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CORPORATE PROFILE



BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

British American Tobacco (Malaysia) Berhad (BAT Malaysia) is the leading tobacco company in the country with a 51.7% share of the legal market.

(Source: IPSOS Retail Audit Dec 2020)

The Company, with 397 direct employees and 1,808 indirect employees, has been listed on the Malaysian stock exchange since 1961.

Our proud legacy provides a great platform for our purpose to build **A Better Tomorrow™**. We will build A Better Tomorrow™ by reducing the health impact of our business through the offering of a greater choice of enjoyable and less risky products to our consumers. The Group has developed new categories of potentially reduced-risk alternatives to smoking and BAT Malaysia wishes to pursue discussions with the government to establish a regulatory framework for nicotine vaping.

Together with our subsidiaries - Commercial Marketers and Distributors Sdn. Bhd., Rothmans Brands Sdn. Bhd., Tobacco Importers and Manufacturers Sdn. Berhad, Commercial Marketers and Distributors Sdn. Bhd. (Brunei), we currently offer high-quality tobacco brands such as Dunhill, Peter Stuyvesant, Rothmans, KYO, Pall Mall, Kent, and Benson & Hedges.

BAT Malaysia is part of British American Tobacco p.l.c. Group's investment in Malaysia, which also includes the British American Tobacco Asia Pacific Finance Shared Services, the British American Tobacco Asia Pacific Regional Product Centre, and the British American Tobacco Global Services Delivery.

PURPOSE & STRATEGY

OUR PURPOSE

Our purpose is to build A Better Tomorrow™ for all our stakeholders.



OUR STRATEGY

Our business is on a transformation journey. Today, we see new opportunities to capture consumer moments which have, over time, become limited by societal and regulatory shifts, and to satisfy evolving consumer preferences.

We have evolved our strategy to put a sharper focus on our New Category products, fuelled by investment from the continued delivery of our traditional tobacco business.

Our strategy is about anticipating and aiming to satisfy the ever-evolving consumer: providing pleasure, reducing risk, offering an increasing choice and stimulating the senses of adult consumers worldwide.



Scan this QR Code which explains more about our commitment to building A Better Tomorrow™

DUNHILL

Peter
Stuyvesant

Rothmans

YO

glo™ neo™

PALL MALL

BENSON & HEDGES

OVERVIEW OF

BAT MALAYSIA

At BAT Malaysia, we stand for being more than just the leading tobacco company in Malaysia.

We are recognised as a respectable corporate citizen with an excellent track record in corporate governance and are known as a leading employer with a multitude of awards and recognition for best-in-class talent development. We also understand the importance of community development.

BAT Malaysia has been an active contributor to the community we operate in through various corporate social investments since our inception.

Years of History in Malaysia

100+

Earnings Per Share (sen)

