



BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2025

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

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

	Note	Individual Period		Cumulative Period	
		For the 3 months ended		For the 9 months ended	
		30.09.2025	30.09.2024	30.09.2025	30.09.2024
		RM'000	RM'000	RM'000	RM'000
Revenue		300,803	609,946	1,247,546	1,662,372
Cost of sales		(237,405)	(456,903)	(972,344)	(1,270,948)
Gross profit		63,398	153,043	275,202	391,424
Other operating income		293	167	664	595
Operating expenses		(51,152)	(53,689)	(146,498)	(190,160)
Profit from operations		12,539	99,521	129,368	201,859
Finance costs		(7,092)	(7,085)	(21,684)	(19,208)
Profit before tax	B2	5,447	92,436	107,684	182,651
Tax income/(expense)	B3	1,573	(24,528)	(26,440)	(48,475)
Profit after tax		7,020	67,908	81,244	134,176
Profit attributable to the shareholders of the Company		7,020	67,908	81,244	134,176
Effective tax rate		-28.9%	26.5%	24.6%	26.5%
EPS	B10	2.5	23.8	28.5	47.0
<u>Dividends</u>					
- Interim 1		-	-	7.5	10.0
- Interim 2		-	-	12.0	12.0
- Interim 3		5.0	22.0	5.0	22.0
		5.0	22.0	24.5	44.0

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 SEPTEMBER 2025**

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	RM'000	RM'000	RM'000	RM'000
Profit after tax	7,020	67,908	81,244	134,176
Other comprehensive income/(expense), net of tax				
Items that may be subsequently reclassified to income statement				
- changes in fair value of cash flow hedges	3,825	(23,821)	(1,984)	(22,175)
- deferred tax on fair value changes of cash flow hedges	(917)	5,717	477	5,323
Total other comprehensive income/(expense), net of tax	2,908	(18,104)	(1,507)	(16,852)
Total comprehensive income	9,928	49,804	79,737	117,324
Profit attributable to:				
Shareholders of the Company	7,020	67,908	81,244	134,176
Total comprehensive income attributable to:				
Shareholders of the Company	9,928	49,804	79,737	117,324

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 SEPTEMBER 2025

	Note	As at 30.09.2025 RM'000	As at 31.12.2024 RM'000
Assets			
Property, plant and equipment		43,675	50,299
Computer software		1,266	1,809
Goodwill		411,618	411,618
Deferred tax assets		16,476	12,565
Total non-current assets		<u>473,035</u>	<u>476,291</u>
Inventories		58,305	10,538
Tax recoverable		13,091	2,245
Trade and other receivables		715,213	669,208
Derivative financial instruments		631	2,649
Cash and bank balances		58,475	35,385
Total current assets		<u>845,715</u>	<u>720,025</u>
Total assets		<u><u>1,318,750</u></u>	<u><u>1,196,316</u></u>
Equity			
Share capital		142,765	142,765
Cash flow hedge reserve		(2,952)	(1,445)
Retained earnings		229,352	246,617
Total equity		<u>369,165</u>	<u>387,937</u>
Liabilities			
Lease liabilities		22,147	26,357
Total non-current liabilities		<u>22,147</u>	<u>26,357</u>
Trade and other payables		130,486	194,464
Borrowings	B5	779,700	558,000
Derivative financial instruments		5,199	4,183
Current tax liabilities		-	13,959
Lease liabilities		12,053	11,416
Total current liabilities		<u>927,438</u>	<u>782,022</u>
Total liabilities		<u>949,585</u>	<u>808,379</u>
Total equity and liabilities		<u><u>1,318,750</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 30 SEPTEMBER 2025**

