

8. IMR REPORT

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Date: 24 March 2026

The Board of Directors
Big Caring Group Bhd
8, Jalan Astana 3/KU2,
Bandar Bukit Raja,
41050 Klang,
Selangor

Dear Sirs / Madams,

Independent Market Research on the Retail Pharmacy Industry in Malaysia for Big Caring Group Bhd (“BCG” or “the Company”)

We, Frost & Sullivan GIC Malaysia Sdn Bhd (“**Frost & Sullivan**”), have prepared this Independent Market Report on the retail pharmacy industry in Malaysia (“**IMR Report**”) for inclusion in BCG’s prospectus in conjunction with the listing of and quotation for the entire enlarged issued shares in BCG on the Main Market of Bursa Malaysia Securities Berhad (“**Prospectus**”).

We are aware that this IMR Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007.

We acknowledge that if we are aware of any significant changes affecting the content of this IMR Report between the date hereof and the issue date of the Prospectus, we have an ongoing obligation to either cause this IMR Report to be updated for the changes and, where applicable, cause BCG to issue a supplementary prospectus, or withdraw our consent to the inclusion of this IMR Report in the Prospectus.

Frost & Sullivan has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of this IMR Report. We believe that this IMR Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be held responsible for the decisions and/or actions of the readers of this IMR Report. This IMR Report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this IMR Report or otherwise.

For and on behalf of Frost & Sullivan GIC Malaysia Sdn Bhd:



NARCISO PODDA

Director

Business & Financial Services

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Methodology

To prepare this report, Frost & Sullivan has conducted primary research encompassing interviews with industry experts and industry players, and secondary research, which included reviews of company reports, official websites/social media pages, independent research reports, information from industry associations/authorities/international organisations, and information from Frost & Sullivan's research database. Unless being made available in the publicly available sources, projected data was derived by Frost & Sullivan using historical data analysis with consideration of the social, economic, and political environments for the forecasted period.

Comparable key industry players identified in this report have been selected from a long list of companies developed by screening directories in Malaysia as well as discussing with industry players. Subsequently, the list was presented and discussed with industry players and experts¹ that agreed to be interviewed for the purpose of the analysis. Information were further validated via public information through secondary research (which covers reviews of company reports, official websites/social media channels, independent research reports, information from industry associations/authorities/internal organisations, as well as information from Frost & Sullivan research database) and fine-tuned by contacting identified companies (e.g., telephonic method, official social media platforms, among others).

Profile of Frost & Sullivan GIC Malaysia Sdn Bhd

Frost & Sullivan is a global independent industry research and consulting organisation headquartered in the United States of America with over 60 years of establishment. In Malaysia, Frost & Sullivan's subsidiary, Frost & Sullivan GIC Malaysia Sdn Bhd, operates two offices (Selangor and Iskandar Malaysia) with more than 200 employees offering market research, marketing and branding strategies and business advisory services across 12 industries. Frost & Sullivan is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other related fund-raising and corporate exercises.

Profile of the IMR signee, Narciso Podda

Narciso Podda is the Director, Business & Financial Services division, for Frost & Sullivan GIC Malaysia Sdn Bhd. Narciso Podda possesses over 15 years of experience in market research and consulting, including over eight years in independent market research and due diligence exercise for capital markets across the Asia Pacific region. Narciso Podda holds a Bachelor in Business Administration from Bocconi University, Italy, and a Master in International Economics and Finance from Chulalongkorn University, Thailand.

For further information, please contact:

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¹ Industry players are individuals currently or previously working in the retail pharmacy industry. Industry experts are individuals with in-depth knowledge on the industry (e.g., industry analysts).

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1 INTRODUCTION TO THE RETAIL PHARMACY INDUSTRY IN MALAYSIA

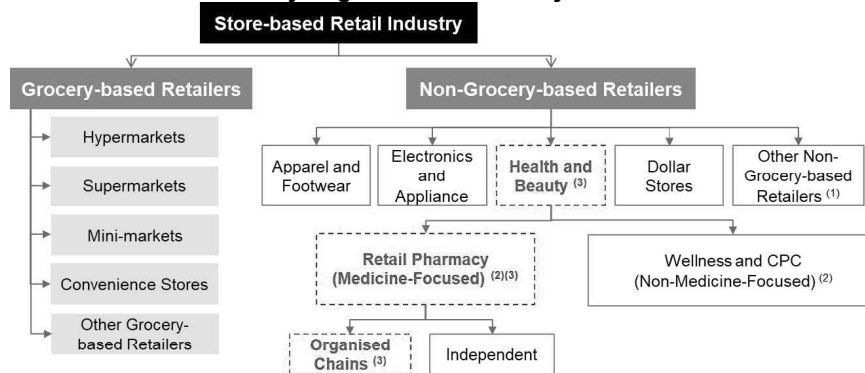
A retail pharmacy refers to a physical establishment, typically situated near residential or commercial areas, generally managed by a licensed pharmacist authorised to dispense prescription medicines for sale. Retail pharmacies offer a variety of healthcare products in addition to prescription medicines, including over-the-counter (“OTC”) medications, medical supplies, nutraceuticals (such as dietary supplements, and health foods and beverages), skincare, and personal care products. Retail pharmacies also deliver services such as health screenings (e.g., blood pressure, blood glucose, and cholesterol tests), dietary consultations, tele-consultations and safe medicine disposal services. The retail pharmacy industry in Malaysia is growing, driven by factors such as a resilient economic outlook, rising healthcare expenditure, expanding role of retail pharmacies, and supportive government policies. The Company and its subsidiaries (“Group”) are uniquely positioned to capture the future growth of the retail pharmacy industry in Malaysia, being the largest player in the retail pharmacy industry, ranked highest by revenue in 2024. Additionally, as at 13 February 2026, the Group had the highest number of licensed pharmacies², and number of registered pharmacists under Type A licence³, and is the only pharmacy retailer with a presence in all 13 states and three Federal Territories in Malaysia. Additionally, the Group was also the fastest growing retail pharmacy in Malaysia, having added the most number of licensed pharmacies from December 2021 to 13 February 2026, and achieved the highest revenue compound annual growth rate (“CAGR”) amongst key players in the industry in the latest three available financial years.

1.1 OVERVIEW OF THE RETAIL AND RETAIL PHARMACY LANDSCAPE

The retail landscape in Malaysia has shifted from smaller, family-run stores to larger, modern retail channels, resulting in a more diverse range of product offerings. Large corporate groups own most modern retail outlets and operate as chains with a wider geographical presence.

