

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical consolidated financial information for the Financial Years Under Review have been extracted from the consolidated financial statements contained in the Accountants' Report included in Section 13 of this Prospectus.

Our consolidated financial statements have been prepared in accordance with the MFRS and IFRS. There are no accounting policies which are peculiar to our Group with regard to the nature of the business or the industry which our Group is involved in. For further details on the accounting policies of our Group, please refer to the respective notes of the Accountants' Report as set out in Section 13 of this Prospectus.

Our historical consolidated financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operation as set out in Section 12.2 of this Prospectus and the Accountants' Report, together with its accompanying notes as set out in Section 13 of this Prospectus.

12.1.1 Selected financial information from the historical consolidated statements of profit or loss and other comprehensive income

	Audited		
	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Revenue	1,110,651	2,171,359	3,412,027
Cost of sales	(878,254)	(1,706,282)	(2,566,207)
GP	232,397	465,077	845,820
Other operating income	60,823	107,144	135,711
Net reversal/(losses) on impairment on financial assets	306	(220)	(1,074)
Operating and administration expenses	(223,088)	(450,579)	(694,809)
Profit from operations	70,438	121,422	285,648
Finance costs	(11,597)	(40,215)	(66,312)
Share of losses from associates	-	-	(12)
PBT	58,841	81,207	219,324
Tax expense	(17,647)	(33,416)	(76,305)
PAT	41,194	47,791	143,019
Other comprehensive income, net of tax:			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translations	-	-	17
Total comprehensive income	41,194	47,791	143,036
Profit attributable to:			
Owners of our Company	37,020	37,223	122,295
Non-controlling interests	4,174	10,568	20,724
PAT	41,194	47,791	143,019
Total comprehensive income attributable to:			
Owners of our Company	37,020	37,223	122,310
Non-controlling interests	4,174	10,568	20,726
Total comprehensive income	41,194	47,791	143,036

12. FINANCIAL INFORMATION (Cont'd)

	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
GP margin (%) ⁽¹⁾	20.9	21.4	24.8
Total income margin (%) ⁽²⁾	26.4	26.4	28.8
EBITDA ⁽³⁾	106,549	194,646	380,717
EBITDA margin (%) ⁽⁴⁾	9.6	9.0	11.2
PBT margin (%) ⁽⁵⁾	5.3	3.7	6.4
PAT margin (%) ⁽⁶⁾	3.7	2.2	4.2
PATAMI margin (%) ⁽⁷⁾	3.3	1.7	3.6
Effective tax rate (%) ⁽⁸⁾	30.0	41.1	34.8
Basic EPS (sen) ⁽⁹⁾	27.4	24.9	74.8
Diluted EPS (sen) ⁽¹⁰⁾	26.4	23.9	72.1

Notes:

- (1) Computed based on GP divided by revenue.
- (2) Computed based on our total income divided by revenue.

The following table sets out the computation in arriving at our total income for the respective Financial Years Under Review:

	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Gross profit	232,397	465,077	845,820
Other operating income	60,823	107,144	135,711
Total income	293,220	572,221	981,531

During the Financial Years Under Review, our Group (save for the Caring Group) recognised its product rebate received under other operating income whilst the Caring Group recognised such product rebate received as a reduction to its cost of sales. Since 1 July 2025 (i.e. the beginning of FYE 2026), we have aligned the manner of recognition of product rebate received as a reduction to our Group's cost of sales. Hence, we have set out total income and total income margin as supplemental measures of our financial performance.

- (3) The following table sets out the computation in arriving at our EBITDA for the respective Financial Years Under Review:

	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
PBT	58,841	81,207	219,324
Add/(Less):			
Interest income	(2,174)	(3,715)	(5,906)
Finance costs	11,597	40,215	66,312
Amortisation of intangible assets	29	4,841	4,823
Depreciation of property, plant and equipment and investment properties	13,062	24,428	26,175
Depreciation of right-of-use assets	25,194	47,670	69,989
EBITDA	106,549	194,646	380,717

12. FINANCIAL INFORMATION (Cont'd)

Total income, total income margin, EBITDA, and EBITDA margin are supplemental measures of our performance and liquidity that are not required by or presented in accordance with the MFRS or IFRS and should not be considered as alternatives to net income or any performance measures derived in accordance with the MFRS or IFRS or as alternatives to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and EBITDA margin are not standardised terms, and hence, a direct comparison of similarly titled measures between companies may not be possible. Other companies may calculate EBITDA and EBITDA margin differently from us, limiting their usefulness as comparative measures.

- (4) Computed based on EBITDA divided by revenue.
- (5) Computed based on PBT divided by revenue.
- (6) Computed based on PAT divided by revenue.
- (7) Computed based on PATAMI divided by revenue.
- (8) Computed based on tax expense divided by PBT.
- (9) Computed based on PATAMI divided by the weighted average number of Shares in issue during the respective financial years.
- (10) Computed based on PATAMI divided by the weighted average number of Shares in issue during the respective financial years adjusted for the effects of dilution for the options granted pursuant to the ESOS.

12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Selected financial information from the historical consolidated statements of financial position**

	Audited		
	As at 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Non-current assets	360,866	1,591,880	1,972,723
Property, plant and equipment	119,877	166,815	242,204
Investment properties	10,019	33,580	29,410
Intangible assets	60,797	1,053,511	1,343,708
Investments in associates	-	-	5,695
Right of use assets	167,143	334,567	346,462
Deferred tax assets	2,950	3,108	4,773
Other investments	80	299	471
Current assets	366,747	868,366	1,198,148
Inventories	286,696	508,787	697,903
Trade and other receivables	46,925	136,244	146,045
Current tax assets	1,367	12,339	8,166
Other investments	-	35,432	51,138
Cash and cash equivalents	31,759	175,564	294,896
Total assets	727,613	2,460,246	3,170,871
Non-current liabilities	202,848	1,229,301	1,439,231
Deferred tax liabilities	4,242	127,110	173,660
Lease liabilities	148,655	239,820	250,489
Borrowings	38,664	795,158	985,277
Trade and other payables	11,287	67,213	29,805
Current liabilities	365,633	811,656	1,202,859
Trade and other payables	220,847	575,199	769,092
Lease liabilities	24,048	63,672	67,102
Borrowings	116,331	164,069	345,906
Current tax liabilities	4,407	8,716	20,759
Total liabilities	568,481	2,040,957	2,642,090
Share capital	28,414	238,415	251,606
Reserves	107,244	123,888	170,476
Equity attributable to owners of our Company / NA	135,658	362,303	422,082
Non-controlling interests	23,474	56,986	106,699
Total equity	159,132	419,289	528,781
Total equity and liabilities	727,613	2,460,246	3,170,871

12. FINANCIAL INFORMATION (Cont'd)

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

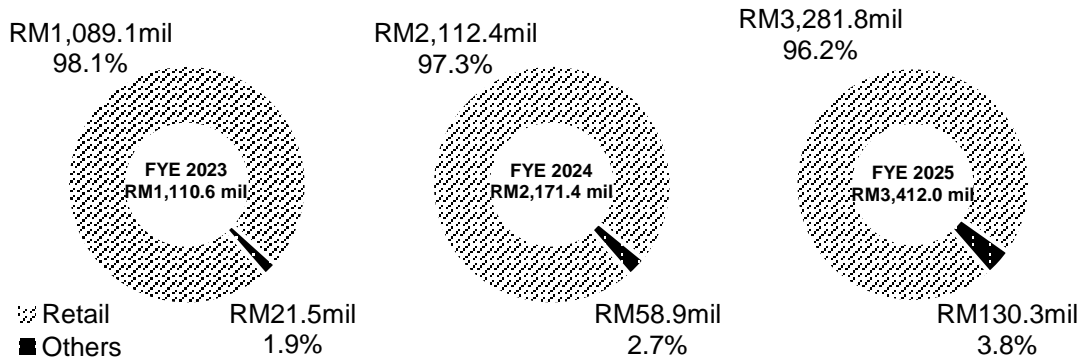
The following management's discussion and analysis of our Group's financial performance and results of operations for the Financial Years Under Review should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.1 Overview of our operations

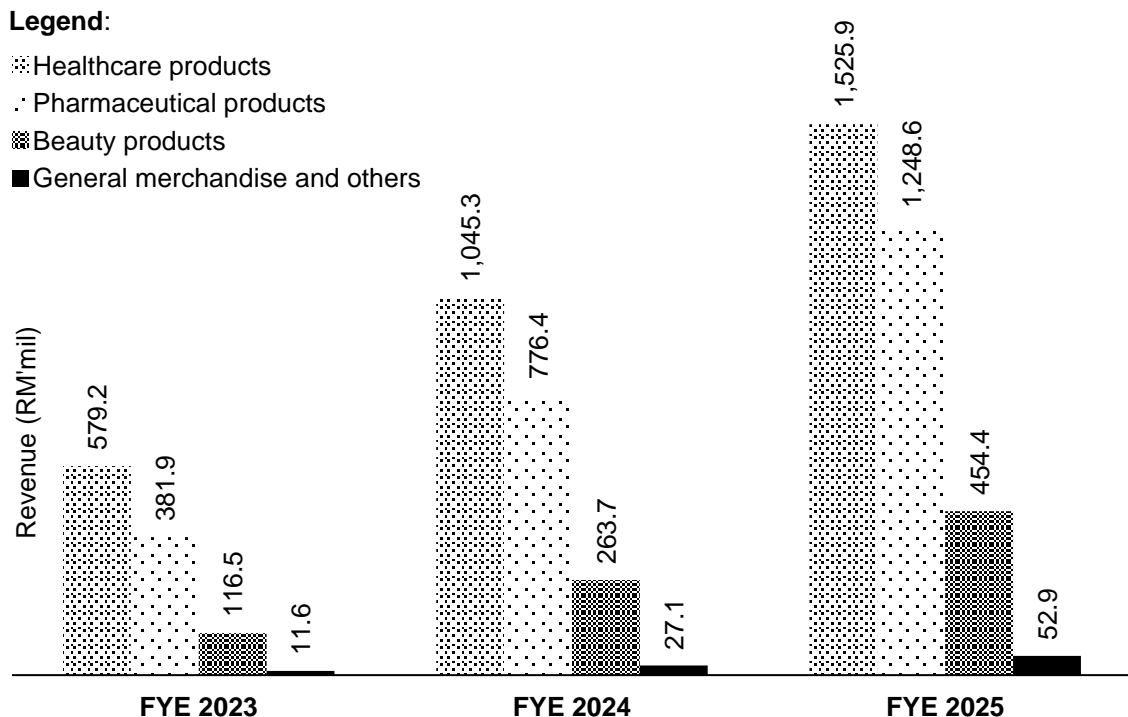
We are Malaysia's leading retail pharmacy chain by revenue, number of licensed pharmacies, and number of registered pharmacists holding type A licenses. We are also the only pharmacy retailer with licensed pharmacies in all 13 states and three Federal Territories in Malaysia, according to the IMR Report.

