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**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**  
**Registration No. 196101000326 (4372-M)**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2023**

	Note	Individual Period		Cumulative Period	
		For the 3 months ended		For the 9 months ended	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		RM'000	RM'000	RM'000	RM'000
Revenue		606,799	666,901	1,675,140	1,825,917
Cost of sales		(446,424)	(493,127)	(1,254,370)	(1,354,590)
Gross profit		160,375	173,774	420,770	471,327
Other operating income		134	1,386	893	3,234
Operating expenses		(75,555)	(59,021)	(205,013)	(167,753)
Profit from operations		84,954	116,139	216,650	306,808
Finance costs		(6,132)	(5,317)	(17,188)	(15,684)
Profit before tax	B2	78,822	110,822	199,462	291,124
Tax expense	B3	(19,287)	(35,568)	(52,079)	(90,333)
Profit after tax		59,535	75,254	147,383	200,791
Profit attributable to the shareholders of the Company		59,535	75,254	147,383	200,791
Effective tax rate		24.5%	32.1%	26.1%	31.0%
EPS	B10	20.9	26.4	51.6	70.3
<b>Dividends</b>					
- Interim 1		-	-	13	17
- Interim 2		-	-	16	25
- Interim 3		19	25	19	25
		19	25	48	67

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2022.

**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**  
**Registration No. 196101000326 (4372-M)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2023**

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
<b>Profit after tax</b>	59,535	75,254	147,383	200,791
<b>Other comprehensive income/(expense), net of tax</b>				
<b>Items that may be subsequently reclassified to income statement</b>				
- changes in fair value of cash flow hedges	712	5,436	8,668	11,373
- deferred tax on fair value changes of cash flow hedges	-	-	(1,909)	(1,424)
<b>Total other comprehensive income, net of tax</b>	712	5,436	6,759	9,949
<b>Total comprehensive income</b>	60,247	80,690	154,142	210,740
<b>Profit attributable to:</b>				
Shareholders of the Company	59,535	75,254	147,383	200,791
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	60,247	80,690	154,142	210,740

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2022.

**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**  
Registration No. 196101000326 (4372-M)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2023**

	Note	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
<b>Assets</b>			
Property, plant and equipment		69,330	56,282
Computer software		2,114	3,027
Goodwill		411,618	411,618
Deferred tax assets		8,182	7,812
<b>Total non-current assets</b>		<b>491,244</b>	<b>478,739</b>
Inventories		101,527	55,975
Tax recoverable		3,062	2,171
Trade and other receivables		635,675	803,772
Derivative financial instruments		10,013	1,928
Cash and bank balances		61,664	16,636
<b>Total current assets</b>		<b>811,941</b>	<b>880,482</b>
<b>Total assets</b>		<b>1,303,185</b>	<b>1,359,221</b>
<b>Equity</b>			
Share capital		142,765	142,765
Cash flow hedge reserve		6,923	164
Retained earnings		238,825	234,207
<b>Total equity</b>		<b>388,513</b>	<b>377,136</b>
<b>Liabilities</b>			
Lease liabilities		38,668	21,644
<b>Total non-current liabilities</b>		<b>38,668</b>	<b>21,644</b>
Trade and other payables		194,853	212,264
Borrowings	B5	663,000	695,000
Derivative financial instruments		509	1,606
Current tax liabilities		3,894	39,453
Lease liabilities		13,748	12,118
<b>Total current liabilities</b>		<b>876,004</b>	<b>960,441</b>
<b>Total liabilities</b>		<b>914,672</b>	<b>982,085</b>
<b>Total equity and liabilities</b>		<b>1,303,185</b>	<b>1,359,221</b>
Net assets per share (RM)		1.36	1.32

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2022.

**BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**  
Registration No. 196101000326 (4372-M)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	Non-distributable		Distributable		Total Equity RM'000
	Share Capital RM'000	Cash flow hedge reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
<b>At 1 January 2023</b>	142,765	164	-	234,207	377,136
Profit after tax	-	-	-	147,383	147,383
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	8,668	-	-	8,668
- deferred tax on fair value changes on cash flow hedges	-	(1,909)	-	-	(1,909)
<b>Total comprehensive income</b>	<b>-</b>	<b>6,759</b>	<b>-</b>	<b>147,383</b>	<b>154,142</b>
Transaction with shareholders:					
Dividend for financial year ended 31 December 2022					
- fourth interim	-	-	-	(59,961)	(59,961)
Dividend for financial year ended 31 December 2023					
- first interim	-	-	-	(37,119)	(37,119)
- second interim	-	-	-	(45,685)	(45,685)
Total transactions with shareholders of the Company	-	-	-	(142,765)	(142,765)
<b>At 30 September 2023</b>	<b>142,765</b>	<b>6,923</b>	<b>-</b>	<b>238,825</b>	<b>388,513</b>
<b>At 1 January 2022</b>	<b>142,765</b>	<b>(330)</b>	<b>-</b>	<b>240,087</b>	<b>382,522</b>
Profit after tax	-	-	-	200,791	200,791
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	11,373	-	-	11,373
- deferred tax on fair value changes on cash flow hedges	-	(1,424)	-	-	(1,424)
<b>Total comprehensive income</b>	<b>-</b>	<b>9,949</b>	<b>-</b>	<b>200,791</b>	<b>210,740</b>
Transaction with shareholders:					
Dividend for financial year ended 31 December 2021					
- fourth interim	-	-	-	(77,093)	(77,093)
Dividend for financial year ended 31 December 2022					
- first interim	-	-	-	(48,540)	(48,540)
- second interim	-	-	-	(71,383)	(71,383)
Total transactions with shareholders of the Company	-	-	-	(197,016)	(197,016)
<b>At 30 September 2022</b>	<b>142,765</b>	<b>9,619</b>	<b>-</b>	<b>243,862</b>	<b>396,246</b>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2022.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	<b>For the 9 months ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	199,462	291,124
Adjustments for:		
- non-cash items	24,602	23,914
- interest income	(468)	(645)
- interest expense	17,188	15,684
Changes in working capital:		
- inventories	(55,433)	44,416
- trade and other receivables	167,198	97,739
- trade and other payables	(18,190)	(34,901)
<b>Cash from operations</b>	<b>334,359</b>	<b>437,331</b>
Income tax paid	(90,808)	(86,149)
<b>Net cash flow from operating activities</b>	<b>243,551</b>	<b>351,182</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(192)	(5,241)
Proceeds from disposals of property, plant and equipment	2,144	9,170
Interest received	468	645
<b>Net cash flow from investing activities</b>	<b>2,420</b>	<b>4,574</b>
<b>Financing activities</b>		
Dividends paid to shareholders	(142,765)	(197,016)
Interest expense paid	(16,396)	(14,959)
Net repayment to revolving credit	(32,000)	(150,000)
Payment on lease liabilities	(8,990)	(7,281)
Interest paid in relation to lease liabilities	(792)	(725)
<b>Net cash flow used in financing activities</b>	<b>(200,943)</b>	<b>(369,981)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>45,028</b>	<b>(14,225)</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>16,636</b>	<b>21,827</b>
<b>Cash and cash equivalents as at 30 September</b>	<b>61,664</b>	<b>7,602</b>

The unaudited Condensed Consolidated Cash Flows Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2022.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

**A1. BASIS OF PREPARATION**

These condensed consolidated financial statements ("Condensed Report") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report has also been prepared in accordance with paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to the Condensed Report provide explanations of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of this Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2022. As at the date of authorisation of this Condensed Report, the following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The results of the Group's operations are affected by economic cycles and festive seasons.

**A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 30 September 2023.

**A5. SIGNIFICANT CHANGES IN ESTIMATE**

There were no significant changes in estimates for prior periods that have had a material effect on the results for the current quarter ended 30 September 2023.

**A6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter ended 30 September 2023.

**A7. SEGMENT REPORTING**

The Group is domiciled in Malaysia. The analysis of revenue from external customers in Malaysia is as follows:

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
Sale of cigarettes, pipe tobaccos, cigars and other tobacco products	606,799	666,901	1,675,140	1,825,917

The Group does not have any non-current assets that are located in countries other than Malaysia.

Segment analysis has not been prepared as the Group operates a single product business primarily engaged in the manufacture, importation and sale of cigarettes and other tobacco products and this forms the focus of the Group's internal reporting systems. While the Group has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operational decision maker and it is not possible to segment the Group results by brand without a high degree of estimation.



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A8. EVENTS AFTER THE REPORTING PERIOD**

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly report.

**A9. CHANGES IN COMPOSITION OF GROUP**

The dissolution of Commercial Marketers and Distributors Sdn Bhd, (Incorporated in Brunei) a wholly owned subsidiary of the Company had been completed on 4 July 2023.

Rothmans Brands Sdn. Bhd. ("RB") (Incorporated in Malaysia) a wholly-owned subsidiary of the Company had convened its Final Meeting on 20 September 2023 for the purpose of receiving the accounts of the winding-up and completion process. Accordingly, RB will be dissolved on the expiration of three months after lodging of the return with the Registrar and with the Official Receiver.

The Winding-Up has no material effect on the financials nor operations of the Group.

**A10. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent liabilities or contingent assets as at 23 October 2023 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**A11. CAPITAL COMMITMENTS**

The Group has no capital commitments as at 30 September 2023.

