

Building Sustainable Value for Shareholders

ANNUAL REPORT 2024





Building Sustainable Value for Shareholders

Our 2024 Annual Report design reflects the key pillars of our Sustainability focus areas. The structured grid layout symbolizes the synergy created when these four critical elements come together, driven by the expertise and passion of our employees.

The Annual Report cover also represents our commitment in building sustainable value for our shareholders. It captures our sustainability approach that is at the forefront of our business and led by our people to drive the Company forward. As we continue to progress on this journey, we remain steadfast to our commitment to building A Better Tomorrow™ and deliver sustainable value for our shareholders.

Our Purpose

A Better Tomorrow™ means Building a Smokeless World.

A Smokeless World built on Smokeless products where, ultimately, cigarettes have become a thing of the past.

A world where smokers have migrated from cigarettes to smokeless alternatives.

A world where Tobacco Harm Reduction is both understood and accepted.

A world where smokers make a switch to better.



Basis of this Report

INTEGRATED REPORTING APPROACH

BAT Malaysia continued its journey into Integrated Reporting which started in 2022. Guided by both local and international guidelines and frameworks, this annual report covers the Company's activities between 1 January 2024 and 31 December 2024 and strives to present balanced and comprehensive information to our stakeholders regarding our strategic process and financial performance.

This report also details our non-financial performance in 2024 demonstrating our progress in the Tobacco Harm Reduction, Environmental, Social and Governance contexts, which are elaborated on further in our Sustainability Statement.

SCOPE AND BOUNDARIES

This report provides an overview of BAT Malaysia's annual performance against key performance indicators. The scope includes our operations in BAT Malaysia, including our offices, manufacturing facilities and commercial activities.

BAT Malaysia is a publicly listed company on the Main Market of Bursa Malaysia Securities Berhad. We are guided by international integrated reporting frameworks, as well as the Malaysian Code on Corporate Governance (MCCG 2021), Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (MMLR), Bursa Malaysia Corporate Governance Guide, the Companies Act 2016, the Malaysian Financial Reporting Standards (MFRS), the International Financial Reporting Standards (IFRS) and the National Sustainability Reporting Framework (NSRF).

In the area of sustainability, we have developed our reporting in line with key sustainability reporting guidelines, such as:

- GRI Standards
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- FTSE4Good requirements
- International Sustainability Standards Board (ISSB) IFRS S2

The Sustainability Statement covers both British American Tobacco (Malaysia) Berhad and its wholly-owned subsidiaries, collectively known as the BAT Malaysia Group:

1. Commercial Marketers and Distributors Sdn Bhd
2. Tobacco Importers and Manufacturers Sdn Bhd

Together, the Company and its two active subsidiaries above form the operating companies of the BAT Malaysia Group in Malaysia.

References to "BAT Malaysia", the "Company", "we", "us" and "our" in this report refer to the BAT Malaysia Group. Such references are simply for convenience and are not intended to imply or suggest that the subsidiaries' businesses are operated other than as separate, distinct business. The companies in which British American Tobacco p.l.c. directly and indirectly has an interest are separate and distinct entities.

All information presented is as at 31 December 2024, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements regarding the business and financial performance of the Company that will involve risk and uncertainty because they can be impacted by events or circumstances that may or may not occur in the future. Factors that can impact the results described in our forward-looking statements include changes in economic conditions, adjustments to regulatory or tax regimes.

NAVIGATIONAL ICONS



Find more information inside this report



Refers readers to more information online

FEEDBACK

We welcome feedback on the report and look forward to receiving your comments/suggestions via email to bat_malaysia@bat.com.

This report is available on our corporate website at: <https://www.batmalaysia.com/>



Scan to view our Annual Report 2024 microsite

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Sustainability



About Us

At BAT Malaysia, we are on a journey to transform our business. We are accelerating this transformation to offer alternative choices for adult consumers that reduce the health impact of our business, while also remaining deeply committed to good sustainability practices across the organisation. This reflects our progress toward our purpose of A Better Tomorrow™ and reaffirms our commitment to Building a Smokeless World.

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SEC. 01

A Year at a Glance

Revenue
RM2,315
Million

Basic Earnings
Per Share
64.1
Sen

Net Dividend
Per Share
59
Sen

Market Share of
Legal Combustible
50.5%

Awards and Achievements

1 Top Employer Award

- Top Employer in Malaysia for the 7th consecutive year
- Top Employer in the Asia Pacific and Global categories



2 Bursa Malaysia FTSE Russell ESG Ratings

- Maintained a 4-Star rating in the index with a FTSE4Good ESG Rating of 3.7 or higher



3 Graduates' Choice Award

- 2025 Graduates' Choice of Employer to Work for in the tobacco category
- No. 1 ranking in Malaysia at Talentbank's Graduates' Choice Award



4 Malaysian Occupational Safety and Health Practitioners' Association (MOSHPA) Award

- Diamond Award in the FMCG category
- 6th consecutive year that BAT Malaysia has been awarded by MOSHPA



5 Life at Work Awards

- No. 1 ranking in the Technology for Inclusion category

**6** GRADUAN Brand Awards

- 2nd runner-up in the Most Preferred Employer in the FMCG sector

**7** Minority Shareholders Watch Group (MSWG) – National Corporate Governance & Sustainability Awards (NACGSA)

- 1st place in the Industry Excellence category for Consumer Products and Services
- 6th place in the Overall Excellence category



Profit Before Tax
RM252
Million

Net Profit
RM183
Million

Shareholders' Fund
RM388
Million

Net Returns on Shareholders' Fund
47.2%



Who We Are



BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

**We are Malaysia's leading tobacco company
with over 50% share of the legal combustible market.**

(Source: IPSOS Retail Audit Dec 2024)

BAT Malaysia has been listed on the Malaysian stock exchange since 1961 and has 283 employees.

Building on a proud legacy of over 100 years in Malaysia, we are committed towards Building a Smokeless World to create A Better Tomorrow™. This purpose drives us to reduce the health impact of our business by providing adult consumers with Smokeless alternatives.

Together with our subsidiaries, Commercial Marketers and Distributors Sdn Bhd and Tobacco Importers and Manufacturers Sdn Bhd, we currently offer high-quality vapour products such as Vuse and tobacco brands such as Dunhill, Peter Stuyvesant, Rothmans, KYO and Luckies.

BAT Malaysia is part of the BAT Group's investment in Malaysia, which also includes British American Tobacco Asia Pacific Finance Shared Services, British American Tobacco Asia Pacific Regional Product Centre and British American Tobacco Global Services Delivery.



Corporate Structure



What We Do

Our Purpose

To build a Smokeless World and drive A Better Tomorrow™.



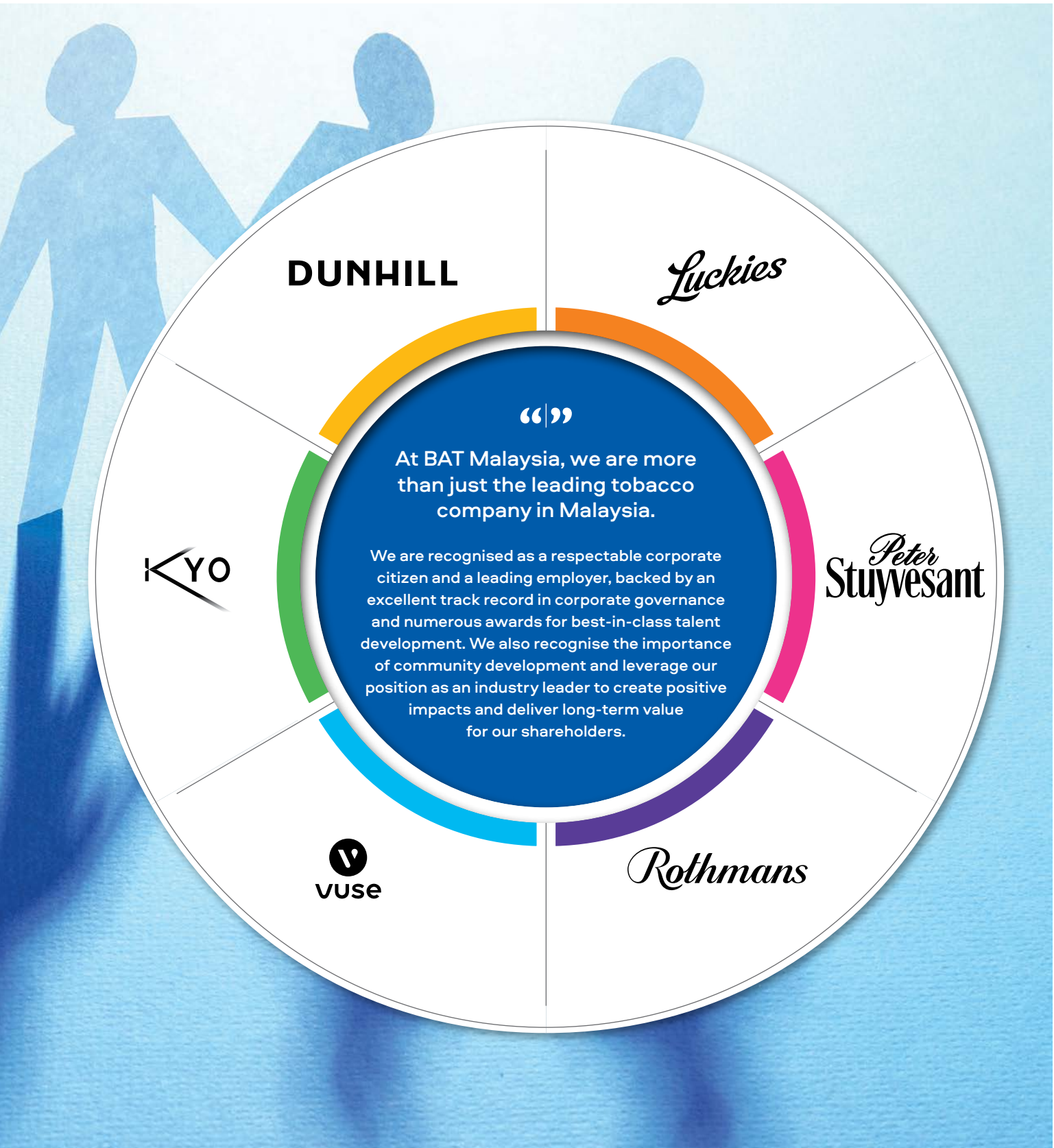
Our Strategy

Our refined strategy is now embedded across the business and it is fundamentally built upon three pillars: **Quality Growth**, **Sustainable Future** and **Dynamic Business**. Together they form a roadmap which we believe will enable BAT Malaysia to continue to grow and transform sustainably, responsibly and successfully.

A blue silhouette of a person walking, holding hands with another person whose hand is visible on the right. The background is a light blue gradient.

113
Years of History
in Malaysia

283
Employees



DUNHILL

Luckies

“”

At BAT Malaysia, we are more than just the leading tobacco company in Malaysia.

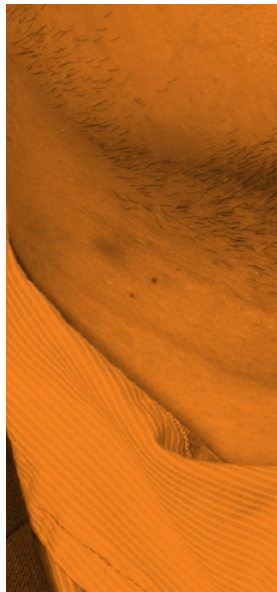
We are recognised as a respectable corporate citizen and a leading employer, backed by an excellent track record in corporate governance and numerous awards for best-in-class talent development. We also recognise the importance of community development and leverage our position as an industry leader to create positive impacts and deliver long-term value for our shareholders.

Peter Stuyvesant

KYO

vuse

Rothmans





Our Leadership Statement

We remain steadfast in the execution of our refined strategy in line with our purpose of Building a Smokeless World to create A Better Tomorrow™. We are transforming BAT Malaysia into a high-growth multicategory consumer goods company led by winning brands and multitalented people.

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Joint Message from Our Chairman and Our Managing Director

**Nedal Louay
Salem**
(Managing Director)



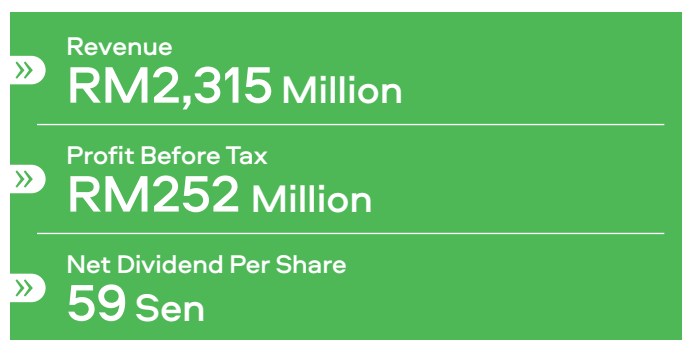
**Tan Sri Dato' Seri Dr. Aseh
bin Haji Che Mat**
(Chairman)



Dear Shareholders,

**On behalf of the Board of Directors, we are pleased to present
BAT Malaysia's Annual Report and Financial Statements for the
financial year ended 31 December 2024.**

Joint Message from Our Chairman and Our Managing Director



2024 has been a pivotal year for BAT Malaysia, marked by resilience in overcoming challenges and seizing opportunities to strengthen our leadership position in the market. Despite external challenges, we achieved significant progress in delivering our purpose of building A Better Tomorrow™ and continuing to deliver sustainable value for shareholders.

Against a challenging operating landscape in 2024, BAT Malaysia recorded a revenue of RM2,315 million, an increase by 0.2% compared to previous year. This is largely driven by the product portfolio strategy in place. Our profit before tax stood at RM252 million, with net profit at RM183 million.

As a result, the Board of Directors, declared a total net dividend per share of 59 sen, equivalent to a 92% total earnings payout for the year and a dividend yield of 7.9% based on the average share price in 2024.

We remain committed to build A Better Tomorrow™ and to deliver sustainable value for shareholders by focusing on our brands. In 2024, BAT Malaysia continued to solidify its leadership in the premium segment by building on Dunhill, our flagship premium brand with 60 years of presence in Malaysia to maintain its leadership position in the segment. We also continued to build Rothmans and Luckies brands by reinforcing its premium cues to increase its competitiveness within the Value-for-Money (VFM) segment. The launch of Vuse Go Reload in July 2024, a rechargeable closed system vapour device paired with Vuse pods, also enhanced our vapour portfolio by offering adult consumers with additional product offerings.

While the tobacco black market continues to pose a challenge to the legal industry, stabilising at approximately 55%, we commend the Malaysian Government for its intensified

enforcement action. However, macroeconomic factors such as inflation and reduced disposable incomes, persist in driving demand for smuggled products. We remain dedicated to work with law enforcement agencies to seek solutions to address the issue and support intensified enforcement efforts.

At the same time, the introduction of the Control of Smoking Products for Public Health Act 2024 (Act 852) and its regulations also included provisions to regulate both tobacco and vapour products. This marks a significant step by the government in establishing a regulatory framework for reduced-risk† products which we fully support. BAT Malaysia is committed to comply with implementation of the Act and its regulations.

Sustainability remains central to how we operate. In 2024, we retained our 4-star rating and recognition in the Bursa Malaysia FTSE Russell's Environmental, Social and Governance (ESG) Index, reaffirming our leadership in responsible business practices. Our community investment flagship programme, Beyond Benih, continued its expansion, with additional 10 community gardens added in 2024, making it a total of 22 community gardens to date. This initiative has not only enhanced food security but also empowered the low-income (B40) communities by fostering downstream value generation and reflecting our commitment to driving meaningful social impact.

We are also particularly proud of being recognised as a Top Employer for the 7th consecutive year in 2024 and receiving accolades for our hybrid working model and occupational safety practices. These achievements demonstrate our dedication to fostering an inspiring and equitable workplace culture.

Lastly, we extend our heartfelt appreciation to our employees for their unwavering dedication and resilience, and to our stakeholders for their trust and partnership. Together, we will continue to deliver sustainable value for our shareholders.

Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat
(Chairman)

Nedal Louay Salem
(Managing Director)

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.





Value Creation

In realising our purpose to build A Better Tomorrow™, we firmly uphold our strategy of steering our business beyond cigarettes by offering a greater choice of reduced-risk*† products, encouraging the migration of adult smokers from cigarettes to smokeless alternatives.

We believe that our growth model creates value for our customers, builds a dynamic and purposeful workplace for our people and delivers sustainable superior returns to our shareholders.

