
Partner



ABDUSSALAM SHOKHAWI
Director of GST Consultancy



FAIZUL NIZAN ZULKEFLI
Director of Audit & Assurance



MOHD FARIED JAMIL
Director of Tax



SHAFIANA MOHAMED SALLEH
Director of Finance



AHMAD IZWAN ADNAN
Director of Transaction & Corporate Finance

ABOUT US

VISION & MISSION

VISION



SALIHIN aspires to become a 'glocal' consulting firm serving both local and international clients. Its glocal strategic move is not just to spread its wings but to make its presence felt as the preferred and leading global national firm of Malaysian origin in business consultation and other non-traditional services.

MISSION



SALIHIN is dedicated to create value by focusing on customer satisfaction and growth, excellent internal business processes and superior human resource development. Without compromising our professional integrity and independence, we strive to offer the highest quality and value added services to our clients.

ABOUT US

CORE COMPETENCIES



Prominent
Business
Consultants

Chartered
Accountants

Successful
Entrepreneurs

ABOUT US

CORE VALUES



ABOUT US

WHY ?

The following are key reasons why we should be your organization's preferred choice:



We have the right 'hands-on' team with vast knowledge and relevant experience.



We would be able to provide complete and comprehensive reports in tandem to your key areas of concern.



Our Engagement Partner, Board of Advisors and Managers will be involved in closed co-operation to ensure of best services.



We offer 'value for money' without compromising on the quality and timeliness of our services.



We will apply our considerable experience to ensure minimal disruption to clients' daily operations.



ABOUT US

SERVICES & OFFICES

-  Auditing & Assurance
-  Taxation
-  Transaction & Corporate Finance
-  Corporate Secretarial
-  Financial Accounting
-  Islamic Accounting & Auditing
-  IT Consultancy
-  Goods & Services Tax
-  Zakat & Wakaf



KUALA LUMPUR . JOHOR BAHRU . KUCHING
KUALA LUMPUR . JOHOR BAHRU . KUCHING

DETAILS OF SERVICES

AUDIT & ASSURANCE

Financial Statement Audit
Compliance Audit
Operational Audit
Forensic Audit

GOODS AND SERVICES TAX (GST)

GST Compliance and Advisory
GST Preparation and Filing
GST Audit and Investigation
GST Training

FINANCIAL ACCOUNTING SERVICES

Accounting System Development and
Implementation
Financial Statements Review
Business Process Outsourcing

TAXATION

Tax Compliance
Corporate Tax Advisory
Indirect Tax Services
Tax Audit and Investigation
Real Property Gain Tax

IT CONSULTANCY

IT Application Specification
IT Management and Support
IT Procurement

CORPORATE SECRETARIAL SERVICES

Company Incorporation
Other valuable Secretarial Services
Registration with Ministry of Finance
and other Government Agencies

TRANSACTION & CORPORATE FINANCE

Due Diligence
Internal Audit and Forensic Accounting
Valuation
Capital Market
Managerial Finance
Mergers & Acquisitions

ISLAMIC ACCOUNTING & AUDITING

Shariah Compliance Audit
Advisory Services
Zakat - Alms Giving
Waqf - Islamic Endowment

ABOUT US

TRANSACTION & CORPORATE FINANCE SERVICES

No.	Services	No.	Services
1	Internal Audit	2	Business Process Improvement
3	Strategic Business Plan	4	Monitoring Account
5	Financial Management	6	Operational Management
7	Corporate Training	8	Enterprise Risk Management
9	Governance & Compliance Assessment	10	Forensic Account
11	Private Finance Initiative	12	Shariah Compliance & Advisory
13	Strategic Transaction Advisory	14	Fund Raising – Equity Market
15	Fund Raising – Debt Market	16	Listing, De-Listing, Takeover, Mergers & Acquisitions and Demerges

ABOUT US

FINANCIAL & OPERATIONAL MANAGEMENT SERVICES

We are committed to efficient financial management services for your organisation. SALIHIN performs a variety of financial management consulting services for a diverse range of clients. The entire support team, tailored to your needs, will be coordinated by one partner, your single point of contact.