Retail pharmacies are part of the health and beauty segment within the broader store-based retail industry. The health and beauty segment can be categorised into (i) retail pharmacy, and (ii) wellness and, cosmetics and personal care (“CPC”). Retail pharmacy stores primarily offer medicine-focused products, whereas wellness and CPC stores emphasise on non-medicine products including hygiene, grooming and dietary supplements. Retail pharmacies include organised chains and independent pharmacies. In this report, organised chains refer to large-scale operations of ten or more outlets located at different locations in the country, while independent pharmacies refer to single or small-scale operations with fewer than ten outlets.

Figure 1-1: Store-based Retail Industry Segmentation in Malaysia



Note: (1) Other non-grocery-based retailers include departmental stores, general merchandise retailers and other specialty retailers not specified; (2) Some retailers like Watsons and Guardian have stores within both retail pharmacy, and wellness and CPC segments; (3) The dotted box indicates the industry subsegments where the Group operates.

Source: Frost & Sullivan

1.2 OVERVIEW OF DISPENSING PRACTICES AND PATIENT JOURNEY

In Malaysia, dispensing practices vary for prescription and non-prescription medicines. **Prescription medicines** fall under Group B poisons as they require a registered doctor or dentist to administer the medicines or to prescribe, and a licensed pharmacist to dispense with a valid prescription (e.g. medicines to control blood pressure, chemotherapy drugs, etc). **Non-prescription medicines** fall under Group C poisons, and non-scheduled poisons. Group C poisons require the licensed pharmacists to record the sale of the poisons when

² Licensed pharmacies refer to retail pharmacy outlets that have a registered pharmacist with Type A licence

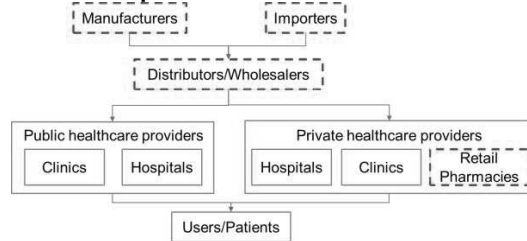
³ Type A licence refers to a licence that is issued by the Ministry of Health (“MOH”) Malaysia to a pharmacist to import, store and deal generally with all poisons

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dispensing them (e.g. anti-diarrheal medicines, non-steroidal anti-inflammatory drugs, etc), while non-scheduled poisons are OTC medications (e.g. paracetamol, topical antiseptics, etc).

Figure 1-2: Prescription Medicines Value Chain in Malaysia



Note: Red boxes indicate the Group's involvement.

Source: Malaysia Competition Commission; Frost & Sullivan

Prescription medicines are either produced locally or imported, then distributed by distributors or wholesalers to the public and private healthcare providers. Local manufacturers typically produce generic medicines, while importers mainly import patented drugs. The Group is vertically integrated, with capabilities spanning the entire value chain, from manufacturing and importing, to distributing and wholesaling, and retailing.

The patient journey in Malaysia usually begins with a visit to a healthcare provider for diagnosis and prescription. Prescription medicines can be dispensed by pharmacists at in-house dispensaries within healthcare facilities such as hospitals and clinics, or external retail pharmacies. For long-term prescriptions requiring repeat fulfilment, patients may choose to either purchase these medicines from healthcare facilities or from retail pharmacies. Despite government subsidies for prescription medicines at the public healthcare facilities, reasons for patients choosing retail pharmacies over dispensaries within public healthcare facilities may include greater convenience and shorter waiting time, while in private healthcare facilities, preferences for retail pharmacies may be driven by lower prices in addition to convenience and reduced waiting times.⁴

2 MACROECONOMIC OVERVIEW OF MALAYSIA

Economic Growth

Malaysia recorded a nominal Gross Domestic Product (“GDP”) per capita of USD12,618.7 in 2024, which is higher than the average for Southeast Asia (“SEA”) countries of USD5,752.4⁵. In real terms, the Malaysian GDP expanded from 2020 to 2025 at a CAGR of 5.2%.⁶ The economy experienced a setback in 2020 due to the impact of the coronavirus disease 2019 (“COVID-19”) outbreak, but has since shown resilience from 2021 to 2024 at a CAGR of 5.8%. The Malaysian economy grew by 5.2% in 2025⁷, and at an expected CAGR of 4.0% from 2025 to 2030⁸, 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. The expected economic growth and government policies aimed at improving wages are likely to drive job opportunities and strengthen the discretionary income of Malaysians.

Ageing Population, Growing Urbanisation with Prevalence of Non-Communicable Diseases (“NCDs”)

The Malaysian population grew from 32.4 million in 2020 to 33.9 million in 2025, at a CAGR of 0.9%. It is forecasted that the population will further increase to 35.7 million by 2030, growing at a CAGR of 1.0% from 2025.⁹ As the population of Malaysia is set to increase, the retail pharmacy industry will also expand further due to the increased base of potential customers. Notably, the senior age group (60 and above) made up 10.4% of the population in 2020, increasing to 12.1% in 2025, and is expected to reach 13.7% by 2030F.¹⁰ The rising proportion of seniors highlights the growing need for quality pharmacy services to support their medical and wellness needs as incidence of NCDs are higher among the senior age group. For example, the incidence of colorectal cancer and lung, trachea and bronchus cancer are higher among the senior age group for both male and female¹¹, and 67.8% of new patients registered in the national diabetes registry in 2023 are those from the senior age group¹². An ageing population with increasing life expectancy typically require medications, medical supplies and supplements, among others, tailored to age-related conditions.

⁴ Frost & Sullivan analysis

⁵ International Monetary Fund (“IMF”) World Economic Outlook (“WEO”) October 2025

⁶ IMF WEO October 2025

⁷ Department of Statistics, Malaysia (“DOSM”), National Accounts Gross Domestic Product Fourth Quarter 2025, February 2026

⁸ IMF WEO October 2025

⁹ IMF, WEO October 2025

¹⁰ United Nation, World Population Prospects: The 2024 Revision

¹¹ National Cancer Institute, Summary of the Malaysia National Cancer Registry Report (2017-2021)

¹² MOH Malaysia, National Diabetes Registry Report 2023

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With Malaysia's urban population forecasted to grow from 83.1% (28.1 million people)¹³ in 2025 to 83.7% (29.9 million people)¹⁴ in 2030F,¹⁵ the demand for pharmacies is anticipated to grow. Urban population is often associated with NCDs such as diabetes, hypertension, high cholesterol and obesity due to factors like unhealthy diets and sedentary lifestyles. In 2023, the prevalence of diagnosed diabetes among adults was 9.7% (9.4% in 2019), 17.3% for diagnosed hypertension (15.9% in 2019), 15.2% for diagnosed hypercholesterolaemia (13.5% in 2019), and 54.4% for overweight and obesity (50.1% in 2019).¹⁶