	Non-distributable		Distributable		
	Share Capital	Cash flow hedge reserve	Share-based payment reserve	Retained earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	142,765	(1,445)	-	246,617	387,937
Profit after tax	-	-	-	81,244	81,244
Other comprehensive (expense)/income:					
- changes in fair value of cash flow hedges	-	(1,984)	-	-	(1,984)
- deferred tax on fair value changes on cash flow hedges	-	477	-	-	477
Total comprehensive (expense)/income	-	(1,507)	-	81,244	79,737
Transaction with shareholders:					
Dividend for financial year ended 31 December 2024 - fourth interim	-	-	-	(42,830)	(42,830)
Dividend for financial year ended 31 December 2025 - first interim	-	-	-	(21,415)	(21,415)
- second interim	-	-	-	(34,264)	(34,264)
Total transactions with shareholders of the Company	-	-	-	(98,509)	(98,509)
At 30 September 2025	142,765	(2,952)	-	229,352	369,165
At 1 January 2024	142,765	2,855	-	231,939	377,559
Profit after tax	-	-	-	134,176	134,176
Other comprehensive (expense)/income:					
- changes in fair value of cash flow hedges	-	(22,175)	-	-	(22,175)
- deferred tax on fair value changes on cash flow hedges	-	5,323	-	-	5,323
Total comprehensive (expense)/income	-	(16,852)	-	134,176	117,324
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)
- second interim	-	-	-	(34,264)	(34,264)
Total transactions with shareholders of the Company	-	-	-	(105,647)	(105,647)
At 30 September 2024	142,765	(13,997)	-	260,468	389,236

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 SEPTEMBER 2025**

	Note	For the 9 months ended	
		30.09.2025 RM'000	30.09.2024 RM'000
Operating activities			
Profit before tax		107,684	182,651
Adjustments for:			
- non-cash items	A13	6,028	9,099
- interest income		(522)	(427)
- interest expense		21,684	19,208
Changes in working capital:			
- inventories	A13	(47,767)	(64,567)
- trade and other receivables		(44,956)	(46,856)
- trade and other payables		(56,701)	(30,191)
Cash (used in)/from operations		(14,550)	68,917
Income tax paid		(54,679)	(50,436)
Net cash flow (used in)/from operating activities		(69,229)	18,481
Investing activities			
Purchase of property, plant and equipment		(148)	(709)
Proceeds from disposals of property, plant and equipment		351	248
Interest received		522	427
Net cash flow from/(used in) investing activities		725	(34)
Financing activities			
Dividends paid to shareholders		(98,509)	(105,647)
Interest expense paid		(20,627)	(17,999)
Net drawdown from revolving credit		221,700	130,000
Payment on lease liabilities		(9,913)	(10,646)
Interest paid in relation to lease liabilities		(1,057)	(1,209)
Net cash flow from/(used in) financing activities		91,594	(5,501)
Net increase in cash and cash equivalents		23,090	12,946
Cash and cash equivalents as at 1 January		35,385	27,849
Cash and cash equivalents as at 30 September		58,475	40,795

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 September 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 September 2025.

A6. DEBT AND EQUITY SECURITIES

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

	Individual Period			Cumulative Period		
	For the 3 months ended			For the 9 months ended		
	30.09.2025			30.09.2025		
	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	251,736	49,067	300,803	1,104,424	143,122	1,247,546
Gross profit	51,106	12,292	63,398	240,987	34,215	275,202

	Individual Period			Cumulative Period		
	For the 3 months ended			For the 9 months ended		
	30.09.2024			30.09.2024		
	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	555,235	54,711	609,946	1,519,287	143,085	1,662,372
Gross profit	138,765	14,278	153,043	357,276	34,148	391,424

	2025 RM'000	2024 RM'000
Reconciliation of reportable segment operating profits		
Total gross profits for reporting segments	275,202	391,424
Other revenue – Management fee from related company	855	834
Depreciation and amortisation	(13,658)	(15,001)
Finance costs	(21,684)	(19,208)
Total unallocated operating expense	(133,031)	(175,398)
Consolidated profit before tax	107,684	182,651

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 September 2025.