Our business comprises two operating segments, namely, retail and others. See Section 7.4 of this Prospectus for further information on these segments.

We derive our revenue mainly from our retail sale of pharmaceutical, healthcare, beauty, general merchandise and other related products. Our revenue contribution by business activities for the Financial Years Under Review are set out below:



Our revenue contribution by our product categories under our retail segment for the Financial Years Under Review are set out below:



12. FINANCIAL INFORMATION (Cont'd)

As at the LPD, we only operate in Malaysia. For the Financial Years Under Review, our revenue was mainly derived from Malaysia which accounted for more than 99.9% of our total revenue, whilst less than 0.1% of our total revenue was derived from sales to Brunei and Singapore. Please refer to Section 12.2.3(i) of this Prospectus for further details.

12.2.2 Significant factors that materially affect our financial condition and results of operations**(i) Significant acquisitions in the historical periods**

We have achieved significant growth in our financial performance through various strategic acquisitions undertaken throughout the Financial Years Under Review as illustrated in the diagram below:

**Note:**

- (1) We had acquired assets of seven retail outlets ("**Ting's Outlets**") from Kinabalu Pharmacy (Donggongon) Sdn Bhd, Eco Pharmacy Sdn Bhd, Daily Care Pharmacy Sdn Bhd, and Carribean Healthcare Sdn Bhd between July 2022 and April 2023 ("**Outlets Acquisition**"). These Outlets were subsequently rebranded to BIG pharmacy outlets.

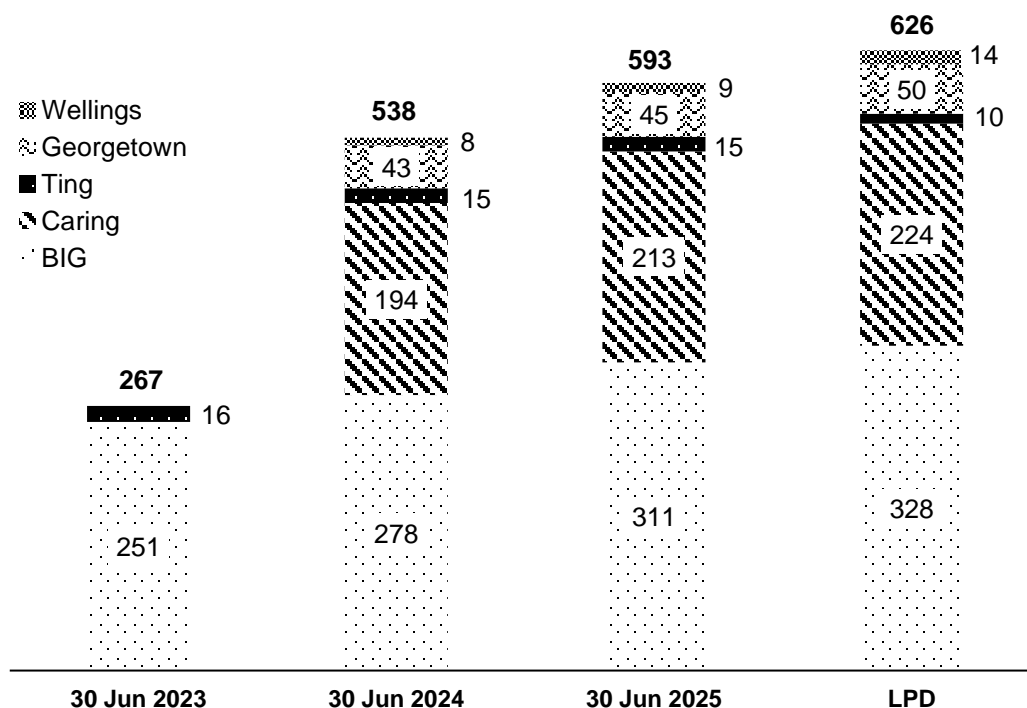
The table below illustrates the approximate months of consolidation of the entities and assets acquired during the Financial Years Under Review:

Entity / asset acquired	Approximate no. of months of consolidation		
	FYE 30 June		
	2023	2024	2025
Retail			
Ting's Outlets	3 to 12	12	12
Ting Pharmacy	4	12	12
Caring	-	6	12
Others			
Yanling	-	8	12
Medispec	-	-	4
Your Physio	-	-	1

Moreover, the acquisitions we have undertaken during the Financial Years Under Review have also contributed significantly to our number of retail outlets. Out of the 447 retail outlets added to our retail network (net of 30 retail pharmacy outlets closed) from 1 July 2022 to the LPD, 279 retail outlets were added through the Ting Acquisition, Outlets Acquisition, and Caring Acquisition, whilst the remaining 168 retail outlets were added organically through our opening of new retail outlets (net of 34 retail pharmacy outlets closed).

12. FINANCIAL INFORMATION (Cont'd)

The diagram below sets out our number of retail outlets at the end of the respective Financial Years Under Review and as at the LPD:



The expansion of our retail network from the Ting Acquisition, Outlets Acquisition, and Caring Acquisition has contributed to the financial performance of the retail segment for the Financial Years Under Review. The Yanling Acquisition, Medispec Acquisition and the acquisition of Your Physio have also allowed us to diversify our income streams by contributing to the financial performance of our other segments for the Financial Years Under Review. Please refer to paragraph 12.2.3 of this Prospectus for further details of our results of operations for the Financial Years Under Review.

In addition to the above, our financial condition and results of operations have also been impacted by these acquisitions as a result of, amongst others, the following factors:

(a) Economies of scale

The expansion of our retail operations as well as the acquisition of complementary businesses have increased our scale and purchasing power, which allowed us to (i) negotiate more attractive terms from our suppliers and Brand Principals which include favourable rebate, pricing and credit terms; and (ii) ensure the availability of a diverse product offering to meet the evolving needs of our customers. Further, these acquisitions have also introduced new partnerships and relations with our suppliers and Brand Principals.

(b) Integration of complementary businesses

Our acquisition strategy has extended beyond our retail operations to other parts of the pharmaceutical and healthcare value chain to expand our capabilities. The Yanling Acquisition and the Medispec Acquisition enabled us to integrate and expand manufacturing, importing, marketing, distributing and wholesaling of healthcare, pharmaceutical and nutraceutical products into our operations. Our revenue under the others segment increased for the FYE 2024 with the Yanling Acquisition and further increased for the FYE 2025 with the Medispec Acquisition.

12. FINANCIAL INFORMATION (Cont'd)

The Yanling Acquisition allowed us to manufacture and customise own-brand product offerings in accordance with local demand, and leverage on customer feedback to drive product development. Similarly, the Medispec Acquisition also accorded us greater autonomy over the importing, marketing, distributing and wholesaling processes. By integrating these complementary upstream businesses, we are able to better optimise the portfolio of the product offerings at our retail outlets, which contributed positively to the financial performance of our Group. For further details on our capabilities across the retail pharmacy supply chain, please refer to Section 7.2.4 of this Prospectus.

The acquisition of Your Physio also enabled us to explore further synergies between our retail outlets and physiotherapy operations such as co-location of retail outlets with physiotherapy centres, and cross-referrals and collaborative care between pharmacists and physiotherapists.

For details on the integration of our complementary businesses, please refer to Section 7.2.4 of this Prospectus.

(c) Improved operational efficiencies

We have integrated all our retail outlets into our supply chain infrastructure to strengthen operational efficiency and support our growth across our expanding retail outlet network. In particular, we have fully integrated our retail outlets' point-of-sale system with our centralised inventory management system to optimise our inventory management and distribution processes across our retail operations. For details on the integration of our supply chain infrastructure, please refer to Section 7.2.4 of this Prospectus.

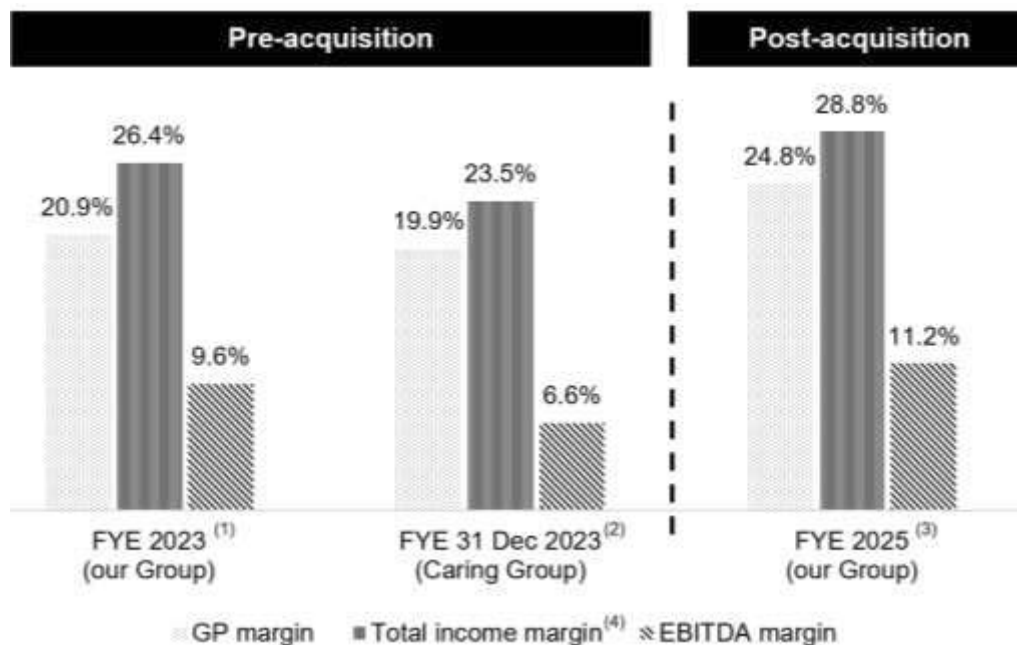
(d) Transaction and financing costs

Our results of operations were impacted by associated transaction costs relating to our acquisitions, such as bank fees incurred in financing or refinancing debt, stamp duty and professional fees for legal, accounting and other professional services, as well as post-acquisition costs incurred to integrate our acquisitions into our Group. We have funded our acquisitions partially from borrowings.