Growth of Household Expenditure on Health Outpaces Household Income

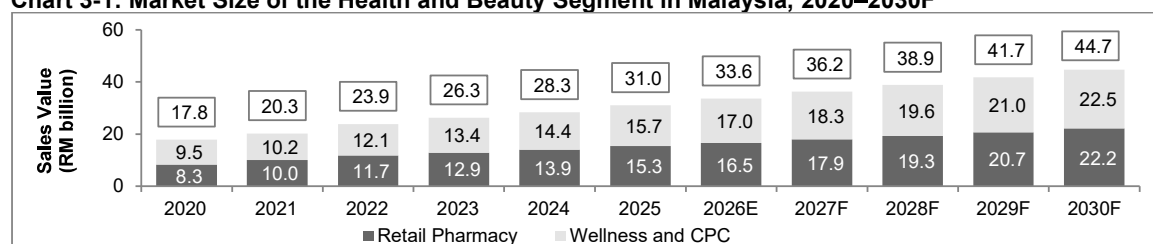
At the household level, the mean monthly household income in Malaysia increased from 2019 to 2024, at a CAGR of 3.0%, reflecting an increase in consumer spending power¹⁷. The total mean monthly household expenditure grew at a CAGR of 3.8%, while the mean monthly household expenditure on health recorded a CAGR of 9.1%¹⁸ over the same period. This indicates that Malaysian households are allocating a higher share of their budgets to healthcare, driven by higher health awareness and prioritisation of preventive care due to changes brought by the COVID-19 pandemic.

Overall, a growing economy, an ageing population, and rising household expenditure on healthcare indicate an increasing demand for accessible healthcare, a gap that the retail pharmacy industry is well-positioned to fill. This is because, consumers may prefer to purchase their healthcare products at retail pharmacies rather than at wellness and CPC stores as retail pharmacies typically carry a broader selection of pharmaceutical products (both prescription and non-prescription, as well as OTC), and they can also consult pharmacists staffed in retail pharmacies to better address their needs, for example on the dosage and the side effects.

3 ANALYSIS OF RETAIL PHARMACY IN MALAYSIA**3.1 MARKET SIZE AND GROWTH****3.1.1 Health and Beauty Segment**

The health and beauty segment in Malaysia expanded at a CAGR of 11.8% from 2020 to 2025. This segment is forecasted to further grow at a CAGR of 7.6% from 2025 to 2030F, partly driven by the growth of the retail pharmacy subsegment. In response to rising consumer demand for health and beauty products, retailers across Malaysia are actively adapting their strategies through enhancing store offerings by introducing dedicated sections for these products, or launching new brand stores within the health and beauty segment to appeal to a wider customer base.

The retail pharmacy subsegment accounted for 49.4% of the health and beauty segment in 2025, expanding from 46.5% in 2020, reflecting its growing importance in Malaysia's health and beauty segment and the wider retail landscape. Moving forward, the retail pharmacy subsegment in Malaysia is poised for growth driven by factors such as increasing consumer health awareness and greater accessibility of pharmacies across the country.

Chart 3-1: Market Size of the Health and Beauty Segment in Malaysia, 2020–2030F

Note: Total may not add up due to rounding.

Source: Frost & Sullivan

Table 3-1: CAGR of the Health and Beauty Segment in Malaysia, 2020–2030F

	CAGR 2020-2025	CAGR 2025-2030F
Retail pharmacy	13.1%	7.7%
Organised chains	20.9%	10.9%
Independent	6.5%	3.1%

¹³ The total number of Malaysia's urban population is calculated by multiplying the estimated 2025 urban population percentage from the United Nations' World Urbanisation Prospects 2025 with the estimated total population for 2025, based on October 2025's IMF WEO

¹⁴ The total number of Malaysia's urban population is calculated by multiplying the forecasted 2030 urban population percentage from the United Nations' World Urbanisation Prospects 2025 with the estimated total population for 2030, based on October 2025's IMF WEO

¹⁵ United Nations, World Urbanisation Prospects 2025

¹⁶ MOH Malaysia, National Health and Morbidity Survey 2023

¹⁷ DOSM, Household Income Survey Report 2024

¹⁸ DOSM, Household Expenditure Survey Report 2024

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	CAGR 2020-2025	CAGR 2025-2030F
Wellness and CPC	10.5%	7.5%
Total Health and Beauty	11.8%	7.6%

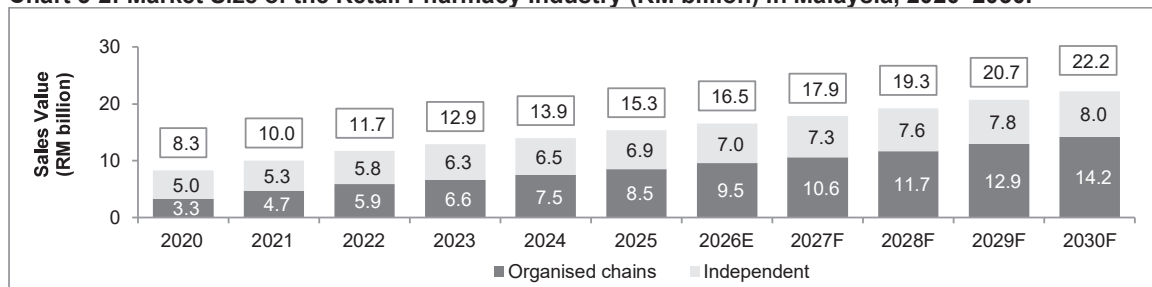
Source: Frost & Sullivan

3.1.2 Retail Pharmacy

Consumer habits have evolved as a result of the COVID-19 pandemic. These changes include increased awareness and prioritisation of health and wellness, alongside increased demand for vitamins and dietary supplements to address various health needs, from immune support to rectifying nutritional deficiencies. The number of health supplements and natural products registered with the National Pharmaceutical Regulatory Agency (“NPRA”) increased from 994 in 2019¹⁹ to 1,239 in 2024²⁰, reflecting notable market expansion within this sector. Further, pharmacies are classified as essential businesses due to their supply of non-discretionary products. This made the retail pharmacy sector highly demand-resilient as they were allowed to remain operational during the COVID-19 pandemic lockdowns, and thereby reinforcing their role in enhancing healthcare access. Many pharmacies have further extended their market reach by establishing online sales channels.

