



BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2025

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2025

	Note	For the 3 months ended 31.3.2025 RM'000	31.3.2024 RM'000
Revenue		321,997	411,968
Cost of sales		(246,322)	(327,241)
Gross profit		75,675	84,727
Other operating income		106	284
Operating expenses		(37,020)	(39,050)
Profit from operations		38,761	45,961
Finance costs		(6,745)	(5,843)
Profit before tax	B2	32,016	40,118
Tax expense	B3	(8,743)	(10,130)
Profit after tax		23,273	29,988
Profit attributable to the shareholders of the Company		23,273	29,988
Effective tax rate		27.3%	25.3%
EPS	B10	8.2	10.5
<u>Dividends</u>			
- Interim 1		7.5	10.0
		7.5	10.0

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 2024.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2025

	For the 3 months ended	
	31.3.2025	31.3.2024
	RM'000	RM'000
Profit after tax	23,273	29,988
Other comprehensive (expense)/income, net of tax		
Items that may be subsequently reclassified to income statement		
- changes in fair value of cash flow hedges	(85)	4,358
- deferred tax on fair value changes of cash flow hedges	20	(1,046)
Total other comprehensive (expense)/income, net of tax	(65)	3,312
Total comprehensive income	23,208	33,300
Profit attributable to:		
Shareholders of the Company	23,273	29,988
Total comprehensive income attributable to:		
Shareholders of the Company	23,208	33,300

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 2024.

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	As at 31.3.2025 RM'000	As at 31.12.2024 RM'000
Assets			
Property, plant and equipment		47,018	50,299
Computer software		1,566	1,809
Goodwill		411,618	411,618
Deferred tax assets		13,811	12,565
Total non-current assets		<u>474,013</u>	<u>476,291</u>
Inventories		97,190	10,538
Tax recoverable		5,853	2,245
Trade and other receivables		710,172	669,208
Derivative financial instruments		2,211	2,649
Cash and bank balances		43,028	35,385
Total current assets		<u>858,454</u>	<u>720,025</u>
Total assets		<u><u>1,332,467</u></u>	<u><u>1,196,316</u></u>
Equity			
Share capital		142,765	142,765
Cash flow hedge reserve		(1,510)	(1,445)
Retained earnings		227,060	246,617
Total equity		<u>368,315</u>	<u>387,937</u>
Liabilities			
Lease liabilities		24,857	26,357
Total non-current liabilities		<u>24,857</u>	<u>26,357</u>
Trade and other payables		152,757	194,464
Borrowings	B5	758,000	558,000
Derivative financial instruments		3,512	4,183
Current tax liabilities		13,959	13,959
Lease liabilities		11,067	11,416
Total current liabilities		<u>939,295</u>	<u>782,022</u>
Total liabilities		<u>964,152</u>	<u>808,379</u>
Total equity and liabilities		<u><u>1,332,467</u></u>	<u><u>1,196,316</u></u>
Net assets per share (RM)		1.29	1.36

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 2024.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025**

	Non-distributable			Distributable	
	Share Capital RM'000	Cash flow hedge reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 January 2025	142,765	(1,445)	-	246,617	387,937
Profit after tax	-	-	-	23,273	23,273
Other comprehensive (expense)/income:					
- changes in fair value of cash flow hedges	-	(85)	-	-	(85)
- deferred tax on fair value changes on cash flow hedges	-	20	-	-	20
Total comprehensive (expense)/income	-	(65)	-	23,273	23,208
Transaction with shareholders:					
Dividend for financial year ended 31 December 2024					
- fourth interim	-	-	-	(42,830)	(42,830)
Total transactions with shareholders of the Company	-	-	-	(42,830)	(42,830)
At 31 March 2025	142,765	(1,510)	-	227,060	368,315
At 1 January 2024	142,765	2,855	-	231,939	377,559
Profit after tax	-	-	-	29,988	29,988
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	4,358	-	-	4,358
- deferred tax on fair value changes on cash flow hedges	-	(1,046)	-	-	(1,046)
Total comprehensive income	-	3,312	-	29,988	33,300
Transaction with shareholders:					
Dividend for financial year ended 31 December 2023					
- fourth interim	-	-	-	(42,830)	(42,830)
Total transactions with shareholders of the Company	-	-	-	(42,830)	(42,830)
At 31 March 2024	142,765	6,167	-	219,097	368,029

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 2024.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2025**

	For the 3 months ended	
	31.3.2025	31.3.2024
	RM'000	RM'000
Operating activities		
Profit before tax	32,016	40,118
Adjustments for:		
- non-cash items	(4,426)	4,035
- interest income	(104)	(117)
- interest expense	6,677	5,843
Changes in working capital:		
- inventories	(86,652)	(38,608)
- trade and other receivables	(40,417)	109,129
- trade and other payables	(33,521)	(27,325)
Cash (used in)/from operations	(126,427)	93,075
Income tax paid	(13,577)	(15,157)
Net cash flow (used in)/from operating activities	(140,004)	77,918
Investing activities		
Proceeds from disposals of property, plant and equipment	-	248
Interest received	104	117
Net cash flow from investing activities	104	365
Financing activities		
Dividends paid to shareholders	(42,830)	(42,830)
Interest expense paid	(6,346)	(5,421)
Net drawdown from revolving credit	200,000	25,000
Payment on lease liabilities	(2,950)	(3,490)
Interest paid in relation to lease liabilities	(331)	(422)
Net cash flow from/(used in) in financing activities	147,543	(27,163)
Net increase in cash and cash equivalents	7,643	51,120
Cash and cash equivalents as at 1 January	35,385	27,849
Cash and cash equivalents as at 31 March	43,028	78,969

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 2024.

