PERTAMA DIGITAL BERHAD ("PDB" OR "COMPANY")

PROPOSED ACQUISITIONS OF 80% EQUITY INTEREST IN EACH OF D-RON SINGAPORE PTE LTD ("D-RON SG") AND D RON MALAYSIA SDN BHD ("D-RON MY") (COLLECTIVELY, "PROPOSED ACQUISITIONS")

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*Unless otherwise stated, the information set out in this announcement is updated to 19 June 2025, being the latest practicable date prior to the date of the share sale and purchase agreements for the Proposed Acquisitions ("**LPD**"), and all Singapore Dollar ("**SGD**") to Ringgit Malaysia ("**RM**") translation shall be based on the middle exchange rate of SGD1.00 : RM3.3099 as at LPD published by Bank Negara Malaysia*

1. BACKGROUND

On 10 August 2022, the Board of Directors of PDB ("**Board**") announced that the Company has triggered Paragraph 8.03A(2)(a)(bb) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**") immediately upon the completion of the disposal by the Company of the entire equity interest in Be Top Group Limited ("**Disposal**") on 10 August 2022 as the Disposal is deemed as disposal of a major business by the Company ("**First Announcement**"). As a result, the Company was classified as an affected listed issuer under Paragraph 8.03A of the MMLR.

Pursuant to Paragraph 8.04(3) of the MMLR, the Company must submit a regularisation plan to Bursa Securities within 12 months from the First Announcement, i.e. on or before 9 August 2023, which was later extended by Bursa Securities to 9 February 2024, 9 August 2024 and 9 February 2025.

On 7 February 2025, M & A Securities Sdn Bhd ("**M&A Securities**"), on behalf of the Board, submitted an application to Bursa Securities to seek further extension of time of 12 months to submit its regularisation plan, which was rejected by Bursa Securities vide its letter dated 7 March 2025 as the Company has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities. On even date, Bursa Securities has given a notice to the Company pursuant to Paragraph 8.03A(3)(b) of the MMLR to make written representations supported by documentary evidence to Bursa Securities on or before 14 March 2025.

On 14 March 2025, the Company submitted a written representation to Bursa Securities as to why its securities should not be removed from the Official List of Bursa Securities. On the even date, the Board announced that the Company had on 13 March 2025, entered into a term sheet with Hun Tock Juan, Ronnie, Healin Tay Siang Yuan and Kelvin Lim Ken Neth ("**Term Sheet**") to purchase 80% equity interest in each of D-Ron SG and D-Ron MY for a purchase consideration of SGD30,406,510 for 80% equity interest in D-Ron SG and RM4,996,482 for 80% equity interest in D-Ron MY. The Proposed Acquisitions are intended to be the Company's proposed regularisation plan.

Subsequently, on 28 May 2025, the Company announced that Bursa Securities had, vide its letter dated 28 May 2025, resolved to grant the Company a further extension of time until 31 October 2025 to submit its regularisation plan to the regulatory authorities.

2. DETAILS OF THE PROPOSED ACQUISITIONS

On behalf of the Board, M&A Securities wishes to announce that the Company has on 20 June 2025 entered into the following agreements:

(a) a conditional share sale and purchase agreement with Hun Tock Juan, Ronnie and Healin Tay Siang Yuan ("**D-Ron SG SSPA**") to acquire **160,000** ordinary shares in D-Ron SG ("**D-Ron SG Sale Shares**") representing 80% equity interest for a cash purchase consideration of SGD30,406,510; and

(b) a conditional share sale and purchase agreement with Hun Tock Juan, Ronnie and Kelvin Lim Ken Neth ("**D-Ron MY SSPA**") to acquire **2,040,000** ordinary shares in D-Ron MY ("**D-Ron MY Sale Shares**") representing 80% equity interest for a cash purchase consideration of RM4,996,482.

Hun Tock Juan, Ronnie, Healin Tay Siang Yuan and Kelvin Lim Ken Neth are collectively referred to as "**Vendors**". D-Ron SG and D-Ron MY are collectively referred to as "**Target Companies**". The D-Ron SG SSPA and D-Ron MY SSPA are collectively referred to as "**SSPA**". The D-Ron SG Sale Shares and D-Ron MY Sale Shares are collectively referred to as "**Sale Shares**".

Further details of the SSPA are set out in **Appendix I**. Further details of D-Ron SG and D-Ron MY are set out in **Appendix II(A)** and **Appendix II(B)**.

All the Sale Shares will be acquired by the Company from the Vendors free from all encumbrances together with all rights attached thereto, subject to the terms and conditions of the SSPA, in the following manner:

(i) D-Ron SG

	D-Ron SG Sale Shares		Total purchase consideration
Vendors	**No. of shares**	**%**	**(SGD)**
Hun Tock Juan, Ronnie	112,000	56.00	21,284,557.00
Healin Tay Siang Yuan	48,000	24.00	9,121,953.00
	160,000	**80.00**	**30,406,510.00**

(ii) D-Ron MY

	D-Ron MY Sale Shares		Total purchase consideration
Vendors	**No. of shares**	**%**	**(RM)**
Hun Tock Juan, Ronnie	1,632,000	64.00	3,997,185.60
Kelvin Lim Ken Neth	408,000	16.00	999,296.40
	2,040,000	**80.00**	**4,996,482.00**

Upon completion of the Proposed Acquisitions, PDB will hold 80% equity interest each in D-Ron SG and D-Ron MY, while the Vendors will continue to hold the remaining 20% equity interest each in D-Ron SG and D-Ron MY. As part of the Proposed Acquisitions, PDB shall also enter into a call option and put option arrangement with the Vendors in respect of the remaining 20% equity interest each in D-Ron SG and D-Ron MY. Please refer to Section 2.5 for further details.

The Proposed Acquisitions will not result in the change in, or emergence of a new controlling shareholder of PDB, or change in the effective control in PDB, or change in the existing Board of PDB.