Within the retail pharmacy industry, the organised chains have demonstrated more robust growth, achieving a sales CAGR of 20.9% than the overall retail pharmacy industry at 13.1% from 2020 to 2025. Moving forward, organised chains are expected to continue to drive the retail pharmacy industry due to their ability to increase outlet numbers through the replication of business models and leveraging established brand recognition and operational processes. For instance, the Group plans to open 40-50 stores annually, while a competitor plans to open 30-50 stores annually²¹.

Chart 3-2: Market Size of the Retail Pharmacy Industry (RM billion) in Malaysia, 2020–2030F



Note: Total may not add up due to rounding.

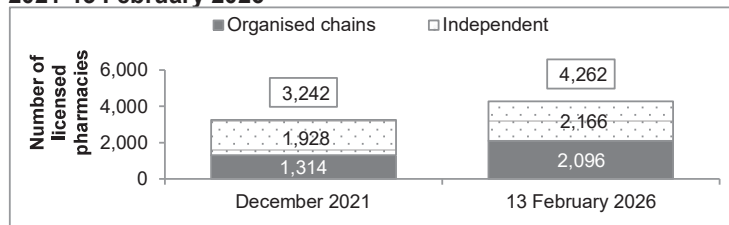
Source: Frost & Sullivan

3.1.3 Supply Landscape

Licensed Pharmacy Network

The number of licensed pharmacies in Malaysia increased from 3,242 as at December 2021 to 4,262 as at 13 February 2026. The proportion of organised chains rose from 40.5% to 49.2% over the same period,²² and is expected to continue to have a larger share due to outlet expansion plan by organised chains.

Chart 3-3: Number of Licensed Pharmacies in Malaysia, December 2021-13 February 2026



Note: Calculated based on data from Type A licence published by the MOH Malaysia in December 2025 that was extracted on 13 February 2026. Excludes wholesale licence holders, wholesale and retail licence holders without retail outlets, hospitals and clinics, and duplicate entries. The analysed data may contain some deviations due to human error.

Source: MOH Malaysia; Frost & Sullivan

Pharmacist Workforce

¹⁹ Malay Mail, In Malaysia’s billion-ringgit dietary supplements industry, growing concerns over counterfeits which undermine consumers’ safety, June 2024

²⁰ NPRA Annual Report 2024

²¹ The Business Times, Malaysia’s retail pharmacy boom draws billion-ringgit bets as IPO pipeline builds, December 2025

²² F&S calculation based on data from Type A licence extracted from MOH website, exclude wholesale licence holders, wholesale and retail licence holders without retail outlets, hospitals and clinics, and duplicate entries. The analysed data may contain some deviations due to human error

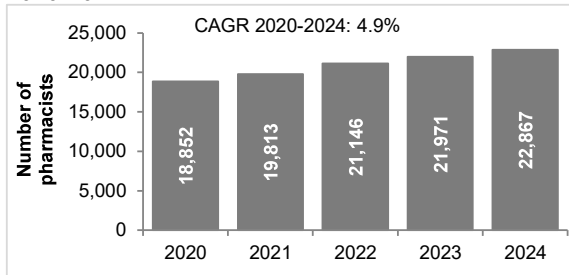
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In Malaysia, registered pharmacists are required to obtain an annual certificate issued by the Pharmacy Board of Malaysia to remain on the official register, after completing their provisionally registered pharmacist (“PRP”) training and being certified as a fully registered pharmacist (“FRP”). PRPs typically undertake their mandatory training in government hospitals for broader clinical exposure. However, retail pharmacies have increasingly become an option for PRPs to undertake their mandatory training or as a starting point for their careers following clinical training due to factors such as improved job security, higher remuneration, and better career prospects. Retail pharmacies have also been supportive in providing opportunities for continuous professional development to help pharmacists meet the requirements for maintaining their annual certificates.

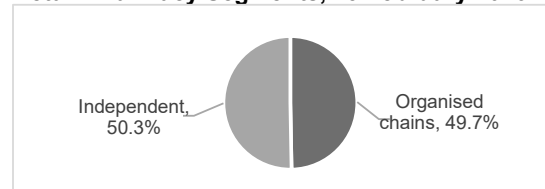
From 2020 to 2024, the number of pharmacists with annual certificates increased at a CAGR of 4.9%. In 2024, there were 6.8 pharmacists per 10,000 population, up from 5.8 in 2020.²³ This suggests that more pharmacists are available to serve the population, leading to improved access to pharmacy services. However, the pharmacists-to-population ratio of 6.8 pharmacists per 10,000 population in Malaysia in 2024 remains below the average of high-income countries²⁴, which stands at 12.1 pharmacists per 10,000 population in 2024.²⁵ As compared to Organisation for Economic Co-operation and Development (“OECD”) countries, Malaysia remains below the average, with 6.6 pharmacists per 10,000 population in 2023. In contrast, OECD countries reported an average of 8.6 pharmacists per 10,000 population in the same year.²⁶ Separately, the number of FRP with Type A licence in Malaysia in retail pharmacies are about 4,878 as at 13 February 2026, of which 49.7% of them are attached to organised chains.

Chart 3-4: Number of Pharmacists⁽¹⁾ in Malaysia, 2020-2024



Note: (1) Refers to pharmacists with Annual Certificates and FRP.
Source: MOH Malaysia

Chart 3-5: FRP with Type A Licence in Malaysia in Retail Pharmacy Segments, 13 February 2026



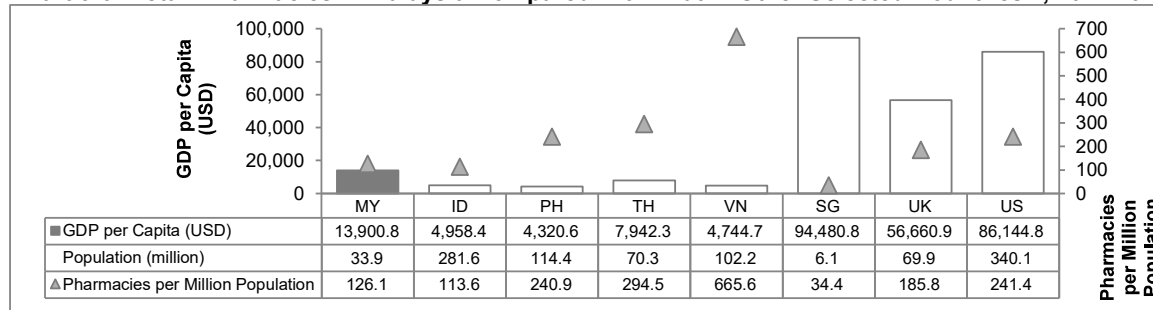
Note: Calculated based on data from Type A licence published by the MOH Malaysia in December 2025 that was extracted on 13 February 2026. Excluding wholesale licence holders, wholesaler and retail licence holders without retail outlets, hospitals and clinics, and duplicate entries. The analysed data may contain some deviations due to human error.