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Our Approach to Sustainability

Our Sustainability strategy underpins how we conduct our business and deliver the BAT Group's corporate vision of creating A Better Tomorrow™ by Building a Smokeless World.

At the centre of this vision is the Group's ambition to reduce the health impact of its business. We recognise that we must transform responsibly, keeping sustainability as a core part of our transformation strategy. We do so by striving to reduce our use of natural resources, enhancing the communities in which we operate and delivering on our climate goals.

While we align our own efforts with the BAT Group's strategy, our approach and priorities are aligned with the local context to meet the needs of our stakeholders.

In 2023, we conducted a Materiality Assessment (MA) to better understand our stakeholders' expectations and align our sustainability agenda so that we continue to create value. More information on our MA is available on page 38 of this report.

OUR STRATEGY¹

At the center of our strategy is the BAT Group's corporate purpose of Building a Smokeless World to create A Better

Tomorrow™. This is supported by our drive to progress across all other material sustainability matters.

BAT Malaysia's sustainability strategy is built on four key pillars:

1. **Reducing the health impact of our business:** Championing adult consumer choice by ensuring access to scientifically substantiated reduced-risk[†] alternatives in line with the BAT Group's approach to Tobacco Harm Reduction.
2. **Driving excellence in environmental management:** Reducing the impact on climate change and natural resources across our value chain.
3. **Delivering a positive social impact:** Fostering a safe and equitable workplace that attracts and retains great talent, espousing a diverse and inclusive work culture for our employees and contractors and supporting the well-being of the communities in which we operate.
4. **Embracing robust corporate governance:** We conduct our business ethically and responsibly to comply with the relevant laws and regulations and collaborate with relevant stakeholders to ensure a level playing field for the business.

While we are encouraged by the progress made in delivering our sustainability strategy, we remain focused on fulfilling our sustainability commitments and improving how we monitor and report our progress against our targets.

“
We remain focused on fulfilling our sustainability commitments and improving how we monitor and report our progress against our targets.”

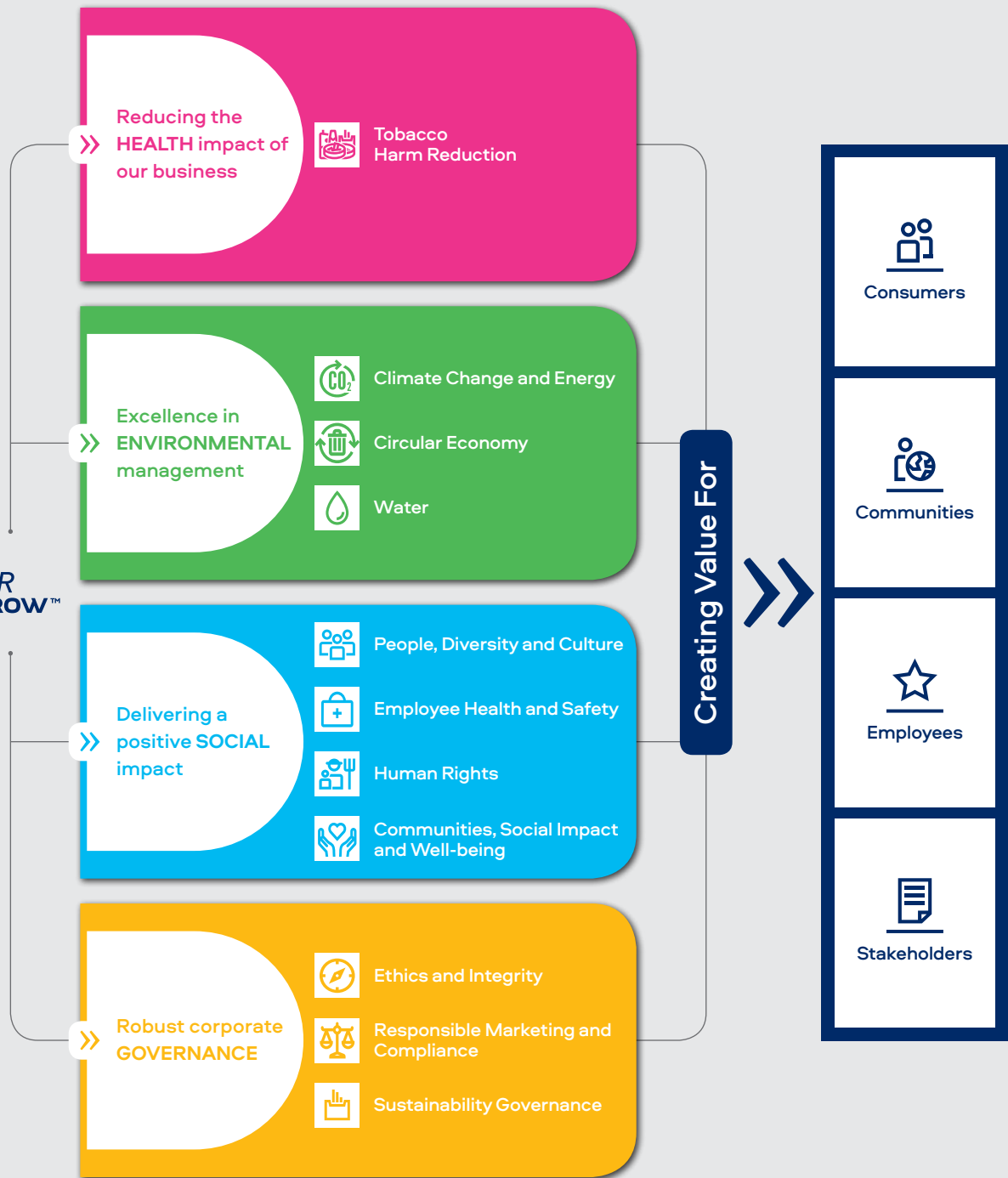


¹ In 2024, the BAT Group refined its sustainability strategy, focusing on five impact areas: – Tobacco Harm Reduction – Climate – Nature – Circularity – Communities. BAT Malaysia plans to review its strategy in 2025, post a Double Materiality Assessment to understand the priorities and views of both our internal and external stakeholders.

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






















† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Our Approach to Sustainability



Our Approach to Sustainability

OUR PERFORMANCE IN 2024

Key	 Achieved/On track - Likely to meet target/ambition on time	 Ongoing focus - Continued progress towards target/ambition required	 Target not met/Not on track - Significant progress required to meet target/ambition on time	
BAT Malaysia's Material Topics	BAT Malaysia's Ambitions and Targets	2024 Performance	2023 Performance	Progress
Climate Change and Energy	50% Reduction in Scope 1 and 2 GHG emissions by 2030 (vs. 2020 baseline)	-56%	-29% ²	
	50% renewable energy by 2030	51%	30%	
Circular Economy	Replace inner foil wrapper of the Benson and Hedges package with recyclable paper	Implemented	Implemented	
	New Category device take-back scheme in place	Implemented	Implemented	
	25% reduction in waste generated by 2025 (vs. 2017 baseline)	-24.5%	-49% ³	
	90% recycling rate of waste generated by 2025	99%	83% ⁴	
	Zero waste sent to landfill from direct operations	0%	0.97%	
Water	35% reduction in water withdrawn by 2025 (vs. 2017 baseline)	+43%	-83%	
People, Diversity and Culture	Aim to increase the proportion of women in management roles (G34 and above) to 45% by 2025	42%	36%	
	Aim to increase number of cross-industry hires in management (G34 and above) to 45% by 2025	39%*	35%	
Employee Health and Safety	Aim to maintain zero accidents across BAT Malaysia business operations	0	0	
Human Rights	Aim for zero child labour in our tobacco supply chain	No Reported Incidents	No Reported Incidents	
Communities, Social Impact and Well-being	250,000 beneficiaries supported through Beyond Benih by 2026	~89,000	~14,000	
Ethics and Integrity	100% of employees completed Standards of Business Conduct (SoBC) training and sign-off on SoBC procedure	100%	100%	
Responsible Marketing and Compliance	Zero incidents of significant non-compliance with marketing regulations**	0	0	
	Full adherence to BAT Group's Underage Access Prevention (UAP) and Responsible Marketing Principles (RMP) Guidelines	No Reported Incidents	No Reported Incidents	
	Aim for the reduction in total black market incidence	55%	55.60%	
Sustainability Governance	Effective management of sustainability governance to ensure compliance with Bursa Malaysia's MMLR	In progress to meet compliance by 31 December 2025	Progressing	

* Recruitment for roles BAT Malaysia is based on the best fit - right experience and capability. Roles maybe covered through internal promotions or lateral moves.

** Significant incident of non-compliance is defined as any incident that results in a RM5,000 and above fine or court case.

² Retrospective Restatement: The data in 2023 Annual Report had been updated in accordance with the BAT Group's reporting methodology to include fugitive emissions of 620 tCO₂e which increased the Scope 1 total, leading to a lower reduction percentage.

³ Retrospective Restatement: The waste reduction percentage reported in the 2023 Annual Report has been updated to incorporate additional data on waste streams from all operational control sites to be in line with the BAT Group's reporting methodology, which resulted in a lower reduction percentage.

⁴ Retrospective Restatement: The waste recycled percentage reported in the 2023 Annual Report has been updated to incorporate additional data on waste streams from all operational control sites in line with BAT Group's reporting methodology, which resulted in a lower recycling percentage.

Our Approach to Sustainability

OUR PERFORMANCE AGAINST BURSA MALAYSIA'S COMMON SUSTAINABILITY INDICATORS

In this report, we have included the disclosures for common sustainability indicators as required by Bursa Malaysia. We will continue to include these indicators within our sustainability disclosures to ensure year-on-year comparability.

The sustainability indicators and the sustainability statement reported herein were not subjected to an assurance process in 2024. However, we have planned to undertake internal assurance for selected indicators in 2025.

Category/Indicators	2024	2023	Notes	
Anti-corruption				
Percentage of employees who have received training on anti-corruption by employee category	100%	100%	Anti-corruption is part of the annual mandatory SoBC training covering all employees.	
Percentage of operations assessed for corruption-related risks	100%	100%	Our operations are evaluated through the risk management process.	
Confirmed incidents of corruption and actions taken	0	0		
Community/Society				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM655,830	RM727,959		
Total number of beneficiaries of the investment	~89,000	~14,000		
Diversity				
Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category	%	%	Management (G34 and above)
	Management Male	23	34	Executive (G32 - G33 and Global Graduates (GG)
	Management Female	17	16	
	Executive Male	44	36	Note: 2023 numbers have been restated based on the updated employee category definition.
	Executive Female	16	14	
	Non-Executive/Technical Male	0	0	
	Non-Executive/Technical Female	0	0	
	General Workers Male	0	0	
	General Workers Female	0	0	
	Age Group by Employee Category	%	%	Note: 2023 numbers have been restated based on the updated employee category definition.
	Management <30	10	16	
	Management 30-50	27	30	
	Management >50	3	4	
	Executive <30	17	14	
Executive 30-50	38	32		
Executive >50	5	4		
Non-Executive/Technical Staff <30	0	0		
Non-Executive/Technical Staff 30-50	0	0		
Non-Executive/Technical Staff >50	0	0		
General Workers <30	0	0		
General Workers 30-50	0	0		
General Workers >50	0	0		

Our Approach to Sustainability

Category/Indicators		2024	2023	Notes
Percentage of directors by gender and age group	By Gender	%	%	
	Male	71	71	
	Female	29	29	
	By Age Group	%	%	
	Under 30	0	0	
	Between 30-50	14	0	
	Above 50	86	100	
Energy Management				
Total energy consumption (Megawatt)		6,718	4,243 ⁵	
Health and Safety				
Number of work-related fatalities		0	0	
Lost time incident rate		0	0	
Number of employees trained on health and safety standards		92	92	Number of employees who underwent defensive driver training.
Labour Practices and Standards				
Total hours of training by employee category	Total Hours	1,925	11,186	<p>The decline in training hours from 2023 is primarily due to the following factors: In 2023, GRID learning was launched for Executive (G32-G33 and GG) in which the majority of the learning pathways/playlists were made mandatory for both Management (G34 and above) and Executives.</p> <p>This increased the overall learning hours in 2023.</p> <p>In 2024, majority of the learnings were conducted either virtually via Microsoft Teams or physically.</p>
	Management	133	7,332	
	Executive	1,594	3,854	
	Non-Executive/Technical Staff	198	0	
	General Workers	0	0	
Percentage of employees who are contractors or temporary staff		0%	4%	Contractual employees are fixed-term employees hired under the BAT Malaysia payroll. We only had one contractor hired on a fixed term under the BAT Malaysia payroll compared to 2023, when we had 4% due to interns who were hired as fixed-term contractors.
Total number of employee turnovers by employee category	Management	1	11	
	Executive	17	46	
	Non-Executive/Technical Staff	36	0	
	General Workers	0	0	
Number of substantiated complaints concerning human rights violations		0	0	

Our Approach to Sustainability

Category/Indicators	2024	2023	Notes
Supply Chain Management			
Proportion of spending on local suppliers	95%	93%	Represents external suppliers that supply indirect materials, logistics and direct services.
Data Privacy and Security			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	
Water			
Total volume of water used	10,164m ³	1,170m ^{3 6}	Total water withdrawn increased in 2024 due to the addition of the new warehouse, which now comes under BAT Malaysia's operational control.
Waste Management			
Total waste generated, with the following breakdown:	Total waste generated (tonnes)	54.81	37.13
	Total waste diverted from disposal (tonnes)	54.44	30.66
	Total waste directed to disposal (tonnes)	0.37	6.47
Emissions			
Scope 1 emissions in tonnes of CO ₂ (tCO ₂ e)	848	1,372 ⁷	
Scope 2 emissions in tonnes of CO ₂ (tCO ₂ e)	0	0	
Scope 3 emissions in tonnes of CO ₂ (tCO ₂ e)	2,811	2,172	Scope 3 emission data is not available specifically for BAT (Malaysia) Berhad, as the BAT Group reports Scope 3 emissions at the country level. Furthermore, due to the complexity of consolidating and assuring Scope 3 data, the BAT Group reports Scope 3 a year later. Therefore, the figures reported here are for 2023 and 2022 respectively due to the one-year lag.

⁵ Retrospective Restatement: The energy consumption reported in the 2023 Annual Report has been updated to align with the reporting scope for the sites in our operational control as per the BAT Group's reporting methodology.

⁶ Retrospective Restatement: The volume of the water used reported in the 2023 Annual Report has been updated to align with the reporting scope for the sites in our operational control as per the BAT Group's reporting methodology.

⁷ Retrospective Restatement: The data in 2023 Annual Report had been updated in accordance with the BAT Group's reporting methodology to include fugitive emissions of 620 tCO₂e which increased the Scope 1 total, leading to a lower reduction percentage.

How We Create Value



Building a Better Tomorrow™ for: Consumers

➔ Adult consumers are at the core of our business and our success is underpinned by addressing their preferences, offering them a choice of enjoyable, innovative and reduced-risk† products.

- Offering a multicategory portfolio, which includes reduced-risk† alternative products, tailored to meet the evolving preferences of adult consumers.
- Providing brands that consumers can trust and are manufactured to high-quality standards.
- Seeking to ensure responsible marketing that neither engages nor targets youth by complying with the BAT Group's Responsible Marketing Framework (RMF), which includes the Responsible Marketing Principles, the Responsible Marketing Standards and the Responsible Marketing Code.
- Implementing a take-back scheme for our New Category pods and devices.



Building a Better Tomorrow™ for: Employees

➔ Attracting and retaining talent and providing an inclusive and safe working environment are key drivers in our transformation journey to build A Better Tomorrow™. Our focus is on providing a dynamic, inspiring and purposeful place to work for all our employees.

- Maintaining a welcoming and inclusive workplace, working to mitigate discriminatory practices and promoting equality and diversity.
- Female employees constitute 33% of total employees, 42% of management roles are occupied by women.
- Parental Leave Policy enhanced to increase paternity leave from 7 days to 20 days.
- Nurturing a dynamic, inspiring, safe workplace that values employee well-being and growth. Introduced a dedicated half-day a month to focus on employee wellness. A physical wellness programme was introduced specifically tailored for our field force employees to enhance the sales team's overall health and fitness levels.
- Prioritising employee health and safety – Zero Lost Time Injuries or fatalities.

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S. are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.



Building a Better Tomorrow™ for: **Society and the Environment**

▶ We believe the greatest contribution we can make to society is Building a Smokeless World and reducing the health impact of our business. While doing so we continue working to reduce our impact on the environment and creating meaningful impacts in communities we operate. This is central to delivering A Better Tomorrow™.