**A12. SIGNIFICANT RELATED PARTY TRANSACTIONS**

For the purposes of this quarterly report, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A12. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

The Group has related party relationships with its holding company, subsidiaries and key management personnel. Significant related party transactions are as follows:

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>For the 3 months ended</b>		<b>For the 9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Purchase of leaf, cigarette packaging, wrapping materials and tobacco products from:				
PT Bentoel Prima	53,344	39,816	118,935	120,717
Purchase of vapour and tobacco heating products from:				
Nicoventures Trading Limited	30,659	-	35,448	-
Procurement of information technology services from:				
British American Shared Services (GSD) Limited	5,309	3,695	14,917	11,459
Royalties payable to:				
British American Tobacco Exports Limited	19,284	22,565	54,090	60,741
Technical and advisory support services fee from:				
British American Tobacco Investments Ltd.	4,622	3,426	11,621	10,721
BAT Aspac Service Centre Sdn. Bhd.	4,800	3,242	11,829	9,664

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the annual financial statements of the Group for the year ended 31 December 2022 was unqualified.

**B2. PROFIT BEFORE TAX**

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<u>For the 3 months ended</u>	<u>For the 3 months ended</u>	<u>For the 9 months ended</u>	<u>For the 9 months ended</u>
	<u>30.9.2023</u>	<u>30.9.2022</u>	<u>30.9.2023</u>	<u>30.9.2022</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Profit before tax is arrived at after charging:</b>				
Finance costs:				
- lease liabilities	316	288	792	725
- borrowings	5,816	5,029	16,396	14,959
Property, plant and equipment:				
- depreciation	2,368	1,298	5,048	4,151
- depreciation of right-of-use assets	2,336	2,955	8,151	7,712
- write-off	-	8	199	33
Computer software:				
- amortisation	304	304	913	820
Net loss on impairment of financial assets at amortised cost	-	-	-	47
Inventories written down	1,628	8,806	9,881	13,161
Net foreign exchange loss	372	1,555	2,737	2,859
<b>and after crediting:</b>				
Interest income on deposits	124	401	468	645
Property, plant and equipment:				
- gain on disposal	101	985	715	2,589
Gain on derecognition of lease contracts	-	-	39	-
Gain on derivatives	259	826	1,129	1,581
Reversal on impairment of financial assets at amortised cost	80	41	249	-

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B3. TAX EXPENSE**

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
- current tax	19,069	36,124	54,358	85,601
<b>Deferred tax expense</b>				
- origination/(reversal) of temporary differences	218	(556)	(2,279)	4,732
	19,287	35,568	52,079	90,333

The average effective tax rate of the Group for the third quarter 2023 and financial period ended 30 September 2023 were 24.5% (2022: 32.1%) and 26.1% (2022: 31.0%) respectively.

The average effective tax rate in the third quarter 2023 and financial period ended 30 September 2023 was higher than the 24% corporate tax rate mainly attributed to non-deductible expenses. The average effective tax rate in the prior period was higher than the corporate tax rate mainly attributed to the one-off Prosperity Tax (Cukai Makmur) applicable for 2022.

**B4. CORPORATE PROPOSAL**

There were no new corporate proposals announced as at 23 October 2023 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**B5. BORROWINGS**

The Group's borrowings as at the end of the financial period are as follows:

	As at 30.9.2023 RM'000	As at 31.12.2022 RM'000
Borrowings – unsecured	663,000	695,000

The Group's borrowings relate to revolving credits maturing between one week to three months. The Group's borrowings are denominated in Ringgit Malaysia.

**B6. MATERIAL LITIGATION**

There was no material litigation as at 23 October 2023 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B7. MATERIAL CHANGES IN THE QUARTERLY RESULTS AS COMPARED WITH THE PRECEDING QUARTER**

The legal industry combustible volume saw a contraction of 7.1% in the third quarter as compared to the second quarter despite a drop of 0.2% in the tobacco black market incidence to 55.1%. Combustible products continue to face increased pressure as a result of consumers shifting to reduced-risk alternatives.

While the Group's share of market declined marginally by 0.1% to 50.9% with Premium brands' share of market falling 0.4% to 32.5% as compared to the preceding quarter, the Group's Value-for-Money (VFM) brand – Rothmans grew by 0.3% to an unprecedented double-digit share of market of 10.0% indicative of a persistent downtrading trend within the combustible industry.

The Group recorded a decline of 10.5% in quarterly revenue from RM678 million in the preceding quarter to RM607 million in the current quarter. Anticipating the changes in consumer preferences, the Group had promptly introduced BAT Malaysia's first vapour product – Vuse in this third quarter of the year. Profit from operations reported an increase of 16.6% from RM73 million to RM85 million mainly as a result of lower operating expenses due primarily to reduced vapour product launch investments in the current period compared to the second quarter.