85

Employees

397

Market Share

51.7%

Certified Top Employer



RESULTS

AT A GLANCE

Revenue

RM 2,315 MILLION

Profit Before Tax

RM 329 MILLION

Net Profit

RM 242 MILLION

Net Dividend Per Share

83 SEN

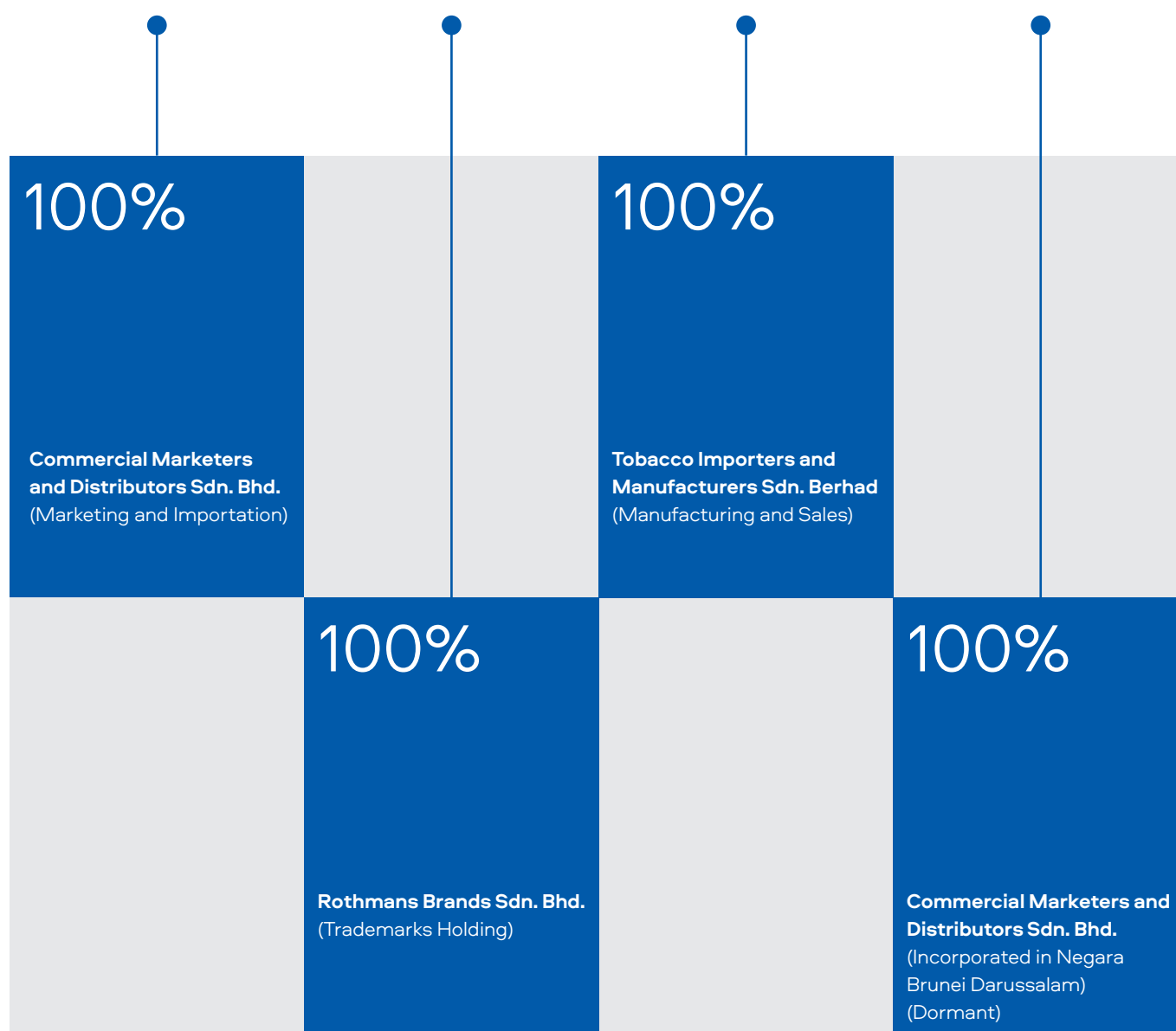
Shareholder's Fund

RM 373 MILLION

Net Returns on Shareholder's Fund

65%

CORPORATE STRUCTURE



MESSAGE TO SHAREHOLDERS AND STAKEHOLDERS

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present BAT Malaysia's Annual Report and Financial Statements for the financial year ended 31 December 2020.



Tan Sri Dato' Seri (Dr.) Aseh bin Haji Che Mat (Chairman)

Jonathan Reed (Managing Director)

BAT Malaysia performed well in 2020 under difficult operating conditions. We view 2020 as a turnaround year for our business. Our volume, profit, net turnover and share all grew in the three closing quarters of the year. This represents our strongest quarter on quarter performance since 2015.

Accordingly, the Board of Directors has declared a dividend of 83 sen per share.

Last year was not without its headwinds. The growing tobacco black market, illegal nicotine vapour sales and the COVID-19 pandemic impacted our revenue and profit from operations by over RM100 million. Despite that, we believe that we established robust responses to these challenges – details on which can be found later in this report.