As at 30 June 2024 and 30 June 2025, we had RM959.2 million and RM1,331.2 million of total borrowings, respectively, that were taken mainly to fund the Caring Acquisition, Medispec Acquisition and Your Physio Acquisition which resulted in finance costs of RM30.5 million and RM53.2 million for the FYE 2024 and the FYE 2025 respectively.

12. FINANCIAL INFORMATION (Cont'd)

For illustration purposes only, please refer to the below for the impact of the Caring Acquisition to our financial performance:

**Notes:**

- (1) Represents our consolidated audited financial information for the FYE 2023 prior to the Caring Acquisition.
- (2) Represents the audited financial information of the Caring Group for the FYE 31 December 2023.
- (3) Represents our consolidated audited financial information for the FYE 2025 after the Caring Acquisition.
- (4) Computed based on the sum of GP and other operating income, divided by revenue.

(ii) Average transaction value and number of transactions

Our revenue from the retail segment accounted for 98.1%, 97.3% and 96.2% of our total revenue for the Financial Years Under Review. Accordingly, our Group's overall financial performance is driven by the financial performance of the retail segment.

Our revenue generated from the retail segment is directly impacted by the performance of our retail outlets which are in turn driven by (i) average transaction value; and (ii) number of transactions, at our retail outlets. Average transaction values vary across our retail outlets depending on several factors, including the product mix, pricing and promotions offered and our ability to anticipate and respond effectively to consumer preference and buying patterns. The number of transactions at a retail outlet depends primarily on the level of footfall, our ability to provide a range of product offerings that generates new and repeat visits to our retail outlets, and our ability to ensure satisfactory customer experiences at our retail outlets.

12. FINANCIAL INFORMATION (Cont'd)

The following table sets out the performance of our retail outlets for the Financial Years Under Review:

	FYE 30 June		
	2023	2024	2025
Big Retail Outlets			
Average value per sales transaction (RM) ⁽¹⁾	63	69	68
Average number of transactions per month ('000) ⁽²⁾	1,406	1,608	1,887
Caring Retail Outlets			
Average value per sales transaction (RM) ⁽¹⁾	68	71	77
Average number of transactions per month ('000) ⁽²⁾	1,574	1,685	1,781

Notes:

- (1) Calculated as the revenue generated from our retail outlets during the financial year divided by the aggregate number of sales transactions at our retail outlets during the financial year.
- (2) Calculated as the number of transactions at our retail outlets during the financial year divided by the number of months for the financial year.

The following table sets out the SSSG of our retail outlets for the Financial Years Under Review:

	FYE 30 June		
	2023	2024	2025
Big Retail Outlets			
SSSG ⁽¹⁾	(3.8%) ⁽²⁾	7.5%	8.8%
Number of retail outlets included in the calculation of SSSG	98	171	258
Caring Retail Outlets			
SSSG ⁽¹⁾	6.7% ⁽²⁾	4.5%	10.3%
Number of retail outlets included in the calculation of SSSG	168	196	224
Total Retail Outlets			
SSSG ⁽¹⁾	-(3)	7.3%	9.6%
Number of retail outlets included in the calculation of SSSG	-(3)	367	482

Notes:

- (1) The SSSG of our retail outlets for the financial year is calculated by dividing (a) the revenue generated by our retail outlets during such financial year after deducting the revenue generated by those same stores during the immediately preceding financial year, by (b) the revenue generated by those same stores during the immediately preceding financial year. The SSSG for each financial year is only calculated for our retail outlets which have been in operation for a period of at least 24 months.

12. FINANCIAL INFORMATION (Cont'd)

- (2) The SSSG for BIG Retail Outlets was negative for the FYE 2023 as retail outlet sales were higher for the FYE 2022 due to higher demand for healthcare and pharmaceutical products during the COVID-19 pandemic which subsequently normalised for the FYE 2023. On the other hand, the Caring Retail Outlets were mainly situated in malls where footfall was low during the COVID-19 pandemic which in turn resulted in a higher SSSG for the FYE 2023.
- (3) Caring was only acquired by the Group in December 2023 and was only part of the Group for six months in FYE 2024 and was not part of the Group for the FYE 2023.

(iii) Expansion of our retail outlet network

The number of retail outlets that we operate directly affects our sales, costs and profitability. The following table sets out a breakdown of our retail outlet network as at the end of the respective Financial Years Under Review and as at the LPD by region in Malaysia:

	No. of retail outlets			
	As at 30 June			As at LPD
	2023	2024	2025	
Peninsular Malaysia	234	473	520	552
Central ⁽¹⁾	112	223	245	259
East Coast ⁽²⁾	29	40	47	49
Northern ⁽³⁾	20	86	95	102
Southern ⁽⁴⁾	73	124	133	142
East Malaysia⁽⁵⁾	33	65	73	74
Total	267	538	593	626
Increase in number of retail outlets ⁽⁶⁾	-	271	55	33

Notes:

- (1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.
- (2) Consists of the states of Kelantan, Terengganu and Pahang.
- (3) Consists of the states of Perlis, Kedah, Pulau Pinang and Perak.
- (4) Consists of the states of Johor, Melaka and Negeri Sembilan.
- (5) Consists of the states of Sabah and Sarawak, and the Federal Territory of Labuan.
- (6) Net of retail outlet closures and including the increase in retail outlets from acquisitions.

Our ability to increase our revenue through the growth of our retail outlet network depends primarily on our ability to identify and secure locations with good prospects for success, such as locations in areas with high customer traffic and which are easily accessible. Please refer to Section 7.3 of this Prospectus for further details on our future plans to grow our retail outlet network.

12. FINANCIAL INFORMATION (Cont'd)**(iv) Labour expenses**

Generally, our retail outlets are managed by at least one full-time licensed and registered pharmacist during all operating hours and staffed on average by four to 12 employees, depending on several factors, including the length of time the retail outlet has operated, its size and display area, and average monthly sales. Please refer to Section 7.21 of this Prospectus for further details on our number of employees.

We generally compensate our staff at levels which are competitive in the industry. In addition to salaries and incentive-based pay, we also incur ancillary staff costs such as expenses on the recruitment and training of our employees. Accordingly, labour-related expenses represent a substantial portion of our cost, and any future changes to labour related expenses, such as salary increments, increase in incentive-based pays, or increase in the statutory minimum wage of Malaysia, may have an adverse impact on our profitability.

The following table sets out the percentage of total labour expenses against our Group's revenue for the Financial Years Under Review:

	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Total labour expenses	143,640	289,884	436,765
Revenue	1,110,651	2,171,359	3,412,027
Total labour expenses as a percentage of revenue ⁽¹⁾	12.9%	13.4%	12.8%

Note:

(1) Computed based on total labour expenses divided by revenue.

(v) General economic conditions and consumer spending in Malaysia

Our business is derived mainly from our retail segment operations in Malaysia. As a result, our business depends on, and will continue to depend on, Malaysian consumer spending and the general state of the Malaysian economy.

Malaysia's GDP has grown at a CAGR of 5.2% between 2020 and 2025 and is expected to grow at a CAGR of 4.0% from 2025 to 2030. Malaysia GDP growth is supported by resilient domestic demand and exports, in addition to the government initiatives including the National Energy Transition Roadmap, the New Industrial Master Plan 2030, and the Thirteenth Malaysia Plan.

We also depend on the condition of the retail pharmacy industry in Malaysia. Within the retail pharmacy industry, the organised chains expanded faster by sales value at a CAGR of 20.9% (compared to the overall retail pharmacy industry at a CAGR of 13.1%) from 2020 to 2025, and is expected to continue growing at a CAGR of 10.9% from 2025 to 2030. Please refer to the IMR Report as set out in Section 8 of this Prospectus for further details on the outlook of the retail pharmacy industry in Malaysia. There have also been changes in indirect taxes in Malaysia in recent years. Malaysia now levies sales tax and service tax ("**SST**"), which is a single-stage tax levied on suppliers at 5.0% or 10.0% for goods and 6.0% or 8.0% for services. The establishment of SST on 1 September 2018, which replaced goods and services tax, resulted in increases in our costs. Pursuant to the Service Tax (Amendment) Regulations 2025 gazetted on 9 June 2025, the prescribed taxable services have expanded to include finance services, healthcare services, rental or leasing services, construction services, and education services. The essential services such as food and beverage services, telecommunication services, parking services, logistic services, healthcare services, construction services, and education services are taxable at 6.0% while the remaining prescribed services are taxable at 8.0%.

12. FINANCIAL INFORMATION (Cont'd)

As we operate our business and derive revenue from Malaysia, the imposition of any U.S. tariff on Malaysian imports into the United States is unlikely to have a material direct impact on our results of operations. However, we continuously monitor global developments that may affect our supply chain dynamics, including any geopolitical tensions and conflicts which may disrupt global supply chains. See Section 5.2.3 of this Prospectus for further details.