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 2024. 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 2024.

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 2024. 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 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 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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*

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

- 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.
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

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 31 March 2025.

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 31 March 2025.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter ended 31 March 2025.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. SEGMENT REPORTING

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which in this case is the Managing Director of the Group.

For the financial quarter ended 31 March 2025, the Group concluded that the operating segments determined in accordance with MFRS 8 are to be based on geographical areas as it forms part of the internal management reports regularly provided to the Group's chief operational decision maker.

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

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's chief operating decision maker. Hence no such disclosures are provided below.

	For the 3 months ended 31.3.2025			For the 3 months ended 31.3.2024		
	West Malaysia RM'000	East Malaysia RM'000	Total RM'000	West Malaysia RM'000	East Malaysia RM'000	Total RM'000
Segment revenue and results						
Revenue from contracts with customers	275,149	46,848	321,997	379,258	32,710	411,968
Gross profit	64,837	10,838	75,675	77,123	7,604	84,727
					2025	2024
					RM'000	RM'000

Reconciliation of reportable segment operating profits

Total gross profits for reporting segments	75,675	84,727
Other revenue – Management fee from related company	285	-
Depreciation and amortisation	(4,620)	(4,875)
Finance costs	(6,745)	(5,843)
Total unallocated operating expense	(32,579)	(33,891)
Consolidated profit before tax	32,016	40,118

A8. EVENTS AFTER THE REPORTING PERIOD

On 28 April 2025, the Group announced that it will be transitioning out its current range of VUSE products from the Malaysian market in compliance with the Control of Smoking Products for Public Health Act 2024 (Act 852) and its regulations that will take effect on 1 October 2025.

Other than as disclosed above, there were no other material events subsequent to the end of the financial period that required disclosure and/or adjustment.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. CHANGES IN COMPOSITION OF GROUP

There were no changes in the composition of the Group during the current quarter 31 March 2025.

A10. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets as at 23 May 2025 (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 31 March 2025.

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.

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

	For the 3 months ended	
	31.3.2025	31.3.2024
	RM'000	RM'000
Purchase of leaf, cigarette packaging, wrapping materials and tobacco products from:		
PT Bentoel Prima	39,031	44,467
Purchase of vapour and tobacco heating product from:		
Nicoventures Trading Limited	-	15,744
Procurement of information technology services from:		
British American Shared Services (GSD) Limited	4,787	4,458
Royalties paid/payable to:		
British American Tobacco Exports Limited	8,834	11,878
Payment for technical and advisory support services fee to:		
British American Tobacco Investments Ltd.	3,238	3,491
BAT Aspac Service Centre Sdn. Bhd.	4,791	5,709
BAT South East Asia Pty Ltd	8,145	-
	<u>8,145</u>	<u>-</u>

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A13. COMPARATIVE FIGURES

Certain reclassifications were made to the comparatives to conform with current year presentation as below:

	As previously reported RM'000	2024 Reclassification RM'000	As restated RM'000
Reclassification			
Statement of cash flow			
Changes in working capital:			
- non-cash items	6,086	(2,051)	4,035
- inventories	(40,659)	2,051	(38,608)

**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 2024 was unqualified.

B2. PROFIT BEFORE TAX

	For the 3 months ended	
	31.3.2025	31.3.2024
	RM'000	RM'000
Profit before tax is arrived at after charging:		
Finance costs:		
- lease liabilities	331	422
- borrowings	6,346	5,421
Property, plant and equipment:		
- depreciation	993	1,107
- depreciation of right-of-use assets	3,384	3,464
Computer software:		
- amortisation	243	304
Net loss on impairment of financial assets at amortised cost	43	-
Inventories written-off	2,838	1,077
Loss on derivatives	-	293
Loss on derecognition of lease assets	5	-
Net foreign exchange loss	-	1,319
	<hr/>	<hr/>
and after crediting:		
Interest income on deposits	104	117
Property, plant and equipment:		
- gain on disposal	-	166
Gain on derecognition of lease assets	-	81
Gain on derivatives	176	-
Net foreign exchange gain	319	-
Net reversal in provision for market returns	8,775	974
Reversal on impairment of financial assets at amortised cost	-	174
	<hr/>	<hr/>

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

B3. TAX EXPENSE

	For the 3 months ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Current tax expense		
- current tax	9,969	10,155
Deferred tax expense		
- reversal of temporary differences	(1,226)	(25)
	<u>8,743</u>	<u>10,130</u>

The average effective tax rate of the Group for the current period was 27.3% (2024: 25.3%). The average effective tax rate in the current period was higher than the statutory tax rate mainly attributable to non-deductible expenses.