2020 also saw the launch of our *A Better Tomorrow™* purpose. While combustible tobacco will be at the core of our business for some time to come, we aim to generate an increasingly greater proportion of our revenues from products other than cigarettes, thereby reducing the health impact of our business. This will deliver a better tomorrow for our consumers who will have a range of enjoyable and potentially less risky choices for every mood and moment; for society through reducing the overall health and environmental impacts of our business; for our employees by creating a dynamic and purposeful place to work; and for our shareholders by delivering sustainable superior returns.

We would like to take the opportunity to record our deepest appreciation to Datuk Zainun, who stepped down as our Senior Independent Non-Executive Director on 28 February 2021, after nine years on the Board of BAT Malaysia. The guidance and insights provided by Datuk Zainun in executing her fiduciary duties for the Board have been exemplary.

We would also like to take this opportunity to thank our valued shareholders for your trust and confidence in BAT Malaysia.

Last but not least, we would like to convey a special Terima Kasih to all employees of BAT Malaysia for bringing our ethos of bold, fast, empowered, responsible and diverse to life and delivering a remarkable year for the Company.

As we enter 2021, we are confident that we can build on the turnaround of last year and take the Company back to growth and build *A Better Tomorrow™*.

Tan Sri Dato' Seri (Dr.) Aseh bin Haji Che Mat (Chairman)

Jonathan Reed (Managing Director)

CORPORATE

INFORMATION

Board of Directors

Tan Sri Dato' Seri (Dr.) Aseh bin Haji Che Mat

PSM, SPSK, SSAP, SPTJ, SPDK, DPCM, DSAP, DIMP, KMN, AMN

Independent Non-Executive Director
(Chairman)

Jonathan Darlow Reed (Jonathan Reed)

Non-Independent Executive Director
(Managing Director)

Datuk Zainun Aishah binti Ahmad

KMN, PMP, DPMP, JSM, PJN

Senior Independent
Non-Executive Director
(Resigned on 28 February 2021)

Dato' Chan Choon Ngai

DSNS

Senior Independent
Non-Executive Director
(Re-designated on 1 March 2021)

Eric Ooi Lip Aun

Independent Non-Executive Director

Datuk Christine Lee Oi Kuan

DPSM

Non-Independent
Non-Executive Director

Ignacio Ballester

Non-Independent Executive Director
(Finance Director)

 Kindly refer to pages 64 to 70 for more information of Board of Directors.

Company Secretary

Sharifah Thaherah Syed Taha

(SSM PC No.: 202008004234) (MACS01735)

Tel : +60 (3) 2720 8188

Fax : +60 (3) 2720 8106

Email : sharifah_thaherah@bat.com

Registered Office

British American Tobacco (Malaysia) Berhad

[Registration No: 196101000326 (4372-M)]

Level 19, Guoco Tower

Damansara City

No. 6, Jalan Damansara

Bukit Damansara

50490 Kuala Lumpur

Tel : +60 (3) 2720 8188

Fax : +60 (3) 2720 8106

Email : bat_malaysia@bat.com

Company Website

www.batmalaysia.com

Share Registrar

Tricor Investor & Issuing House

Services Sdn Bhd

[Registration No: 197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3

Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : +60 (3) 2783 9299

Fax : +60 (3) 2783 9222

Email : lay.kiow.lim@my.tricorglobal.com;

siti.zalina@my.tricorglobal.com

Auditors

KPMG PLT

[Firm No: LLP0010081-LCA & AF 0758]

Chartered Accountants

Level 10, KPMG Tower

8, First Avenue

Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Tel : +60 (3) 7721 3388

Fax : +60 (3) 7721 3399

Principal Bankers

Citibank Berhad

[Registration No: 199401011410 (297089-M)]

Deutsche Bank (Malaysia) Berhad

[Registration No: 199401026871 (312552-W)]

Malayan Banking Berhad

[Registration No: 196001000142 (3813-K)]

Sumitomo Mitsui Banking Corporation

Malaysia Berhad

[Registration No: 201001042446 (926374-U)]

Stock Exchange Listing

Main Market of Bursa Malaysia

Securities Berhad

Listed Since : 27 October 1961

Stock Code : 4162

Stock Name : BAT