(vi) Impact of interest rates

All of our borrowings are interest-bearing. Accordingly, any hikes in interest rates would affect our financial performance. Our finance costs comprise mainly interest expenses on term loans, bank overdrafts, bankers' acceptances, revolving credits, and invoice financing that are granted by financial institutions. As at 30 June 2025, our total borrowings were RM1.3 billion, of which RM94.6 million were fixed rate borrowings and RM1.2 billion floating rate borrowings. Hence, any increase in interest rates may impact our financial performance. Please refer to Section 12.3.4 of this Prospectus for further details on the interest rates on our borrowings for the Financial Years Under Review.

(vii) Impact of inflation

Our financial performance for the Financial Years Under Review was not materially affected by the impact of inflation. Nevertheless, there is no assurance that inflation may not affect our future results of operations and financial performance.

(viii) Government, economic, fiscal and monetary policies

Our business is subject to the risk relating to government, economic, fiscal or monetary policies in Malaysia and in countries that we have transactions in. Any unfavourable changes in such government, economic, fiscal or monetary policies may materially affect our operations.

12.2.3 Results of operations**(i) Revenue**

Our revenue is derived from the following operating segments:

- (a) **Retail:** sale of pharmaceutical, healthcare, beauty, general merchandise and other related products through our network of retail pharmacy outlets, e-commerce platforms, and corporate sales channels; and
- (b) **Others:** manufacturing, importing, marketing, distributing and wholesaling of healthcare, pharmaceutical and nutraceutical products as well as the provision of physiotherapy, tele-consultation and other healthcare-related services.

12. FINANCIAL INFORMATION (Cont'd)**Revenue by operating segments and activities**

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Retail	1,089,146	98.1	2,112,422	97.3	3,281,762	96.3
Big Retail Outlets	1,069,257	96.3	1,340,892	61.8	1,540,141	45.1
Caring Retail Outlets	-	-	727,737	33.5	1,617,404	47.5
E-commerce and corporate sales	19,889	1.8	43,793	2.0	124,217	3.6
Others	21,505	1.9	58,937	2.7	130,265	3.8
Yanling	-	-	36,863	1.7	50,798	1.5
Medispec	-	-	-	-	54,055	1.6
Other products and services	21,505	1.9	22,074	1.0	25,412	0.7
Total	1,110,651	100.0	2,171,359	100.0	3,412,027	100.0

Revenue by product categories

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Retail	1,089,146	98.1	2,112,422	97.3	3,281,762	96.2%
Healthcare products ⁽¹⁾	579,153	52.2	1,045,316	48.2	1,525,889	44.8%
Pharmaceutical products ⁽²⁾	381,877	34.4	776,362	35.8	1,248,599	36.6%
Beauty products	116,513	10.5	263,692	12.1	454,415	13.3%
General merchandise and others	11,603	1.0	27,052	1.2	52,859	1.5%
Others⁽³⁾	21,505	1.9	58,937	2.7	130,265	3.8%
Total	1,110,651	100.0	2,171,359	100.0	3,412,027	100.0

Notes:

- (1) Includes over-the-counter drugs, nutraceutical products and health supplements, and rehabilitation and medical and healthcare devices.
- (2) Includes products registered with the NPRA and scheduled drugs regulated under the PA 1952.
- (3) Others comprise revenue from Yanling, Medispec, and our other products and services.

Revenue by country

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	1,110,651	100.0	2,171,090	100.0	3,411,179	100.0
Others ⁽¹⁾	-	-	269	*	848	*
Total	1,110,651	100.0	2,171,359	100.0	3,412,027	100.0

* Denotes less than 0.1%.

Note:

- (1) Others comprise revenue from Singapore and Brunei.

12. FINANCIAL INFORMATION (Cont'd)**Commentaries on revenue****FYE 2025 compared to FYE 2024**

Our revenue increased by RM1,240.6 million or 57.1% from RM2,171.4 million for the FYE 2024 to RM3,412.0 million for the FYE 2025 primarily due to increase in revenue from the retail segment.

Retail

Our revenue from the retail segment increased by RM1,169.3 million or 55.4% from RM2,112.4 million for the FYE 2024 to RM3,281.7 million for the FYE 2025 mainly due to:

- (i) increase in revenue contribution from the Big Retail Outlets by RM199.2 million mainly due to (i) positive SSSG of 8.8%; and (ii) revenue contribution from 34 BIG Retail Outlets opened during the FYE 2025. This growth was evidenced by an increase in average number of sales transactions per month from 1.6 million transactions for the FYE 2024 to 1.9 million transactions for the FYE 2025;
- (ii) increase in the Caring Group's revenue contribution to our Group by RM959.8 million arising from a full year of the Caring Group's financial contribution to our Group's revenue for the FYE 2025, as compared to only six-months of contribution to our Group's revenue for the FYE 2024.

The SSSG of the Caring Retail Outlets for the FYE 2025 was 10.3%, and there were 23 Caring Retail Outlets opened during the FYE 2025. This growth was evidenced by an (i) increase in average value per sales transaction for Caring Retail Outlets from RM71 for the FYE 2024 to RM77 for the FYE 2025; and (ii) increase in average number of sales transactions per month from 1.7 million transactions for the FYE 2024 to 1.8 million transactions for the FYE 2025.

Others

Our revenue from the others segment increased by RM71.3 million or 121.0% from RM58.9 million for the FYE 2024 to RM130.3 million for the FYE 2025 primarily due to the consolidation of Medispec's four months revenue for the FYE 2025 following the completion of the Medispec Acquisition on 7 March 2025.

FYE 2024 compared to FYE 2023

Our revenue increased by RM1,060.7 million or 95.5% from RM1,110.7 million for the FYE 2023 to RM2,171.4 million for the FYE 2024 primarily due to increase in revenue from the retail segment.

Retail

Our revenue from the retail segment increased by RM1,023.3 million or 94.0% from RM1,089.1 million for the FYE 2023 to RM2,112.4 million for the FYE 2024 mainly due to:

- (i) increase in revenue contribution from the BIG Retail Outlets by RM271.6 million mainly due to (i) a positive SSSG of 7.5%; and (ii) the revenue contribution from 33 BIG Retail Outlets opened during the FYE 2024. This growth was evidenced by (i) an increase in average number of sales transactions per month from 1.4 million for the FYE 2023 to 1.6 million for the FYE 2024; and (ii) an increase in average value per sales transaction from RM63 for the FYE 2023 to RM69 for the FYE 2024; and
- (ii) our initial recognition of the Caring Group's revenue contribution of RM744.5 million arising from the consolidation of the Caring Group's six-month revenue following the completion of the Caring Acquisition on 29 December 2023.

12. FINANCIAL INFORMATION (Cont'd)

The SSSG of the Caring Retail Outlets for the FYE 2024 was 4.5%, and there were six Caring Retail Outlets opened during the FYE 2024. This growth was evidenced by (i) an increase in average number of sales transactions per month from 1.6 million for the FYE 2023 to 1.7 million for the FYE 2024; and (ii) increase in average value per sales transaction from RM68 for the FYE 2023 to RM71 for the FYE 2024.

Others

Our revenue from the others segment increased by RM37.4 million or 174.1% from RM21.5 million for the FYE 2023 to RM58.9 million for the FYE 2024 primarily due to the consolidation of Yanling's eight months revenue for the FYE 2024 following our completion of the Yanling Acquisition on 30 October 2023.

(ii) Cost of sales**Cost of sales by cost components**

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Product costs	877,612	99.9	1,682,330 ⁽¹⁾	98.6	2,531,872 ⁽¹⁾	98.7
Raw materials	642	0.1	16,461	1.0	20,370	0.8
Others ⁽²⁾	-	-	7,491	0.4	13,965	0.5
Total cost of sales	878,254	100.0	1,706,282	100.0	2,566,207	100.0

Notes:

- (1) Net of product rebate received by the Caring Group. Please refer to Section 12.1.1 of this Prospectus for more details on the manner of recognition of product rebate received by our Group during the Financial Years Under Review (where applicable).
- (2) Includes direct labour costs, materials and packaging costs for Yanling.

Cost of sales by operating segments

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Retail	861,574	98.1	1,666,115	97.6	2,485,834	96.9
Others	16,680	1.9	40,167	2.4	80,373	3.1
Total cost of sales	878,254	100.0	1,706,282	100.0	2,566,207	100.0

Commentaries on cost of sales

Product costs accounted for 99.9%, 98.6% and 98.7% of our total cost of sales for the FYE 2023, FYE 2024 and FYE 2025 respectively. In line with our revenue from the retail segment, almost all of our product costs were incurred for our products purchased for sale through the retail segment.

FYE 2025 compared to FYE 2024

Our product costs increased by RM849.5 million or 50.5% from RM1,682.3 million for the FYE 2024 to RM2,531.9 million for the FYE 2025 primarily due to (i) the recognition of the Caring Group's full year product cost of RM1,283.8 million for the FYE 2025, as compared to only six months for the FYE 2024; and (ii) higher revenue contribution from our BIG Retail Outlets. This was partially offset by higher product rebate received by the Caring Group following the centralisation of our procurement under the Caring Group.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2024 compared to FYE 2023**

Our product costs increased by RM804.7 million or 91.7% from RM877.6 million for the FYE 2023 to RM1,682.3 million for the FYE 2024 primarily due to (i) higher revenue contribution from our BIG Retail Outlets; and (ii) the initial recognition of the Caring Group's six months product cost of RM590.4 million following the completion of the Caring Acquisition on 29 December 2023.

(iii) GP and GP margin

	FYE 30 June								
	2023			2024			2025		
	⁽¹⁾ GP			⁽¹⁾ GP			⁽¹⁾ GP		
	GP	Margin		GP	Margin		GP	Margin	
RM'000	%	%	RM'000	%	%	RM'000	%	%	
Retail	227,572	97.9	20.9	446,307	96.0	21.1	795,928	94.1	24.3
Others	4,825	2.1	22.4	18,770	4.0	31.8	49,892	5.9	38.3
Yanling	-	-	-	13,940	3.0	37.8	17,782	2.1	35.0
Medispec	-	-	-	-	-	-	25,037	3.0	46.3
Other products and services	4,825	2.1	22.4	4,830	1.0	21.9	7,073	0.8	27.8
Total	232,397	100.0	20.9	465,077	100.0	21.4	845,820	100.0	24.8

Note:

(1) GP margin is computed based on GP divided by revenue.

