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## **BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD**

### **UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2025**

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2025**

	Note	Individual Period		Cumulative Period	
		For the 3 months ended		For the 6 months ended	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
Revenue		624,746	640,458	946,743	1,052,426
Cost of sales		(488,617)	(486,804)	(734,939)	(814,045)
Gross profit		136,129	153,654	211,804	238,381
Other operating income		265	144	371	428
Operating expenses		(58,326)	(97,421)	(95,346)	(136,471)
Profit from operations		78,068	56,377	116,829	102,338
Finance costs		(7,847)	(6,280)	(14,592)	(12,123)
Profit before tax	B2	70,221	50,097	102,237	90,215
Tax expense	B3	(19,270)	(13,817)	(28,013)	(23,947)
Profit after tax		50,951	36,280	74,224	66,268
Profit attributable to the shareholders of the Company		50,951	36,280	74,224	66,268
Effective tax rate		27.4%	27.6%	27.4%	26.5%
EPS	B10	17.8	12.7	26.0	23.2
<u>Dividends</u>					
- Interim 1		-	-	7.5	10.0
- Interim 2		12.0	12.0	12.0	12.0
		12.0	12.0	19.5	22.0

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 AND PERIOD ENDED 30 JUNE 2025**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>For the 3 months ended</b>		<b>For the 6 months ended</b>	
	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2025</b>	<b>30.06.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit after tax</b>	50,951	36,280	74,224	66,268
<b>Other comprehensive (expense)/income, net of tax</b>				
<b>Items that may be subsequently reclassified to income statement</b>				
- changes in fair value of cash flow hedges	(5,809)	2,712	(5,894)	1,646
- deferred tax on fair value changes of cash flow hedges	1,394	(652)	1,414	(394)
<b>Total other comprehensive (expense)/income, net of tax</b>	<b>(4,415)</b>	<b>2,060</b>	<b>(4,480)</b>	<b>1,252</b>
<b>Total comprehensive income</b>	<b>46,536</b>	<b>38,340</b>	<b>69,744</b>	<b>67,520</b>
<b>Profit attributable to:</b>				
Shareholders of the Company	50,951	36,280	74,224	66,268
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Company	46,536	38,340	69,744	67,520

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 30 JUNE 2025**

	Note	As at 30.06.2025 RM'000	As at 31.12.2024 RM'000
<b>Assets</b>			
Property, plant and equipment		46,319	50,299
Computer software		1,416	1,809
Goodwill		411,618	411,618
Deferred tax assets		7,195	12,565
<b>Total non-current assets</b>		<b>466,548</b>	<b>476,291</b>
Inventories		26,669	10,538
Tax recoverable		8,169	2,245
Trade and other receivables		658,122	669,208
Derivative financial instruments		1,130	2,649
Cash and bank balances		21,655	35,385
<b>Total current assets</b>		<b>715,745</b>	<b>720,025</b>
<b>Total assets</b>		<b>1,182,293</b>	<b>1,196,316</b>
<b>Equity</b>			
Share capital		142,765	142,765
Cash flow hedge reserve		(5,925)	(1,445)
Retained earnings		278,011	246,617
<b>Total equity</b>		<b>414,851</b>	<b>387,937</b>
<b>Liabilities</b>			
Lease liabilities		24,932	26,357
<b>Total non-current liabilities</b>		<b>24,932</b>	<b>26,357</b>
Trade and other payables		185,128	194,464
Borrowings	B5	523,000	558,000
Derivative financial instruments		8,572	4,183
Current tax liabilities		13,959	13,959
Lease liabilities		11,851	11,416
<b>Total current liabilities</b>		<b>742,510</b>	<b>782,022</b>
<b>Total liabilities</b>		<b>767,442</b>	<b>808,379</b>
<b>Total equity and liabilities</b>		<b>1,182,293</b>	<b>1,196,316</b>
Net assets per share (RM)		1.45	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 30 JUNE 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
<b>At 1 January 2025</b>	142,765	(1,445)	-	246,617	387,937
Profit after tax	-	-	-	74,224	74,224
Other comprehensive (expense)/income:					
- changes in fair value of cash flow hedges	-	(5,894)	-	-	(5,894)
- deferred tax on fair value changes on cash flow hedges	-	1,414	-	-	1,414
<b>Total comprehensive (expense)/income</b>	-	(4,480)	-	74,224	69,744
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)
<b>At 30 June 2025</b>	<b>142,765</b>	<b>(5,925)</b>	<b>-</b>	<b>278,011</b>	<b>414,851</b>
<b>At 1 January 2024</b>	142,765	2,855	-	231,939	377,559
Profit after tax	-	-	-	66,268	66,268
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	1,646	-	-	1,646
- deferred tax on fair value changes on cash flow hedges	-	(394)	-	-	(394)
<b>Total comprehensive income</b>	-	1,252	-	66,268	67,520
Transaction with shareholders:					
Dividend for financial year ended 31 December 2023 - fourth interim	-	-	-	(42,830)	(42,830)
Dividend for financial year ended 31 December 2024 - first interim	-	-	-	(28,553)	(28,553)
Total transactions with shareholders of the Company	-	-	-	(71,383)	(71,383)
<b>At 30 June 2024</b>	<b>142,765</b>	<b>4,107</b>	<b>-</b>	<b>226,824</b>	<b>373,696</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 2024.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2025**