2.1 Basis and justification of the purchase consideration

The purchase consideration for the Proposed Acquisitions of SGD30,406,510 (equivalent to RM100,642,507 as at LPD) for 80% equity interest in D-Ron SG and RM4,996,482 for 80% equity interest in D-Ron MY (collectively, "**Purchase Consideration**") was arrived at based on a "willing buyer-willing seller" basis after taking into consideration the following:

(a) the latest audited financial results of the Target Companies for financial year ended 31 July ("**FYE**") 2024;

(b) the net assets ("**NA**") of D-Ron SG and D-Ron MY as at the date on which the sale and purchase of the Sale Shares is completed ("**Completion Date**") being not less than SGD5 million and RM4.8 million respectively ("**Agreed Net Assets**");

(c) the profit guarantee provided by the Vendors, whereby they unconditionally and irrevocably, jointly and severally, guarantee and covenant that the aggregate consolidated profit after tax ("**PAT**") of the Target Companies for FYE 2025 and 2026 shall not be less than SGD9,791,440 (equivalent to RM32,408,687 as at LPD) ("**Profit Guarantee**");

(d) the rationale of the Proposed Acquisitions as set out in Section 3; and

(e) the future prospects of the Target Companies as set out in Section 4.

Further details of the Profit Guarantee are set out in Section 2.4.

Based on the RM-equivalent total Purchase Consideration of RM105,638,989 as at LPD for 80% equity interest in the Target Companies and RM-equivalent Profit Guarantee which averages to RM16,204,344 for each financial year, the price-to-earnings multiple ("**PE Multiple**") of the Proposed Acquisition is approximately 8.1 times.

2.2 Mode of settlement of the Purchase Consideration

The Purchase Consideration shall be settled in full by cash, in the manner set out below:

	Purchase Consideration			
	D-Ron SG		**D-Ron MY**	
Timing of settlement	**SGD**	**(1)%**	**RM**	**(1)%**
Deposit payable within 7 business days from the SSPA date ("**Earnest Deposit**")	1,520,325.50	5.00	249,824.00	5.00
On completion of the SSPA	20,845,533.50	68.56	-	-
Upon meeting the Agreed Net Assets(2)	5,000,000.00	16.44	4,247,009.80	85.00
Upon fulfilment of Profit Guarantee(2)	3,040,651.00	10.00	499,648.20	10.00
	30,406,510.00	**100.00**	**4,996,482.00**	**100.00**

Notes:

(1) Based on the purchase consideration for the Proposed Acquisitions of SGD30,406,510 for 80% equity interest in D-Ron SG and RM4,996,482 for 80% equity interest in D-Ron MY.

(2) On completion of the SSPA, the Company shall deposit:

(a) SGD5,000,000 and RM4,247,009.80 ("**Net Assets Retained Amount**"); and

(b) SGD3,040,651 and RM499,648.20 ("**Retained Purchase Consideration**")

into an escrow account. An escrow agreement shall be entered into for this purpose between the Vendors, PDB and an escrow agent to be appointed ("**Escrow Agreement**"). The terms of release for the Net Assets Retained Amount and Retained Purchase Consideration are as detailed in Sections 2.4.1 and 2.4.2 respectively.

2.3 Source of funding for the Purchase Consideration

The Purchase Consideration shall be fully funded by way of external borrowings and/or shareholders' advances to PDB.

2.4 Agreed NA and Profit Guarantee

2.4.1 Agreed NA

2.4.1.1 The parties agree that the NA of D-Ron SG and D-Ron MY as at the Completion Date are not less than SGD5 million and RM4.8 million respectively.

2.4.1.2 The parties agree, and shall procure, that within 5 days from the issue of the report by the current auditors of the Target Companies certifying the value of total assets less the value of total liabilities of the Target Companies ("**Assessed Value of Net Assets**") as at Completion Date:

(a) if the Assessed Value of Net Assets as at Completion Date is no less than SGD5,000,000 for D-Ron SG and RM4,800,000 for D-Ron MY, the escrow agent shall release the Net Assets Retained Amount in full (together with accrued interest thereon) to the Vendors in the proportion to the Vendors' shareholding in D-Ron SG and D-Ron MY respectively; and

(b) if the Assessed Value of Net Assets as at Completion Date is less than SGD5,000,000 for D-Ron SG and RM4,800,000 for D-Ron MY, the escrow agent shall:

(i) release to PDB an amount equivalent to the difference between SGD5,000,000 and the Assessed Value of Net Assets for D-Ron SG and difference between RM4,800,000 and the Assessed Value of Net Assets for D-Ron MY ("**Net Assets Shortfall**") (together with interest accrued thereon); and

(ii) release to the Vendors, in the proportion to the Vendors' shareholding in D-Ron SG and D-Ron MY respectively an amount equivalent to the difference between SGD5,000,000 and the Net Assets Shortfall for D-Ron SG (together with interest accrued thereon); and an amount equivalent to the difference between RM4,800,000 and the Net Assets Shortfall for D-Ron MY (together with interest accrued thereon).

2.4.2 Profit Guarantee

2.4.2.1 The Vendors shall undertake to the Company that the aggregate consolidated profit after tax of D-Ron SG and D-Ron MY ("**Consolidated PAT**") for FYE 2025 and 2026 ("**PG Period**") shall not be less than SGD9,791,440 ("**PG Target**").

2.4.2.2 Where the audited Consolidated PAT for the PG Period meets or exceeds the PG Target, as determined by independent auditor mutually agreed between the parties ("**Independent Auditor**"), the Retained Purchase Consideration shall be released to the Vendors within 14 days from the date of receipt of Independent Auditor's confirmation.

2.4.2.3 Where the audited Consolidated PAT for the PG Period as determined by the Independent Auditor is:

(a) less than the PG Target ("**Shortfall**"), PDB shall have the right to deduct the Shortfall from the Retained Purchase Consideration, and the balance thereof shall be paid to the Vendors within 14 days after receipt of the Independent Auditor's confirmation. If the Shortfall exceeds the Retained Purchase Consideration:

(i) the Retained Purchase Consideration together with interest accrued thereto shall be released by the escrow agent to PDB; and

(ii) the Vendors shall pay the difference between Shortfall and Retained Purchase Consideration to PDB,

within 14 days after receipt of the Independent Auditor's confirmation.

(b) more than the PG Target ("**Surplus**"), the Purchaser shall procure the Company to declare the Surplus as dividends to the respective shareholders of the Company before the exercise of the Call Option or Put Option (as defined in Section 2.5), subject to the relevant applicable laws in Singapore.

2.4.2.4 The Profit Guarantee is conditional upon satisfaction of the following conditions:

(a) PDB shall not sell, transfer, create any encumbrance over or otherwise dispose of or deal with the Sale Shares or any interest therein or enter into any agreement or arrangement to do so prior to the determination of the audited Consolidated PAT for the PG Period and payment of the Shortfall or Surplus;

(b) Hun Tock Juan, Ronnie shall remain as chief executive officer of D-Ron SG and D-Ron MY and shall be permitted to exercise all powers and control over the respective companies and their business and operations as chief executive officer at all times prior to the determination of the audited Consolidated PAT for the PG Period and payment of the Shortfall or Surplus; and

(c) PDB shall not, and shall procure that none of its subsidiaries or affiliates shall, directly or indirectly, take or omit to take any action or otherwise interfere with the management of the Target Companies that may adversely affect the achievement of the PG Target.