Commentaries on GP and GP margin**FYE 2025 compared to FYE 2024**

Our GP increased by RM380.7 million or 81.9% from RM465.1 million for the FYE 2024 to RM845.8 million for the FYE 2025. Our GP margin increased from 21.4% for the FYE 2024 to 24.8% for the FYE 2025. The increase in our GP and GP margin was primarily due to an increase in our GP and GP margin from the retail segment and others segment.

Retail

Our GP for the retail segment increased by RM349.6 million or 78.3% from RM446.3 million for the FYE 2024 to RM795.9 million for the FYE 2025. This was contributed by the higher rate of increase in revenue from the retail segment by 55.4% as compared to the lower rate of increase in our cost of sales by 50.5% mainly due to higher product rebate received by Caring Group following the centralisation of our procurement under the Caring Group.

As a result, our GP margin for the retail segment increased from 21.1% for the FYE 2024 to 24.3% for the FYE 2025.

Others

Our GP for the others segment increased by RM31.1 million or 165.8% from RM18.8 million for the FYE 2024 to RM49.9 million for the FYE 2025. This was mainly contributed by our consolidation of Medispec's financial performance since March 2025 which had increased our GP by RM25.0 million for the FYE 2025.

Our GP margin for the others segment increased from 31.8% for the FYE 2024 to 38.3% for the FYE 2025 mainly arising from Medispec's higher GP margin for the FYE 2025 (46.3%).

12. FINANCIAL INFORMATION (Cont'd)**FYE 2024 compared to FYE 2023**

Our GP increased by RM232.7 million or 100.1% from RM232.4 million for the FYE 2023 to RM465.1 million for the FYE 2024. Our GP margin increased from 20.9% for the FYE 2023 to 21.4% for the FYE 2024. The increase in our GP and GP margin was primarily due to an increase in our GP and GP margin from the retail segment.

Retail

Our GP for the retail segment increased by RM218.7 million or 96.1% from RM227.6 million for the FYE 2023 to RM446.3 million for the FYE 2024. This was in line with the rate of increase in revenue from the retail segment by 94.0% and cost of sales by 93.4%.

Accordingly, our GP margin for the retail segment increased marginally from 20.9% for the FYE 2023 to 21.1% for the FYE 2024.

Others

Our GP for the others segment increased by RM14.0 million or 289.0% from RM4.8 million for the FYE 2023 to RM18.8 million for the FYE 2024 primarily due to the consolidation of Yanling's eight months GP for the FYE 2024 which had increased GP by RM13.9 million for the FYE 2024.

Our GP margin for the others segment increased from 22.4% for the FYE 2023 to 31.8% for the FYE 2024 mainly arising higher GP margins from Yanling (37.8%).

(iv) Other operating income

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Product rebate income ⁽¹⁾	28,270	46.5	39,975	37.3	32,272	23.8
Advertising and promotion income	29,323	48.2	58,787	54.8	88,046	64.8
Interest income	2,174	3.6	3,715	3.5	5,906	4.4
Rental income	152	0.2	1,138	1.1	2,187	1.6
Other income ⁽²⁾	904	1.5	3,529	3.3	7,300	5.4
Total	60,823	100.0	107,144	100.0	135,711	100.0

Notes:

- (1) Refers to product rebate received by our Group (save for the Caring Group). Please refer to Section 12.1.1 of this Prospectus for more details on the manner of recognition of product rebate received by our Group during the Financial Years Under Review (where applicable).
- (2) Other income comprises sponsorship received for our events and campaigns, income from granting suppliers access to our supplier portal, income from providing electronic payment services for walk-in customers, Human Resources Development Fund reimbursement income and gain on foreign exchange.

Commentaries on other operating income**FYE 2025 compared to FYE 2024**

Our other operating income increased by RM28.6 million or 26.7% from RM107.1 million for the FYE 2024 to RM135.7 million for the FYE 2025 primarily due to an increase in advertising and promotion income as a result of the consolidation of Caring's full year advertising and promotion income, and increased advertising and promotional campaigns for our suppliers and Brand Principals.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2024 compared to FYE 2023**

Our other operating income increased by RM46.3 million or 76.2% from RM60.8 million for the FYE 2023 to RM107.1 million for the FYE 2024 primarily due to (i) increase advertising and promotion income as a result of the consolidation of Caring's six months advertising and promotion income and increased advertising and promotional campaigns for our suppliers and Brand Principals; and (ii) increase in product rebate received (excluding the Caring Group) due to higher purchase volumes.

(v) Operating and administration expenses

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Advertising and promotion	8,893	4.0	14,989	3.3	31,475	4.5
Employee benefits	139,592	62.5	275,162	61.1	410,565	59.2
Director remunerations	4,049	1.8	10,654	2.4	18,342	2.6
Bank charges	21	*	5,401	1.2	1,649	0.2
Transportation	3,253	1.5	5,923	1.3	10,740	1.5
Utilities	8,242	3.7	12,531	2.8	16,002	2.3
Consumables	2,420	1.1	3,197	0.7	3,987	0.6
Commissions	4,528	2.0	10,097	2.2	25,686	3.7
Rental expenses	927	0.4	5,351	1.2	15,060	2.2
Professional fees	1,128	0.5	2,754	0.6	4,636	0.7
Subscription fees	592	0.3	3,234	0.7	9,071	1.3
Fixed asset written off	454	0.2	1,207	0.3	2,418	0.3
Amortisation of intangible assets	29	*	4,841	1.1	4,823	0.7
Depreciation of property, plant and equipment and investment properties	13,062	5.9	24,428	5.4	26,175	3.8
Depreciation of right-of-use assets	25,194	11.3	47,670	10.6	69,989	10.1
Others ⁽¹⁾	10,704	4.8	23,140	5.1	44,191	6.4
Total	223,088	100.0	450,579	100.0	694,809	100.0

*Denotes less than 0.1%.

Note:

- (1) Others comprise expenses relating to stamp duty, inventories written off, net impairment of non-financial assets and other miscellaneous expenses.

Commentaries on operating and administration expenses**FYE 2025 compared to FYE 2024**

Our operating and administration expenses increased by RM244.2 million or 54.2% from RM450.6 million for the FYE 2024 to RM694.8 million for the FYE 2025 primarily due to:

- (i) an increase by RM135.4 million in employee benefits due to (a) an increase in the number of retail employees by 441 employees as a result of the increase in the number of retail outlets and increased headcount for existing outlets; (b) consolidation of a full year of employee benefits from the Caring Group for the FYE 2025 as compared to six months for the FYE 2024; (c) consolidation of full year of employee benefits from Yanling for the FYE 2025 as compared to eight months for the FYE 2024; and (d) consolidation of four months of employee benefits from Medispec;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) an increase by RM22.3 million in depreciation of right-of-use assets mainly due to the consolidation of a full year of depreciation of right-of-use assets from the Caring Group for the FYE 2025 as compared to six months for the FYE 2024;
- (iii) an increase by RM16.5 million in advertising and promotion expenses due the (a) consolidation of a full year of advertising and promotion expenses from the Caring Group for the FYE 2025 as compared to six months for the FYE 2024; (b) consolidation of full year of advertising and promotion expenses from Yanling for the FYE 2025 as compared to eight months for the FYE 2024; and (c) consolidation of four months of advertising and promotion expenses from Medispec; and
- (iv) an increase by RM15.6 million in commission costs due to the consolidation of a full year of commission costs from the Caring Group for the FYE 2025 as compared to six months for the FYE 2024.

FYE 2024 compared to FYE 2023

Our operating and administration expenses increased by RM227.5 million or 102.0% from RM223.1 million for the FYE 2023 to RM450.6 million for the FYE 2024 primarily due to:

- (i) an increase by RM135.6 million in employee benefits due to (a) an increase in the number of retail employees by 2,587 as a result in the increase in the number of retail outlets, increased headcount for existing outlets, and the initial recognition of the Caring Group's headcount under our Group; (b) consolidation of six months of staff cost from the Caring Group for the FYE 2024 and (c) consolidation of eight months of staff cost from Yanling for the FYE 2024;
- (ii) an increase by RM22.5 million in depreciation of right-of-use assets mainly due to the initial recognition of Caring Group's six months of depreciation of right-of-use assets;
- (iii) an increase by RM11.4 million in depreciation of property, plant, and equipment and investment properties mainly due to the initial recognition of the Caring Group's six months of depreciation of property, plant, and equipment and investment properties; and
- (iv) an increase by RM4.8 million in amortisation of intangible assets mainly due to the amortisation of dealership rights relating to the Caring Group's sale of certain exclusive products.

(vi) Finance costs

	FYE 30 June					
	2023		2024		2025	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on lease liabilities	6,184	53.3	9,732	24.2	13,076	19.7
Interest expense on loans and borrowings	5,413	46.7	30,483	75.8	53,236	80.3
Total	11,597	100.0	40,215	100.0	66,312	100.0

Commentaries on finance costs**FYE 2025 compared to FYE 2024**

Our finance costs increased by RM26.1 million or 64.9% from RM40.2 million for the FYE 2024 to RM66.3 million for the FYE 2025 primarily due to an increase by RM22.8 million in interest expenses on loans and borrowings arising from (i) the full year of interest expense incurred for outstanding amounts of borrowings taken up for the Caring Acquisition as compared to only six months for the FYE 2024; and (ii) additional interest expense incurred for outstanding amounts of borrowings taken up mainly for the acquisition of Medispec and Your Physio.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2024 compared to FYE 2023**

Our finance costs increased by RM28.6 million or 246.8% from RM11.6 million for the FYE 2023 to RM40.2 million for the FYE 2024 primarily due to an increase by RM25.1 million in interest expenses on loans and borrowings mainly due to the six months of interest expense incurred for outstanding amounts of borrowings taken up mainly for the Caring Acquisition.