Due Diligence



Business Valuation



Financial & Performance Management

Due Diligence

We perform due diligence and business analysis for organizations in investments, strategic partnerships, mergers, and acquisitions or that are looking to enhance organizational effectiveness in an existing business unit or portfolio company. Some areas covered are:

- ☐ Financial due diligence
- ☐ Operational due diligence
- ☐ Commercial due diligence

Business Valuation

We offer services in the following areas:

- ☐ Purchase or sale of a business
- ☐ Value planning
- ☐ Mergers and acquisitions
- ☐ Marketing and sales of business
- ☐ Business purchase consulting
- ☐ Financial statement analysis
- ☐ Streamline process of buying and selling business

Finance and performance management

Our services:

- ☐ Improve cash flow
- ☐ Streamline processes
- ☐ Optimise cost base
- ☐ Increase the relevance and timeliness of communication and financial information
- ☐ Measure and manage their business performance.
- ☐ Financial services

ABOUT US

INTERNATIONAL NETWORKING

Today's globalization and increasing complexity in the business environment call for strategic alliances. While providing firms with flexibility, it also allow firms to leverage resources and capabilities to achieve objectives that might otherwise beyond their reach.

Eyeing international reach, SALIHIN now is a member firm of i2an, a reputable global network of accountants which have presence in Austria, Belgium, China, Cyprus, France, Germany, Italy, Japan, Luxemborg, Mexico, Russia, Singapore, Spain, Switzerland, The Netherlands, United Kingdom, USA, Ukraine and UAE.



International Accounting
& Audit Network

ABOUT US

CORPORATE SOCIAL RESPONSIBILITY

High on SALIHIN's strategy is taking responsibility to engage and empower the community within its business vicinity. SALIHIN is leading the drive proactively and responsively to 'giving back to community' through various forms of contributions and activities aimed at building capacities, enhancing harmonious and community wellbeing.

- Free tax consultation to the public
- Student education and award sponsorship
- Student conference sponsorship
- Community social and spiritual activities
- Student internship program
- Environmental friendly

ABOUT US

AWARDS & RECOGNITIONS



GOLD SPONSOR



MAIN SPONSOR



SILVER SPONSOR



CO- SPONSOR



ABOUT US

ACCOMPLISHMENT

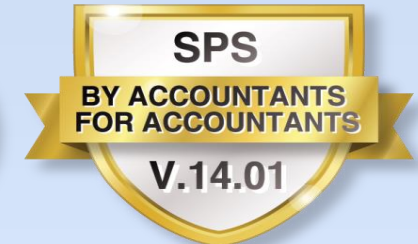
No.	Accomplishments	Year
1	ICAEW Authorised Training Employer	2015
2	GST Compliant Accounting Software by Royal Malaysian Customs Department	2014
3	Approved Human Resources Development Fund ("HRDF") Training Provider	2014
4	Approved Capital Market Services Licence by Securities Commission Malaysia	2013
5	ACCA Gold Approved Employer	2013
6	Licensed GST Agent by the Royal Malaysian Customs Department	2013
7	Certified GST Trainer by the Royal Malaysian Customs Department	2013
8	Sarawak State Entrepreneur of the Year Award	2013
9	MSC Status Company by MSC Malaysia	2013
10	1-innoCert Certification by MiGHT / SMECorp	2012
11	Highest Zakat Collector for Lembaga Zakat Selangor – Audit Firm Category	2012
12	Top 50 SME's Award by SMECorp	2010
13	Young Entrepreneur Award by Malaysian Trade & Industry Organization	2010

ABOUT US

THE INTELLIGENT ACCOUNTING SOFTWARE



Accounting software like no other. With **SPS v.14.01**, your financial accounting, GST compliance and charitable obligations are at your fingertips.



www.salihinpremier.com | 1300 88 5678

ABOUT US

CLIENTELE OVERVIEW

SALIHIN serve diverse clients including corporate companies, foundations, non-profit organisations, government bodies and government linked companies. Their diversity spans across different sectors of the economy.