Source: MOH Malaysia; Frost & Sullivan

3.1.4 Comparative Insights

The number of retail pharmacies per million population in Malaysia is underpenetrated as compared to other SEA countries, such as the Philippines, Thailand, and Vietnam, as well as developed countries like the United States of America (“US”) and United Kingdom (“UK”). This suggests that the Malaysian market presents opportunities for further growth towards levels observed in these countries. In terms of outlet count, organised chains accounted for 49.3% of the retail pharmacy industry in Malaysia, compared to Singapore where they account for 85.2% of the market as at 13 February 2026. In the US, the majority of retail pharmacies are organised chains while independent pharmacies are about 35% of total retail pharmacies in 2024.^{27&28}

Chart 3-6: Retail Pharmacies in Malaysia Compared with That in Other Selected Countries⁽¹⁾, 2024/2025



²³ Including annual certificates, and FRP.

²⁴ International Pharmaceutical Federation (FIP) uses the World Bank classification of countries

²⁵ International Pharmaceutical Federation (FIP). Workforce surveillance data unpublished. 2025

²⁶ Health at a Glance 2025, OECD Health Statistics 2025, accessed in January 2026

²⁷ National Community Pharmacists Association (“NCPA”), The 2024 NCPA Digest

²⁸ Independent pharmacies in the US are defined as pharmacist-owned and privately held

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Notes: (1) MY=Malaysia, TH=Thailand, ID=Indonesia, VN=Vietnam, PH=Philippines, SG=Singapore, US=United States of America, UK=United Kingdom; (2) Data may not be comparable; (3) Data for Indonesia, Thailand, Vietnam and the US may include in-house dispensaries within healthcare facilities. These entities have been excluded for Malaysia, the Philippines, Singapore and the UK where possible. Pharmacies in Vietnam may include pharmacies of different formats located at urban and rural areas.

Source: MOH Malaysia; Ministry of Public Health Thailand; Ministry of Health Indonesia; Food and Drug Administration Philippines; Health Sciences Authority Singapore; National Council for Prescription Drug Programs; General Pharmaceutical Council Great Britain; Health and Social Care Northern Ireland; IMF; Frost & Sullivan

3.1.5 Pharmaceutical Sales

Pharmaceutical products in finished dosage forms, include both prescription and non-prescription medicines intended for human consumption. By distribution channels, retail pharmacies represented the largest proportion of private-sector pharmaceutical sales, accounting for 52.2%, compared to 28.9% for hospitals, and 18.2% for clinics in 2024. This reinforces the dominance of retail pharmacies as the primary access point for pharmaceutical products in Malaysia.

Table 3-2: Pharmaceutical Sales by Channel in Private Sector in RM million, Malaysia, 2024

Channel	Group B Poisons ⁽¹⁾	Group C Poisons ⁽²⁾	Non-Scheduled Poisons ⁽³⁾	Total
Retail Pharmacy	2,039.8	768.8	2,087.1	4,895.7
Hospital	2,310.5	244.6	156.8	2,711.9
Clinic	1,098.2	335.8	271.6	1,705.6
Others ⁽⁴⁾	51.9	8.7	2.9	63.5
Grand Total	5,500.4	1,357.9	2,518.4	9,376.7

Note: (1) Group B poisons refer to prescription medicines; (2) Group C poisons refer to non-prescription medicines; (3) Non-scheduled poisons refer to OTC medicines; (4) Others include nursing homes and dialysis centres.

Source: IQVIA; Frost & Sullivan

3.2 DEMAND DRIVERS AND GROWTH TRENDS

An ageing population, increasing urbanisation with a prevalence of NCDs, and a resilient economic outlook, which leads to higher income and expenditure by households, are key factors supporting the growth of the retail pharmacy industry. Additionally, other drivers that contribute to the expansion of the retail pharmacy industry in Malaysia include:

Rising healthcare expenditure: Malaysia had the highest total expenditure on health (“TEH”) per capita among the emerging economies in SEA²⁹ in 2025.³⁰ From 2020 to 2024, Malaysia's TEH rose at a CAGR of 7.1%, from RM68.3 billion in 2020 to RM89.8 billion in 2024. Within this, private household out-of-pocket (“OOP”) expenditure, accounting for 34.7% of TEH in 2020 (RM23.7 billion) and 38.8% in 2024 (RM34.8 billion), grew by a CAGR of 10.1%.³¹ The total pharmaceutical expenditure in Malaysia also experienced substantial growth, increasing from RM11.8 billion in 2019 to RM16.9 billion in 2023, at a CAGR of 9.4%. This translates to a rise in per capita pharmaceutical expenditure from RM362.0 in 2019 to RM511.8 in 2023.³² The rising healthcare expenditure is mainly due to ageing demographics and prevalence of NCDs, increasing affluence, and heightened health awareness following the COVID-19 pandemic.

Expanding role of retail pharmacies: Retail pharmacies are becoming the first point-of-care in terms of prescription fulfilment, especially for patients with chronic conditions who require regular medication, by offering wider access, convenience, and shorter wait times compared to hospitals and clinics. Their expanding role also supports market consolidation, as organised chains leverage their networks to deliver more healthcare solutions. Corporate healthcare programs further contribute to this trend, with employers partnering with pharmacies to offer services such as tele-consultations, reducing the need for clinic visits and minimising workplace disruption. Together, these developments reinforce the position of retail pharmacies as an integral component in Malaysia's evolving healthcare ecosystem.

Government policies to support pharmaceutical industry growth: Government policies, such as the Pharmaceutical Services Programme Strategic Plan 2021-2025 and the Malaysian National Medicines Policy 2022-2026, play a significant role in supporting the growth of the pharmaceutical industry and retail pharmacies. Included in these policies are initiatives to reinforce pharmacy services, enhance information and communication technology (“ICT”)-driven solutions, improve access to pharmaceutical products, and strengthen human resource development in terms of capacity, skills and expertise. These policies can enhance a patient's overall experience at retail pharmacies by combining a well-trained professional workforce with the adoption of digital technologies (such as digital medication records and pharmacy information systems), while ensuring

²⁹ Emerging economies in SEA refers to Indonesia, Philippines, Thailand, Vietnam

³⁰ Frost & Sullivan analysis

³¹ Ministry of Health Malaysia, Malaysia National Health Accounts Health Expenditure Report 2011-2024, December 2025

³² MOH Malaysia, Estimating Total Pharmaceutical Expenditure Using Health Accounts Framework, 2024

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continuous access to affordable medications. Additionally, stringent industry regulation and enforcement by the NPRA and the Drug Control Authority enhance public trust in pharmaceutical products.