(vii) PBT, PAT and tax expense

	FYE 30 June		
	2023	2024	2025
PBT (RM'000)	58,841	81,207	219,324
PBT margin (%)	5.3	3.7	6.4
Tax expense (RM'000)	17,647	33,416	76,305
Effective tax rate (%) ⁽¹⁾	30.0	41.1	34.8
PAT (RM'000)	41,194	47,791	143,019
PAT margin (%)	3.7	2.2	4.2

Note:

(1) Computed based on tax expense divided by PBT.

Commentaries on PBT, PAT and tax expense**FYE 2025 compared to FYE 2024**

Our PBT increased by RM138.1 million or 170.1% from RM81.2 million for the FYE 2024 to RM219.3 million for the FYE 2025, while PBT margin increased from 3.7% for the FYE 2024 to 6.4% for the FYE 2025.

Our PAT increased by RM95.2 million or 199.3% from RM47.8 million for the FYE 2024 to RM143.0 million for the FYE 2025 while our PAT margin increased from 2.2% for the FYE 2024 to 4.2% for the FYE 2025.

The increase in PBT and PAT margin were primarily due to higher GP and other operating income. These were partially offset by (i) higher operating and administration expenses; and (ii) higher finance cost.

For the FYE 2025, our effective tax rate was 34.8% which was higher than the statutory tax rate of 24.0%. This was mainly attributed to the tax effect arising from non-deductible expenses of RM24.2 million incurred for finance costs, stamp duties, goodwill written off, and depreciation of property, plant and equipment and investment properties and right-of-use assets.

For the FYE 2024, our effective tax rate was 41.1% which was higher than the statutory tax rate of 24.0%. This was mainly attributed to the tax effect arising from the following:

- (a) non-deductible expenses of RM11.8 million incurred for interest expense, depreciation of property, plant and equipment and investment properties, right-of-use assets, and other expenses not deductible for tax purposes; and
- (b) unrecognised deferred tax assets of RM1.2 million, mainly from unused tax losses and unabsorbed capital allowances due to uncertainty over future taxable profits of certain subsidiaries.

12. FINANCIAL INFORMATION (Cont'd)**FYE 2024 compared to FYE 2023**

Our PBT increased by RM22.4 million or 38.0% from RM58.8 million for the FYE 2023 to RM81.2 million for the FYE 2024 while our PBT margin decreased from 5.3% for the FYE 2023 to 3.7% for the FYE 2024. Our PAT increased by RM6.6 million or 16.0% from RM41.2 million for the FYE 2023 to RM47.8 million for the FYE 2024 while our PAT margin decreased from 3.7% for the FYE 2023 to 2.2% for the FYE 2024.

The increase in PBT and PAT were primarily due to higher GP and other operating income. These were partially offset by an (i) increase in operating and administration expenses arising from employee benefits, and depreciation and amortisation related expenses; and (ii) increase in finance costs arising from the financing facility related to the Caring Acquisition.

The decreases in PBT and PAT margin were primarily due to increases in operating and administration expenses and finance costs.

For the FYE 2023, our effective tax rate was 30.0%, which was higher than the statutory tax rate of 24.0%. This was mainly attributed to the following:

- (a) non-deductible expenses of RM2.5 million incurred for depreciation of property, plant and equipment and investment properties, right-of-use assets, and other expenses not deductible for tax purposes; and
- (b) unrecognised deferred tax assets of RM1.5 million, mainly from unused tax losses and unabsorbed capital allowances due to uncertainty over future taxable profits of certain subsidiaries.

12.3 LIQUIDITY AND CAPITAL RESOURCES**12.3.1 Working capital**

Our working capital is funded through a combination of both internal and external sources of funds. Our internal sources of funds comprise shareholders' equity and cash generated from our operations, whilst external sources were mainly banking facilities from financial institutions. These funds were used for our operations and growth.

Based on our audited consolidated statement of financial position as at 30 June 2025, we have cash and bank balances of RM294.9 million, and unutilised banking facilities of RM189.7 million.

As at 30 June 2025, we were in a net current liabilities position of RM4.7 million, calculated as the difference between our current assets of RM1,198.1 million and current liabilities of RM1,202.9 million. The net current liabilities position was primarily attributable to the classification of the Acquisition Facility drawn down to fund the Caring Acquisition and Medispec Acquisition as current borrowings as at 30 June 2025. Based on the proforma consolidated statement of financial position of our Company as at 30 June 2025, following our IPO and use of proceeds from our Public Issue, we are expected to be in a net current asset position of RM[●] million and have a current ratio of [●] times. Please refer to Sections 4.5 and 14 of this Prospectus for further details on our use of proceeds and the pro forma consolidated statement of financial position of the Company as at 30 June 2025 respectively.

After taking into consideration of our Group's funding requirements for our committed capital expenditures, payment our existing level of cash and bank balances, unutilised banking facilities, expected cash flows to be generated from our operations, the estimated net proceeds from our Public Issue, and our dividend of approximately RM25.0 million which was paid on 26 March 2026, our Board is of the view that we have sufficient working capital for 12 months from the date of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)**12.3.2 Cash flows**

The table below sets out the summary of our audited consolidated statements of cash flows for the Financial Years Under Review:

	Audited		
	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Net cash from operating activities	35,995	140,385	350,919
Net cash used in investing activities	(55,845)	(808,252)	(435,803)
Net cash from financing activities	18,810	834,416	221,957
Net (decrease)/increase in cash and cash equivalents	(1,040)	166,549	137,073
Effects of exchange rate changes on cash and cash equivalents	-	-	(200)
Cash and cash equivalents at the beginning of the financial year	29,881	28,841	195,390
Cash and cash equivalents at the end of the financial year	28,841	195,390	332,263

Almost all of our cash and cash equivalents are held in RM. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants. Please refer to Section 15.5 of this Prospectus for further details on the repatriation of capital and remittance of profit from our subsidiaries.

Commentaries on cash flows**FYE 2025*****Net cash from operating activities***

Our net cash from operating activities was RM350.9 million for the FYE 2025. Our PBT for the FYE 2025 was RM219.3 million, which was adjusted for non-cash and other items of RM172.2 million and further adjusted mainly for the following:

- (i) an increase in inventories by RM161.0 million mainly due to higher finished goods arising from higher purchases to support the higher retail sales volumes;
- (ii) a decrease in trade and other receivables of RM43.9 million mainly due to the reclassification of prepayments for BRDC's construction and automation equipment costs to property, plant and equipment;
- (iii) an increase in trade and other payables of RM142.4 million mainly due to longer credit terms granted by suppliers following the centralisation of our procurement under the Caring Group and increase in purchase of inventories on credit terms; and
- (iv) payment of taxes of RM68.3 million.

Net cash from investing activities

Our net cash used in investing activities was RM435.8 million for the FYE 2025, which was primarily attributable to the following:

- (i) RM267.0 million used for acquisition of subsidiaries, net of cash acquired, namely the acquisition of Medispec and Your Physio; and
- (ii) RM85.4 million used for purchase of property, plant and equipment relating to automation and construction of BRDC and the renovation of retail outlets.

12. FINANCIAL INFORMATION (Cont'd)***Net cash from financing activities***

Our net cash from financing activities was RM222.0 million for the FYE 2025, which was primarily attributable to the following:

- (i) RM344.4 million received from drawdown of bankers' acceptances for trade-related purchases from suppliers;
- (ii) RM202.4 million received from drawdown of term loans for the Medispec Acquisition and for the construction of BRDC; and
- (iii) RM284.4 million used in repayment of bankers' acceptances for trade-related purchases from suppliers.

FYE 2024***Net cash from operating activities***

Our net cash from operating activities was RM140.4 million for the FYE 2024. Our PBT for the FYE 2024 was RM81.2 million, which was adjusted for non-cash and other items of RM114.8 million and further adjusted mainly for the following:

- (i) a decrease in inventories by RM22.5 million mainly due to lower finished goods as a result of improved inventory management;
- (ii) an increase in trade and other receivables by RM23.4 million mainly due to prepayments for BRDC's construction and automation equipment costs;
- (iii) a decrease in trade and other payables by RM23.9 million mainly due to settlement of the balance purchase consideration for the Ting Acquisition; and
- (iv) payment of taxes of RM31.2 million.

Net cash from investing activities

Our net cash used in investing activities was RM808.3 million for the FYE 2024, which was primarily attributable to the RM772.4 million used for acquisition of subsidiaries, net of cash acquired, namely the Caring Acquisition and the Yanling Acquisition.

Net cash from financing activities

Our net cash generated from financing activities was RM834.4 million for the FYE 2024, which was primarily attributable to the following:

- (i) RM646.8 million received from the drawdown of term loans used to partially fund the Caring Acquisition; and
- (ii) RM210.0 million received from the issuance of new ordinary shares to IPSB and UPBS to partially fund the Caring Acquisition.

FYE 2023***Net cash from operating activities***

Our net cash from operating activities was RM36.0 million for the FYE 2023, Our PBT for the FYE 2023 was RM58.8 million which was adjusted for non-cash and other items of RM43.3 million and further adjusted mainly for the following:

- (i) an increase in RM62.6 million in inventories mainly due to higher purchases to support inventory levels for the retail segment in East Malaysia;
- (ii) an increase in RM5.3 million in trade and other receivables mainly due to higher rental and utilities deposits arising from the opening of new retail outlets during the FYE 2023;

12. FINANCIAL INFORMATION (Cont'd)

- (iii) an increase in RM19.2 million in trade and other payables mainly due to the remaining balance for the purchase consideration of the Ting Acquisition which was paid after 30 June 2023; and
- (iv) payment of RM17.4 million in taxes.

Net cash from investing activities

Our net cash used in investing activities was RM55.8 million for the FYE 2023, which was primarily attributable to the following:

- (i) RM42.2 million used for purchase of property, plant and equipment related to the opening of new retail outlets; and
- (ii) RM14.2 million used for the Outlets Acquisition which mainly comprised cost of property, plant and equipment, inventories, and goodwill arising from such acquisitions.