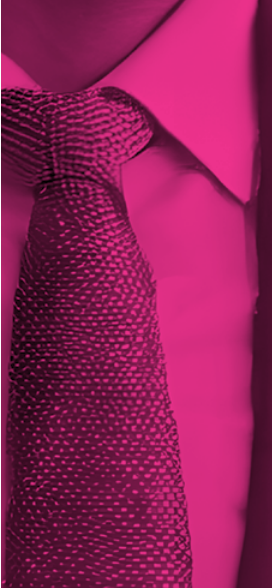
- 51% of energy consumed in 2024 was from renewable sources.
- Achieved zero waste sent to landfill.
- Running the 'Beyond Benih' community investment programme, which supports food security in low-income families in West Malaysia.
- Invested over RM1.73 million on Beyond Benih since 2022, supporting a potential ~89,000 people in the B40 communities.




Building a Better Tomorrow™ for: **Stakeholders**

▶ We are committed to delivering sustainable returns to our shareholders and investors while maintaining strong relationships with all our stakeholders.

- Listed on Bursa Malaysia since 1961.
- Implementing a consumer-centric multicategory strategy to become a high-growth consumer goods business.
- Supporting Malaysia's fight against black market products through proactive engagement with law enforcement authorities.
- Continuing to focus on reducing the health impact of our business while advancing our sustainability priorities.





Management Discussion & Analysis

BAT Malaysia will continue growing its revenue through combustibles. This will enable us to allocate sufficient investments to develop New Category products that will fulfil our aim of providing greater choice and reduced-risk*† products to our consumers.

- 28** Our Strategic Navigator
- Quality Growth
 - Sustainable Future
 - Dynamic Business

35 Key Relationships

37 Material Matters

39 The Risks We Consider

40 Finance Director's Review

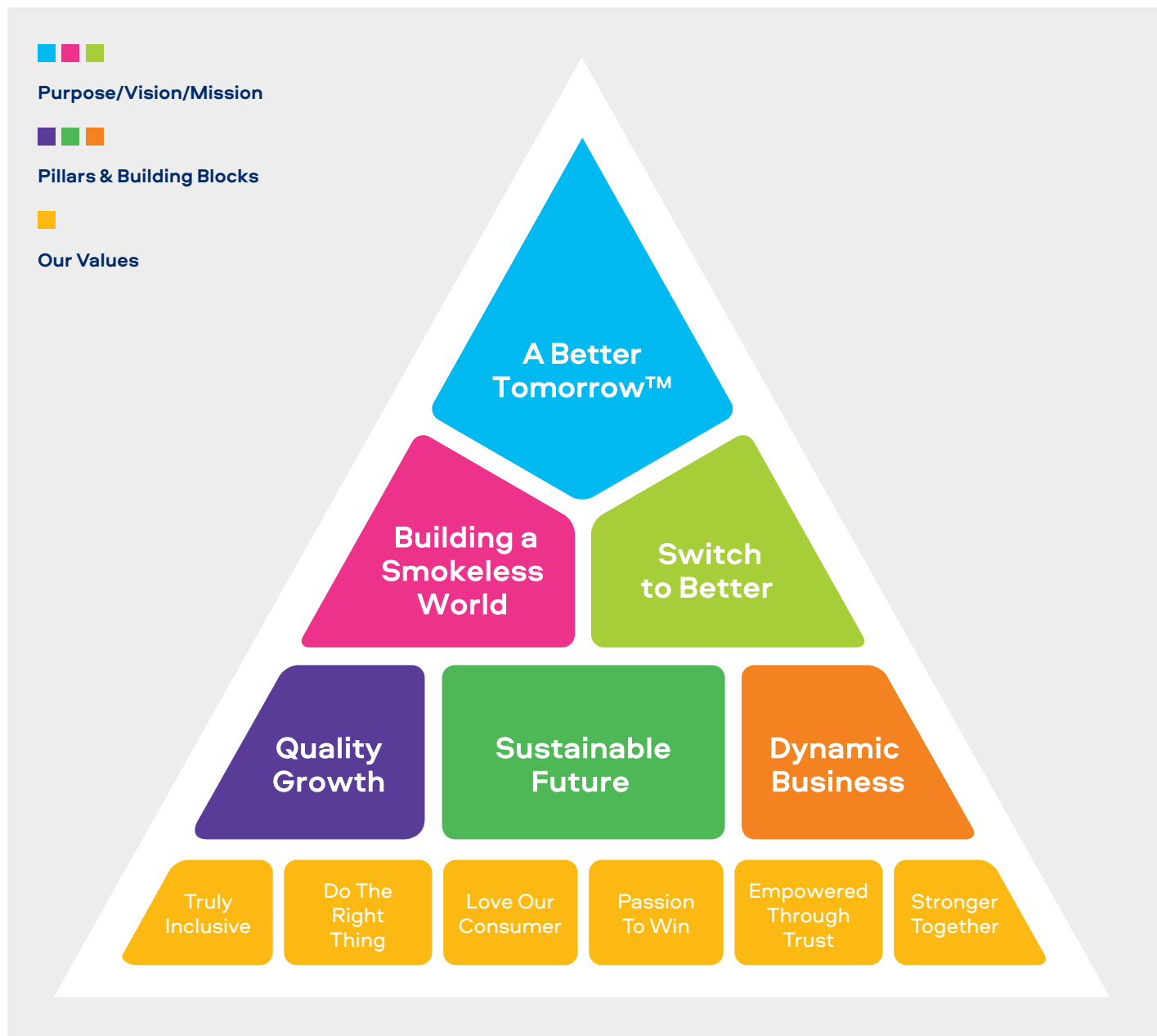
* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk-free and are addictive.

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.



SEC. 04

Our Strategic Navigator



A Better Tomorrow™

– Building a Smokeless World

To deliver on BAT Group's vision of Building a Smokeless World, BAT Group aims to become a predominantly smokeless business – with 50% of BAT Group's revenue in Non-Combustible products by 2035. To enable this, BAT Group has refined its strategy to ensure clear lines of sight across the entire organisation.

Built around the three pillars of **Quality Growth**, **Sustainable Future** and **Dynamic Business**, the Strategic Navigator outlines the priority building blocks that support the achievement of BAT Group's ambition to Build a Smokeless World. Through these priorities, the BAT Group will deliver the strategic outcomes against which our performance will be measured. BAT Malaysia aims to contribute to the BAT Group's vision of creating A Better Tomorrow™ by Building A Smokeless World.

Quality Growth

We are committed to maximising the value of our combustibles portfolio while accelerating growth in New Categories. This aligns with evolving consumer preferences for nicotine products.

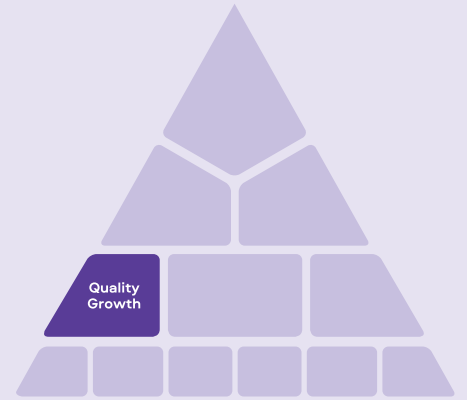
Our combustibles business remains essential to the business in delivering shareholder value.

We will drive long-term, sustainable growth by developing our winning global brands to meet the evolving needs of adult nicotine consumers.

Our commitments under Quality Growth:

Driving Value from Combustibles

Continuously Driving Growth Potential in New Categories



DRIVING VALUE FROM COMBUSTIBLES

In 2024, our combustible business continued to defend its market leadership despite industry challenges such as increased downtrading and rising consumer interest in the vapour category.

The price increase we initiated in Q3 2023 was aimed at ensuring a sustainable business model that not only drives our business objectives but also fends off the challenges posed by the rising costs of doing business. In the wake of this, our 2024 portfolio strategy was designed to revive momentum in our key brands in order to bolster their performance and resilience with consumers in the long-run.

Despite facing segment challenges, our premium and aspirational premium portfolio continues to perform well. Our VFM brands, Luckies and Rothmans, are capitalising on market trends with a proposition that aligns with consumers' evolving needs.

We are confident that our careful stewardship of our established combustible brands will enable them to maintain sustainable value growth.

DUNHILL

Rothmans

Peter
Stuyvesant

Luckies

Quality Growth

» EXTENDING PREMIUM SEGMENT LEADERSHIP

Dunhill maintained its position as the No. 1 cigarette brand in Malaysia (*Source: IPSOS Retail Audit*) and continues to lead in the premium segment. In spite of a price increase across the brand's range in Q3 2023, its market share has seen a substantial recovery after an initial dip, with its Q4 share levelling back to pre-increase performance levels. This substantial market share recovery following the price increase equates to a higher volume contribution, driving positive value growth for the organisation – an encouraging trend for our future outlook.

During the year, Dunhill held an equity campaign that celebrated its integral role in Malaysia's history. The brand has been a major part of festive celebrations that symbolise joy, tradition and togetherness. Furthering this legacy, Dunhill will celebrate its 60th anniversary in 2025 – commemorating six decades of excellence, heritage and market leadership.

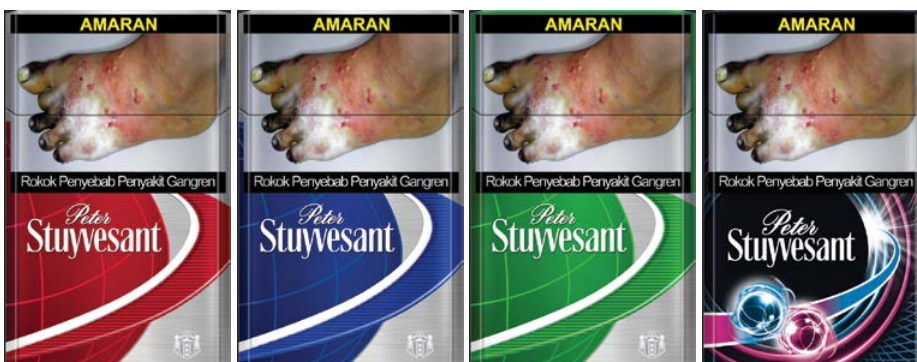
DUNHILL



» RESILIENCE IN THE ASPIRATIONAL PREMIUM SEGMENT

The Peter Stuyvesant brand maintained stable share performance despite being in a declining segment. The implementation of a price increase of RM0.30 in Q3 2023 caused only a minor share dip, highlighting the brand's resilience and strong consumer loyalty.

Peter Stuyvesant



» CONTINUOUS GROWTH IN THE VFM SEGMENT

Rothmans had a significant year, updating its packaging to exemplify its aspirational and international appeal as the 3rd largest brand in Malaysia. Despite a price disparity compared to other options, the brand continues to drive growth by building strong consumer loyalty and equity.

In Q3 2024, Rothmans introduced a pack upgrade, while Luckies launched a pack with an innovative tipping design, offering customers a unique experience that enhances brand love. Combined with its smoother menthol flavour and vibrant contemporary design, this feature sets the brand apart from its competitors and reinforces its strong position in the VFM segment.

Rothmans

Luckies



Quality Growth

CONTINUOUSLY DRIVING GROWTH POTENTIAL IN NEW CATEGORIES

Following the successful launch of Vuse in July 2023 with a range of disposable vape products catered to the needs of adult nicotine users, the brand has seen encouraging growth momentum in the vapour segment. With the help of engaging consumer-focused activations in the online and offline space along with impactful retail execution excellence, Vuse is currently the No. 1 vapour brand⁸ in measurable retail with a 40% value share within the disposable segment.⁹



To continue driving brand excitement by offering more flavour options to consumers, Vuse then launched two limited edition flavours in January 2024 as part of a flavour expansion offering.

To solidify our brand presence in the market, Vuse expanded into the rechargeable closed system vapour format with the launch of the Vuse Go Reload device and Vuse pods in July 2024. Vuse Go Reload is a rechargeable and reusable device with an ergonomic design that is exclusively compatible with Vuse pods, delivering value and taste satisfaction. It comes in six stylish colours with a device-lock feature that enables consumers to safely secure the device when not in use. In addition, a range of nine Vuse pod flavours were launched in a two-pod pack, featuring FEELM Max heating technology and delivering up to 1,000 puffs¹⁰ per pod. Moreover, three ready-to-vape starter kits containing one Vuse Go Reload and one Vuse pod each were launched in limited quantities to drive initial trial and acquisition.



In 2024, we also expanded the distribution of Vuse across multiple retail channels to ensure ease of availability for consumers. The brand is currently distributed by more than 4,000 major stores and vape specialists nationwide.

⁸ Based on Vuse estimated value share of vapour pods and pre-filled devices from Recommended Retail Price in total measured retail in key vapour markets: USA, Canada, France, UK, Germany, Poland and Spain as of May 2024.

⁹ Share of market within measurable retail: 24X, Bila2, Happy Mart, MyNews, Shell & 7E.

¹⁰ Based on laboratory testing of newly manufactured pods in a Vuse Go Reload 1000 (including recharging) at a puff duration of one second and may vary depending on individual's usage behaviour.

Sustainable Future

Building a Sustainable Future is about seeking to actively encourage adult smokers, who would otherwise continue to smoke, to completely switch to scientifically substantiated reduced-risk[†] alternatives.

Science will be a primary driver of our efforts, supported by active external engagement and regulatory focus, while embedding sustainability across our organisation.

Our commitments under Sustainable Future:

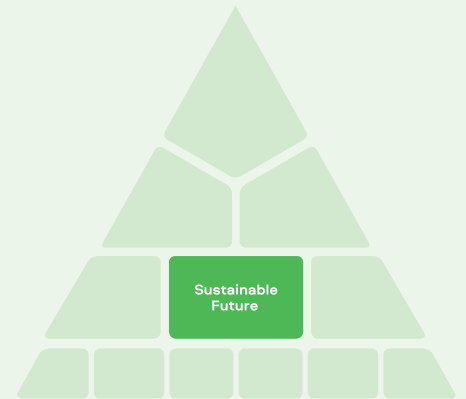
Tobacco Harm Reduction

Please refer to pages 46 to 47 of this annual report.

Shaping the Landscape

Leading with Sustainability and Integrity

Please refer to pages 94 to 99 of this annual report.



SHAPING THE LANDSCAPE

Regulatory Development

We recognise and support the Malaysian Government's objectives to reduce smoking rates, as well as the crucial role regulations play in achieving these goals.

We have been consistently clear in our support for regulations that are based on robust evidence to effectively achieve intended policy outcomes and avoid unintended consequences such as the growth of illegal markets.

In line with this, we have provided our views to the authorities via consultation sessions held by the government during the drafting of Act 852 and its regulations, which have been gazetted to take effect starting 1 October 2024 through a phased implementation.

Key regulatory requirements outlined in Act 852 and its regulations include:

1. A prohibition on advertising, promotion and sponsorship for tobacco and vapour products;
2. Requirement for products to be registered with the Ministry of Health by 1 April 2025;
3. New packaging and labelling requirements by 1 October 2025.

The Tobacco Black Market

In 2024, the tobacco black market stabilised at around 55% due to increased efforts by the government and law enforcement agencies to address this critical issue. Despite these efforts, macroeconomic factors such as reduced disposable incomes and inflationary pressures have continued to push tobacco consumers toward cheaper, unregulated illicit products, which remain accessible at retail outlets nationwide.

In order to ensure a level playing field, it is essential that all products in the market comply with the regulations and that strict enforcement is upheld by the relevant ministries and government departments, particularly the Ministry of Health, Ministry of Domestic Trade and Cost of Living and Royal Malaysian Customs Department.

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Dynamic Business

The Dynamic Business pillar envisages a future-fit, data-driven organisation; ensuring we are efficient and effective in all of our operations.

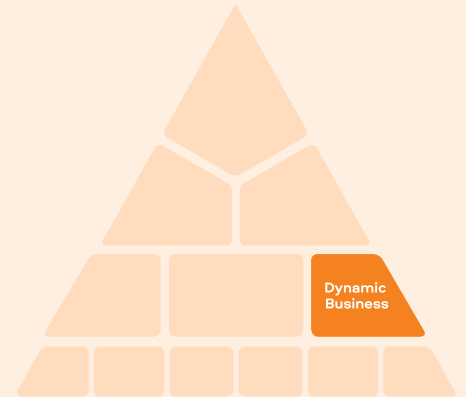
This will ensure that we deliver financial flexibility to invest in our business, people and products to win in a fast-changing environment and deliver superior returns to our investors.