		<b>For the 6 months ended</b>	
	<b>Note</b>	<b>30.06.2025</b>	<b>30.06.2024</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>			
Profit before tax		102,237	90,215
Adjustments for:			
- non-cash items	A13	12,453	6,991
- interest income		(369)	(262)
- interest expense		14,592	12,123
Changes in working capital:			
- inventories	A13	(16,131)	(3,597)
- trade and other receivables		11,989	53,317
- trade and other payables		(13,389)	21,322
<b>Cash from operations</b>		<b>111,382</b>	<b>180,109</b>
Income tax paid		(27,153)	(29,583)
<b>Net cash flow from operating activities</b>		<b>84,229</b>	<b>150,526</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(143)	(90)
Proceeds from disposals of property, plant and equipment		-	248
Interest received		369	262
<b>Net cash flow (used in)/from investing activities</b>		<b>226</b>	<b>420</b>
<b>Financing activities</b>			
Dividends paid to shareholders		(42,830)	(71,383)
Interest expense paid		(13,901)	(11,291)
Net repayment from revolving credit		(35,000)	(10,000)
Payment on lease liabilities		(5,763)	(6,896)
Interest paid in relation to lease liabilities		(691)	(832)
<b>Net cash flow used in financing activities</b>		<b>(98,185)</b>	<b>(100,402)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(13,730)</b>	<b>50,544</b>
<b>Cash and cash equivalents as at 1 January</b>		<b>35,385</b>	<b>27,849</b>
<b>Cash and cash equivalents as at 30 June</b>		<b>21,655</b>	<b>78,393</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 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 30 June 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 30 June 2025.

**A6. DEBT AND EQUITY SECURITIES**

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

	<b>Individual Period</b>			<b>Cumulative Period</b>		
	<b>For the 3 months ended</b>			<b>For the 6 months ended</b>		
	<b>30.6.2025</b>			<b>30.6.2025</b>		
	<b>West Malaysia RM'000</b>	<b>East Malaysia RM'000</b>	<b>Total RM'000</b>	<b>West Malaysia RM'000</b>	<b>East Malaysia RM'000</b>	<b>Total RM'000</b>
<b>Segment revenue and results</b>						
Revenue from contracts with customers	577,539	47,207	624,746	852,688	94,055	946,743
Gross profit	125,044	11,085	136,129	189,881	21,923	211,804

	<b>Individual Period</b>			<b>Cumulative Period</b>		
	<b>For the 3 months ended</b>			<b>For the 6 months ended</b>		
	<b>30.6.2024</b>			<b>30.6.2024</b>		
	<b>West Malaysia RM'000</b>	<b>East Malaysia RM'000</b>	<b>Total RM'000</b>	<b>West Malaysia RM'000</b>	<b>East Malaysia RM'000</b>	<b>Total RM'000</b>
<b>Segment revenue and results</b>						
Revenue from contracts with customers	584,794	55,664	640,458	964,052	88,374	1,052,426
Gross profit	141,392	12,262	153,654	218,511	19,870	238,381

	<b>2025 RM'000</b>	<b>2024 RM'000</b>
<b>Reconciliation of reportable segment operating profits</b>		
Total gross profits for reporting segments	211,804	238,381
Other revenue – Management fee from related company	570	-
Depreciation and amortisation	(9,286)	(9,948)
Finance costs	(14,592)	(12,123)
Total unallocated operating expense	(86,259)	(126,095)
Consolidated profit before tax	102,237	90,215

**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 quarterly report.

**A9. CHANGES IN COMPOSITION OF GROUP**

There were no changes in the composition of the Group during the current quarter ended 30 June 2025.

