

JOINT MESSAGE FROM **OUR CHAIRMAN** AND **OUR MANAGING DIRECTOR**

Dato' Sri Dr. Mohd
Nizom Sairi
(Chairman)

Nedal Louay Salem
(Managing Director)

Revenue
RM2,184
Million

Profit Before Tax
RM274
Million

JOINT MESSAGE FROM OUR CHAIRMAN AND OUR MANAGING DIRECTOR

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 2025.

2025 was a defining year for BAT Malaysia, marked by significant changes and meaningful progress as we remained focused on delivering sustainable value for our shareholders.

The year brought pivotal regulatory developments, including updates to vapour regulations, higher tobacco excise duties and the implementation of the Retail Display Ban (RDB) and new Pictorial Health Warning (PHW) requirement for combustibles – these changes reshaped market dynamics and operating conditions. BAT Malaysia successfully navigated a more complex operating environment – transitioning out its range of Vuse products in Q3 2025 and sharpening its focus on strengthening our combustibles business. This is all made possible by the unwavering efforts of our people, as we continue to deliver discipline and resilience.

Our performance reflects the strength of our strategy and operational execution. BAT Malaysia delivered a revenue of RM 2,184 million and a profit before tax stood at RM274 million. Net profit for the year stood at RM202 million, an increase of 11% year-on-year, underscoring our prioritisation of sustainable profitability.

In recognition of these results, the Board of Directors declared a total net dividend per share of 63.5 sen, equivalent to a 90% earnings payout for the year - demonstrating our continued commitment to delivering consistent and sustainable returns to our shareholders.

Combustibles remain integral to our revenue delivery. In 2025, BAT Malaysia further strengthened its leadership in the premium and Value-for-Money (VFM) segments. Dunhill celebrated its 60 years of excellence while Rothmans reinforced its competitiveness through enhanced premium cues.

The tobacco black market remains a significant challenge for the legal industry, and currently stands at 54.40%. We welcome the Government's stronger enforcement measures under Budget 2026, and BAT Malaysia remains committed to working closely with enforcement agencies and relevant stakeholders to protect the integrity and long-term sustainability of the legal market.

Sustainability continues to guide how we operate as a business. In 2025, we sustained strong momentum in embedding responsible business practices while progressing our alignment with International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures – reflecting our ambition to future-proof our business and create long-term value for society and stakeholders.

Alongside changes in the operating environment, BAT Malaysia also experienced important transitions within its Board of Directors and Leadership Team. We express our sincere appreciation following the retirement of Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat, former Chairman, and Dato' Chan Choon Ngai, former Senior Independent Non-Executive Director, both of whom concluded their nine-year tenures. Eric Ooi Lip Aun has since assumed the role of Senior Independent Non-Executive Director, and we warmly welcome Low Chooi Hoon as an Independent Non-Executive Director joining the BAT Malaysia family.

The year also saw the departure of BAT Malaysia's Legal Director, Jacqueline Ko. We thank her for her service and wish her every success in her new role within the BAT Group. We are delighted to welcome her successor, Adiel Emir Ikram, who assumes the role of Legal Director while also serving as the Company Secretary. With their combined wealth of experience, BAT Malaysia's Board and Leadership Team are well positioned to drive the Company forward in its next phase of growth.

Our people remain at the heart of our success. We are proud that our culture and employee experience continue to be recognised through multiple external awards and accolades, reflecting our strong employer value proposition and people practices.

As we look toward 2026 and beyond, our priorities remain clear – disciplined execution, strategic focus, and a steadfast commitment to Building A Better Tomorrow™. On behalf of the Board of Directors and Leadership Team, we extend our sincere appreciation to our employees, stakeholders, and partners for their continued trust, resilience, and unwavering support. Together, we will continue to drive sustainable growth, strengthen our market leadership, and deliver long-term value for our shareholders and society.

Dato' Sri Dr. Mohd Nizom Sairi
(Chairman)

Nedal Louay Salem
(Managing Director)