In the event that any one or more of these conditions is not complied with:

(i) the Vendors shall be entitled to terminate the Profit Guarantee by notice in writing to PDB;

(ii) the Company shall within 14 days of such termination pay the Retained Purchase Consideration in full to the Vendors; and

(iii) the Vendors shall be entitled to immediately exercise the Put Option (as defined in Section 2.5), except that the Option Price (as defined in Section 2.5), shall be based on the valuation for the D-Ron SG Sale Shares and D-Ron MY Sale Shares under the SSPA, which is calculated to be SGD7,601,628 for the remaining 20% equity interest in D-Ron SG and RM1,249,121 for the remaining 20% equity interest in D-Ron MY.

2.4.2.5 The PG Target was a commercial decision arrived at between PDB and the Vendors and was agreed by PDB after taking into consideration the following:

(a) the historical financial performance of the Target Companies as set out in **Appendix II(A)** and **Appendix II(B)**, whereby D-Ron SG and D-Ron MY achieved an audited PAT of SGD5.8 million and RM0.9 million respectively for FYE 2024;

(b) the continuation of the existing management's involvement in the day-to-day operations of D-Ron SG and D-Ron MY specifically Hun Tock Juan, Ronnie who has agreed to enter into service agreement with D-Ron SG and D-Ron MY for his appointment as chief executive officer of D-Ron SG and D-Ron MY and Kelvin Lim Ken Neth who has agreed to enter into service agreement with D-Ron MY for his appointment as managing director of D-Ron MY, of which both service agreements shall be for a term of 2 years after completion of the SSPA;

(c) the potential growth of the Target Companies after taking into consideration the outlook and prospects of the surveillance industry as set out in Section 5. Both companies are established players in the surveillance industry and are involved in the provision of surveillance technology solutions, including distribution of information technology ("**IT**") and surveillance hardware, both in Singapore and Malaysia.

The Board, after having considered the above, is of the view that the PG Target over the PG Period is reasonable and realistic.

2.5 Details of call option and put option

As part of the Proposed Acquisitions, the Vendors shall grant a call option to the Company to acquire the remaining 40,000 ordinary shares in D-Ron SG and 510,000 ordinary shares in D-Ron MY, representing 20% equity interest each in D-Ron SG and D-Ron MY respectively ("**Retained Shareholdings**") ("**Call Option**"); and the Company shall grant a put option to the Vendors to sell the entire Retained Shareholdings ("**Put Option**"); based on the following terms:

(a) The Call Option or Put Option shall be exercisable for all and not part of the Retained Shareholdings;

(b) The Call Option may be exercised by the Company and the Put Option may be exercised by the Vendors, during a period of 6 months from the date the audited financial statements of the Target Companies are available for FYE 2026, provided that the Put Option may also be exercised by the Vendors outside of this period as provided in the situation described in Section 2.4.2.4 where the Vendors elects to exercise the Put Option in conjunction with the terms of Profit Guarantee;

(c) The option price payable for the Retained Shareholdings ("**Option Price**") shall be calculated as follows:

Option Price = Retained Shareholdings x Audited PAT of Target Companies for FYE 2026 x PE Multiple of 7.0 times

(d) The Option Price shall be fully settled in cash.

Provided always that in the event the Target Companies shall record a loss after taxation for FYE 2026, the Option Price shall be SGD1.00 and RM1.00 for the entire Retained Shareholdings in D-Ron SG and D-Ron MY respectively.

In relation to this Section 2.5(c) above, if the Vendors exercises the Put Option in accordance with Section 2.4.2.4(iii), the consideration for the sale and purchase of the Retained Shareholdings shall be as provided in Section 2.4.2.4(iii) and the formula in this Section 2.5(c) shall not apply.

Upon the exercise of the Call Option or Put Option, both D-Ron SG and D-Ron MY will become wholly owned subsidiaries of the Company.

2.6 Assumption of liabilities and estimated financial commitments

Save for the obligations and liabilities of the Company in and arising from the SSPA, there are no other liabilities, including contingent liabilities or guarantees pursuant to the Proposed Acquisitions. The existing liabilities of the Target Companies will be settled in the ordinary course of their business.

The Board does not foresee any material financial commitment to put the business of the Target Companies on stream as both companies are already in operations and generating revenue and profits. However, upon completion of the Proposed Acquisitions, the Company may be required to provide corporate guarantee to the financial institutions of the Target Companies in place of the Vendors.

2.7 Background information of the Vendors

(a) Hun Tock Juan, Ronnie, a Singaporean male, aged 47, is the co-founder, director and shareholder with 70% equity interest in D-Ron SG and 80% equity interest in D-Ron MY.

(b) Healin Tay Siang Yuan, a Singaporean female, aged 47, is the co-founder, director and shareholder with 30% equity interest in D-Ron SG.

(c) Kelvin Lim Ken Neth, a Malaysian male, aged 51, is the co-founder, director and shareholder with 20% equity interest in D-Ron MY.

Hun Tock Juan, Ronnie and Healin Tay Siang Yuan are spouses. None of the Vendors hold any shares in PDB as at LPD.

3. RATIONALE FOR THE PROPOSED ACQUISITIONS

The Proposed Acquisitions are intended to be the Company's proposed regularisation plan in order to address and uplift its affected listed issuer status. The Proposed Acquisitions will allow the Company to expand its product offerings and diversify its customer base. The Group has identified D-Ron SG and D-Ron MY as viable and complementary businesses which align strategically with objectives and strategic business plans of the Company and its subsidiaries ("**Group**").

Whilst the Group has not triggered any of the prescribed criteria pursuant to Paragraph 2.1 of Practice Note 17 of the MMLR since the First Announcement, the Proposed Acquisitions will grow the current core business of the Group with the aim to further enhance its financial performance moving forward.

Further, the Profit Guarantee provides assurance that the Proposed Acquisitions will be able to increase the Group's profitability and strengthen its financial performance, which would in turn create value for its shareholders. As such, the Proposed Acquisitions are expected to offer long-term business viability and growth potential, aligning with the strategic objectives of the Company.

