

# Leadership Statement

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A photograph of a man in a dark suit and light-colored shirt, sitting on a wooden bench. He is looking out of a window to his right. The scene is dimly lit, with light coming from the window. The image is overlaid with a blue tint.

BAT Malaysia produced a stellar performance in 2021 despite the uncertainties of the pandemic and the effect of the black market on the overall industry. All key financial metrics recorded growth in 2021, with volume growing for the first time since 2002.

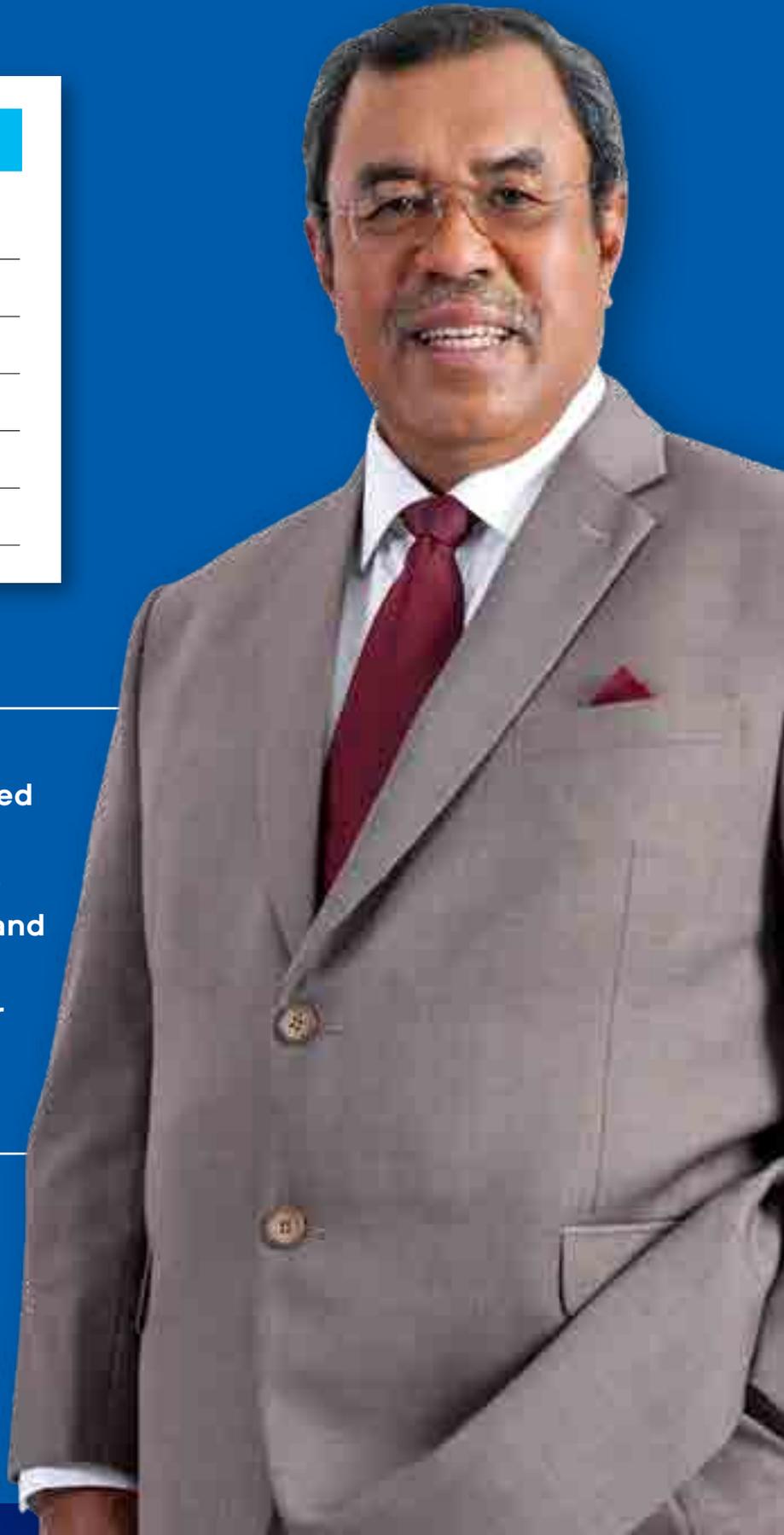
# Message to Shareholders and Stakeholders

**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 2021.**

Once again, BAT Malaysia performed remarkably despite a difficult environment. 2021 saw our volume grow for the first time since 2002 and profit grow for the first time since 2015. We truly are building A Better Tomorrow™.

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



## Message to Shareholders and Stakeholders

Once again, BAT Malaysia performed remarkably despite a difficult environment. 2021 saw our volume grow for the first time since 2002 and profit grow for the first time since 2015. We truly are building A Better Tomorrow™. Accordingly, the Board of Directors has declared a dividend of 98 sen per share.

As much as the COVID-19 pandemic continued to impact the business operating landscape last year, we are pleased to report that the increased enforcement efforts by the Malaysian government have led to a decrease in tobacco black market incidence, indirectly bolstering the sales of legal cigarettes in the country. However, the incidence of illegal cigarettes remains at crisis levels, with smugglers now bringing in their black market goods via small vessels. Hence, we urge the government to increase enforcement activities and recapture the RM5 billion in tax revenue lost each year.

In 2021, BAT Malaysia reaffirmed our commitment to sustainability by unveiling a strategy that aims to reduce the health impact of the business while championing environmental, social and corporate governance excellence. We believe that this approach will deliver A Better Tomorrow™ for our consumers, shareholders, regulators, business partners, employees and society as a whole. Accordingly, we were encouraged in October 2021 when the government indicated that it would be legalising nicotine vapour products in 2022. We would like to see the development of specific, science-backed regulations as is the case in countries like the United Kingdom.

Along with changes in the operating environment, there were also changes in BAT Malaysia's Board of Directors and Leadership Team. It is with a sad heart that we note that our two Non-Independent Executive Directors, Jonathan Reed and Ignacio Ballester, have stepped down from their leadership roles. Their dedication and leadership in taking BAT Malaysia back onto the path of growth is deeply appreciated and we wish them success in their future endeavours.

We are pleased to welcome Norliza Kamaruddin as our Independent Non-Executive Director. We also welcome to the BAT Malaysia family Nedal Salem, who joins us as Managing Director and Non-Independent Executive Director, and Anthony Yong, as Finance Director and Non-Independent Executive Director. With their wealth of experience, the Group is well placed to take another step forward in its growth journey.

As we move into 2022, BAT Malaysia will continue to enhance our efforts to build A Better Tomorrow™ in all areas especially in reducing the health impact of our business.

**Nedal Salem**  
(Managing Director)

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

**Nedal Salem** (Managing Director)