ABOUT US

CLIENTELE OVERVIEW (Cont'd)



ABOUT US

CLIENTELE OVERVIEW (Cont'd)



ABOUT US

CLIENTELE OVERVIEW (Cont'd)



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ABOUT US

CLIENTELE OVERVIEW (Cont'd)

No.	Client	Engagement
1	SME Bank	Monitoring Audit - Rehabilitation
2	IIUM Holdings Sdn. Bhd.	Internal Audit - Hospitality
3	Felda D'Saji Sdn. Bhd.	Business Valuation - Investment
4	Koperasi Permodalan FELDA Malaysia Berhad	Due Diligence & Business Valuation - Investment
5	Koperasi Permodalan FELDA Malaysia Berhad	Feasibility Study – Establishment of Ar Rahnu
6	Majlis Agama Islam Selangor	Feasibility Study – Finance Restructuring
7	Halal Industry Development Corporation	Internal Audit – All scopes
8	Seacera Group Berhad	Internal Audit – All scopes
9	Percetakan Nasional Malaysia Berhad	Internal Audit – All scopes
10	RISDA	Feasibility Study – Re-Plantation
11	RISDA	Feasibility Study – Banci 2013
12	LGM Properties Corporation	Feasibility Study – Strategic Planning
13	Syarikat Perumahan Negara Berhad	Key Performance Indicators (“KPI”)

ABOUT US

CLIENTELE OVERVIEW (Cont'd)

No.	Client	Engagement
14	Majlis Agama Islam Wilayah Persekutuan	Due Diligence & Business Valuation - Investment
15	Malaysian Technology Development Corporation	Due Diligence - Investment
16	Malaysian Technology Development Corporation	Grant Disbursement Review - Monitoring
17	Senai Desaru Expressway Berhad ("E22")	Agreed Upon Procedures – Revenue & Traffic
18	Glenmark Pharmaceuticals Ltd	Internal Audit – All scopes
19	Kolej Universiti Islam Antarabangsa Selangor	Feasibility Study – Strategic Planning
20	Damini Corporation Sdn. Bhd.	Due Diligence & Business Valuation – Investment
21	Pusrawi International College of Medical Sciences	Due Diligence & Business Valuation – Investment
22	Petronesa Sdn. Bhd.	Feasibility Study - Islamic Business Structure
23	Petronesa Sdn. Bhd.	Implementation - Islamic Business Structure
24	Bintulu Port Holdings Berhad	Internal Audit – Strategic & IT Sustainability
25	International Islamic University Malaysia	Feasibility Study - Construction
26	Wintoni Group Berhad	Due Diligence & Business Valuation - Investment

ABOUT US

CLIENTELE OVERVIEW (Cont'd)

No.	Client	Engagement
27	Malaysia Qualifications Agency	External Audit
28	Suruhanjaya Pengangkutan Awam Darat	External Audit
29	Rangkaian Hotel Seri Malaysia Sdn. Bhd.	Feasibility Study – Business Review
30	KUB Malaysia Berhad	External Audit
31	Bank Persatuan Malaysia Berhad	Internal Audit – IT Sustainability
32	Unit Peneraju Agenda Bumiputera ("TERAJU")	External Audit
33	Unit Peneraju Agenda Bumiputera ("TERAJU")	S.O.P Development
34	Unit Peneraju Agenda Bumiputera ("TERAJU")	Outsource Services for TERAS Program
35	Unit Peneraju Agenda Bumiputera ("TERAJU")	Agreed Upon Procedures - SUPERB
36	Yayasan Pelajaran Johor	GST Consultancy



THE CORPORATE PROPOSAL

SPECIAL REVIEW

Fine Line Technology Sdn. Bhd.