In terms of business continuity, Hun Tock Juan, Ronnie and Kelvin Lim Ken Neth have also agreed to enter into service agreement with D-Ron SG and D-Ron MY for the respective appointment of Hun Tock Juan, Ronnie as chief executive officer of D-Ron SG and D-Ron MY and Kelvin Lim Ken Neth as managing director of D-Ron MY, both for a term of 2 years after completion of the SSPA.

4. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of economy in Malaysia

The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower mining exports. This was partially offset by stronger electrical and electronics ("**E&E**") exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities.

The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year.

Bank Negara Malaysia Governor Dato' Seri Abdul Rasheed Ghaffour says, 'As a small and open economy, Malaysia will inevitably face both direct and indirect impact from these tariffs. Growth of the Malaysian economy is expected to be slightly lower than the earlier forecast of 4.5% - 5.5% in 2025. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture. The new official growth forecast will be released in the near future once there is a greater visibility in these factors.'

Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investment activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2025 published by Bank Negara Malaysia on 16 May 2025)

4.2 Overview and outlook of the economy in Singapore

Economic activity in Singapore showed signs of softening at the start of this year. Based on the Advance Estimates, Singapore's gross domestic product ("**GDP**") contracted by 0.8% quarter-on-quarter seasonally adjusted in Q1 2025, a pullback from the 0.5% expansion in Q4 2024. On a year-on-year basis, GDP growth moderated to 3.8% from 5.0% in the previous quarter. The weaker performance was driven by the trade related and modern services sectors, while activity in the domestic-facing industries such as construction and retail were generally tepid. While there are nascent indications of economic softening at the sectoral level, these weaknesses have yet to become deeply entrenched or pervasive.

The global IT industry, which has a close nexus with domestic economic outturns, will be the main transmission channel of the slowdown in external demand. Ongoing uncertainties are likely to further dampen the already-moderating tech cycle. The growth momentum in chip sales had eased slightly towards end-2024, dragged down in part by falling prices, notably in the low- to mid-range memory chip market. Nevertheless, artificial intelligence ("**AI**")-driven demand will still provide some underlying support to the global semiconductor industry, as the shift towards more advanced and computationally costly algorithms drive the need for high performance hardware.

Growth in modern services is expected to step down from last year. Investor risk appetites have deteriorated alongside large gyrations in asset valuations and spikes in volatility across financial markets, triggered by fast-evolving trade tensions. Consequently, should investors shift towards more passive investment strategies, weaker trading activity would dampen the net fees & commissions of the banks, fund management, forex, and security dealing segments in Singapore. The uncertain economic backdrop could also curtail firms' capital investment spending and constrain credit intermediation activity. While lending activity has exited contractionary territory in recent quarters, there appears to be some near-term plateauing of its recovery. However, other modern services segments such as information & communications are expected to register firm growth, with digital transformation of businesses, supported in part by Budget 2025, driving demand for data and cloud services.

At this juncture, the Singapore economy is projected to expand by 0.0–2.0% in 2025. This step-down from the 4.4% growth in 2024, would be mainly due to the weakness in the trade related and modern services clusters. As a result, Singapore's output gap will turn negative this year. Prolonged trade tensions could pose downside risks to growth, through further disruptions in trade flows, undermining business investments and dampening global demand. Conversely, trade tensions may de-escalate over time, which could boost sentiments and export activity.

(Source: Macroeconomic Review Volume XXIV Issue 1 published by Monetary Authority of Singapore in April 2025)

4.3 Prospects and outlook of the surveillance industry in Singapore and Malaysia

Singapore

In 2016, Government Technology Agency of Singapore ("**GovTech**") a statutory board under the Prime Minister's Office and reporting to the Smart Nation and Digital Government Group was created to strengthen the government's internal technology capabilities and drive the Smart Nation initiative more effectively from within the public service.

In 2019, the Home Team Science & Technology Agency ("**HTX**") was launched under the Ministry of Home Affairs. HTX focuses heavily on enhancing surveillance capabilities via AI — including biometrics, sensor networks, robotics, and analytics to support frontline agencies like the Singapore Police Force, Immigration & Checkpoints Authority and Civil Defence Force.

Since then, Singapore has been primed for the deployment of advanced and secure surveillance technologies and is emerging as a premier hub for secure, high-assurance AI and surveillance technologies. Its advanced digital infrastructure, supported by initiatives like the National AI Strategy 2.0 and AI Verify framework, provides a strong foundation for ethical and innovative AI deployment. The Singapore Government's proactive stance on AI governance, including the recent draft Generative AI Governance Framework, positions Singapore as a leader in trusted AI ecosystems. With deep public-private collaboration and integration of AI into smart city planning, Singapore offers a stable and policy-driven environment for cutting-edge innovation.

Malaysia

In 2019, the Kementerian Perumahan dan Kerajaan Tempatan ("**KPKT**") or Ministry of Housing and Local Government launched the Malaysia Smart City Framework ("**MSCF**") as a guide and reference for local governments to streamline and coordinate the development of smart cities in Malaysia.

The MSCF is a national-level framework that serves as a guide and reference to local authorities as city manager, state governments, federal ministries and departments, industry players, academician and other stakeholders in planning and developing smart cities in Malaysia holistically and in line with the current developments.

The MSCF was developed taking into account the importance of smart cities development and implementation in Malaysia. The Government of Malaysia believes that smart city is the future approach to urban planning, development and management that can provide solutions to urban challenges such as the inefficient delivery of urban services, environmental pollution and traffic congestion, thus improving the quality of life of urban people. The MSCF is also established to meet national and global agendas, especially towards achieving the objectives of the Sustainable Development Goals (SDGs) and to ensure that Malaysia is keeping abreast with the global urban development trends.

The concept of smart city typically has three themes:

(a) Using information, communication and digital technology to address urban challenges, improve urban management and quality of life, sustainability, efficiency and security;

(b) Increase economic and business activities; and

(c) Continuous public participation and urban innovation.

The implementation of the MSCF opens up significant opportunities for surveillance, security technology, and AI solution providers, particularly in the following areas:

- Cyber-Physical Security Integration
  Smart cities rely on the integration of closed circuit television networks, Internet of Things (IoT) sensors and cloud-based command centres. These systems must be interoperable, scalable, and cyber-secure, creating strong demand for surveillance systems integrators and infrastructure providers.

- AI and Predictive Analytics
  The need for real-time monitoring, facial recognition, anomaly detection, and behaviour prediction has accelerated adoption of AI-powered surveillance solutions in both public and private domains.