A10. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets as at 23 October 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 September 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:

	Individual Period		Cumulative Period	
	For the 3 months ended 30.09.2025 RM'000	30.09.2024 RM'000	For the 9 months ended 30.09.2025 RM'000	30.09.2024 RM'000
Purchase of leaf, cigarette packaging, wrapping materials and tobacco products from:				
PT Bentoel Prima	30,473	51,656	116,217	143,033
Purchase of vapour and tobacco heating product from:				
Nicoventures Trading Limited	-	641	-	21,762
Procurement of information technology services from:				
British American Shared Services (GSD) Limited	4,034	4,765	14,871	14,602
Royalties paid/payable to:				
British American Tobacco Exports Limited	8,462	20,584	37,905	53,233
Payment for technical and advisory support services fee to:				
British American Tobacco Investments Ltd.	3,392	3,532	10,356	9,300
BAT Aspac Service Centre Sdn. Bhd.	5,876	4,782	15,007	13,382
BAT South East Asia Pty Ltd	-	4,568	16,136	18,679

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	15,854	(6,755)	9,099
- inventories	(71,322)	6,755	(64,567)

**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

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Finance costs:				
- lease liabilities	366	377	1,057	1,209
- borrowings	6,726	6,708	20,627	17,999
Property, plant and equipment:				
- depreciation	990	426	2,991	3,294
- depreciation of right-of-use assets	3,232	4,323	10,124	10,794
- impairment	-	415	-	415
Computer software:				
- amortisation	150	304	543	913
Net loss on impairment of financial assets at amortised cost	63	45	38	-
Bad debts written-off	100	-	100	-
Inventories written-off	19,268	1,999	24,420	6,004
Loss on derivatives	1,054	1,957	1,394	1,603
and after crediting:				
Interest income on deposits	153	165	522	427
Property, plant and equipment:				
- gain on disposal	140	-	140	166
Gain on derecognition of lease contracts	216	16	214	16
Net foreign exchange gain	220	6,603	1,555	5,402
Reversal on impairment of financial assets at amortised cost	-	-	-	25
Net reversal in provision for market returns	10,284	348	5,760	3,158

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

B3. TAX (INCOME)/EXPENSE

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current tax	7,375	24,528	28,604	46,377
- under provision in prior year	1,270	-	1,270	-
	<u>8,645</u>	<u>24,528</u>	<u>29,874</u>	<u>46,377</u>
Deferred tax (income)/expense				
- (reversal)/origination of temporary differences	(5,386)	-	1,398	2,098
- over provision in prior year	(4,832)	-	(4,832)	-
	<u>(10,218)</u>	<u>-</u>	<u>(3,434)</u>	<u>2,098</u>
	<u>(1,573)</u>	<u>24,528</u>	<u>26,440</u>	<u>48,475</u>

The average effective tax rate of the Group for the third quarter and financial period 30 September 2025 were -28.9% (2024: 26.5%) and 24.6% (2024: 26.5%) respectively.

The average effective tax rate financial period 30 September 2025 was higher than the statutory tax rate mainly attributable to non-deductible expenses. The average effective tax rate in the third quarter 2025 was lower than the statutory tax rate mainly attributable to prior year tax adjustments.

B4. CORPORATE PROPOSAL

There were no new corporate proposals announced as at 23 October 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 30.9.2025 RM'000	As at 31.12.2024 RM'000
Borrowings – unsecured	<u>779,700</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 October 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 declined by 3.5% compared to the preceding quarter, primarily due to the implementation of regulatory changes driven by the Control of Smoking Products for Public Health Act 2024 (Act 852) effective 1 October 2025. In parallel, the tobacco black market incidence improved slightly, decreasing by 0.5ppt from 54.5% to 54.0% in the current quarter.

Following the ongoing downtrend in the combustible space, the Group's share of market shows a marginal decline by 0.1ppt, driven by a contraction in the Aspirational Premium segment, while both Premium brands and Value-for-Money brands remained flat.

As a result of the above, the Group volumes decreased by 49.8%, leading to a lower revenue by 51.9% from RM625 million to RM301 million. Operating expenses were 12.3% lower than previous quarter, reflecting ongoing cost optimization efforts, partially offset by regulatory implementation cost. Consequently, profit from operations declined by RM66 million in the current quarter.