Net cash from financing activities

Our net cash generated from financing activities was RM18.8 million for the FYE 2023, which was primarily attributable to the following:

- (i) RM81.9 million received from drawdown of bankers' acceptances for trade-related purchases from suppliers;
- (ii) RM35.3 million used for repayment of bankers' acceptances for trade-related purchases from suppliers;
- (iii) RM22.6 million used for payment of lease liabilities;
- (iv) RM13.3 million received from drawdown of revolving credit facilities mainly for our working capital purposes; and
- (v) RM11.6 million in interest paid for amongst others, lease liabilities, banker's acceptances, terms loans and revolving credit for working capital.

12.3.3 Key financial ratios

	As at 30 June		
	2023	2024	2025
Trade receivables turnover period (days) ⁽¹⁾	3	4	6
Trade payables turnover period (days) ⁽²⁾	62	65	72
Inventory turnover (days) ⁽³⁾	103	85	86
Current ratio (times) ⁽⁴⁾	1.003	1.070	0.996
Gearing ratio (times) ⁽⁵⁾	2.1	3.0	3.1
Total borrowings (RM '000) ⁽⁶⁾	154,995	959,227	1,331,183

Notes:

- (1) Computed based on average trade receivables as at the beginning and end of the financial year divided by total revenue for such financial year and multiplied by number of days in the financial year.
- (2) Computed based on average trade payables as at the beginning and end of the financial year divided by total cost of sales of such year and multiplied by number of days in the financial year.
- (3) Computed based on average inventories as at the beginning and end of the financial year divided by total cost of sales of such year and multiplied by number of days in the financial year.
- (4) Computed based on current assets divided by current liabilities.

12. FINANCIAL INFORMATION (Cont'd)

- (5) Computed based on total borrowings and total lease liabilities divided by total equity as at the end of the financial year.
- (6) Total borrowings consist of interest-bearing bank borrowings.

(i) Trade receivables turnover

	As at 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Opening trade receivables	12,119	8,255	39,107
Closing trade receivables	8,255	39,107	72,987
Average trade receivables	10,187	23,681	56,047
Total revenue	1,110,651	2,171,359	3,412,027
Trade receivables turnover period (days)⁽¹⁾	3	4	6

Note:

- (1) Computed based on average trade receivables divided by total revenue for such financial year, and multiplied by number of days in the financial year.

Our revenue is primarily generated from sales through our retail outlets where transactions with customers are settled immediately in cash, through financial institutions providing retail credit card services, third party payment channels or contactless payment methods.

For corporate customers, we generally offer credit terms of between 30 days and 90 days. The credit terms are determined on a case-by-case basis, taking into consideration factors such as our business relationship with the customer, customer creditworthiness, and historical payment trends as well as transaction volume and value.

There were no material fluctuations in our trade receivables turnover period for the Financial Years Under Review mainly due to the nature of our retail segment's business whereby sales are settled immediately.

The ageing analysis for our trade receivables as at 30 June 2025 is as follows:

	Past due (months)					Total
	Current	1	2	3	More than 3	
As at 30 June 2025:						
Trade receivables (RM'000)	29,903	20,878	11,603	6,622	6,201	75,207
% of total trade receivables (%)	39.8%	27.8%	15.4%	8.8%	8.2%	100.0%
As at 31 January 2026:						
Subsequent collections up to 31 January 2026 (RM'000)	29,782	20,819	11,283	6,469	4,857	73,210
Outstanding trade receivables as at 31 January 2026 (RM'000)	121	59	320	153	1,344	1,997
% of total trade receivables (%)	0.2%	0.1%	0.4%	0.2%	1.8%	2.7%

We do not have any significant exposure to any individual customer which we believe is not recoverable.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Trade payables turnover**

	As at 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Opening trade payables	142,364	156,186	451,096
Closing trade payables	156,186	451,096	564,329
Average trade payables	149,275	303,641	507,713
Cost of sales	878,254	1,706,282	2,566,207
Trade payables turnover period (days)⁽¹⁾	62	65	72

Note:

- (1) Computed based on average trade payables divided by total cost of sales of such financial year, and multiplied by number of days in the financial year.

The credit period typically granted to our Group by our suppliers ranges from 60 days to 90 days.

Our trade payables turnover period increased from 65 days as at 30 June 2024 to 72 days as at 30 June 2025 primarily due to higher trade payables arising from longer credit terms granted by suppliers following the centralisation of our procurement under the Caring Group and increase in purchase of inventories on credit terms.

Our trade payables turnover period remained relatively consistent at around 60 days as at 30 June 2023 and 30 June 2024.

The ageing analysis for our trade payables as at 30 June 2025 is as follows:

	Past due (months)					Total
	Current	1	2	3	More than 3	
As at 30 June 2025:						
Trade payables (RM'000)	534,678	14,593	3,621	3,145	8,292	564,329
% of total trade payables (%)	94.7%	2.6%	0.6%	0.6%	1.5%	100.0%
As at 31 January 2026:						
Subsequent payments up to the 31 January 2026 (RM'000)	534,134	14,222	3,618	3,022	7,129	562,125
Outstanding trade payables as at 31 January 2026 (RM'000)	544	371	3	123	1,163	2,204
% of total trade payables)	0.1%	0.1%	*	*	0.2%	0.4%

* Denotes less than 0.1%.

As at 31 January 2026, we have paid RM562.1 million or 99.6% of our total outstanding trade payables.

12. FINANCIAL INFORMATION (Cont'd)**(iii) Inventory turnover**

	As at 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Closing inventory	286,696	508,787	697,903
Opening inventory	207,419	286,696	508,787
Average inventory	247,058	397,742	603,345
Cost of sales	878,254	1,706,282	2,566,207
Inventory turnover (days)⁽¹⁾	103	85	86

Note:

- (1) Computed as an average of the opening and closing inventory for the financial year divided by cost of goods sold for such financial year, and multiplied by number of days in the financial year.

Our inventory turnover period remained relatively consistent at around 85 days as at 30 June 2024 and 30 June 2025.

Our inventory turnover period decreased from 103 days as at 30 June 2023 for the FYE 2023 to 85 days as at 30 June 2024. This was mainly due to higher inventory levels as at 30 June 2023 to support the new retail outlets opened during the FYE 2023.

(iv) Current ratio

	As at 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Current assets	366,747	868,366	1,198,148
Current liabilities	365,633	811,656	1,202,859
Current ratio (times)	1.003	1.070	0.996

Our current ratio decreased from 1.070 times as at 30 June 2024 to 0.996 times as at 30 June 2025. This was mainly due to an increase in current liabilities arising from the following:

- (a) higher trade and other payables, mainly attributed to longer credit terms granted by suppliers following the centralisation of our procurement under the Caring Group and increase in purchase of inventories on credit terms; and
- (b) higher borrowings mainly attributed to drawdown of revolving credit mainly for the Medispec Acquisition and Your Physio Acquisition, and bankers' acceptances for trade-related purchases from suppliers.

Our current ratio increased from 1.003 times as at 30 June 2023 to 1.070 times as at 30 June 2024. This was mainly due to an increase in current assets arising from our initial recognition of current assets of the Caring Group, Yanling Holdings and Ting Alliance following the completion of the respective acquisitions.

12. FINANCIAL INFORMATION (Cont'd)**(v) Gearing ratio**

	As at 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Loans and borrowings	154,995	959,227	1,331,183
Lease liabilities	172,703	303,492	317,591
Total equity	159,132	419,289	528,781
Gearing ratio (times) ⁽¹⁾	2.1	3.0	3.1

Note:

(1) Computed based on total loans and borrowings and total lease liabilities, divided by total equity.

Our gearing ratio remained relatively constant at around 3.0 times as at 30 June 2024 and 30 June 2025.

Our gearing ratio increased from 2.1 times as at 30 June 2023 to 3.0 times as at 30 June 2024 mainly due to drawdown of bank borrowings amounting to RM650.0 million to part fund the Caring Acquisition which was completed in December 2023.

12.3.4 Bank borrowings

As at 30 June 2025, our Group's total outstanding bank borrowings amounted to RM1,331.2 million, all of which are related to interest-bearing bank loans.

For more information on our bank borrowings, see Note 19 of the Accountants' Report in Section 13 of this Prospectus.

We have not been in default of either interest or principal for any of our bank borrowings during the Financial Years Under Review, and from 1 July 2025 up to and including 31 January 2026.

As at 31 January 2026, we are not in breach of the terms and conditions or covenants associated with our bank borrowings which would materially affect our financial position and results of operations or the investment in our Shares. There is no seasonality in our bank borrowings trend and there is no restrictions on the use of our committed banking facilities.

As at 30 June 2025, all our bank borrowings are in Malaysian Ringgit and are interest bearing. The following table sets out the details of our bank borrowings as at 30 June 2025:

	Weighted average effective interest rates	On demand or within one year	Within one to five years	Over five years	Total
	%	RM'000	RM'000	RM'000	RM'000
Floating rates		251,344	888,728	96,549	1,236,621
Term loans	3.90 - 8.26	15,291	868,728	44,163	928,182
Bank overdraft	7.35	674	-	-	674
Bankers' acceptances	4.22	50,708	-	-	50,708
Revolving credit	4.26 - 4.93	184,671	20,000	52,386	257,057
		-	-	-	-
Fixed rates		94,562	-	-	94,562
Term loans	3.50	114	-	-	114
Bankers' acceptances	3.56 - 4.83	89,823	-	-	89,823
Invoice financing	4.85	4,625	-	-	4,625
Total		345,906	888,728	96,549	1,331,183

12. FINANCIAL INFORMATION (Cont'd)**12.3.5 Capital expenditure and divestitures**

	FYE 30 June			1 July 2025 up to 31 January 2026
	2023	2024	2025	
	RM'000	RM'000	RM'000	RM'000
Air conditioners	1,907	1,737	-	-
Buildings	-	507	-	6,684
Freehold land	-	-	-	-
Furniture, fittings and office equipment	27,796	17,166	19,441	17,717
Motor vehicles	19	1,059	109	440
Plant and machinery	132	1,247	894	2,156
Renovations	13,240	7,843	9,309	13,278
Medical and laboratory equipment	-	227	68	257
Warehouse automation	-	-	12,395	218
Warehouse	-	-	26,734	-
Capital work-in-progress	-	25	16,458	-
Total	43,094	29,811	85,408	40,750

Our capital expenditure for the period from 1 July 2025 to 31 January 2026 mainly comprised costs in relation to (i) furniture, fittings and office equipment, and renovations for the opening of new retail outlets; and (ii) renovations and furniture, fittings and office equipment incurred for the construction of the BRDC.