Our commitments under Dynamic Business:

People, Diversity and Culture

Please refer to pages 64 to 77 of this annual report.

Operational Excellence



OPERATIONAL EXCELLENCE

» OPTIMISING SHIPMENT MOVEMENTS FOR EFFICIENCY AND SUSTAINABILITY

We have strategically reduced and optimised our shipments to North, South and East Malaysia by adopting a bi-weekly schedule. This initiative enhances operational efficiency and significantly reduces carbon emissions. By consolidating shipments and optimising our routes, we minimise the environmental impact of our logistics operations even as we maintain high service standards.

This optimisation was accomplished through careful planning and coordination to ensure that shipments are grouped together efficiently, reducing the number of trips required. As a result, we not only reduced fuel consumption but also decreased the wear and tear on our transportation fleet, leading to lower maintenance costs and extended vehicle lifespans. Additionally, fewer trips lead to reduced traffic congestion and lower emissions, contributing to cleaner air and a healthier environment.

Through these efforts, we are not only enhancing operational efficiency but paving the way for a more sustainable future.

» REDUCING PLASTIC WASTE IN SHIPMENTS

We are dedicated to reducing plastic waste across our operations. As part of this commitment, we have initiated the removal of plastics in inbound shipments. By collaborating with our sister companies and suppliers, we have identified and implemented alternative packaging materials that are more sustainable and environmentally friendly. This initiative not only reduces the generation of plastic waste but also aligns with our overarching sustainability objectives.

» EXPERIMENTING WITH PLASTIC WRAP FOR PALLETS

In addition to removing inbound plastic, we are conducting a series of experiments to optimise the use of plastic wrap for pallets. Our goal is to reduce the amount of plastic used without compromising the safety and stability of our shipments.

These experiments involve testing various types of plastic wraps, wrapping techniques and alternative materials. By analysing the results, we aim to implement best practices that will minimise plastic usage while maintaining the integrity of our products through transit and storage.

Key Relationships

Our stakeholders are strategically important to our business and understanding their needs and priorities is essential to delivering sustainable, long-term value.

Our key stakeholders include regulators, consumers, employees, investors, business partners, the media, Non-Governmental Organisations (NGOs), and community members. We engage with them regularly through various well-established platforms. To further enhance these efforts, we conducted a MA in 2023 to identify factors that impact our ability to deliver sustainable value to all stakeholders.

The MA enabled us to pinpoint the material matters outlined on page 37 of this report, which shape and guide our sustainability strategy.

STAKEHOLDER ENGAGEMENT

Stakeholders	Engagement Platforms	Issues	How We Addressed the Issues
Regulators	<ul style="list-style-type: none"> Public consultations and regular meetings 	<ul style="list-style-type: none"> The tobacco black market Tobacco Harm Reduction and New Category products Tobacco control regulations Embedding sustainability into business strategy and operations 	<ul style="list-style-type: none"> Two-way dialogue and shared information about the tobacco black market and its impacts, Tobacco Harm Reduction and New Category products Two-way industry led dialogue on tobacco control regulations Sustainability performance disclosed as part of Annual Report
Consumers	<ul style="list-style-type: none"> Customer service hotline Corporate emails Corporate website Company press releases 	<ul style="list-style-type: none"> Product information Tobacco black market Smokeless products 	<ul style="list-style-type: none"> Dedicated call centre to identify and address consumer concerns and provide essential information to keep consumers informed Awareness through press releases of quarterly financial performance
Employees	<ul style="list-style-type: none"> Bi-annual 'Your Voice' employee engagement survey Quarterly town hall sessions Annual corporate line-of-sight session 'Speak Up' channel Annual employee engagement events 	<ul style="list-style-type: none"> Career progression and development Fair compensation Rewards mechanisms Diversity and inclusivity Physical and mental wellness Grievances, discrimination and fair treatment Managing sustainability across operations and performance 	<ul style="list-style-type: none"> Feedback from 'Your Voice' survey incorporated into the talent strategy Progress review and development discussions with line managers Coaching and mentoring sessions Safety training and awareness through Safety Days and regular information sharing Employee wellness sessions All grievances reported via the 'Speak Up' channel and other means are investigated to ensure a closure and outcomes communicated to relevant parties Various employee engagement platforms to engage with all employees Conducted employee volunteer activity under Beyond Benih Sustainability performance disclosed as part of quarterly town hall sessions, annual line of sight and Annual Report

Key Relationships

Stakeholders	Engagement Platforms	Issues	How We Addressed the Issues
Investors and Analysts	<ul style="list-style-type: none"> • Annual General Meeting (AGM) • Annual Report • Regular analyst briefings • Corporate website • Company press releases 	<ul style="list-style-type: none"> • Corporate strategy and financial performance • Corporate governance and compliance • Tobacco black market • New Category products • Managing sustainability risks and identifying opportunities • Sustainability performance 	<ul style="list-style-type: none"> • Briefings and engagement throughout the year for analysts and investors to discuss business performance, strategies and related issues • Sustainability performance disclosed as part of Annual Report
Media	<ul style="list-style-type: none"> • Press conferences • Media interviews and events • Formal and informal briefings 	<ul style="list-style-type: none"> • Corporate strategy • Financial performance • Products and services • Tobacco black market • New Category products 	<ul style="list-style-type: none"> • Media engagements to provide updates on business performance, strategies, products and how we are creating value in communities
Business Partners	<ul style="list-style-type: none"> • Meetings with business partners 	<ul style="list-style-type: none"> • Ensuring that our business partners stay updated on and comply with the latest regulations and standards • Embedding sustainability into operations 	<ul style="list-style-type: none"> • Briefings, information-sharing sessions and training with our business partners to ensure their compliance with regulations and standards • Sustainability performance disclosed as part of Annual Report
Communities and NGOs	<ul style="list-style-type: none"> • Meetings with resident associations (RAs) of the communities supported through Beyond Benih • Company press releases • Corporate website 	<ul style="list-style-type: none"> • Empowering low-income communities • Upholding Environmental, Health and Safety (EHS) best practices • Sustainability performance 	<ul style="list-style-type: none"> • Expanded the Beyond Benih community investment programme to 22 farm gardens covering 8 states supporting B40 communities • Monitoring and tracking environmental performance and ensuring compliance with applicable environmental and health and safety regulations • Survey conducted to understand how Beyond Benih is impacting B40 communities and collect feedback on how the programme can further enhance its benefits to the community • Sustainability performance disclosed as part of Annual Report

Material Matters

HOW WE ASSESS MATERIALITY

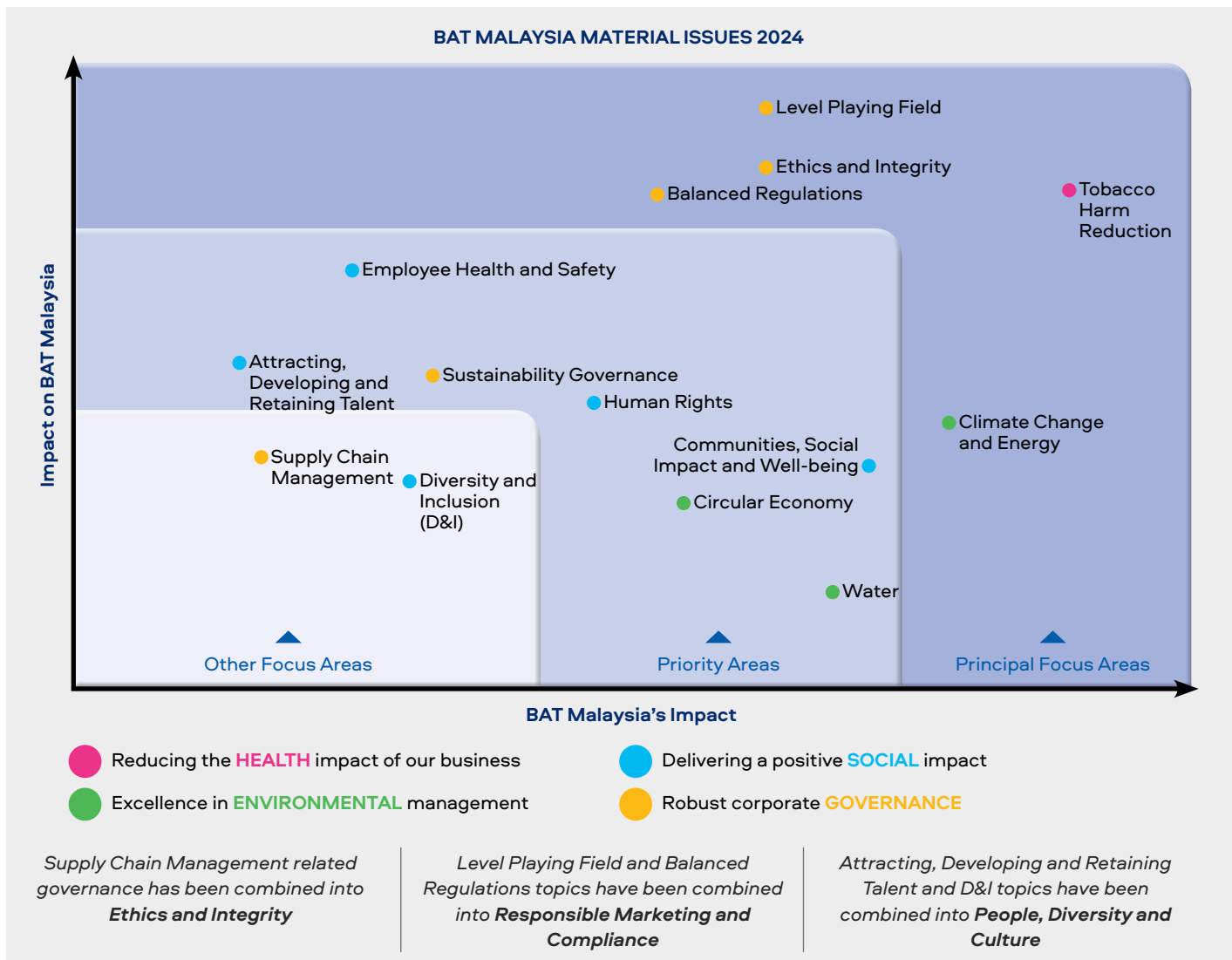
Identifying material topics is a vital aspect of our approach to sustainability, as it enables us to define and understand our sustainability priorities.

The material topics published in this annual report were determined following the MA conducted in 2023. This comprehensive materiality exercise involved our key internal and external stakeholders, including our employees, Board members, suppliers and service providers, community members, and policymakers. The MA also considered the BAT Group’s material topics. The assessment was guided by the AA1000 Accountability Principles and was conducted by an independent third party consultant.

Based on the assessment's findings, we identified 14 material topics relevant to our business operations and activities. These topics were then incorporated into our sustainability strategy, informing our focus areas for 2024 and beyond. The materiality matrix below visually represents the relative importance of the identified topics.

We plan to conduct our next MA in 2025 as we review and realign our strategy to BAT Group’s revised Sustainability strategy and prepare for the adoption of Malaysia’s new National Sustainability Reporting Framework (NSRF).

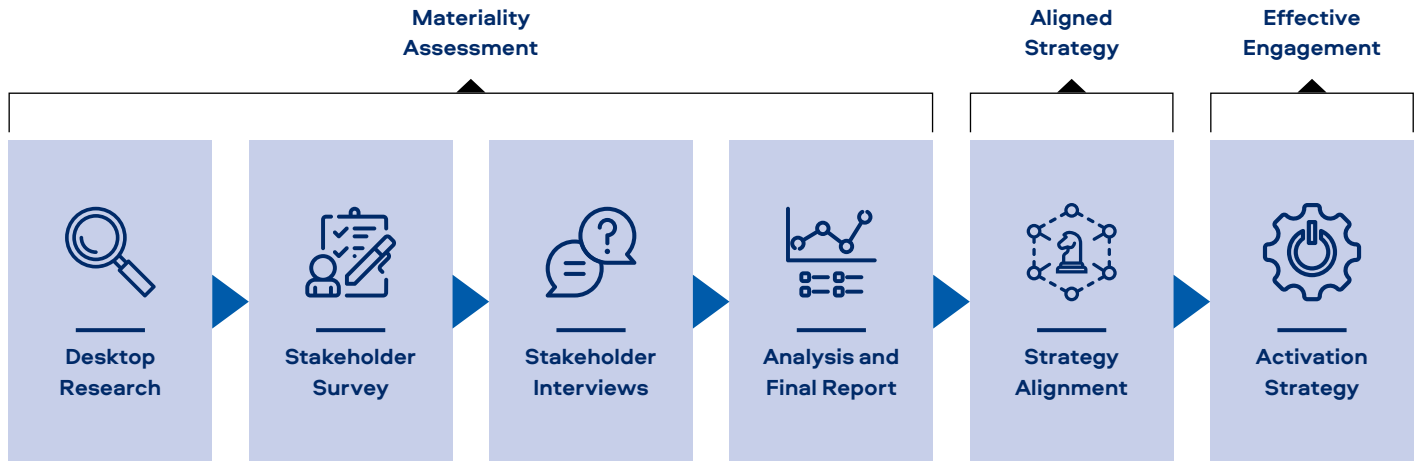
BAT MALAYSIA’S MATERIAL TOPICS



Material Matters

METHODOLOGY

Our methodology includes:



In 2023, we initiated the MA with a comprehensive desktop research exercise to analyse our sustainability and stakeholder landscape. This process incorporated insights from available content, including a high-level review of up to seven peer companies, key sustainability indices, benchmarks and relevant Malaysian regulations. The research identified 643 potential issues, which were then categorised under broader headings narrowing the list to 130 sustainability issues. These were further distilled into 14 material topics, presented in this report.

To validate and refine these topics, we conducted a digital survey to gauge their relevance to various internal and external stakeholder groups. This was followed by in-depth interviews with selected key internal and external stakeholders to understand their priorities and the sustainability issues they considered material. The findings from these engagements informed the creation of our new materiality matrix, which is presented on page 37 of this report. Further, we conducted a review of our sustainability strategy to evaluate its level of alignment with our stakeholders' priorities and concerns and revised our strategy and focus areas accordingly.

The initial materiality matrix developed following the MA and updated strategy were subsequently evaluated during a cross-functional leadership workshop where further recommendations were solicited to enhance internal alignment with business priorities.

The findings and key recommendations from the MA have shaped our sustainability strategy, reporting approach, stakeholder engagement efforts, and communications strategy.

The Risks We Consider

BAT Malaysia Group sees three key risks that have the ability to significantly impact BAT Malaysia Group:



In addition to the above, BAT Malaysia Group is subject to the ever-present risk of competitor actions. Steps to anticipate, mitigate and respond to such risks are core to our business.

2024 RISK MANAGEMENT ACTIVITIES

» REVIEW OF BAT MALAYSIA GROUP'S RISKS

The Risk Management Team reviewed and assessed BAT Malaysia Group's risks formally twice during the year, in January and July 2024.

During Business Continuity Plan (BCP) testing period, the Chief Risk Officer (CRO) provided monthly updates on the status of the BCPs testing and highlighted any key threats to the internal controls of BAT Malaysia Group to the Leadership Team.

On a quarterly basis, the Risk Management Committee (RMC) was briefed by the CRO on BAT Malaysia Group's Enterprise Risk Management Programme. The briefing included updates on the key risks of BAT Malaysia Group, risk mitigation plans and the status of the BCPs testing.

» PROMOTION OF RISK AWARENESS

Risk communication is equally important and forms an integral part of the risk management activity as it focuses on the dissemination of risk information to appropriate levels of employees and stakeholders. Appropriate channels are available for employees to provide feedback on risk management issues and suggestions for improvement.

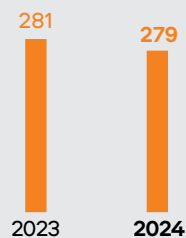
During the year, company-wide risk and control awareness communications were cascaded and department huddles conducted regularly for all employees throughout the nation. The objectives of the communications and huddles were to raise risk and control awareness within BAT Malaysia Group and to drive compliance of controls and adherence to risk mitigation plans.

Finance Director's Review

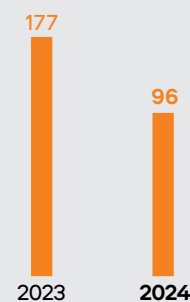
GROSS REVENUE (RM million)



PROFIT FROM OPERATIONS (RM million)



CASH CONVERSION (%)



REVENUE

BAT Malaysia Group once again faced a challenging operating environment in 2024. The tobacco black market incidence remained persistently high, despite a modest 0.6% reduction. Additionally, inflationary pressures drove consumers to downtrade or switch to alternative nicotine products. Competition within the legal cigarette industry also intensified, particularly within the VFM segment.