- Smart City Certification and Benchmarking
  Under KPKT's Smart City Rating initiative, local councils are assessed for their digital readiness, including surveillance coverage and digital infrastructure performance, driving further deployment of integrated safety systems.

- Public-Private Partnerships ("**PPP**")
  The MSCF actively encourages PPP models for smart infrastructure financing, opening procurement and collaboration channels for surveillance vendors, cloud providers and data analytics firms.

Based on the above, Malaysia's MSCF sets a strong policy foundation for sustained growth in urban surveillance technologies, driven by smart city adoption and digital infrastructure rollout (e.g. National Digital Network (Jendela), 5G). The smart city concept requires targeted investment in cybersecurity, physical security integration, AI development and thus presents a growth opportunity for surveillance industry players in Malaysia's security ecosystem.

Separately, in 2024, the Malaysian National AI Office ("**NAIO**") was established by the Government of Malaysia. NAIO seeks to accelerate AI adoption, foster innovation, and ensure ethical development of AI. It aims to enhance Malaysia's competitiveness, drive sustainable growth, and position the nation as a regional AI leader.

The establishment of NAIO and the upcoming AI Technology Action Plan 2026–2030 signal strong government commitment to digital transformation. Malaysia's expanding data centre ecosystem and smart city initiatives create fertile ground for AI-driven surveillance and analytics. The anticipated release of a comprehensive AI regulatory report by mid-2025 will further align Malaysia with international standards, enhancing investor confidence and cross-border collaboration.

Together, Singapore and Malaysia offer complementary strengths. Singapore provides the regulatory assurance and innovation leadership, while Malaysia offers the infrastructure and scalability needed for widespread deployment. This synergy enables the development of interoperable AI and surveillance systems, regional security standards, and joint ventures that leverage both governance and cost-effective implementation.

4.4 Prospects and future plans of the Target Companies

D-Ron SG is an established player in the surveillance industry with over 20 years of experience providing comprehensive video surveillance and access control solutions across ASEAN. The company has built a strong reputation for delivering scalable, end-to-end security systems supported by robust technical expertise and a customer-centric approach. D-Ron SG is advancing its capabilities in AI, physical security and IT infrastructure to meet Singapore's growing demand for secure, intelligent solutions. The team is scaling to support cybersecurity and IT solutions-based services, while continuing to strengthen its distribution business. Customer enablement through training and education remains a key growth driver.

In Malaysia, D-Ron MY is responding to the shift toward AI-powered smart security systems, driven by the smart city initiatives and adoption of AI. The team is expanding to meet rising expectations from developers and operators seeking integrated, intelligent surveillance solutions.

With a diverse client base including small medium enterprises, multinational corporations, and government agencies, both the Target Companies are well-positioned to capitalise on the growing demand for advanced surveillance technologies driven by urbanisation and smart city initiatives in Singapore and Malaysia.

Based on the historical track record of the Target Companies, coupled with the prospects of the surveillance industry in Singapore and Malaysia as set out in Section 4.3, the management of the Group is optimistic of the growth prospects of the Target Companies.

5. RISK FACTORS

5.1 Risk relating to the Proposed Acquisitions

The risk factors associated with the Proposed Acquisitions, which may not be exhaustive, include the following:

(a) Delay/ Non-completion risk

The completion of the Proposed Acquisitions is conditional upon satisfaction of all conditions precedent in the SSPA as set out in **Appendix I**, specifically the approvals of the Securities Commission Malaysia ("**SC**") and Bursa Securities (as applicable) for the regularisation plan of PDB. If any of the conditions precedent is not met or waived by the parties to the SSPA, the Proposed Acquisitions cannot be completed. Nevertheless, the Board will take reasonable steps within its control to ensure that the conditions precedent in the SSPA are met to complete the Proposed Acquisitions.

(b) Contractual risk

The Company may be subjected to certain legal risks such as specific performance or payment of indemnity and/or damages as a result of non-fulfilment of its obligations in accordance with the provisions of the SSPA. Nevertheless, the Company shall endeavour to ensure full compliance and fulfilment of its obligations under the SSPA for the Proposed Acquisitions.

(c) Investment risk

The Proposed Acquisitions are expected to benefit the Group, given the anticipated business growth of the Target Companies. However, there is no assurance that these benefits will be fully realised or that the returns generated will be sufficient to offset the cost of investment. To mitigate this risk, the Board adopts prudent investment strategies and undertakes thorough assessments and reviews before making investment decisions.

(d) Achievability of Profit Guarantee

The Profit Guarantee is based on assumptions and projections that the Board considers reasonable, but it remains subject to uncertainties and contingencies, many of which are beyond the Group's control. While the Retained Purchase Consideration is held as security to support the Profit Guarantee, there is no assurance that the PG Target will be achieved or that the Retained Purchase Consideration will be sufficient to cover any shortfall or that the Vendors will pay for any shortfall in the Profit Guarantee.

5.2 Risk relating to the business of the Target Companies

The performance of the Target Companies is subject to various risks inherent in the surveillance industry. Some of the risks affecting the Target Companies, which may not be fully exhaustive, are set out below:

(a) Project-based contracts

Some of the Target Companies' projects are non-recurrent and secured on a case-by-case basis, and there is no assurance of their ability to consistently obtain new contracts or maintain similar profitability levels. Their revenue and project scale are influenced by various factors such as changes in customer demand, economic conditions, and project owners' capital expenditure. As such, their financial performance may fluctuate due to variations in project volume, scope changes, delays, or cancellations. Sustained competitiveness in the surveillance industry depends on the Target Companies continuously securing contracts of comparable value or volume, and failure to do so could materially affect their financial results, making past performance an unreliable indicator of future outcomes.

(b) Competition

The Target Companies face competition from other surveillance system providers offering similar solutions, some of which may have more advanced technologies, added services, or lower pricing. This could lead to the loss of tenders or pressure to reduce pricing to retain contracts. While the Board remains confident that the Target Companies will be able to maintain their competitive edge through high value-added services and continuous system improvements, there is no certainty that the Target Companies will continue to compete effectively as industry competition may intensify in the future.

(c) Key senior management

The Target Companies' performance and prospects rely heavily on the capabilities and continued commitment of their Executive Directors and key senior management. Loss of these individuals without timely replacement or difficulty in attracting and retaining qualified talent could adversely affect operations. However, no past departures have materially impacted the business, and the Board is confident that ongoing efforts in corporate culture, succession planning, and employee incentives will support talent retention and growth.