B8. REVIEW OF PERFORMANCE YEAR-TO-DATE 2025 VS YEAR-TO-DATE 2024

Leading up to the implementation of new pictorial health warnings and labelling standards and full adherence to the retail display ban effective 1 October 2025, overall industry volume declined by 2.5%. As a result, the Group experienced a 1.0ppt decline in market share, primarily driven by the contractions in the Aspirational Premium and Value-for-Money segments, which declined by 0.4ppt and 0.8ppt respectively. Nonetheless, the Group's Premium brand, Dunhill recorded a gain of 0.2ppt, reflecting Dunhill's brand strength and the Group's continuous effort to reinforce its market leadership.

In line with the market trend, the overall Group's volumes declined by 21.0%, leading to lower revenue by 25.0% to RM1,248 million. Despite active cost management, the profit from operations declined by 35.9%, mainly due to the regulatory changes in 2025 leading to Vuse transition out and higher regulatory implementation costs.

B9. CURRENT YEAR PROSPECTS

Malaysia's economic growth moderated to 4.4% in the first half of 2025 (vs 5% in 2024), down by 0.6ppt primarily reflecting weaker export performance. The pace of expansion has been slower than anticipated. Looking ahead, the economy is projected to grow between 4.0% and 4.5% in 2026, although global uncertainties and potential tariff adjustments may continue to influence trade momentum.

The industry entered a new phase in Q32025 as the Control of Smoking Products for Public Health Act 2024 (Act 852) took effect with the implementation of new pictorial health warnings and labelling standards, and full adherence to the retail display ban effective 1 October 2025. Support extended to retail partners has helped ensure continued consumer access and uninterrupted supply to meet market demand.

Following the tabling of Budget 2026, the Government announced an excise duty increase of RM0.02 per stick, effective 1 November 2025. While the full impact on the industry is yet to be determined, the Group hopes that this will not further exacerbate the illicit tobacco trade and the Government will continue to take effective measures to combat this issue, including the planned RM700 million allocation for enhanced enforcement, digital tax stamps, and improved screening systems to reduce tax leakages.

The Group reiterates the importance of ongoing consultation with the industry players to ensure these measures are practical, effective, and achieve the intended objectives. With illicit trade still accounting for 54% of the market in Q32025 (Q22025: 54.5%), we anticipate that reducing this will drive a gradual backflow to the legal market and increase tax revenue for the Government. Continued focus on strengthening enforcement and accelerating digitalisation will be key to maintaining a regulated and sustainable market.

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

B9. CURRENT YEAR PROSPECTS (CONT'D)

Budget 2026 also includes targeted fiscal initiatives such as cash handouts, fuel aid, and domestic tourism incentives, which are anticipated to boost disposable income and sustain household consumption.

With the new phase of Act 852 now fully implemented and with the upcoming excise duty increase, the Group will remain focused on its strategic priorities, underpinned by market leadership in the premium segment through Dunhill, disciplined execution and a commitment to operational excellence to ensure a resilient and sustainable business.

B10. EARNINGS PER SHARE

	Individual Period		Cumulative Period	
	For the 3 months ended 30.09.2025	30.09.2024	For the 9 months ended 30.09.2025	30.09.2024
Basic earnings per share				
Profit for the financial period/year (RM'000)	7,020	67,908	81,244	134,176
Weighted average number of ordinary shares in issue ('000)	285,530	285,530	285,530	285,530
Basic earnings per share (sen)	2.5	23.8	28.5	47.0

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 September 2025 are as follows:

	Sen per share	Total amount RM'000
2025		
Fourth interim dividend 2024	15.0	42,830
First interim dividend 2025	7.5	21,415
Second interim dividend 2025	12.0	34,264
	34.5	98,509
2024		
Fourth interim dividend 2023	15.0	42,830
First interim dividend 2024	10.0	28,553
Second interim dividend 2024	12.0	34,264
	37.0	105,647

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

B11. DIVIDENDS (CONT'D)

The Board of Directors had on 30 October 2025 declared a third interim ordinary dividend of 5.0 sen per ordinary share (tax exempted under single-tier tax system)* amounting to RM14,277,000 in respect of the financial quarter ended 30 September 2025, payable on 5 December 2025 to shareholders whose names appear on the Record of Depositors on 14 November 2025. This equates to a 203% payout on Q3 2025 earnings per share and dividend yield of 7.7%**.

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 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 third 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 October 2025.