Total revenue increased by 0.2% compared to 2023 mainly driven by volume increase. This is largely driven by the product portfolio strategy in place. The gross profit margin declined by 1.2% from 24.6% (RM568 million) in 2023 to 23.4% (RM541 million in 2024) largely due to lower margins from vapour products.

COST OF SALES

BAT Malaysia Group's cost of sales increased by 1.8% (RM31 million), in line with inflation and the higher sales of combustibles. Leveraging on its robust supply chain model, the Group continued to drive cost optimisation initiatives across the value chain to deliver a competitive product cost.

OPERATING EXPENSES

Amidst heightened inflationary pressures in 2024, BAT Malaysia Group succeeded in decreasing operating expenses by 7.6% (RM22 million) to RM266 million, mainly driven by the Group's continued efforts to actively manage and optimise expenses across our operations.

PROFIT FROM OPERATIONS

Profit from operations experienced a decline of 0.8% to RM279 million compared to the prior year, mainly impacted by lower margins associated with vapour products and the downtrading trend within the combustible industry.

TAXATION

The average effective tax rate of BAT Malaysia Group for the financial year ended 31 December 2024 was 27.2%. The increase in the average effective tax rate compared to 2023 was mainly attributed to non-deductible expenses.

DIVIDENDS

In spite of the industry wide challenges, BAT Malaysia Group remained committed to maintaining a dividend payout above 90% of its earnings. In 2024, BAT Malaysia Group declared four quarterly interim dividends totalling 59 sen per share, representing a 92% payout of total and a dividend yield of 7.9% based on the average share price in 2024.

Finance Director's Review

DEBT, DEBT STRUCTURE, WORKING CAPITAL AND LIQUIDITY

As at 31 December 2024, BAT Malaysia Group maintained a total debt facility of RM850 million across several licensed financial institutions in Malaysia. The Group continued to utilise revolving credits and bank overdrafts to support short-term working capital requirements. This flexible debt structure enabled BAT Malaysia Group to borrow at optimum levels, thereby minimising financing costs while enhancing interest deductibility. Additionally, BAT Malaysia Group maintained a debt factoring facility to further strengthen its working capital, providing greater flexibility to accommodate increased working capital requirements.

At the end of 2024, BAT Malaysia Group held RM558 million in revolving credit and short-term loans, with tenures ranging from one month to three months, compared to RM543 million in 2023. In 2024, cash from operations declined by 46.3% (RM230 million) compared to 2023, primarily due to higher year-end sales demand.

	2024 RM million	2023 RM million
Profit from Operations	279	281
Cash from Operations	266	496
Cash Conversion	96%	177%
Increase in cash and cash equivalents	8	11

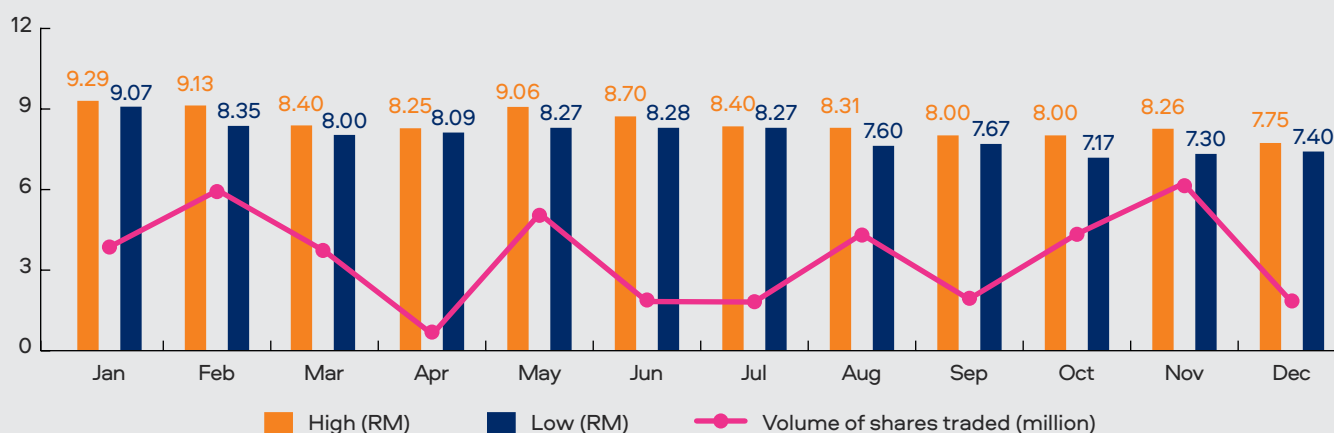
TREASURY

BAT Malaysia Group's foreign currency exposure primarily stems from the purchase of finished goods. In accordance with the Group's treasury policy, this exposure is minimised by hedging net positions for up to 18 months, in line with the hedging period allowed under the Foreign Exchange Control guidelines enforced by Bank Negara Malaysia. The permitted range for the hedge ratio within the 18 months of the transaction date is 0% to 95%. The hedging strategy aims to safeguard shareholder value by minimising the impact of foreign exchange fluctuations. This is achieved through a structured approach, where hedges are layered monthly within the limits established by Bank Negara Malaysia.

SHAREHOLDERS' RETURN

BAT Malaysia's share price was primarily influenced by external factors, including the tobacco black market and the enforcement of Act 852. While the share price remained relatively stable in the first half of 2024, it declined in the third and fourth quarters following the gazette of Act 852 in October 2024. The Group's market capitalisation stood at RM2.1 billion in 2024, with an estimated annual dividend yield of 7.9%. BAT Malaysia Group continues to ensure the maximisation of shareholders' returns through its A Better Tomorrow™ strategy.

BAT MALAYSIA'S SHARE PERFORMANCE 2024



Finance Director's Review

Share Performance	2018	2019	2020	2021	2022	2023	2024
Net Dividends	1.55	1.18	0.83	0.98	0.88	0.63	0.59
Capital Gain/Loss	(3.92)	(21.00)	(1.00)	(0.10)	(2.76)	(1.93)	(1.83)
Annual Shareholders' Return	(2.37)	(19.82)	(0.17)	0.88	(1.88)	(1.30)	(1.24)

OUTLOOK

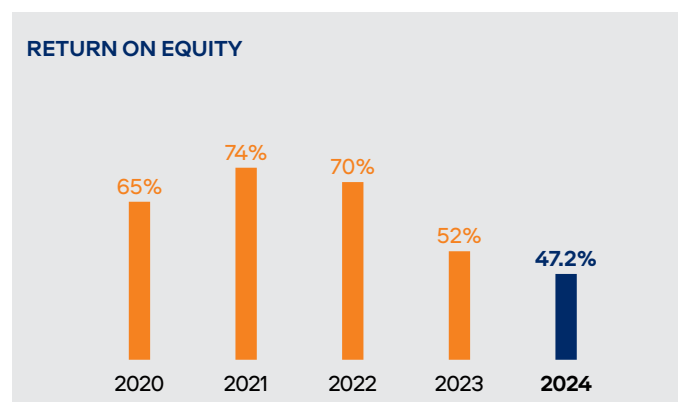
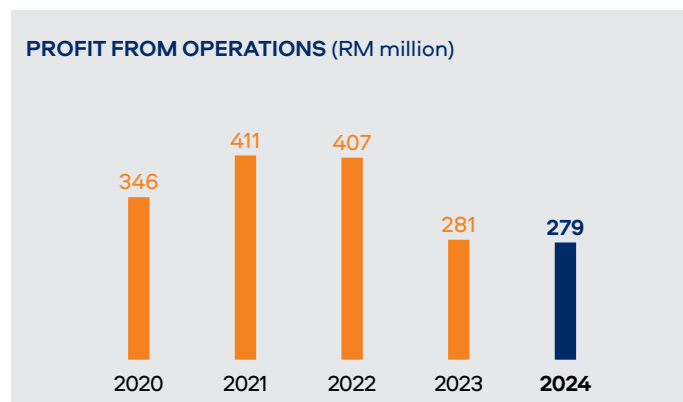
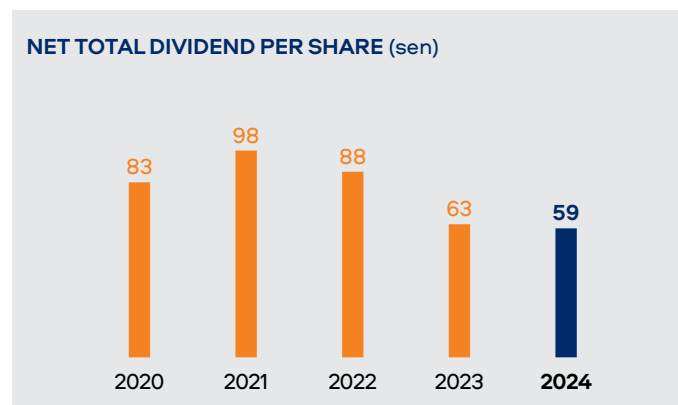
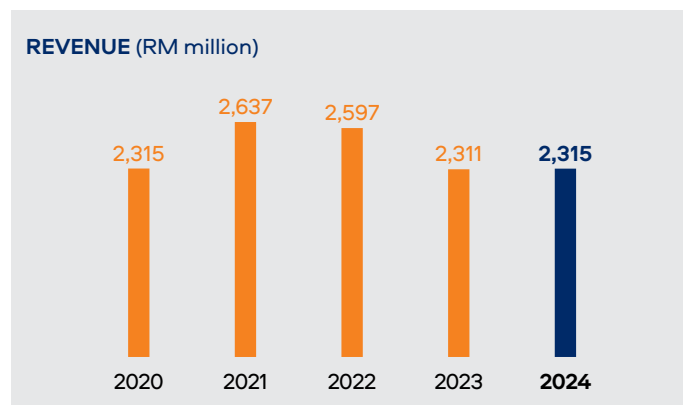
BAT Malaysia Group remains committed to driving its A Better Tomorrow™ ambition in 2025. As we navigate a moderating economic landscape, we recognise the potential impact on consumer spending power. Likewise, with higher inflationary pressures, the Group continues to be diligent in optimising operational costs.

Against this backdrop, BAT Malaysia Group is optimistic of achieving a steady financial performance for the coming year, backed by its resilient combustible business and its multicategory portfolio.

The Group sees 2025 as a pivotal year, as Act 852 and its associated regulations come into effect in phases. Amidst this development, BAT Malaysia Group is fully prepared to navigate these regulatory changes effectively.

Meanwhile, the tobacco black market incidence has shown a declining trend, from 55.6% in 2023 to 55% in 2024. BAT Malaysia Group recognises the government's ongoing efforts in addressing this issue and urges the government to intensify its efforts and resources in continuing to tackle the tobacco black market in 2025.

FIVE-YEAR PERFORMANCE HISTORY



FIVE-YEAR PERFORMANCE HIGHLIGHTS

» 2020

This was an unprecedented year marked by the COVID-19 global pandemic. The tobacco black market and illegal vaping incidences continued to be high at 70% of the total nicotine market. Despite these external challenges, BAT Malaysia Group was resilient and showed strong signs of recovery quarter-on-quarter. Dunhill, our flagship brand, gained share of segment, increasing by 2.2% points. During the year, BAT Malaysia Group extended its portfolio with the launch of KYO in the VFM segment to capture a fair share of down traders. KYO's performance was encouraging with a 2.8% share of the market, achieved within two months of launch. With this new addition to BAT Malaysia Group's portfolio, the corporate share of the market increased by 1.1 percentage points versus 2019 to 51.7%. It was encouraging to see the government's efforts in setting regulations and enforcement in curbing illegal cigarettes via the Budget 2021 announcement.

» 2021

This was the second consecutive year of the COVID-19 global pandemic. Despite this, BAT Malaysia produced stellar results, registering volume growth for the first time since 2002 and profit growth for the first time since 2015. Dunhill, our flagship brand, gained market share of 2.1 percentage points, while our KYO brand in the VFM segment continued to see encouraging response. During the year, we expanded its range with the launch of KYO Switch and KYO Full Flavour. As a whole, the KYO brand established itself as the fastest-growing modern consideration offer. Altogether, BAT Malaysia Group's total market share grew to 52.4%, an increase of 0.8 percentage points from 2020. It was also encouraging to note that the incidences of illicit cigarettes decreased to 57.7% from 63.8% in 2020. Lastly, we welcomed the Budget 2022 announcement that the Malaysian government intended to legalise the sale of nicotine vapour products, which would help push forward our own aspirations to reduce the health impact of our business.

» 2022

2022 saw Malaysia easing out of the COVID-19 global pandemic as the economy showed signs of gradual recovery. Businesses continued to find their footing in the post-pandemic high-inflationary environment while adjusting to the shifts in consumption patterns. In tandem with the market's downtrading trend, BAT Malaysia Group's VFM brands – KYO and Rothmans – captured an additional 1% market share. Although the legal tobacco industry's premium segment declined by 1% during the year, Dunhill continued to cement its strong foothold in the premium segment as the brand secured growth of 1.1% share of segment. The BAT Malaysia Group's market share contracted by 0.8% when compared to last year following a strategic exercise to delist the Pall Mall and Kent brands in the second quarter of this year as part of the portfolio simplification. This allowed BAT Malaysia Group to intensify its focus on business portfolio expansion of reduced-risk[†] products with the launch of glo™ in the first quarter of 2023. We are also encouraged by the decline of the illicit cigarettes trade from 57.7% in 2021 to 56.6% in the current year. BAT Malaysia Group is in full support of the Malaysian Government's stance to reduce the levels of the tobacco black market and urges the government to consider science- and evidence-based regulations to legalise the vapour market.

» 2023

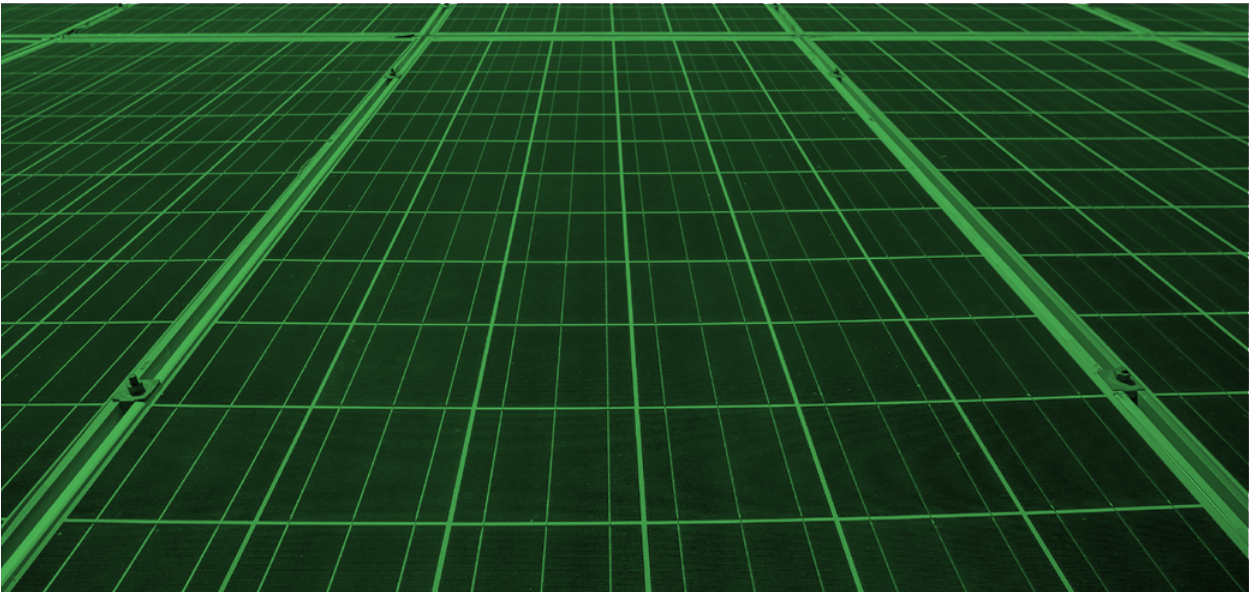
The legal cigarette industry was impacted by external pressures affecting consumption. The tobacco black market incidence remained high at 55.6% and the legal market experienced downtrading alongside lower consumption as the trend of consumers opting for lower risk products continued. Within this environment, Dunhill remained resilient. BAT Malaysia Group launched Luckies during the year to better compete in the VFM segment. Upon the legalisation of vapour products earlier this year, BAT Malaysia Group was swift to expand into this segment of nicotine consumers by launching Vuse. This inaugural moment for BAT Malaysia presented far-reaching opportunities to BAT Malaysia Group as we transformed into a multcategory business. During the second half of the year, multiple formats of Vuse were introduced in order to cater to the varying tastes and needs of vapour consumers. We are encouraged by the initial performance and will continue to invest to grow Vuse. BAT Malaysia Group continues to urge the government to implement science-based regulations to regulate the vapour market.