THE CORPORATE PROPOSAL

SCOPES OF THE ENGAGEMENT

No.	Scopes
1	Review of fund utilisation of RM841,943
2	Review of financial performance & possible irregularities in regards to revenue, profitability, receivables and others financial ratios, and comparison with the Company's historical performance
3	Review of quality level of the products & services in relation to assessment of its deliverables to clients and satisfaction level by clients
4	Review of organisational & corporate structure of the Company and its relation to other related entities
5	Review of financial transactions with related & 3 rd parties entities
6	Review of the cash flow of the Company
7	Review of revenue segment, revenue contributor and key clients
8	Review of corporate governance of the Company in regards to board members & key executives' duties & responsibilities
9	Review of status of Condition Subsequent ("CS") of the executed Due Diligence engagement
10	Review of Forecasted Financial Statement for FY2016 to FY2018

Review Period: Financial Year 2014 to Financial Year 2018

THE CORPORATE PROPOSAL

DETAILS OF SCOPES OF DUE DILIGENCE

Scopes	Identified Areas for Review
Review of fund utilisation of RM841,943	- To perform review on the Funded Project - To obtain clarification on the extend of breaches of Fund Agreement occurred - To examine records maintained in relation to the Funded Project - To verify whether the related documentations are proper - To ensure the costs claimed are genuine
Review of financial performance & possible irregularities in regards to revenue, profitability, receivables and others financial ratios, and comparison with the Company's historical performance	Review of Financial Performance for the past 3 financial years inclusive of latest management account
Review of quality level of the products & services in relation to assessment of its deliverables to clients and satisfaction level by clients	- Review of main products & services of the Company - Review of Service Level of Quality of the products & services - Review of User Acceptance Test by clients - Review of Exception Reports in regards to the products & services - Obtain of clients evaluation & assessment of the products & services
Review of organisational & corporate structure of the Company and its relation to other related entities	- Review of functionality, effectiveness & efficiency of the organizational & corporate structure of the Company - Review of potential conflict of interest, complex reporting and ambiguous parties
Review of financial transactions with related & 3 rd parties entities	- Review of transactions concluded with related & 3rd parties - Review of potential conflict of interest, complex and ambiguous transactions

THE CORPORATE PROPOSAL

DETAILS OF SCOPES OF DUE DILIGENCE

Scopes	Identified Areas for Review
Review of the cash flow of the Company	• Review of cash flow statements & items • Review of linkage of profitability & cash flow transactions
Review of revenue segment, revenue contributor and key clients	• Identification of the revenue segment of the Company and its contribution • Review of revenue recognition and its pricing policies • Analysis of clients and its contribution to the revenue • Review of the sales contract agreements
Review of corporate governance of the Company in regards to board members & key executives' duties & responsibilities	• Review the statutory records and registers in regards to the shareholders, and its shareholdings structure, and the Board of Directors' minutes & resolutions • Review of the key management personnel and employees, inclusive of to assess their dependence on the Company's performance
Review of status of Condition Subsequent ("CS") of the executed Due Diligence engagement	• Review of the execution of the CS as highlighted in the previous Due Diligence engagement and its effectiveness in resolving the anticipated impact of the related pertinent matters
Review of Forecasted Financial Statement for FY2016 to FY2018	• Assessment of the profitability & growth of the Company in future • Review of the effectiveness of the budgeting system • Review of the underlying business assumptions

THE CORPORATE PROPOSAL

APPROACH OF THE ENGAGEMENT

APPROACH

Review of the current management's practices and key operations overview,

Review of the existing, applicable and relevant acts, laws, regulations, policies and procedures which relate to operations,

Interview with the relevant key management personnel,

Assessment and verification of the processes, documentations, accounting records and financial data, and

Benchmark and comparison with the best practices of the similar industries.

THE CORPORATE PROPOSAL

TIME FRAME OF THE ENGAGEMENT

We would expect to be able to complete this exercise within the given period as below:

Engagement	Time Frame
Due Diligence Review	30 days

TASKS		DAYS															
		2	4	6	8	10	12	14	16	18	20	22	24	26	28	30	
Planning																	
Execution: Field work	Interview & discussion																
	Documentation																
	Research																
	Assessment																
Draft Report Writing																	
Draft Report Presentation & Revision																	
Final Report																	
Presentation & Acceptance																	

This is subject to satisfactory assistance and cooperation from the Management and staff of the Company in ensuring that all information and necessary documents are made available to us for our review.