B4. CORPORATE PROPOSAL

There were no new corporate proposals announced as at 23 May 2025 (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 31.3.2025 RM'000	As at 31.12.2024 RM'000
Borrowings – unsecured	<u>758,000</u>	<u>558,000</u>

The Group's borrowings have a maturity date between one month to three months. The Group's borrowings are denominated in Ringgit Malaysia.

B6. MATERIAL LITIGATION

There was no material litigation as at 23 May 2025 (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 tobacco black market incidence saw an increase of 0.5ppt from 54.3% in the preceding quarter to 54.8% in the current quarter. This, along with the seasonal factors and the early start of the Ramadhan fasting period, led to a 0.7ppt decline in the Group's market share.

Consequently, the Group's volume decreased by 50.6% compared to the preceding quarter and revenue declined by 50.7% from RM653 million to RM322 million. Operating expenses for the current quarter were 51.3% lower than previous quarter mainly driven by the ongoing cost optimization efforts. As a result of the lower volume, profit from operations decreased by RM38 million, from RM77 million to RM39 million in the first quarter of the current year.

B8. REVIEW OF CURRENT QUARTER VS QUARTER END 31 MARCH 2024

While the market demand softened, driven largely by the early start of the Ramadhan fasting period, Dunhill's market share grew by 0.7ppt, reinforcing its position as Malaysia's No. 1 brand. However, this growth was offset by 0.4ppt decline in the Aspirational Premium brands' share of market and 0.7ppt decline in the Value-For-Money brands as compared to the same period last year leading to marginal decline of 0.6% in the Group's share of market.

In line with these market trends, the Group experienced a decrease of 20.6% in volume as compared to the same period last year, leading to a 21.8% decline in total revenue, from RM412 million to RM322 million. Despite this, gross profit margin rose by 2.9% when compared to the same period last year, supported by more effective portfolio mix strategy. The profit from operations for the first quarter of the current year declined by 15.7% to RM39 million and profit after tax was RM23 million compared to RM30 million in the same period last year.

B9. CURRENT YEAR PROSPECTS

Malaysia's advance Gross Domestic Product (GDP) estimates indicate a growth of 4.4% in the first quarter of 2025, compared to 5% in the preceding quarter, underpinned by growth in the Services, Manufacturing and Construction sectors. Consumer spending is projected to remain strong throughout 2025, and forecasted to grow by 5.2% year-on-year in real terms, reaching RM943.7 billion, up from RM907.2 billion in 2024 returning to pre-Covid levels. The Government's plans to strengthen the nation's fiscal health with the targeted subsidy reform for RON95 and minimum wage among others also sets a positive tone for Malaysia in 2025.

Against this background, the Group remains optimistic of its financial performance, driven by its resilient combustibles business and its leadership position in the premium segment through Dunhill, the No.1 brand in Malaysia.

The Group recognises 2025 to be a crucial year as the Control of Smoking Products for Public Health Act 2024 (Act 852) and its regulations will take effect in phases during the year; including the new pictorial health warning and labelling requirements, as well as a retail display ban that will take effect on 1 October 2025. In this transitional period, the Group is fully prepared to navigate these changes effectively.

In addition, in line with the new regulations for vapour products that will take effect on 1 October 2025, the Group will transition out its current range of Vuse products in Q3 2025. The Group will undertake commercial assessments of its Vuse products taking into consideration the new regulations governing such products before making decisions on future product launches. The Group will continue to focus on delivering combustible value growth.

The tobacco black market remains on a downward trend, declining from 56.4% in January 2024 to 54.8% in January 2025. The Group recognises the Government's ongoing efforts to tackle this issue and urges the Government to intensify its efforts and resources in continuing to tackle the tobacco black market.

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

B10. EARNINGS PER SHARE

	For the 3 months ended	
	31.3.2025	31.3.2024
Basic earnings per share		
Profit for the financial period/year (RM'000)	23,273	29,988
Weighted average number of ordinary shares in issue ('000)	285,530	285,530
Basic earnings per share (sen)	8.2	10.5

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.

B11. DIVIDENDS

Dividends paid or declared in respect of the quarter year ended 31 March 2025 are as follows:

	Sen per share	Total amount RM'000
2025		
Fourth interim dividend 2024	15.0	42,830
2024		
Fourth interim dividend 2023	15.0	42,830

The Board of Directors had on 30 May 2025 declared a first interim ordinary dividend of 7.5 sen per ordinary share (tax exempted under single-tier tax system)* amounting to RM21,474,000 in respect of the financial quarter ended 31 March 2025, payable on 3 July 2025 to shareholders whose names appear on the Record of Depositors on 17 June 2025. This equates to a 92% payout on Q1 2025 earnings per share and dividend yield of 9.1%**.

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 17 June 2025, 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.

**The single tier dividend is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the said Act, except for individual shareholders with total annual dividend income from Malaysian companies of more than RM100,000 pursuant to Part XXII of Schedule 1 of the said Act.*

*** Based on last 3 quarters dividend paid out and first interim dividend 2025 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 May 2025.