Availability of own-brand products: 53.0% of global consumers are increasingly turning to own brand products, due to their high quality and lower price points.³³ This shift is particularly appealing to value-conscious shoppers who seek affordability without compromising on quality. Pharmacies are leveraging this trend by offering own brand products to meet demand, improve profit margins, and enhance customer loyalty. These offerings boost affordability and accessibility while positioning pharmacies as competitive industry players with unique and differentiated options.

3.3 KEY SUCCESS FACTORS AND BARRIERS TO ENTRY

Economies of scale and integrated business model: Large organised chain retail pharmacies can leverage their scale to negotiate better prices through bulk purchases with suppliers or directly with manufacturers, and spread fixed costs over a larger sales volume. Additionally, fully-owned operations along the value chain allow industry players to control processes and reduce costs, thus operating efficiently to achieve better margins. New market entrants may take longer to achieve scale and compete with integrated players.

Aside from economies of scale, chain players also benefit from brand familiarity due to the large number of stores. The high visibility can build customer relationships and loyalty, thus allowing the players to understand the customers better through the data collected from the customers' purchase behaviour.

Ability to attract and retain knowledgeable pharmacists: Pharmacists staffed in retail pharmacies not only provide general healthcare advice and dispense medicine to the public, but they also play an important role in brand building. Through their close interactions with customers, pharmacists develop a strong understanding of customer behaviours, and thus enable them to recommend a diverse range of products that meet consumers' needs and demands. Pharmacists can also provide useful and timely feedback to the retail pharmacy operators, thereby allowing the operators to improve inventory forecasting and cross-sell effectively across their various offerings. This also fosters customer loyalty and creates strong barriers to entry for new industry players. Furthermore, an ample supply of pharmacists is essential to ensure that health services and medication are consistently available to consumers throughout the retail pharmacy's operating hours. New entrants, however, may face general challenges in attracting and retaining knowledgeable pharmacists such as providing competitive compensation, training, and career progression opportunities.

Legal and regulatory requirements: To operate a retail pharmacy in Malaysia, companies need to register as a body corporate, and the control and management of the body corporate shall be represented by registered pharmacists. FRPs must be qualified to hold a Type A licence. Pharmacy retailers in Malaysia must also comply with several key Acts, including the Poisons Act 1952, the Dangerous Drugs Act 1952, the Registration of Pharmacists Act 1951, the Sale of Drugs Act 1952, and the Medicines (Advertisement and Sale) Act 1956. Pharmacies are required to comply with Community Pharmacy Benchmarking Guidelines, while pharmacists must observe Good Dispensing Practice in their daily operations. The intricate registration process, stringent compliance requirements, and substantial associated compliance costs may pose a significant barrier to entry.

3.4 COMPETITIVE LANDSCAPE

The retail pharmacy industry in Malaysia comprises both organised chains and independent pharmacies. The Group's 626 retail outlets (of which 620 are licensed pharmacies) are strategically distributed across Malaysia, situated in malls and shophots within high-density commercial and residential areas to ensure an extensive population and household coverage, or in regions identified as having strong growth potential. In particular, brands under the Group are each strategically positioned to serve distinct customer segments and catchment areas: (i) BIG Pharmacy outlets are primarily located in high-density commercial and residential areas, offering high accessibility and convenience while catering to the needs of surrounding local communities; (ii) A larger number of CARING Pharmacy outlets are situated in complexes and shopping malls compared to BIG Pharmacy, targeting higher footfall, younger customers and families; and (iii) Georgetown, Wellings, and Ting are long-standing and reputable brands in their respective markets. Regions with lower store penetration present opportunities for the Group to further expand its presence across the country.

Table 3-3: The Group's market share by licensed pharmacy count as at 13 February 2026 in Malaysia

Malaysia	Population (thousand)	Total licensed pharmacy count ⁽¹⁾	Licensed pharmacies penetration (licensed pharmacy / million population)	The Group's licensed pharmacy count ⁽²⁾	The Group's licensed pharmacy penetration (licensed pharmacy / million population)	The Group's market share by licensed pharmacy count
Peninsular Malaysia	27,532	3,616	131.3	547	19.9	15.1%

³³ NielsenIQ, NIQ's Global Report Reveals Challenges and Opportunities for Private Label and Branded Product Growth, March 2025

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Malaysia	Population (thousand)	Total licensed pharmacy count ⁽¹⁾	Licensed pharmacies penetration (licensed pharmacy / million population)	The Group's licensed pharmacy count ⁽²⁾	The Group's licensed pharmacy penetration (licensed pharmacy / million population)	The Group's market share by licensed pharmacy count
Central	9,495	1,433	150.9	256	27.0	17.9%
Selangor	7,325	1,026	140.1	164	22.4	16.0%
Kuala Lumpur	2,051	383	186.7	91	44.4	23.8%
Putrajaya	119	24	201.7	1	8.4	4.2%
Northern	6,826	961	140.8	100	14.6	10.4%
Perlis	294	31	105.4	5	17.0	16.1%
Kedah	2,203	270	122.6	20	9.1	7.4%
Penang	1,783	334	187.3	53	29.7	15.9%
Perak	2,546	326	128.0	22	8.6	6.7%
Southern	6,431	768	119.4	142	22.1	18.5%
Johor	4,159	477	114.7	104	25.0	21.8%
Melaka	1,041	132	126.8	19	18.3	14.4%
N. Sembilan	1,231	159	129.2	19	15.4	11.9%
East Coast	4,780	454	95.0	49	10.3	10.8%
Kelantan	1,887	194	102.8	13	6.9	6.7%
Terengganu	1,233	118	95.7	10	8.1	8.5%
Pahang	1,660	142	85.5	26	15.7	18.3%
East Malaysia	6,320	646	102.2	73	11.6	11.3%
Sabah	3,718	250	67.2	25	6.7	10.0%
Sarawak	2,502	387	154.7	47	18.8	12.1%
Labuan	100	9	90.0	1	10.0	11.1%
Total Malaysia	33,852	4,262	125.9	620	18.3	14.5%

Notes: (1) Total licensed pharmacies count was calculated based on the Group's data, and data on Type A licence published by the MOH Malaysia in December 2025 that was extracted on 13 February 2026. Excludes wholesale licence holders, wholesale and retail licence holders without retail outlets, hospitals and clinics, holders with revoked licence and duplicated entries. The analysed data may contain some deviations due to human error; (2) The Group's licensed pharmacy count is based on internal reporting as at 13 February 2026.