THE CORPORATE PROPOSAL

PROFESSIONAL FEE OF THE ENGAGEMENT

The philosophy of SALIHIN is to provide the maximum in client service and individual staff capabilities at the minimum cost, which can be achieved within the highest professional standards and competence levels.

Our fees are based on the complexities of the assignment, its regulations, the level of staff and experience required and the time spent on the assignment by the partners and our staff and on the levels of skill and responsibility involved to complete the work. You have our assurance that we will endeavor to keep the cost as low as possible commensurate with the work involved.

Engagement	Professional Fees
Special Review	RM28,000

Our fee above **excludes** 6% GST and reimbursement of out-of-pocket expenses incurred solely and exclusively on your organization's exercises which cap at maximum of 5% of the professional fees which shall covers mileage, tolls, printing and postage costs.

THE CORPORATE PROPOSAL

CLIENT SERVICE TEAM

We believe that the ability to provide value for our clients, hinges on the knowledge, skills and experience of the professional performing the work. In the final analysis, it is the Client Services Team ("CST") that makes the difference – in responsiveness and turnaround time, in understanding your priorities and expectations, in providing technical expertise, and in continuously communicating with you during the engagement process.

We have selected a team with the right mix of seniority, professional competencies, technical skills and industry knowledge to meet your requirements. Our team is committed and excited at the prospect of working with you. Our CST is as per below:

Team Name	Designation	Professional Membership
Salihin Abang	Managing Partner	Member of MIA / Msc Acc / CFP
Ahmad Aljafree Razalli	Concurrent Review Partner	Member of MIA / MBA
Ahmad Izwan Adnan	Director	Member of IIAM
Norlin Mainir	Assistant Manager	Member of MIA / Member of IIAM
Mohd Arifuddin Jiran	Assistant Manager	Member of MIA / Member of IIAM
Nurfazreen Zainal Abidin	Analyst	-
Mohammad Abdullah Zubair	Analyst	-

Legend:

MIA: Malaysian Institute of Accountants
 Msc. Acc.: Master Degree on Accounting
 CFP: Certified Financial Planner

MBA: Master Degree of Business Administration
 IIAM: Institute of Internal Auditors Malaysia

THE CORPORATE PROPOSAL

DETAILS OF THE CLIENT SERVICE TEAM

No	Name	Designation	Details
1	Ahmad Izwan Adnan	Director	• Manager, Assurance, Pricewaterhouse Coopers : 2003 – 2007 • Senior Manager, Internal Audit, Dataprep Holdings Bhd: 2007 – 2009 • Director, Internal Audit, Tropicana Corporation Bhd: 2009 – 2011 • Director, Transaction Services, SALIHIN: 2011 – current • Member, Institute of Internal Auditors Malaysia • Degree in Accounting, International Islamic University Malaysia
2	Norlin Mainir	Assistant Manager	• Senior, Audit & Assurance, Wong Yeng Mun & Co.: 2008 – 2011 • Assistant Manager, Transaction Services, SALIHIN: 2011 – current • Member, Institute of Internal Auditors Malaysia • Member, Malaysian Institute of Accountants • Degree in Accounting, Universiti Utara Malaysia
3	Mohd Arifuddin Jiran	Assistant Manager	• Assistant Manager, Transaction Services, SALIHIN: 2008 – current • Member, Institute of Internal Auditors Malaysia • Member, Malaysian Institute of Accountants • Degree in Accounting, Universiti Teknologi MARA
4	Nurfazreen Zainal Abidin	Analyst	• Analyst, Transaction Services, SALIHIN: 2014 – current • Degree in Accounting, Universiti Teknologi MARA
5	Mohammad Abdullah Zubair	Analyst	• Analyst, Transaction Services, SALIHIN: 2014 – current • Degree in Accounting, Universiti Teknologi MARA

CONTACT US

OFFICIAL ADDRESS & CONTACT NUMBER

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DIRECTOR:
CONTACT NO:
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