To ensure business continuity during the transition, Hun Tock Juan, Ronnie, and Kelvin Lim Ken Neth have agreed to enter into service agreements with D-Ron SG and D-Ron MY for the respective appointment of Hun Tock Juan, Ronnie as chief executive officer of D-Ron SG and D-Ron MY and Kelvin Lim Ken Neth as managing director of D-Ron MY, both for a term of 2 years following the completion of the SSPA.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisitions will not have any effect on the issued share capital and substantial shareholders' shareholdings as it does not involve the issuance of shares in PDB.

6.2 NA and gearing

The pro forma effects of the Proposed Acquisitions on the consolidated NA, NA per share and gearing of the Group based on its latest audited consolidated financial statements as at 31 December 2024, assuming that the Proposed Acquisitions had been completed on 31 December 2024, is as follows:

	Audited As at 31 December 2024	**After Proposed Acquisitions**
	RM'000	**RM'000**
Share capital	59,107	59,107
Accumulated losses	(40,819)	(1)(44,819)
Shareholders' equity/NA	**18,288**	**14,288**
Non-controlling interests	(3,774)	(3,774)
Total equity	**14,514**	**10,514**
Number of Shares	438,210,812	438,210,812
NA per Share (RM)	0.04	0.02
Total borrowings (RM'000)	-	(3)105,639
Gearing (times)	(2)N/A	7.39

Notes:

(1) After deducting estimated expenses of RM4.0 million in relation to Proposed Acquisitions.

(2) Not applicable as the Group does not have any borrowings as at 31 December 2024.

(3) Including shareholders' advances and based on the assumption that the Purchase Consideration of RM105,638,989 is fully funded by external borrowings and/or shareholders' advances.

6.3 Earnings and earnings per share ("EPS")

The Proposed Acquisitions are not expected to have any immediate effect on the earnings of the Group for financial year ended 31 December 2025 as it is only expected to be completed in final quarter of 2025. However, the Proposed Acquisitions are expected to contribute positively to the future earnings of the Group.

The actual impact of the Proposed Acquisitions on the consolidated earnings and EPS of PDB moving forward will depend on, among others, the market and industry conditions and the successful integration of the operations of the Target Companies into PDB Group. Nevertheless, the Proposed Acquisitions are expected to be earnings accretive and contribute positively to the future earnings of the PDB Group.

6.4 Convertible securities

As at LPD, the Company does not have any convertible securities in issue.

7. APPROVALS REQUIRED

The Proposed Acquisitions are subject to the following approvals being obtained:

(a) SC or Bursa Securities (as applicable), for the Proposed Acquisitions which are intended to form the Company's proposed regularisation plan;

(b) shareholders of PDB for the Proposed Acquisitions at an extraordinary general meeting to be convened; and

(c) any other relevant authorities/parties, if required.

Each component of the Proposed Acquisitions are inter-conditional upon each other. However, the Proposed Acquisitions are not conditional upon any other exercises that have been announced and/ or pending implementation by the Company.

8. REPATRIATION OF CAPITAL AND REMITTANCE OF PROFITS

The relevant governmental laws, decrees, regulations, legislations and/or other requirements in Singapore in relation to the repatriation of capital and the remittance of profit by D-Ron SG to the Group are set out below.

(a) Exchange controls

Subject to D-Ron SG adhering to the applicable provisions of the Companies Act 1967 of Singapore, there are no significant restrictions on the remittance of profits, dividend and the return of capital by D-Ron SG to non-resident holders of D-Ron SG's shares. Under the laws of Singapore, D-Ron SG may repatriate capital and/or remit profits to the Company by way of:

(i) share buy-backs;

(ii) capital reduction;

(iii) distribution of assets on a winding-up; and

(iv) declaration of dividends.

(b) **Dividend distribution**

Subject to the Companies Act 1967 of Singapore, the constitution of D-Ron SG and the payment of applicable taxes under the laws of Singapore, dividends may be paid only out of profits available for distribution.

The declaration of dividends must be approved by ordinary resolution in a general meeting of D-Ron SG. There are no restrictions on payment of dividends to its shareholders provided there is no breach of any rule for internal monitoring for countering money laundering and terrorism.

(c) **Withholding tax**

Dividends received in respect of the ordinary shares of D-Ron SG by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Currently, subject to certain transitional rules, Singapore has adopted the "One-Tier" Corporate Tax System, whereby the tax payable in respect of taxable corporate profits is the final tax and D-Ron SG can pay tax exempt (1-tier) dividends which are tax exempt in the hands of its shareholders, regardless of the tax residence status or the legal form of its shareholders.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of PDB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisitions.

9. DIRECTORS' STATEMENT

The Board of PDB is of the opinion that the Proposed Acquisitions are in the best interest of the Company and its shareholders, after considering all their aspects, including but not limited to the prospects, rationale and effects of the Proposed Acquisitions.

10. PRINCIPAL ADVISER

M&A Securities has been appointed as the Principal Adviser for the Proposed Acquisitions which are intended to be the Company's proposed regularisation plan.

11. PERCENTAGE RATIO

The highest percentage ratio for the Proposed Acquisitions under paragraph 10.02(g) of the MMLR is more than 100%, being the RM-equivalent total Purchase Consideration of RM105.6 million as at LPD compared to the audited NA of PDB as at 31 December 2024 of RM18.3 million.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to the relevant approvals being obtained and barring any unforeseen circumstances, the Proposed Acquisitions are expected to be completed by the last quarter of 2025.

13. DOCUMENTS FOR INSPECTION

Copy of the SSPA will be made available for inspection at the registered office of PDB at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor during normal office hours on Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 20 June 2025.