Source: DOSM; IMF; MOH Malaysia; Frost & Sullivan

3.4.1 Profile of Key Players

The Group is the largest player in the retail pharmacy industry in Malaysia by (i) number of licensed pharmacies; and (ii) registered pharmacists under Type A licence as at 13 February 2026. As at 13 February 2026, the Group is the only retail pharmacy player with presence in 13 states and three Federal Territories in Malaysia. From December 2021 to 13 February 2026, the Group's growth in the number of licensed pharmacies outpaced other key players. The growth in the number of licensed pharmacies by the Group has increased customers' accessibility to health products and services, with pharmacists generally available throughout the outlets' operating hours.

The Group provides an extensive range of pharmacy and health services, including tele-consultations, diabetes management, and chronic disease management. The Group is also one of the few pharmacy chains providing rental and sale of medical devices, such as wheelchairs, hospital beds, and oxygen concentrators.

Within the organised chains, the Group is the only vertically integrated pharmacy retailer engaged in the 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 as at 13 February 2026.³⁴

Table 3-4: Profile Key Players in the Retail Pharmacy Industry in Malaysia, 13 February 2026

Brand name ⁽¹⁾	Number of licensed pharmacies ⁽²⁾	Number of States and Federal Territories in which the brand has outlets ⁽²⁾⁽³⁾	Number of registered pharmacists under Type A licence ⁽²⁾	Net change in number of licensed pharmacy from December 2021 to 13 February 2026 ⁽⁴⁾	Market share by outlet count
Big, CARiNG, Wellings, Georgetown and Ting Pharmacy	620⁽⁵⁾	16⁽⁵⁾	647⁽⁵⁾	+338	14.5%
Alpro Pharmacy	280	15	323	+137	6.6%
Health Lane Family Pharmacy	215	12	276	+88	5.0%
PMG Pharmacy and AM PM Pharmacy ⁽⁶⁾	149	13	167	+68	3.5%
Sunway Multicare Pharmacy	116	9	127	+32	2.7%
Watsons Pharmacy	99	15	134	+5	2.3%
Guardian Pharmacy	98	14	110	-1	2.3%

³⁴ F&S analysis

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Brand name ⁽¹⁾	Number of licensed pharmacies ⁽²⁾	Number of States and Federal Territories in which the brand has outlets ⁽²⁾⁽³⁾	Number of registered pharmacists under Type A licence ⁽²⁾	Net change in number of licensed pharmacy from December 2021 to 13 February 2026 ⁽⁴⁾	Market share by outlet count
AA Pharmacy	79	5	165	+31	1.9%
Mega Kulim Pharmacy	49	6	51	+23	1.1%
Farmasi Lautan	44	2	47	+22	1.0%
Others ⁽⁷⁾	2,513	16	2,831	+277	59.1%
Total Retail Pharmacy	4,262	16	4,878	+ 1,020	100.0%

Notes: Data for each company is provided on a best-effort basis of publicly available information. The list of the key players may not be exhaustive, and the information is provided for reference only. (1) The brands listed are organised chains that have more than 40 outlets in Malaysia; (2) Calculated based on data from Type A licence published by the MOH Malaysia in December 2025 that was extracted on 13 February 2026. Excludes wholesale licence holders, wholesale and retail licence holders without retail outlets, hospitals and clinics, holders with revoked licence and duplicated entries. The analysed data may contain some deviations due to human error; (3) Refers to the 13 states and three Federal Territories in Malaysia; (4) Calculated based on December 2021 and 13 February 2026 data; (5) The Group's data is based on internal reporting as at 13 February 2026; (6) PMG Healthcare and AM PM Pharmacy are combined, following PMG Healthcare's acquisition of AM PM Pharmacy in 2024; (7) Others includes independent pharmacies, and organised chains with less than 40 outlets in Malaysia.

Source: MOH Malaysia; Respective Company Websites; Frost & Sullivan

3.4.2 Financial Benchmarking

The Group achieved the highest growth among its key peers in the latest three available financial years, with revenue increasing at a CAGR of 55.9%, driven by both organic expansion and strategic mergers and acquisitions. The Group is one of the most profitable pharmacy retailers, and has also achieved the highest revenue per store, underscoring its strong store productivity and operational efficiency. In addition, the Group maintains one of the shortest cash conversion cycles amongst the key players in the retail pharmacy and wellness and CPC industries, demonstrating efficient working capital management.

Table 3-5: Financial Benchmarking of the Key Players in the Retail Pharmacy and Wellness and CPC Industries in Malaysia, 2022/2024/2025⁽¹⁾

Brand name	Company	Financial year end ("FYE")	Revenue (RM mil)	Latest three years revenue CAGR	Revenue per store (RM'000) ⁽²⁾	Total income margin ⁽³⁾	EBITDA margin ⁽⁴⁾	Cash conversion cycle ⁽⁵⁾ (days)
Retail pharmacy								
Big, CARiNG, Wellings, Georgetown and Ting Pharmacy	The Group	30 June 2025	3,412.0	55.9%⁽⁶⁾	5,753.8	28.8%	11.2%	19.6
Health Lane Family Pharmacy	Health Lane Family Pharmacy Sdn Bhd	31 Dec 2024	559.5	n.a. ⁽⁹⁾	2,000-3,000	29.7%	3.1%	27.4
Sunway Multicare Pharmacy	Multicare Health Pharmacy Sdn Bhd	31 Dec 2024	354.0	8.3% ⁽¹⁰⁾	2,500-3,500	18.1%	6.4%	62.4
PMG Pharmacy	PMG Pharmacy Sdn Bhd ⁽⁶⁾	31 Aug 2024	106.2	19.2% ⁽¹⁰⁾	n.a. ⁽⁶⁾	29.1%	5.6% ⁽¹²⁾	65.0
Wellness and CPC								
Watsons Pharmacy and Watsons	Watson's Personal Care Stores Sdn Bhd	31 Dec 2024	4,194.4	18.9% ⁽¹⁰⁾	n.a. ⁽¹³⁾	24.7%	18.6%	13.8
Guardian Pharmacy and Guardian	Guardian Health and Beauty Sdn Bhd ⁽⁷⁾	31 Dec 2022	1,576.0	5.6% ⁽¹¹⁾	n.a. ⁽¹³⁾	32.5%	12.5%	36.6