**A10. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent liabilities or contingent assets as at 21 July 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 30 June 2025.

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

**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:

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>For the 3 months ended</b>		<b>For the 6 months ended</b>	
	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2025</b>	<b>30.06.2024</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	46,713	46,901	85,744	91,377
Purchase of vapour and tobacco heating product from:				
Nicoventures Trading Limited	-	5,377	-	21,121
Procurement of information technology services from:				
British American Shared Services (GSD) Limited	6,050	5,379	10,837	9,837
Royalties paid/payable to:				
British American Tobacco Exports Limited	20,609	20,771	29,443	32,649
Payment for technical and advisory support services fee to:				
British American Tobacco Investments Ltd.	3,726	2,277	6,964	5,768
BAT Aspac Service Centre Sdn. Bhd.	4,340	2,891	9,131	8,600
BAT South East Asia Pty Ltd	7,991	14,111	16,136	14,111

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
<b>Reclassification</b>			
<b>Statement of cash flow</b>			
Changes in working capital:			
- non-cash items	12,454	(5,463)	6,991
- inventories	(9,060)	5,463	(3,597)

**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**

	<b>Individual Period</b>		<b>Cumulative Period</b>	
	<b>For the 3 months ended</b>		<b>For the 6 months ended</b>	
	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2025</b>	<b>30.06.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit before tax is arrived at after charging:</b>				
Finance costs:				
- lease liabilities	360	410	691	832
- borrowings	7,555	5,870	13,901	11,291
Property, plant and equipment:				
- depreciation	1,008	1,760	2,001	2,868
- depreciation of right-of-use assets	3,508	3,007	6,892	6,471
Computer software:				
- amortisation	150	305	393	609
Net loss on impairment of financial assets at amortised cost	-	104	-	-
Inventories written-off	2,314	2,882	5,152	3,959
Loss on derecognition of lease assets	-	-	2	-
Loss on derivatives	516	-	340	-
Net foreign exchange loss	-	-	-	1,201
Net provision for market returns	13,299	-	4,524	-
<b>and after crediting:</b>				
Interest income on deposits	265	145	369	262
Property, plant and equipment:				
- gain on disposal	-	-	-	166
Gain on derecognition of lease contracts	-	-	-	81
Gain on derivatives	-	647	-	354
Net foreign exchange gain	1,016	118	1,335	-
Reversal on impairment of financial assets at amortised cost	68	-	25	70
Net reversal in provision for market returns	-	2,037	-	3,011

**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 30.06.2025 RM'000	30.06.2024 RM'000	For the 6 months ended 30.06.2025 RM'000	30.06.2024 RM'000
<b>Current tax expense</b>				
- current tax	11,260	11,694	21,229	21,849
<b>Deferred tax expense</b>				
- origination of temporary differences	8,010	2,123	6,784	2,098
	<u>19,270</u>	<u>13,817</u>	<u>28,013</u>	<u>23,947</u>

The average effective tax rate of the Group for the second quarter and financial period 30 June 2025 were 27.4% (2024: 27.6%) and 27.4% (2024: 26.5%) respectively.

The average effective tax rate in the second quarter 2025 and financial period 30 June 2025 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 21 July 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 30.6.2025 RM'000	As at 31.12.2024 RM'000
Borrowings – unsecured	<u>523,000</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 21 July 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 legal industry combustible volume rose by 7.8% in the current quarter compared to the preceding quarter, reflective of the annual market trend. Meanwhile, the tobacco black market incidence saw a decline of 0.4ppt, from 54.8% to 54.4% in the same period.