» 2024

The legal combustible industry experienced a 2.0% decline in volume for the year as compared to the previous year despite the lower incidence of tobacco black market by 0.6%, from 55.6% to 55.0% in the current year. Combustible products continued to face challenges as consumer preference shifted to reduced-risk[†] alternative products. In addition, inflationary pressures had driven consumers to downtrade or consume alternative nicotine products such as vapour. Within this environment, in carving a pathway for VFM leadership, a Rothmans pack upgrade campaign was launched, aimed at reinforcing its premium perception and increase its competitiveness within the VFM segment. In solidifying its leadership in the premium segment, BAT Malaysia Group kicked off the Dunhill 60th Year Celebration with vibrant nationwide in-store branding that emphasized on the brand's premium and prestigious cues and reinforce its smooth and great taste credentials that have helped it to maintain its leadership position over the years. Regulations from Act 852 was gazetted in October 2024 and will take effect in phases over the course of the year in 2025. BAT Malaysia Group is fully prepared to navigate these changes effectively.

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.





Sustainability

Sustainability is at the forefront of our business as we aim to create long-term value for our stakeholders through a holistic approach.

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 - Responsible Marketing and Compliance
 - Sustainability Governance
-



SEC. 05

Tobacco Harm Reduction



We have a clear purpose – to create A Better Tomorrow™ by Building a Smokeless World – anchored in reducing the health impact of our business. This purpose drives us to provide adult consumers with scientifically substantiated reduced-risk*† Smokeless alternatives backed by science and tested to meet or exceed industry-leading standards.

Below, we outline our approach to addressing one of our principal material matters: Tobacco Harm Reduction, in alignment with the BAT Group's strategy.



Tobacco Harm Reduction

2024 Highlights

Ensured compliance with Act 852 that came into effect in October 2024

BAT Malaysia's Approach

Tobacco Harm Reduction remains a key pillar in our sustainability strategy, as highlighted in our MA, which identified it as a principal focus area for our stakeholders. Our approach to reducing the business's health impact is aligned with the BAT Group's strategy, which is to develop and responsibly market, innovative products that support Tobacco Harm Reduction, propose solutions to address underage access to tobacco and nicotine products and engage with regulators and policy makers to facilitate Tobacco Harm Reduction.

The key pillars of Tobacco Harm Reduction are:



Consumer Choice

Adult consumers are most likely to switch to reduced-risk*† alternatives when they find products that meet their preferences. This is why the BAT Group is committed to offering a multicategory portfolio of Smokeless products tailored to meet their preferences.



World-class Science and Due Diligence

World-class science is crucial to providing a robust evidence base to substantiate the role of Smokeless products in tobacco harm reduction. For 60 years, research and development (R&D) has been a critical part of the business and the BAT Group has invested more than £300 million a year in R&D to deliver innovations that address health risks and satisfy consumer preference.



Standards and Regulations

Access and availability of reduced-risk*† products depend on the right regulatory and market conditions, high standards and responsible industry practices. We support the development and implementation of coherent and proportionate regulations and standards for Smokeless products based on scientific evidence.

BAT Malaysia's Ambition

The BAT Group has set targets to migrate its consumers of combustible tobacco products - who would otherwise have continued to smoke – to smokeless alternatives. BAT Malaysia aims to contribute to BAT Group's ambition of increasing consumers of Smokeless products to 50 million by 2030 and achieving 50% of the Group's revenue from Smokeless products by 2035.

We will also continue to raise industry standards for Smokeless products within a regulated marketplace in Malaysia and support the establishment of appropriate regulations for reduced-risk*† products.

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

Environment



At BAT Malaysia, we continue to advance in our commitment to environmental sustainability. Our efforts are centered on reducing our environmental footprint by reducing resource consumption, waste and emissions. We continue to identify and implement measures to reduce our impact on the environment.

Our Environmental Management System is grounded in the Environmental Quality Act (EQA) 1974 and is the foundation for our environmental initiatives.

Climate Change and Energy

2024
Highlights

56%
Reduction in Scopes 1 and 2 emissions vs. 2020 baseline

51%
Renewable energy consumption

BAT Malaysia's Approach

Our approach to climate change, while aligned to the BAT Group's, has been localised to ensure we are meeting the priorities of our stakeholders and addressing issues most relevant to Malaysia. Climate change is a principal material topic for BAT Malaysia and we have developed a glide path of year-on-year targets that aims to reduce our impact. We drove several initiatives to support the delivery of these targets, which are discussed under the highlights for 2024.

The data reported is for BAT Malaysia's operations and taken from the BAT Group's Environmental reporting database.

BAT Malaysia's Targets

Key Performance Indicator	Baseline Number (2020)	2024 Target
50% reduction in Scope 1 and 2 GHG emissions by 2030	1,940 tCO ₂ e	750 tCO ₂ e
50% renewable energy by 2030	0.2%	36%

BAT Malaysia's 2024 Performance

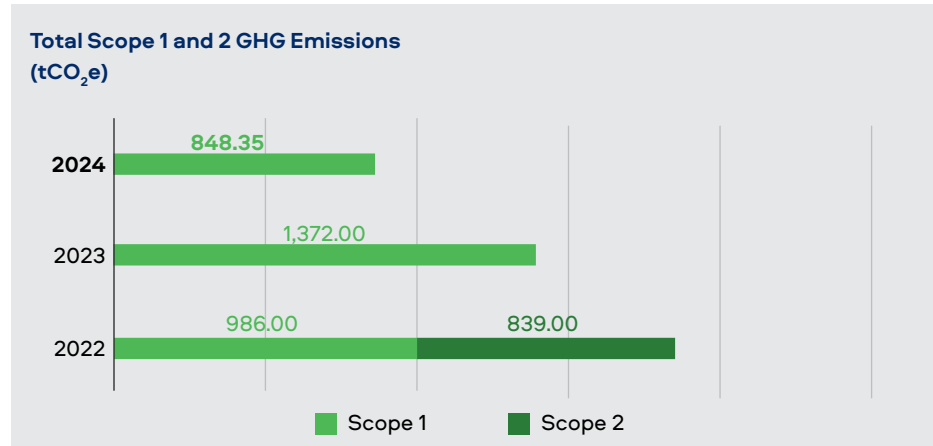
We are committed to reducing our GHG emissions in alignment with our target of achieving a 50% reduction in Scope 1 and 2 emissions against our 2020 baseline by 2030. In 2024, we implemented numerous initiatives to lower carbon emissions across our operations and continued to address climate change and energy management.

<div style="font-size: 36px; font-weight: bold; color: green; margin-bottom: 5px;">848</div> <div style="font-size: 14px; color: green; margin-bottom: 5px;">(tCO₂e)</div> <div style="font-weight: bold; margin-bottom: 5px;">SCOPE 1 EMISSIONS</div> <p style="font-size: 12px; color: gray;">Direct carbon emissions from our vehicle fleet and fuels used by our facilities as well as fugitive and process emissions. Reporting fugitive emissions were introduced in 2024.</p>	<div style="font-size: 36px; font-weight: bold; color: green; margin-bottom: 5px;">0</div> <div style="font-size: 14px; color: green; margin-bottom: 5px;">(tCO₂e)</div> <div style="font-weight: bold; margin-bottom: 5px;">SCOPE 2 EMISSIONS</div> <p style="font-size: 12px; color: gray;">Indirect carbon emissions from purchased electricity and heating.</p>	<div style="font-size: 36px; font-weight: bold; color: green; margin-bottom: 5px;">2,811</div> <div style="font-size: 14px; color: green; margin-bottom: 5px;">(tCO₂e)</div> <div style="font-weight: bold; margin-bottom: 5px;">SCOPE 3 EMISSIONS</div> <p style="font-size: 12px; color: gray;">Scope 3 emissions data are not available specifically for BAT (Malaysia) Berhad, as the BAT Group reports Scope 3 emissions at the country level. Furthermore, due to the complexity of consolidating and assuring Scope 3 data, the BAT Group reports Scope 3 a year later. Therefore, the figures reported here are for 2023 due to the one-year lag.</p>
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Environment

The new warehouse in Pulau Indah, which started operating in late 2023, led to an increase in overall electricity consumption. This new warehouse is approximately 40% larger in size than the previous third party operated warehouse and falls under BAT Malaysia's operational control. Specifically, our total purchased electricity increased to 3,335.24 MWh due to the warehouse being added to BAT Malaysia's reporting scope.

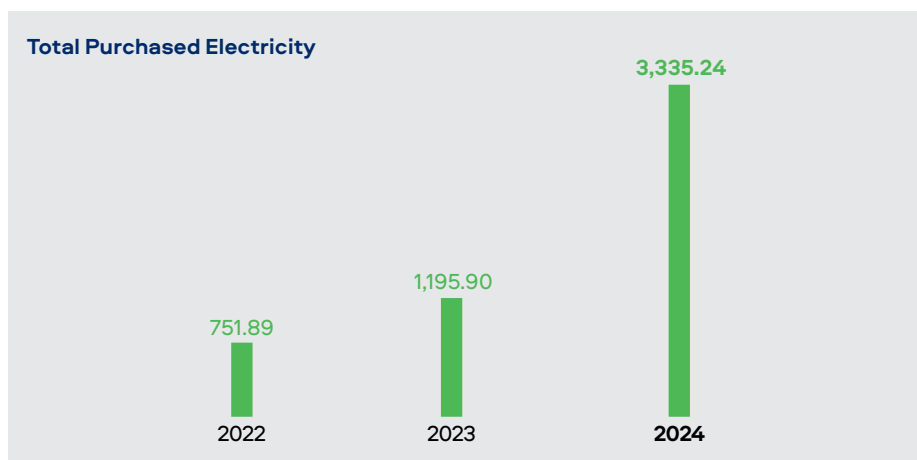
In 2024, we retired 3,335.24 MWh equivalent I-RECs, which means that 100% of BAT Malaysia's electricity was sourced from renewable sources. The total Scope 1 and 2 emissions reduced by 56% vs the baseline. Scope 1 and 2 emissions have also reduced against our 2023 emissions.



Year on Year Comparison of Total Scope 1 and 2 GHG Emissions¹¹

Scope 1 primarily contributes to the total CO₂e emissions, which are mainly from the fuel consumed by our fleet of vehicles. In line with the change of the BAT Group GHG emissions reporting methodology, in 2024 we've incorporated fugitive and process emissions into Scope 1. Both 2024 and 2023 figures reported in the above graph include fugitive and process emissions, while the baseline figure doesn't, as the data was not available in 2020. Therefore, the figure reported in 2023 has changed from 752 tCO₂e to 1,372 tCO₂e.

In 2024, we maintained our fleet of hybrid vehicles within the BAT Group's green mobility standard. We are exploring the possibility of moving to electric vehicles when adequate infrastructure, such as charging stations, is in place across Malaysia.

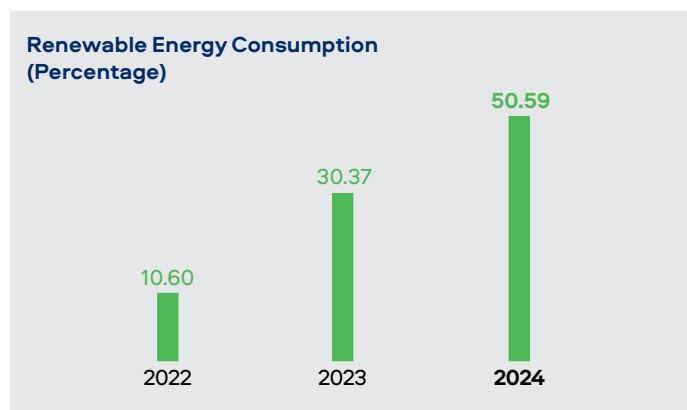


Year-on-Year Comparison of Total Purchased Electricity¹²

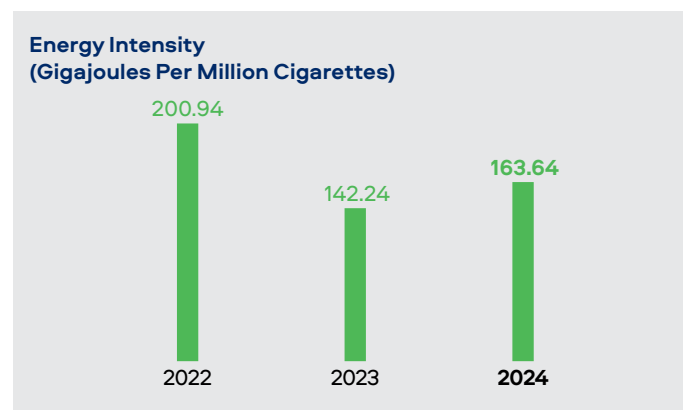
Our energy intensity per million cigarettes produced increased to 45.46 MWh in 2024. This rise is attributed to the additional energy requirements of our new warehouse.

¹¹ Retrospective Restatement: The data in 2023 Annual Report had been updated in accordance with BAT Group's reporting methodology to include fugitive emissions of 620 tCO₂e which increased the Scope 1 total.

¹² Retrospective Restatement: The energy consumption reported in the 2023 Annual Report has been updated to align with the reporting scope for the sites in our operational control as per BAT Group's reporting methodology.



Year-on-Year Comparison of Renewable Energy Consumption



Year-on-Year Comparison of Energy Intensity

In 2024, we completed the installation of solar panels with a combined capacity of 458kWp on our warehouse rooftops, with an annual generation target of 578 MWh. This initiative, achieved through collaboration with the warehouse's owner, underscores our commitment to renewable energy adoption.

The rooftop solar system brings savings in energy costs by reducing our dependency on grid electricity. The initial installation costs were offset against long-term savings in our energy bills.

We have increased our renewable energy consumption and achieved our target. Renewable energy consumption rose to 51% in 2024.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Recognising the evolving climate-related risks and opportunities and preparing to transition from Task Force on Climate-Related Financial Disclosures (TCFD) to adopt the IFRS S2 framework, BAT Malaysia initiated a comprehensive risk assessment exercise in 2024. Our objective was to evaluate the physical and transition risks that could impact our operations over short, medium, and long-term horizons.

In 2024, we conducted a comprehensive climate risk assessment and conducted a workshop to leverage internal expertise and external guidance to thoroughly understand our climate-related risks and opportunities. The cross-functional workshop was facilitated by a leading external sustainability advisory consultant in Malaysia and participants included relevant Leadership Team members and Managers of BAT Malaysia, representing the key departments—Risk, Finance, Marketing, Corporate and Regulatory Affairs, Legal and Operations.

This workshop was followed by a technical desktop analysis using Geographic Information System (GIS) techniques and secondary data sources to assess each site's present susceptibility to flash floods.

The inputs from the workshop and the desktop analysis were used to carry out the risk assessment for our business in Malaysia. To evaluate medium and long-term climate risks, this assessment also included a scenario analysis by integrating the Intergovernmental Panel on Climate Change's (IPCC) Shared Socioeconomic Pathway (SSP) scenarios, specifically SSP2-4.5, the Net Zero 2050 Framework established by the Network of Greening the Financial System (NGFS) and the international Treaty of Paris Agreement.

The climate change risk assessment findings carried out in 2024 will be presented to BAT Malaysia's Sustainability Committee (SC), RMC and Board in 2025. Once approved by the Board, the climate-related risks, opportunities and mitigation measures will be reported in BAT Malaysia's 2025 Annual Report.

Environment



Circular Economy

2024
Highlights

24.51%

Reduction in
waste generated
vs. 2017 baseline

99.32%

Recycling rate

BAT Malaysia's Approach

Circularity is a priority material topic for BAT Malaysia. We have developed a glide path of targets which aim to reduce waste and improve recycling while implementing measures to reduce the impact of our products at end-of-life. These measures will support BAT Group's ambitions and targets in relation to circularity and support the delivery of our commitments to stakeholders.