Our capital expenditure for the FYE 2025 mainly comprised costs in relation to (i) furniture, fittings and office equipment, and renovations for the opening of new retail outlets; and (ii) capital work-in-progress, renovations, furniture, fittings and office equipment, warehouse automation and warehouse capital expenditure incurred for BRDC.

Our capital expenditure for the FYE 2023 and FYE2024 mainly comprised costs in relation to furniture, fittings and office equipment, and renovations for the opening of new retail outlets.

Our capital expenditure increased by 186.5% from RM29.8 million for the FYE 2024 to RM85.4 million for the FYE 2025 primarily due to (i) more retail outlet being opened in the FYE 2025 (57 retail outlets) as compared to the FYE 2024 (39 retail pharmacy outlets) and (ii) capital work-in-progress, renovations, furniture, fittings and office equipment, warehouse automation and warehouse capital expenditure incurred for BRDC.

Our capital expenditure decreased by 44.6% from RM43.1 million for the FYE 2023 to RM 29.8 million for the FYE 2024 primarily due to lower furniture, fittings, and office equipment and renovation expenditures due to fewer retail pharmacy outlets being opened for the FYE 2024 (39 retail pharmacy outlets) as compared to the FYE 2023 (69 retail pharmacy outlets).

There were no capital divestitures for the Financial Years Under Review.

12. FINANCIAL INFORMATION (Cont'd)**12.3.6 Material capital commitments**

Our material capital commitments for capital expenditure as at 31 January 2026 are as follows:

	As at 31 January 2026
	RM'000
Approved but not contracted for:	
Acquisition of land for new DC	[•]
Opening of new retail outlets ⁽¹⁾	14,412
Total	[•]

Note:

- (1) Represents the estimated capital expenditure committed for the opening of new retail outlets for the next 12 months from 31 January 2026.

We plan to meet our material capital commitment through our cash and cash equivalents on hand, cash generated from future operations, proceeds from our IPO, and funding from other financing activities (if required). Please refer to Section 4.5 of this Prospectus for further details on our utilisation of proceeds.

12.3.7 Order book

Due to the nature of our business, we do not maintain an order book.

12.3.8 Trend information

Save as disclosed in this Prospectus, and to our Board's knowledge and belief, there are no other known factors, trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our business, financial condition and results of operations or make our Group's historical consolidated financial statements not indicative of our future financial performance and position.

12.3.9 Significant changes

Save as disclosed in this Prospectus, no significant changes have occurred since 31 January 2026 which may have a material and adverse effect on the financial position and results of operation of our Group.

12.3.10 Treasury policies and objectives

The main objective of our capital management is to ensure that we have the liquidity and cash to meet our obligations as they fall due. Our principal sources of liquidity are our cash and bank balances, cash generated from our operations, as well as loans and borrowings. Our capital management involves identifying, quantifying, monitoring and controlling the risks (liquidity, interest, currency, credit, legal and regulatory) associated with our business activities with appropriate mitigation techniques. We do not have a hedging policy.

The overarching goal of our capital management is to ensure sustainability of shareholders' equity, thereby fortifying our capacity to support and expand our business to maximise shareholders' value.

12. FINANCIAL INFORMATION (Cont'd)**12.4 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness as at 31 January 2026 after adjusting for the effects of our Public Issue and our intended use of proceeds as set out in Section 4.5 of this Prospectus.

	Unaudited	Pro Forma	
	As at 31 Jan 2026 RM'000	After Public Issue RM'000	After Public Issue and use of IPO proceeds RM'000
Indebtedness			
<u>Current</u>			
<i>Secured and guaranteed</i>			
Term loans	6,011	6,011	6,011
Hire purchase liabilities	852	852	852
Bank overdraft	705	705	705
Bankers acceptance	168,624	168,624	168,624
Revolving credit	157,782	157,782	[•]
<i>Unsecured and unguaranteed</i>			
Term loans	62	62	62
Lease liabilities	78,491	78,491	78,491
	412,527	412,527	[•]
<u>Non-current</u>			
<i>Secured and guaranteed</i>			
Term loans	911,133	911,133	[•]
Hire purchase liabilities	2,240	2,240	2,240
Revolving credit	82,281	82,281	82,281
<i>Unsecured and unguaranteed</i>			
Lease liabilities	286,354	286,354	286,354
	1,282,008	1,282,008	[•]
Total indebtedness	1,694,535	1,694,535	[•]
Shareholders' equity/capitalisation			
Share capital	251,606	[•]	[•]
Reserves	261,220	[•]	[•]
Total equity attributable to owners of the Company	512,826	[•]	[•]
Non-controlling interests	29,858	29,858	29,858
Total shareholders' equity/capitalisation	542,684	[•]	[•]
Total capitalisation and indebtedness	2,237,219	[•]	[•]
Gearing ratio (times) ⁽¹⁾	3.1	[•]	[•]

Note:

(1) Computed based on total indebtedness divided by total shareholders' equity/capitalisation.

As at 31 January 2026, we do not have any contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

12. FINANCIAL INFORMATION (Cont'd)**12.5 DIVIDEND POLICY**

We target a payout ratio of up to 50.0% of our net profit attributable to the owners of our Company for each financial year on a consolidated basis. The actual dividend that our Board may recommend or declare in any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Board. In considering the level of dividend payments, if any, upon recommendation by our Board, we intend to consider various factors including:

- (i) the level of our cash, gearing, return on equity and retained earnings;
- (ii) our projected levels of capital expenditure and other growth/investment plans;
- (iii) applicable restrictive covenants and conditions under our financing documents; and
- (iv) our working capital requirements.

The declaration and payment of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements or any plan approved by our Board.

Save for certain banking restrictive covenants which our Company and our subsidiaries are subject to, there are no dividend restrictions imposed on our subsidiaries as at 31 January 2026.

For more information on our dividends, see Note 26 of the Accountants' Report included in Section 13 of this Prospectus.

The following table sets out our dividends declared and paid for the Financial Years Under Review:

	FYE 30 June		
	2023	2024	2025
	RM'000	RM'000	RM'000
Total dividends declared in respect of the financial year	-	20,702	7,300
Total dividends paid	-	14,652	6,050
PATAMI	37,020	37,223	122,295
Dividend payout ratio (%) ⁽¹⁾	-	55.6	6.0

Note:

- (1) Computed based on dividends declared divided by the PATAMI for the financial year.

For the FYE 2026, we have declared a dividend of approximately RM24.96 million which was paid on 26 March 2026 ("**Dividend**"). The Dividend was fully funded via internally-generated funds. Our Directors confirm the Dividend is not expected to affect our future plans and strategies as set out in Section 7.3 of this Prospectus.

12. FINANCIAL INFORMATION (Cont'd)**12.6 SELECTED FINANCIAL INFORMATION OF THE CARING GROUP BEFORE THE CARING ACQUISITION FOR THE FYE 31 DECEMBER 2023**

The below information is strictly for information purposes only.

	Audited
	FYE 31 December 2023
	RM'000
Revenue	1,381,726
Cost of sales	(1,106,963)
Gross profit	274,763
Other operating income	49,824
Selling and distribution expenses	(201,662)
Administrative expenses	(67,279)
Finance costs	(7,407)
Share of result of joint ventures	(5,348)
PBT	42,891
Tax expense	(12,328)
PAT	30,563
Profit for the financial year attributable to:	
Owners of the Caring Group	24,565
Non-controlling interests	5,998
PAT	30,563

(i) Revenue

Revenue of the Caring Group was primarily generated from the sale of goods, which represented over 99.0% of the Caring Group's total revenue for the FYE 31 December 2023.

(ii) Cost of sales and gross profit

The cost of sales of the Caring Group amounted to RM1,107.0 million, representing 80.1% of its revenue for the FYE 31 December 2023. This resulted in a gross profit of RM274.8 million, representing 19.9% of its revenue for the FYE 31 December 2023.

(iii) Other operating income

Other operating income of the Caring Group mainly consist of supplier incentive income, new product listing fee, product display income.

(iv) Selling and distribution expenses

Selling and distribution expenses of the Caring Group mainly consist of expenses incurred for the retail operations of Caring Group, including employee benefit, rental of premises, depreciation of property, plant and equipment, depreciation of right-of-use assets, and utilities of outlets.

(v) Administrative expenses

Administrative expenses of the Caring Group mainly consist of expenses incurred for the headquarters and administrative expenses of Caring Group, including employee benefits, advertising and promotion expense, depreciation of property, plant, and equipment, depreciation of right-of-use assets, and amortisation of intangible assets.

12. FINANCIAL INFORMATION (Cont'd)**(vi) Finance costs**

Finance costs of the Caring Group mainly consist of interest expenses on lease liabilities and borrowings. The breakdown of the Caring Group's finance costs for the FYE31 December 2023 is as follows:

	Audited
	FYE 31 December 2023
	RM'000
Interest expenses on:	
- amounts owing to directors	223
- revolving credits	561
- borrowings	2,165
- lease liabilities	4,458
Total	7,407

(vii) Share of result of joint ventures

Share of result of joint ventures represents profits shared by the Caring Group from two joint ventures engaged in the distribution business of pharmaceutical products, and retailing business of pharmaceutical products in the Indonesian market. The Caring Group recorded share of losses from one joint venture of RM6.9 million, and share of profits from the other joint venture of RM0.3 million for the FYE 31 December 2022. On 21 September 2023, the Caring Group had fully disposed its shareholdings in both joint ventures to Convenience Shopping (Sabah) Sdn Bhd for a cash consideration of RM10.6 million.