1. CONDITIONS PRECEDENT

1.1 The SSPA is conditional upon the fulfillment of the following conditions precedent within a period of 8 months from 13 March 2025 (being the date of the Term Sheet) except for the conditions precedent under (b) and (c) below which shall be fulfilled by 31 August 2025 ("**Conditional Period**") or such other period as may be agreed upon by the parties thereto:

(a) the approvals of the SC and Bursa Securities (as applicable) for the regularisation plan of PDB ("**Purchaser**") which includes the sale and purchase of the Sale Shares;

(b) the completion of the legal, financial and accounting, commercial, taxation and technical due diligence undertaken by the Purchaser (and/or its representatives, advisers, solicitors or agents) and outcome of which shall be to the reasonable satisfaction of the Purchaser;

(c) the approval of the shareholders of the Purchaser at its general meeting for (among other things) the purchase of the Sale Shares;

(d) such consents or approvals (including from any governmental or regulatory body or competent authority or other third party) as may be required by the Target Companies and/or the Vendors in connection with the sale and purchase of the Sale Shares and/or the transactions contemplated under the SSPA;

(e) such other consents or approvals as may be necessary from any governmental or regulatory body or competent authority, financiers, brand principals or third-party having jurisdiction over the sale of the Sale Shares which are mutually agreed on by the parties, having been granted, waived or obtained;

(f) the execution of the service agreement between Hun Tock Juan, Ronnie and Kelvin Lim Ken Neth and the Target Companies (as applicable) for the appointment of Hun Tock Juan, Ronnie as chief executive officer of D-Ron SG and D-Ron MY and Kelvin Lim Ken Neth as managing director of D-Ron MY, both for a term of 2 years after completion of the SSPA ("**Completion**"), in the form and substance as may be acceptable to the Purchaser and Hun Tock Juan, Ronnie and Kelvin Lim Ken Neth;

(g) the execution of the Call Option and Put Option agreement between the parties;

(h) the execution of the Escrow Agreement;

(i) the approvals of the existing lenders of the Target Companies as to the sale of the Sale Shares by the Vendors or change of shareholder/director of the Target Companies, provided that the Purchaser shall provide reasonable assistance as may be required by the Target Companies for the purpose of seeking such approvals;

(j) regularisation of all matters relating to the Target Companies which are currently not in compliance in a material respect with the rules, regulations and laws governing companies incorporated and carrying on business in Singapore and Malaysia, as specifically identified by the Purchaser and notified to the Vendor in writing no later than 31 July 2025 and to extent reasonably capable of regularisation, to be procured by the Vendors, if applicable;

(k) confirmation by the Vendors to the Purchaser that all the conditions precedent in the SSPA to the extent relating to the Vendors have been satisfied (unless waived by mutual agreement of the parties);

(l) confirmation by the Purchaser to the Vendors that all the conditions precedent in the SSPA to the extent relating to the Purchaser have been satisfied (unless waived by mutual agreement of the parties); and

(m) a letter of confirmation signed by the Vendors confirming that there being no breach of warranties, representations, undertakings or covenants in a material respect on the part of the Vendors.

(collectively, "**Conditions Precedent**")

1.2 All the Conditions Precedent are to be fulfilled on or before the expiry of the Conditional Period, or such other period as may be agreed upon by the parties. In the event that not all of the Conditions Precedent are fulfilled on or before the expiry of the Conditional Period and not waived by the mutual agreement of the parties, the parties may, by mutual agreement in writing, extend the period for fulfilment of the Conditions Precedent by such longer period as the parties may agree from the expiry of the Conditional Period ("**Extended Conditional Period**").

2. NON-SOLICITATION & NON-COMPETE

2.1 Non-Solicitation of Employees

The Vendors agree that, for a period of 3 years from the end of PG Period, they shall not, directly or indirectly:

(a) solicit, induce, or attempt to solicit or induce any employee, consultant, or contractor of the business undertaken by the Target Companies on or prior to the Completion Date ("**Business**") to leave their position or cease providing services to the Purchaser/ Target Companies; and

(b) employ, engage, or otherwise retain the services of any employee, consultant, or contractor of the Business without the prior written consent of the Purchaser.

2.2 Non-Solicitation of Customers and Business Partners

The Vendors agree that, for a period of 3 years from the end of PG Period, they shall not, directly or indirectly:

(a) solicit, entice, or attempt to solicit or entice any customer, supplier, distributor, or other business partner of the Business to cease doing business with the Purchaser/ Target Companies or reduce the level of business they conduct with the Purchaser/ Target Companies; and

(b) interfere with, disrupt, or attempt to disrupt the relationships between the Purchaser/ Target Companies and any of the customers, suppliers, distributors or other business partners of the Business.

2.3 Non-Competition

The Vendors agree that, for a period of 3 years from the end of PG Period, they shall not, directly or indirectly, engage in, own, manage, operate, control, consult for, or participate in any manner in a business that competes with the Business in Singapore and Malaysia (as the case may be in respect of the relevant Target Companies' Business).

3. TERMINATION

3.1 The SSPA may be terminated only in the following circumstances:

(a) by mutual agreement of the parties; or

(b) by the relevant party pursuant to the following clauses:

(i) In the event any of the Conditions Precedent is not fulfilled and not waived by the mutual agreement of the parties, by the expiry of the Conditional Period or Extended Conditional Period, unless mutually extended by the parties thereto, the SSPA shall be deemed to be mutually terminated and:

(aa) except as specifically provided in (bb) below, the Earnest Deposit shall be forfeited to the Vendors who shall be entitled to retain the Earnest Deposit in full together with interest accrued thereto;

(bb) in the event of non-fulfillment of the Condition Precedent set out in Clause 1.1(a) and (c) above, the Earnest Deposit (without interest) shall be refunded forthwith by the Vendors to the Purchaser.

(ii) If any of the deliverables required to be delivered by the Vendors or the Purchaser on or by Completion Date are not delivered for any reason whatsoever, or if in any other respect the foregoing provisions of this clause are not fully complied with, the party not in default may fix a new day for Completion not more than 10 business days from Completion Date ("**Deferred Completion Date**"). In the event that the Vendors or the Purchaser (as the case may be) shall still be unable to deliver such deliverables or comply fully with the provisions of this clause on the Deferred Completion Date, the party or parties not in default shall be entitled (in addition to and without prejudice to all other rights or remedies available to it) to elect to rescind the SSPA or to effect Completion, so far as practicable having regard to the defaults which have occurred.

(iii) In the event of it becoming apparent that there will be a material breach of the warranties when given at Completion, the Purchaser shall be entitled to rescind the SSPA without liability on its part by notice in writing to the Vendors. If the Purchaser elects to proceed with Completion in such event, the Purchaser shall be deemed to have waived any such breach and shall not have any claim against any of Vendors in respect of any such breach, unless otherwise mutually agreed between the parties.

(iv) In the event of a material breach of the Purchaser's warranties prior to Completion, the Vendors shall be entitled to rescind the SSPA without liability on their part by notice in writing to the Purchaser. If the Vendors elect to proceed with Completion in such event, the Vendors shall be deemed to have waived any such breach and shall not have any claim against the Purchaser in respect of any such breach, unless otherwise mutually agreed between the parties.