Given below are our targets and performance against them, as well as the measures we have put in place to enhance circularity. The data reported is for BAT Malaysia's operations and taken from the BAT Group's Environmental reporting database.

BAT Malaysia's Targets

Key Performance Indicator	Baseline Number (2017)	2024 Target
New Category device take-back scheme implemented	-	In place
25% reduction in waste generation by 2025	72.61 tonnes	55.20 tonnes
90% recycling rate of waste generated by 2025	98.37%	97.83%
Zero waste to landfill by 2025	1.19 tonnes	0

BAT Malaysia's 2024 Performance

In 2024, we saw an increase in waste generated to 54.81 tonnes compared to the previous reporting year, primarily due to our fully operational new warehouse in Pulau Indah. Despite this increase, our performance in 2024 is a reduction vs. the 2017 baseline of 72.61 tonnes. Furthermore, our recycling rate improved to 99.32% in 2024.

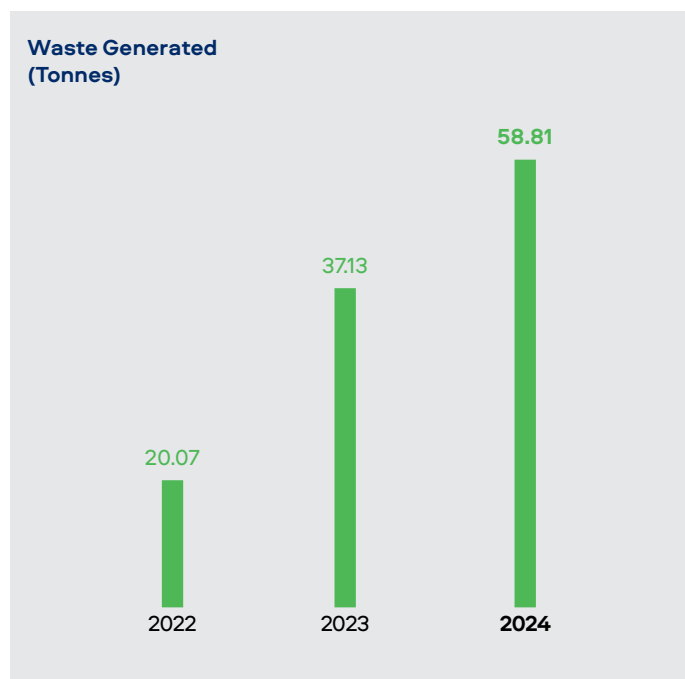
In 2024, we also initiated a monitoring programme for inbound shipment containers to further reduce waste generation. This initiative is part of our broader efforts in reducing waste at the source. By closely tracking and managing the materials entering our facilities, we aim to identify opportunities to reduce excess packaging, improve material efficiency and enhance our overall waste management practices. This approach has helped reduce waste generated at our sites.

Environment

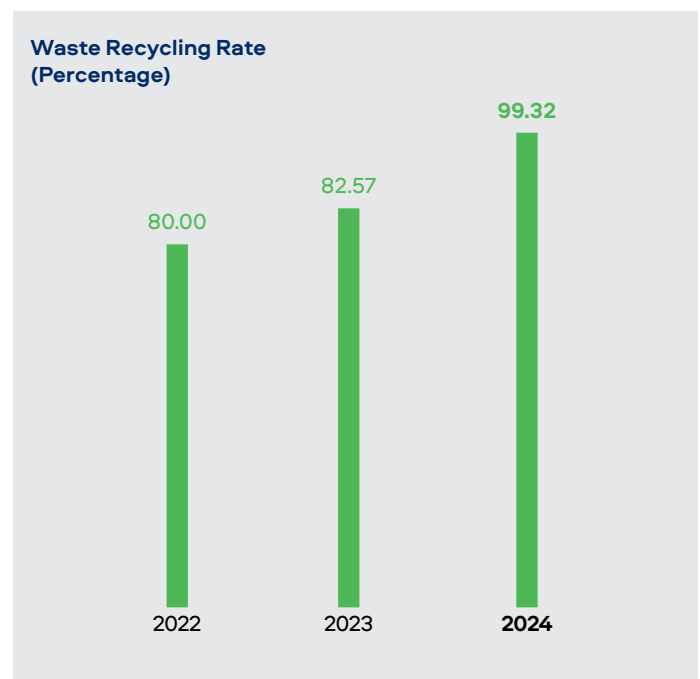
During the year, our factory sent 8.03 tonnes of tobacco waste to a brick manufacturing company in Segamat, Johor, where the waste is mixed with other raw materials and used to manufacture bricks. By repurposing tobacco waste into bricks, we divert one of our biggest waste materials from being landfilled or incinerated. The initiative, first launched in 2023, has been approved by the Department of Environment (DOE) Malaysia.

In February 2024, an inspection conducted by DOE at our Johor Bahru factory, found 3 instances of non-compliance with scheduled waste regulations, which resulted in citations being issued against our factory. These included the improper labeling of scheduled waste, the improper design of the scheduled waste storage area and the incorrect upkeep of the scheduled waste inventory and penalties were issued as a result. We took corrective actions to address and rectify these issues. This incident reinforced the importance of vigilance about waste management practices across all our sites.

We also continue to foster a culture encouraging our employees to participate in waste reduction programmes and contribute ideas for sustainable practices. Through continuous awareness conducted at the Johor Bahru factory, we aim to build a responsible mindset permeating at every level of the organisation.



Year-on-Year Comparison of Waste Generated



Year-on-Year Comparison of Waste Recycling Percentage⁴

⁴ Retrospective Restatement - The waste recycled percentage reported in the 2023 Annual Report has been updated to incorporate additional data on waste streams from all operational control sites in line with BAT Group's reporting methodology, which resulted in a lower recycling percentage.

Environment

Water

2024 Highlights

Johor Bahru Factory received the Alliance for Water Stewardship (AWS) certification



BAT Malaysia's Approach

With climate change intensifying water scarcity risks, we are committed to improving water efficiency across our operations.

Following the MA we conducted in 2023, water management remains a priority for us at BAT Malaysia. We continue to implement measures to reduce our water impacts and our performance in 2024 is detailed below.

The data reported is for BAT Malaysia's operations and taken from the BAT Group's Environmental reporting database.

BAT Malaysia's Targets

Key Performance Indicator	Baseline Number (2017)	2024 Target
35% reduction in water withdrawn by 2025	7,111m ³	880m ³

BAT Malaysia's 2024 Performance

Our manufacturing facility in Johor Bahru was certified by the AWS, which encompasses comprehensive indicators for sustainable water management.

Our certification journey involved demonstrating well-established practices across several key areas:

Water Governance

We have established governance structures, including clear policies and accountability mechanisms, to support responsible water management.

Water Balance

We monitor and manage our water usage to ensure the amount of water withdrawn is balanced with the water returned to the environment.

Water Quality

Our operations maintain the standards for water quality, both for incoming water and discharge, ensuring minimal environmental impact.

Important Water-Related Areas

We have identified critical water-related areas, with the aim to reduce the impact of our operations on these vital ecosystems.

Stakeholder Engagement

We actively engage with local communities and stakeholders, fostering collaboration and transparency in our water stewardship efforts.

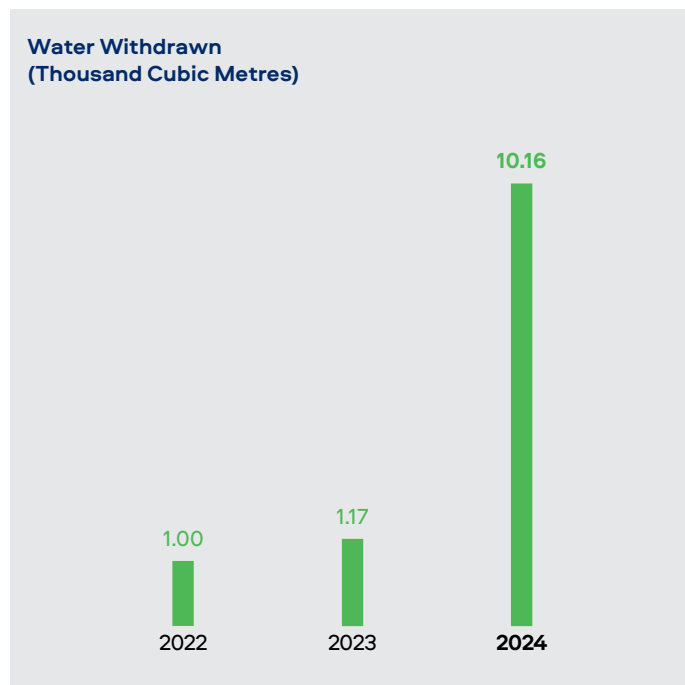
We have integrated the principles of AWS to how we manage water resources, aiming to reduce our impact on the environment and the communities where we operate.

Our operations primarily consume water supplied by the local municipality, except for the Johor Bahru factory, which also utilises rainwater collected through the harvesting system installed in 2021. Further, our water conservation initiatives focus on reducing water losses by identifying and fixing leakages.

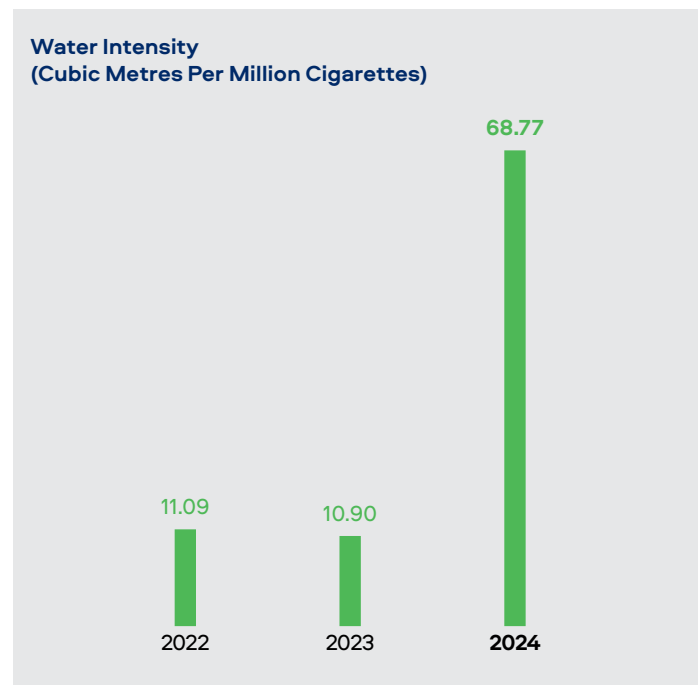
In 2024, our total water withdrawal reached 10,164 m³, reflecting a 42.93% increase against our 2017 baseline. This increase is primarily attributed to the integration of a new warehouse where water usage is predominantly associated with cooling tower operations. We are evaluating the feasibility of implementing a rainwater harvesting system at the warehouse facility to address this increase.

To further our commitment to water stewardship, we have also enhanced our water quality management practices at the Johor Bahru factory, where we instituted annual water quality testing at all discharge points and optimised glue pot cleaning operations to mitigate potential water quality risks. These efforts highlight our ongoing commitment to better manage water resources.

Additionally, we have installed multiple meters at our Johor Bahru factory to monitor the water balance and track water usage. These measures are part of our water stewardship plan under the AWS certification.



Year-on-Year Comparison of Water Withdrawn



Year-on-Year Comparison of Water Intensity

Environment

OUR APPROACH TO CLIMATE RISKS AND OPPORTUNITIES

In 2024, we continued providing strategic climate-related disclosures based on the four recommended pillars of Governance, Strategy, Risk Management and Metrics and Targets.

Our climate disclosures are driven by the following perspectives: roles and responsibilities of related governance structures such as the Board of Directors, Leadership Team and relevant Management personnel the identification of physical and transition risks and the management of these risks and performance-related information pertaining to metrics and targets, such as our GHG inventory and decarbonisation milestones.

In 2024, we implemented specific strategic measures that will enable enhanced alignment to IFRS S2 Climate-related Disclosure standards by 2025. These strategic measures will be disclosed in future sustainability reporting. We also initiated work to strengthen the existing governance structures and risk oversight regarding climate change.

We consider climate change to be material from both financial and impact materiality perspectives. Hence, we are committed to mitigating climate-related risks and leveraging opportunities while actively driving business operations to achieve the BAT Group's target of Net Zero GHG emissions by 2050, which we have adopted.



GOVERNANCE

Good governance is imperative to how we manage climate risks and the realisation of our decarbonisation aspirations. Good governance is reflected in the comprehensive oversight mechanisms, robust internal processes and controls and regular two-way communication and engagement across the organisational hierarchy, ranging from the Board of Directors to Leadership Team and being cascaded to all relevant operational levels of the organisation.

Our governance framework is designed to address today's challenges while anticipating and adapting to tomorrow's demands. We are committed to transparent and responsible governance, ensuring sustainability is deeply embedded in every aspect of our business. This approach positions us to navigate the evolving sustainability landscape effectively while delivering long-term value for our stakeholders.



SPECIFIC RECOMMENDATIONS

Describe the board's oversight of climate-related risks and opportunities.



ORGANISATION'S ADOPTION OF RECOMMENDATIONS

Governance of climate change begins with the involvement of the Board of Directors. The role of the Board is to ensure oversight on material sustainability topics, including climate change and to monitor the present state of progress achieved with regard to risk mitigation and emission reduction. Where required, the Board actively queries Leadership Team and provides strategic guidance to ensure BAT Malaysia remains on track with its decarbonisation aspirations.

However, the Board's role includes more than just oversight. Where relevant, the Board actively considers (with the support of Leadership Team) how sustainability matters, including climate risks and impacts, may erode value creation over the short, medium and long-term horizons.

In supporting the Board in discharging its duties, BAT Malaysia has established a SC reporting to the Board. The SC is chaired by an Independent Non-Executive Director, Norliza Kamaruddin. Other members of the

SC include fellow Board member, Datuk Christine Lee Oi Kuan and BAT Malaysia's Managing Director Nedal Salem. The SC oversees BAT Malaysia's sustainability agenda, covering all material topics including climate change.

All SC members have received training and relevant exposure to sustainability matters, including climate change. The profiles of each SC member, detailing their professional qualifications and competencies as well as experience, are provided on pages 103 to 109 of this report. The inclusion of both Non-Executive and Executive Directors within the SC enables a well-rounded perspective to be developed based on business, financial and stakeholder considerations of climate risks and opportunities.

The SC plays an active role in reviewing climate risks and opportunities identified by the Senior Management, the specific mitigation measures implemented, the progress achieved and other pertinent information. This includes setting broad direction and objectives for the BAT Malaysia's climate change agenda, monitoring progress and providing recommendations on how BAT Malaysia can best achieve its decarbonisation targets.

The SC is empowered to make recommendations to the full Board, supported by the Chief Sustainability Officer (CSO) and CRO, on any sustainability—or risk-related matters it deems necessary to be reviewed and deliberated on by the full Board. The SC receives sustainability-related information from the CSO.

The Board Charter and the Terms of Reference (TOR) for each Board Committee, including the SC and the RMC are being reviewed and updated per the governance requirements of IFRS S2. The updated TORs will be presented to the Board of Directors for approval in 2025 and made available on the BAT Malaysia website once approved. The revised Board Charter, TORs and ways of working will be implemented accordingly in 2025.

Kindly refer to pages 98 to 99: Sustainability Governance Structure for specific information on the aforementioned approach to governance of Sustainability and material topics, including climate change.

The Board's oversight continues to evolve in response to emerging challenges and opportunities, as well as in response to long-term climate ambitions and realising the overall sustainability agenda, including Key Performance Indicators (KPIs) and targets.

Led by the Board of Directors, the governance process ensures a top-down approach in setting strategic direction and maintaining accountability, placing BAT Malaysia firmly on the path to achieving net zero emissions by 2050. The Board's oversight continues to evolve in response to emerging challenges and opportunities, strengthening BAT Malaysia's capacity to drive positive change.

» SPECIFIC RECOMMENDATIONS

Describe management's role in assessing and managing climate-related risks and opportunities.

» ORGANISATION'S ADOPTION OF RECOMMENDATIONS

While the Board, SC and RMC provide oversight at the highest decision-making level, the role of Management, notably Leadership Team, is to enable the development of strategic information, which includes identifying climate risks and opportunities, implementing mitigation strategies and developing necessary reporting disclosures.

The role of Management is driven by the Managing Director, supported by the Leadership Team, the CSO and CRO, as well as the heads of the various business functions such as Finance, Commercial Marketing, Operations, Human Resources and more.