The Group experienced heightened competitive pressure this quarter, resulting in a 0.6ppt decline in overall market share. The Group's Premium brands and Value-for-Money (VFM) brands saw contractions of 0.4ppt and 0.1ppt respectively, while the Aspirational Premium (AP) remained flat compared to the preceding quarter.

Overall, the operating expenses for the current quarter were 57.5% higher than previous quarter, primarily due to investments to strengthen the combustible portfolio. The resulting volume growth of 97% lead to a 94% increase in revenue from RM322 million to RM625 million in the current quarter. This translated into a RM39 million improvement in the profit from operations, from RM39 million to RM78 million in the current quarter.

**B8. REVIEW OF CURRENT QUARTER VS QUARTER END 30 JUNE 2024**

In spite of the ongoing pressure, Dunhill's market share continued to grow by 0.3ppt. However this was offset by 0.4ppt decline in the Aspirational Premium brands and 0.9ppt drop in the Value-For-Money brands as compared to the same period last year, leading to a 1.2ppt overall reduction in the Group's total market share. As a result, the Group saw a decline of 2.5% in revenue to RM625 million in the current quarter.

Following the announcement of Vuse's transition out, operating expenses for the current quarter decreased by 40.1% compared to same period last year. Consequently, the profit from operations increased by 38.5%, rising to RM78 million from RM56 million in the same period last year.

**B9. CURRENT YEAR PROSPECTS**

The Malaysian economy posted a 4.4% expansion in the first quarter of 2025, supported by resilient consumer spending and sustained growth in investment.

The Sales and Service Tax (SST) scope expansion and the targeted subsidy reforms are expected to temporarily weigh on consumer sentiment. However, overall consumer spending is projected to remain steady in the second half of 2025, bolstered by a combination of policy easing, higher wages, and increased tourism activity.

Against this backdrop, the Group remains focused on continuing to deliver its financial performance, driven by the strength of its combustibles portfolio and its leadership position in the premium segment through Dunhill, Malaysia's No.1 brand, which celebrates its 60th anniversary this year. The Group is committed to continually strengthening its combustibles portfolio by ensuring its products stand out in quality, innovation and brand heritage.

Nevertheless, the tobacco black market remains a significant challenge that continues to negatively impact the legal market. As of Q2FY2025, the incidence of tobacco black market was at 54.4%.

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.

2025 is a crucial year to the Group, 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.

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

**B10. EARNINGS PER SHARE**

	Individual Period		Cumulative Period	
	For the 3 months ended 30.06.2025	30.06.2024	For the 6 months ended 30.06.2025	30.06.2024
<b>Basic earnings per share</b>				
Profit for the financial period/year (RM'000)	50,951	36,280	74,224	66,268
Weighted average number of ordinary shares in issue ('000)	285,530	285,350	285,530	285,530
Basic earnings per share (sen)	17.8	12.7	26.0	23.2

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 30 June 2025 are as follows:

	Sen per share	Total amount RM'000
<b>2025</b>		
Fourth interim dividend 2024	15.0	42,830
First interim dividend 2025	7.5	21,474
	22.5	64,304
<b>2024</b>		
Fourth interim dividend 2023	15.0	42,830
First interim dividend 2024	10.0	28,553
	25.0	71,383

The Board of Directors had on 28 July 2025 declared a second interim ordinary dividend of 12.0 sen per ordinary share (tax exempted under single-tier tax system)\* amounting to RM34,264,000 in respect of the financial quarter ended 30 June 2025, payable on 4 September 2025 to shareholders whose names appear on the Record of Depositors on 14 August 2025. This equates to a 67% payout on Q2 2025 earnings per share and dividend yield of 12.2%\*\*.



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

**B11. DIVIDENDS**

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 August 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 declared is exempt from tax under subsection 108(1) of the Income Tax Act 1967. Pursuant to paragraph 12B of Schedule 6 of Income Tax Act 1967, the single-tier dividend is not taxable in the hands of the shareholders other than an individual who receives one or more dividend vouchers, where the total gross dividend, other than dividend which is exempt in the hands of the shareholder, exceeds RM100,000.00, the individual must declare the dividend income as part of their aggregate income pursuant to paragraph 6(1)(r) of the said Act.*

*\*\* Based on last 3 quarters dividend paid out and second 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 28 July 2025.