Notes: (1) Information based on the latest available audited financial data for each player as at 13 February 2026. The list of the key players may not be exhaustive, and the information is provided for reference only. The players listed are organised chains that have reported a revenue of more than RM70.0 million, and wellness and CPC players that have reported a revenue of more than RM1,500.0 million in the latest available audited financial statement as at 13 February 2026. The financial matrices may include other non-pharmacy-based retail activities; (2) Revenue per store is revenue divided by the total number of stores (with and without pharmacists) as at the respective company's FYE; (3) Total income margin is calculated as gross profit + net income or rebate income divided by revenue; (4) EBITDA refers to earnings before interest, taxes, depreciation and amortisation; (5) Cash conversion cycle is calculated as trade receivable turnover plus inventory turnover minus trade payable turnover; (6) The company presented may not be managing all outlets under the same brand. Hence, the revenue per store data is not available; (7) 2022 is the latest available financial data for Guardian Health and Beauty Sdn Bhd; (8) The Group's latest three years revenue CAGR was calculated between FYE 2022 and FYE 2025; (9) Health Lane Family Pharmacy Sdn Bhd was previously an exempt private company. Hence, financial data for previous years are not available; (10) Multicare Health Pharmacy Sdn Bhd, PMG Pharmacy Sdn Bhd, Watson's Personal Care Stores Sdn Bhd's latest three years revenue CAGR was calculated between 2021 and 2024; (11) Guardian Health and Beauty Sdn Bhd's latest three years revenue CAGR was calculated between 2019 and 2022; (12) PMG's EBITDA margin includes dividend income of RM5.9 million; (13) The company's revenue per store is not comparable as the company mostly operates stores without pharmacists.

Source: Respective companies' audited financial statements; Frost & Sullivan

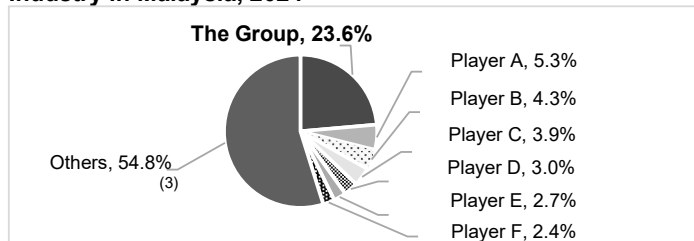
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3.4.3 Market Share

The Group is the largest player in the retail pharmacy industry in Malaysia, holding the highest market share of 23.6% by revenue within the industry in 2024.³⁵

Chart 3-7: Market Share by Revenue of the Retail Pharmacy Industry in Malaysia, 2024⁽¹⁾⁽²⁾



Notes: (1) Market share was estimated based on the latest available financial data reported by the players as at 13 February 2026; (2) The revenue used to estimate the market share has been standardised to Calendar Year January-December 2024 for players that have a different financial reporting period, and the revenue may include revenue derived from other non-pharmacy retail activities; (3) "Others" includes pharmacy chains with a market share that is estimated to be less than 2.5% in 2024, and other players for which financial information is not available or cannot be estimated.

Source: Frost & Sullivan

The Group is estimated to hold 44.0% of the market share between organised chains of the retail pharmacy industry, and 11.6% of the market share within the broader health and beauty segment, by revenue in 2024.

3.5 SUMMARY PROSPECTS AND OUTLOOK OF THE RETAIL PHARMACY INDUSTRY

The retail pharmacy industry is forecasted to grow in the period from 2025 to 2030 at a CAGR of 7.7%. The resilient economy encourages consumer spending and fosters the expansion of the retail industry, including retail pharmacies. Ageing populations and a growing urban population with the prevalence of NCDs also drive the demand for the retail pharmacy.

The rising healthcare expenditure, driven by increasing affluence and heightened health awareness, has led to a greater demand for pharmaceutical and healthcare products offered through pharmacies. Retail pharmacies are becoming essential by offering greater accessibility and wider range of services, driven by corporate partnerships and digital initiatives. At the same time, retail pharmacies have benefited from supportive government policies that promote the pharmaceutical industry growth while ensuring product quality. Additionally, the availability of own-brand products provide consumers with more affordable and accessible options, strengthening the appeal and competitiveness of retail pharmacies.

4 SUMMARY PROSPECTS AND OUTLOOK FOR THE GROUP

The Group is the largest player in the retail pharmacy industry in Malaysia, ranked highest by revenue in 2024. Additionally, as of 13 February 2026, the Group had the highest number of licensed pharmacies, and number of registered pharmacists under Type A licence, and is the only pharmacy retailer with a presence in all 13 states and three Federal Territories in Malaysia. The Group was also the fastest growing retail pharmacy in Malaysia, with the most number of licensed pharmacies added from December 2021 to 13 February 2026 as well as the highest revenue CAGR in the latest three available financial years, amongst the key players in the industry. The Group has operated in a high-growth environment with a further runway for continuous growth. By leveraging its established presence across the value chain, including its integration in manufacturing, importing, marketing, distributing and wholesaling of healthcare, pharmaceutical and nutraceutical products, the Group is able to improve quality control of its offerings, scale its operations, and expand its margins. Additionally, its pharmaceutical products are supplied to healthcare facilities, further expanding its market reach.

The Group's wide variety of own-brand, exclusive and generic products with a primary focus on pharmaceuticals and nutraceuticals, coupled with complementary value-added health services in-store, contributes to its growing customer base. Through its range of own-brand and exclusive products, the Group is also able to control the quality and pricing of its product offerings to improve customer retention. The Group has the highest number of registered pharmacists under Type A licence among retail pharmacies, establishing itself as a reliable and reputable brand that provides personalised and professional health advice across all its outlets.

With its wide geographical presence and distribution network, the Group is able to expand its retail and corporate customer base and strengthen its competitive position in the market. The Group has continuously identified areas with unmet market needs and significant growth potential. By focusing strategically on resilient consumer demand, aligning with market needs, and leveraging its competitive advantages, the Group is well-positioned for future growth.

³⁵ The Group's market positioning in 2024 is confirmed by comparing its annualised revenue in 2024 against the estimated revenue of other similar pharmacies reported in the "Profiles of Key Players". The revenue data may not have been available for all players. Therefore, Frost & Sullivan has estimated their revenue based on various factors, including the number of established outlets, the indicative revenue per outlet, and the industry average growth rate, amongst others.