4. GOVERNING LAW

The SSPA shall be governed by and construed in accordance with the laws of Malaysia and the parties thereto hereby submit to the exclusive jurisdiction of the courts of Malaysia.

D-Ron SG was incorporated in Singapore on 8 June 2004 as a private company limited by shares under the Companies Act 1967 of Singapore. D-Ron SG is not listed on any stock exchange.

D-Ron SG is principally engaged in the business of providing installation, maintenance, management and supporting services to all kinds of surveillance and technologies systems, including IT and surveillance hardware distribution. The principal market in which D-Ron SG conducts its business is in Singapore.

As at LPD, the issued share capital of D-Ron SG is SGD200,000, comprising 200,000 ordinary shares.

Details of the directors and shareholders of D-Ron SG and their respective shareholdings as at LPD are as follows:

Name	Relationship	Nationality	No. of shares	%
Healin Tay Siang Yuan	Director and Shareholder	Singaporean	60,000	30.00
Hun Tock Juan, Ronnie	Director and Shareholder	Singaporean	140,000	70.00
			200,000	**100.00**

As at LPD, D-Ron SG does not have any subsidiary or associated company.

A summary of the financial information of D-Ron SG based on its audited financial statements for FYE 2022, 2023 and 2024 are as follows:

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	SGD'000	**SGD'000**	**SGD'000**
Revenue	17,016	37,324	42,474
Gross profit	3,061	9,121	10,625
Profit before tax	(102)	4,706	6,776
Profit after tax	(190)	3,982	5,818
Gross margin (%)	17.99	24.44	25.02
Net margin (%)	(1.12)	10.67	13.70
Current assets	11,076	17,274	15,897
Current liabilities	6,561	13,446	9,818
Total assets	13,148	19,881	16,719
Total liabilities	8,749	14,813	10,301
Current ratio (times)	1.69	1.28	1.62
Shareholders' funds/ NA	4,399	5,068	6,418
Total borrowings	2,600	1,954	473
Gearing (times)	0.59	0.39	0.07
No. of shares	200,000	200,000	200,000
EPS (cent)	(95.00)	1,991.00	2,909.00
NA per share (SGD)	2.20	2.53	3.21
Cash from operating activities	1,065	5,235	4,503

FYE 2023 vs FYE 2022

Revenue for FYE 2023 increased by 119% to SGD37.3 million (FYE 2022: SGD17.0 million) mainly driven by the award of large-scale projects.

PAT for FYE 2023 was SGD4.0 million reversing the loss of SGD0.2 million for FYE 2022. For FYE 2023, the company generated higher gross margins of 24.44% as compared to 17.99% due to expansion of services rendered to customers. In addition, the company was also able to achieve higher revenue without a proportional increase in administrative expenses, in particular employees' cost. Employee costs rose by 52% to SGD4.8 million (FYE 2022: SGD3.2 million), significantly lower than the 119% increase in revenue, reflecting improved economies of scale.

FYE 2024 vs FYE 2023

Revenue for FYE 2024 continued to increase by 13.8% to SGD42.5 million (FYE 2023: SGD37.3 million) supported by continued expansion in services for existing customers.

PAT increased by 46.1% to SGD5.8 million (FYE 2023: 4.0 million). As gross margin remained relatively stable for both FYE 2023 and FYE 2024 in the region of 24-25%, the higher PAT recorded was mainly due to other income of SGD1.2 million (FYE 2023: SGD0.3 million), mainly derived from the gain on disposal of subsidiary of SGD1.0 million.

D-Ron MY was incorporated in Malaysia on 18 August 2011 as a private limited company under the Malaysia Companies Act 2016. D-Ron MY is not listed on any stock exchange.

D-Ron MY is principally engaged in the business of providing installation, maintenance, management and supporting services to all kinds of surveillance and technologies systems, including IT and surveillance hardware distribution. The principal market in which D-Ron MY conducts its business is in Malaysia.

As at LPD, the issued share capital of D-Ron MY is RM2,550,000, comprising 2,550,000 ordinary shares.

Details of the directors and shareholders of D-Ron MY and their respective shareholdings as at LPD are as follows:

Name	Relationship	Nationality	No. of shares	%
Kelvin Lim Ken Neth	Director and Shareholder	Malaysian	510,000	20.00
Hun Tock Juan, Ronnie	Director and Shareholder	Singaporean	2,040,000	80.00
			2,550,000	**100.00**

As at LPD, D-Ron MY does not have any subsidiary or associated company.

A summary of the financial information of D-Ron MY based on its audited financial statements for FYE 2022, 2023 and 2024 are as follows:

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Revenue	8,514	14,169	17,228
Gross profit	2,079	2,505	3,390
Profit before tax	719	735	1,207
Profit after tax	646	602	892
Gross margin (%)	12.22	6.71	7.98
Net margin (%)	3.80	1.61	2.10
Current assets	3,307	7,496	6,400
Current liabilities	1,461	5,082	3,000
Total assets	3,614	7,843	6,650
Total liabilities	1,491	5,117	3,032
Current ratio (times)	2.26	1.48	2.13
Shareholders' funds/ NA	2,123	2,726	3,618
Total borrowings	-	-	-
Gearing (times)	-	-	-
No. of shares	2,550,000	2,550,000	2,550,000
EPS (sen)	25.33	23.61	34.98
NA per share (RM)	0.08	0.11	0.14
Cash from operating activities	169	2,316	(613)

FYE 2023 vs FYE 2022

Revenue for FYE 2023 increased by 66% to RM14.2 million (FYE 2022: RM8.5 million) mainly driven by new customers acquisitions and project awards from existing customers. Notwithstanding the increase in revenue, gross profit remained consistent at RM2.5 million for FYE 2023 (FYE 2022: RM2.1 million). Gross margin declined to 6.71% from 12.22% due to competitive pricing strategies adopted by D-Ron MY to secure new projects.

Arising from the above, PAT for both FYE 2022 and FYE 2023 were consistent and in the region of RM0.6 million.

FYE 2024 vs FYE 2023

Revenue for FYE 2024 continued to increase by 21.6% to RM17.2 million (FYE 2023: RM14.2 million) supported by ongoing fulfilment of the orderbook. Gross margin picked up slightly from 6.71% to 7.98%.

PAT increased by RM0.3 million to RM0.9 million (FYE 2023: RM0.6 million), mainly due to increase in gross profit by RM0.9 million which was partially offset by increase in administrative expenses by RM0.3 million and taxation by RM0.2 million.