**B8. REVIEW OF PERFORMANCE YEAR-TO-DATE YEAR 2023 VS YEAR-TO-DATE 2022**

The Group's overall share of market had fallen by 0.5% in the first nine months of 2023 as compared to the same period last year. Although the industry's Premium segment had declined due to consumers downtrading, Dunhill continued to remain strong at above 60% share of Premium segment. The Group's Aspirational Premium (AP) brand, Peter Stuyvesant claimed an additional 1.1% of the segment share during this period. The Group had also launched Luckies within the VFM segment during the third quarter of this year to offer more affordable options to consumers.

The Group's year-to-date volume declined by 9.4% and revenue fell by 8.3% in the first nine months of the year as compared to the same period last year. Profit from operations recorded a decrease of 29.4% to RM217 million as the Group commits to its strategy of transitioning into a multicategory business with heightened investment to launch its tobacco heating product and vapour products this year. During third quarter of the year, the Group undertook a modest price increase in its Premium and AP segments, prompted by rising inflation and increased cost of business. This necessary step marks the first time the Group has adjusted its prices since 2018.

**B9. CURRENT YEAR PROSPECTS**

According to the World Bank, Malaysia's economic growth is expected to moderate to 3.9% this year from an earlier projection of 4.3%, amid a substantial deceleration of external demand. This challenging operating landscape is expected to impact the Group in the short-term, as stretched disposable income will lead to consumers switching from legal products to black market options as well as alternative products.

Nevertheless, the Group remains confident that its purpose to build A Better Tomorrow™ will drive long-term growth, backed by its New Category segment. To this end, the Group aims to grow the market share of Vuse, the number one global vaping brand, and glo™, the Group's tobacco heating product. Both Vuse and glo™ represent the Group's efforts to offer a choice of reduced-risk\* alternatives to adult smokers.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B9. CURRENT YEAR PROSPECTS (CONT'D)**

The Group is supportive of the Government's commitment to regulate the vape industry in Malaysia. We strongly urge the Government to adopt policies that are evidence-based and data driven, to ensure that Malaysian vape consumers have access to reduced-risk products that are compliant with quality and safety standards.

The Group will also focus on investing in its Value-for-Money (VFM) brands and maintaining leadership in the Premium segment.

The tobacco black market levels in Malaysia remains persistently high at above 55%. The recent measure announced by the Government during the tabling of the 2024 Budget, where cigarette imports for the domestic market will only be allowed with full container loads, will help to fight against the high levels of illegal cigarettes in the market.

Other enforcement measures, such as the establishment of a new Single Border Agency to strengthen the controls at all entry points in Malaysia, procurement of additional patrol boats for the Marine Enforcement Agency to enhance coastal security and surveillance, as well as the introduction of a Single Point of Exit in the northern region, will further add much needed controls to contain the tobacco black market.

The Group is also encouraged with the announcement of a rewards scheme for law enforcement agencies to stop smuggling activities in Malaysia.

*(\*Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.)*

**B10. EARNINGS PER SHARE**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>For the 3 months ended</b>		<b>For the 9 months ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>	<b>30.9.2023</b>	<b>30.9.2022</b>
<b>Basic earnings per share</b>				
Profit for the financial period (RM'000)	<u>59,535</u>	<u>75,254</u>	<u>147,383</u>	<u>200,791</u>
Weighted average number of ordinary shares in issue ('000)	285,530	285,530	285,530	285,530
Basic earnings per share (sen)	<u>20.9</u>	<u>26.4</u>	<u>51.6</u>	<u>70.3</u>

The Group does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore, diluted earnings per share is not disclosed.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B11. DIVIDENDS**

Dividends paid or declared in respect of the quarter and financial period ended 30 September 2023 are as follows:

	<b>Sen per share</b>	<b>Total amount RM'000</b>
<b>2023</b>		
Fourth interim dividend 2022	21.0	59,961
First interim dividend 2023	13.0	37,119
Second interim dividend 2023	16.0	45,685
	50.0	142,765
<b>2022</b>		
Fourth interim dividend 2021	27.0	77,093
First interim dividend 2022	17.0	48,540
Second interim dividend 2022	25.0	71,383
	69.0	197,016

The Board of Directors had on 30 October 2023 declared a third interim ordinary dividend of 19.0 sen per ordinary share (tax exempted under single-tier tax system) amounting to RM54,250,700 in respect of the financial period ending 30 September 2023, payable on 28 November 2023 to shareholders whose names appear on the Record of Depositors on 14 November 2023. This equates to a 91% payout on Q3 2023 earnings per share and dividend yield of 7.4%\*.

A Depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred to the Depositor's Securities Account before 4.30 p.m. on 14 November 2023, in respect of ordinary transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

*\* Based on last 3 quarters dividend paid out and third interim dividend 2023 declared*

**B12. AUTHORISED FOR ISSUE**

The quarterly report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 October 2023.