The Managing Director's active participation within the SC further accentuates the integration of sustainability into core business functions. Implementing a cross-functional organisational approach enables more comprehensive oversight and shared ownership of sustainability matters, including climate change. This approach ensures a thorough perspective is developed and that most, if not all, aspects of the Company's business model and operations have received the necessary focus and scrutiny on potential risks and opportunities arising from climate change.

Environment

Drawing on the BAT Group's financial modeling, Management continues to implement a localised plan for developing responses that are aligned to the Malaysian operating context. This includes driving progress in realising BAT Malaysia's targets:

- 50% reduction in Scope 1 and 2 GHG emissions by 2030.
- 50% renewable energy composition by 2030.

On a more tactical and operational level, Management's role is to implement measures such as closer monitoring of energy consumption, developing cost-benefit ratios and analyses of transitioning to solar, or switching to more energy-efficient machinery and equipment. Management is also tasked with developing necessary measures to track energy consumption and emissions, including the development of comprehensive data for direct and indirect energy consumption and a robust GHG inventory comprising Scope 1, 2 and 3 GHG emissions.

Management provides all relevant information to the Board, SC and RMC ahead of the meetings.

In November 2024, BAT Malaysia took a step forward in strengthening its climate-related disclosures by conducting a Climate Risk Assessment (CRA) workshop with key management members. The findings from the CRA are being developed and will be published in future reporting subject to SC, RMC and Board approval.



STRATEGY

We have continued to disclose our physical and transition-related climate risks and opportunities. These typically comprise risks and opportunities that potentially may have a material financial, business, and operational (FBO) impact. In developing the climate risks and opportunities profile, we utilise several sources, including findings by the BAT Group and taking into account the local business and operational context of Malaysia.

The BAT Group perspective comprises various climate scenarios established through high-level, scenario-based modelling of material risks and business impacts, including financial modelling. Climate scenarios applied within the BAT Group's perspective include IPCC-aligned 1.5°C, 2°C and 3-4°C climate scenarios. The use of these scenarios are then localised accordingly to provide company-specific risk profiles based on the unique context of Malaysian operations.

We plan to quantify potential financial losses from climate-related risks to address these risks. These include impacts on financial performance (revenues, earnings, and cash flow) and financial position (assets, liabilities, capital allocations, provisions and impairments, if any).

The November 2024 CRA provides additional perspective in refining risks and opportunities to be more specific to BAT Malaysia's unique business and operational context. This will also include, going forward, the financial quantification of relevant physical and transition risks. We intend to disclose this information in future reporting, subject to Board approval in 2025.

» SPECIFIC RECOMMENDATIONS

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

» ORGANISATION'S ADOPTION OF RECOMMENDATIONS

CLIMATE CHANGE: PHYSICAL RISKS

- Flash flood occurrences with increasing frequency and severity could potentially impact business operations and supply chains. The flash flooding issue is likely exacerbated by poor drainage, which could impact the operations of factories and distribution centres.

- Factory operations could also be disrupted, impacting production and delaying product shipments. Other associated risks or impacts include losses due to damaged goods or, alternatively, higher insurance premiums due to increased flooding risks.
- Flash floods could impact logistical capability as roads, rail and other transportation infrastructure are disrupted due to severe flooding. This may potentially affect the distribution and availability of products in the market.
- Inclement weather may also impact sales and marketing activities, notably the ability to conduct sales activities.

CLIMATE CHANGE: TRANSITION RISKS

- BAT Malaysia's transition risks mainly arise from the BAT Group's ongoing transition to solar energy use. The potential risk arises from lower-than-expected return on investments made, such as a lower rate of cost savings from using solar as compared to grid-derived electricity.
- Similarly, the same consideration applies to any transitional measures, such as investments made into energy savings systems or the use of electrified forklifts and machinery over diesel-powered variants. The same applies to any transition to electric vehicles as opposed to the continued use of fossil fuel-powered vehicles for the organisation's fleet.
- Given BAT Malaysia's robust financial position, risks associated with financing renewable energy and decarbonisation projects are negligible.
- It is imperative that budgeting to finance the ongoing solar transition must consider a wide range of external factors. These include factors beyond BAT Malaysia's control such as the rising prices of solar panels, which have increased significantly in recent years due to growing demand and supply issues.

- Funds allocated for solar transition may lead to opportunity costs as the monies could have been invested into other commercial strategies that may have generated a faster and higher rate of return. These include new product development, expansion of the marketing arm, investments in digital technologies or strengthening the supply chain.
- Other identified risks include failure to adequately manage supply chain risks associated with the transitional and operational impacts of climate change, which may cause increased volatility in the supply volume, quality, or cost of raw materials and services across the value chain.
- Other risks include exclusion from international ESG indices such as FTSE Russell for lack of robust climate change disclosures.

CLIMATE CHANGE OPPORTUNITIES:

- With rising energy prices, notably electricity pricing for industrial and commercial consumers, BAT Malaysia's ongoing transition to solar energy can reduce or insulate its exposure to rising energy costs. Please see the disclosures on page 61.
- BAT Malaysia can participate in carbon offset trading mechanisms to retire fugitive or unavoidable emissions, reducing exposure to any potential carbon tax implementation.

Environment



RISK MANAGEMENT

We maintain a robust risk management framework established in accordance with the best practice ISO31000 risk management system. The framework features a triple-tier mechanism for risk identification, assessment, prioritisation, and mitigation. Progressively, sustainability risks, notably climate change, are being integrated into our risk management framework.



SPECIFIC RECOMMENDATIONS

Describe the organisation's processes for identifying and assessing climate-related risks.

Describe the organisation's processes for managing climate-related risks.

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Describe the organisation's processes for identifying and assessing climate-related risks.



ORGANISATION'S ADOPTION OF RECOMMENDATIONS

Specific methodologies applied to identifying risks include the use of climate scenarios as provided for by the global assessment approach of the BAT Group. Additional considerations applied to assess risks include a severity vs likelihood matrix, as well as a further perspective based on short, medium, and long-term horizons, i.e., short-term (<2 years), medium-term (2 to 10 years) and long-term (>10 years) timeframes.

The aforementioned criteria are then applied to the following aspects of BAT Malaysia's operations:

- Operations, assets and facilities – Evaluating potential disruptions from extreme weather events and resource availability.
- Supply chains and raw materials – Assessing, sourcing, logistics, and production continuity vulnerabilities.

- Consumer markets – Understanding shifts in consumer demand due to climate-related regulations and sustainability expectations.
- Employees – Potential risks/impacts on employees and their ability to perform their roles within the business.

As previously mentioned, BAT Malaysia's CRA paves the way for more focused and nuanced disclosures in the future. Findings from these assessments will be published in future reporting.

Central to BAT Malaysia's risk management strategy is the integration of climate-related risks into its Risk Register, which is systematically reviewed and updated to reflect the evolving risk landscape.

In addressing climate-related risks and strengthening operational resilience, BAT Malaysia has implemented several key initiatives:

- On-Site Renewable Energy – Investing in solar power systems to generate renewable energy for factory and warehouse operations.
- Renewable Electricity Sourcing – Purchasing I-RECs from renewable energy projects managed by the I-REC Standard Foundation.
- Fleet Transition – Transitioning the company fleet to hybrid models.
- BCP – Establishing and annually testing BCPs to mitigate climate change impacts.

By embedding the insights gleaned from its CRA into strategic planning, BAT Malaysia aims to be better equipped to assess the financial implications of potential disruptions and unlock new growth opportunities. The findings will also guide future decisions on resource allocation, operational priorities and climate adaptation strategies. Disclosure of these results will be made in subsequent reports, reflecting our commitment to continuous improvement and transparency.



METRICS AND TARGETS

We have adopted a comprehensive approach to climate-related disclosures, ensuring that key metrics are measured, monitored, and reported in alignment with global best practices. Currently, the primary focus is on monitoring and reporting GHG emissions across our business operations, following the methodologies of the GHG protocol. This enables us to track progress on decarbonisation efforts while identifying opportunities for improvement across our value chain.

» SPECIFIC RECOMMENDATIONS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

» ORGANISATION'S ADOPTION OF RECOMMENDATIONS

BAT Malaysia has and continues to develop other metrics, including financial metrics, based on the following:

- Commercial Impacts and Cost Savings – Metrics to quantify financial performance improvements due to climate-related initiatives.
- Impairments and Provisions – Calculations related to potential impairments or provisions required for mitigating climate-related risks and impacts.

One example of financial-related disclosures is the data provided on the ROI expected from BAT Malaysia's ongoing transition to solar energy. The quantification of this is provided below:

25 Years Financial Analysis		
Model	Capital Expenditure (Cash)	Capital Expenditure (Loan)
Contract Period	None	None
Operation & Maintenance (O&M) Services	3 years	3 years
Solar Savings in 1 st year per kWh	RM0.393	RM0.393
Estimated Monthly Solar Savings in 1 st year	RM3,911	RM3,911
Estimated Annual Solar Savings in 1st year	RM46,932	RM46,932
Total Solar Savings in 25 years	RM1,295,624	RM1,251,492
Upfront cost	RM242,892	RM48,578
Estimated Annual Loan Repayment <i>700 Years tenure, 80% financing at 6% interest rate</i>	None	RM34,064
Estimated Annual O&M Cost	RM3,737	RM3,737
Cross Cost	RM242,892	RM287,024
Tax Incentive Savings <i>Assumes 24% tax bracket, includes 100% Green Investment Tax Allowance (GITA) and 100% Capital Allowance (CA)</i>	RM116,588	RM116,588
Net cost	RM126,304	RM170,436
Your Payback Period	3.15 years	0.53 years
Internal Rate of Return (IRR)	29%	123%
Levelised Cost of Electricity per kWh	RM0.08	RM0.10

In addition to the above, BAT Malaysia also tracks energy consumption and measures intensity (MWh/million cigarettes) to monitor its efficiency throughout its operations. See pages 49 to 51 for a comprehensive presentation of climate-related and energy-related data.

Environment

» SPECIFIC RECOMMENDATIONS

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

» ORGANISATION'S ADOPTION OF RECOMMENDATIONS

The GHG emissions data collected and reported by scope within the organisational boundary are as follows: -

Emission Scopes	Baseline	2022	2023	2024
Direct GHG emissions (Scope 1)	1,225	986	1,372	848
Market based GHG emissions (Scope 2)	715	839	0	0
Other relevant indirect GHG emissions (Scope 3)*	-	-	2,172	2,811

* Scope 3 emissions data is not available specifically for BAT (Malaysia) Berhad, as the BAT Group reports Scope 3 emissions at the country level. Furthermore, due to the complexity of consolidating and assuring Scope 3 data, the BAT Group reports Scope 3 a year later. Therefore, the figures reported here are for 2023 and 2022 respectively due to the one-year lag.

» SPECIFIC RECOMMENDATIONS

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

» ORGANISATION'S ADOPTION OF RECOMMENDATIONS

BAT Malaysia has established climate targets to guide the direction of its business operations towards reducing GHG emissions. These targets cover 100% of its local operations, which includes the Johor Bahru factory, Pulau Indah warehouse, 10 CMD offices and the head office in Malaysia and are aligned with national and global goals, such as Malaysia's Nationally Determined Contribution (NDC), National Energy Transition Roadmap

(NETR) and Paris Agreement. To ensure alignment with these targets, BAT Malaysia diligently monitors and evaluates its climate-related performance, particularly GHG emissions.

BAT Malaysia is committed to achieving 50% reduction in Scope 1 and 2 GHG emissions, by 2030, using 2020 as the base year. In support of our broader decarbonisation strategy, BAT Malaysia aims to achieve 50% renewable energy usage by 2030. This initiative focuses on transitioning towards cleaner energy sources, reducing dependency on fossil fuels and promoting long-term energy sustainability across our operations.

50% reduction in Scope 1 and 2 GHG emissions by 2030

50% of renewable energy usage by 2030

KPI	Baseline	2022	2023	2024	2024 Target
50% reduction in Scope 1 and 2 GHG emissions by 2030	1,940 tCO ₂ e	1,340 tCO ₂ e	1,372 tCO ₂ e	848 tCO ₂ e	750 tCO ₂ e
50% of renewable energy usage by 2030	0.2%	10.6%	30.4%	50.6%	35.7%

Social



We are dedicated to driving meaningful social impact through our operations. This section of the report highlights our efforts to create value by prioritising the well-being and needs of our employees, local communities and other stakeholders across our supply chain and business network. By fostering inclusive practices and addressing each stakeholder group's unique challenges, we aim to build a sustainable future for all our stakeholders.

Social



People, Diversity and Culture

2024 Highlights

42%
Women in
management
roles

43%
Women in the
leadership team

39%
Cross-industry
hires in
management
grade

BAT Malaysia's Approach

We believe that building A Better Tomorrow™ relies on attracting, nurturing and retaining a talented and dynamic team. To this end, we have adopted the BAT Group's People, Diversity and Culture strategy to build an inclusive and dynamic culture that empowers our employees with a future-ready mindset.

D&I are central to our journey to building A Better Tomorrow™. We aim to cultivate an inclusive workplace where every team member can thrive and achieve their career aspirations. Our People, Diversity and Culture strategy, channels our focus towards the following areas:

- Developing tomorrow's leaders
- Championing D&I
- Attracting and retaining top talent
- Enhancing workforce engagement
- Recognising and rewarding excellence

These focus areas are each explored further in this section of the report.

BAT Malaysia's Targets

Key Performance Indicator	2024 Target
Increase the proportion of women in management roles (G34 and above) to 45% by 2025	42%
Increase cross-industry hires in management (G34 and above) to 45% by 2025	45%



BAT Malaysia's 2024 Performance

ACCELERATING TOMORROW'S LEADERS

We employ 283 people across our operations in Malaysia. Attracting and retaining the best talent and providing them with an inclusive work environment is key to our transformation journey to build A Better Tomorrow™. Our aim is to provide a dynamic, inspiring and purposeful place to work for every employee.

We support our employees to build a future-ready mindset. This mindset is integrated throughout the employment journey of any individual—from the day an employee begins their first day working with us until the day they depart the organisation. It is ingrained within our talent attraction and retention strategies, thus positively impacting Malaysia's talent pool.

OUR PEOPLE STRATEGY

Our people are at the heart of our business and key to driving our purpose. This is why we place our focus on transforming our culture.

We have adopted the BAT Group's purposefully designed people strategy to ensure we can be ready for future changes and respond to consumer needs at pace.

Our strategy is anchored around five bold intentions which we expect to be owned and driven by every employee at BAT Malaysia.



Social

Our leadership programmes play a key role in developing the future-ready mindset in our people. Through strategic investments in development and upskilling programmes, we empower current and future leaders to meet and thrive amidst the evolving demands of our business and industry.

Leadership Training

We offer a range of leadership programmes in areas including Leading Self, Leading Teams, Women in Leadership and RISE, while continuously seeking out new programmes that would enable us to address new leadership trends and requirements. These programmes provide our employees with the skills to navigate challenges, embrace change and lead more confidently and effectively.

In 2024, we continued to foster leadership growth by refining our training offerings and expanding mentoring opportunities.



Talent Marketplace

Our Talent Marketplace remains a pivotal platform at BAT Malaysia, through which we use Artificial Intelligence (AI) to align employees' skills, experiences and career aspirations with opportunities across the organisation. This year, we enhanced its capabilities to further support employees in shaping their career paths.

Through a series of Workstyle Trainings, we continued to guide employees in harmonising well-being with professional growth, enabling them to pursue opportunities that reflect their unique strengths and potential. In 2024, 31% of our workforce benefitted from the Talent Marketplace, showcasing its growing impact on career development.





Functional Learning Huddles and Capabilities Upskilling

Functional Learning Huddles, introduced in 2021, continue to provide employees with a collaborative learning platform within their respective functions, fostering a culture of continuous development.

This initiative has been expanded across various teams, focusing on our National Sales Team. Training modules have been tailored to align with the evolving Route-To-Market model, covering key areas such as new ways of working, commercial capabilities and digital upskilling — including technology adoption, internal systems fluency and data insights.

Beyond sales, employees received targeted training in critical areas such as data management, organisational skills and leadership proficiency. This ensures that our workforce remains adaptable and equipped to meet the dynamic needs of our stakeholders and business.

The Grid

The GRID remains our one-stop digital learning platform, evolving to meet the ever-changing needs of our workforce. With a user-friendly, on-demand interface, it empowers employees to take charge of their development by accessing tailored content anytime, anywhere.

This year, we introduced new capabilities that elevate the learning experience. Enhanced skills management ensures precise alignment of content with individual goals, while intelligent automation simplifies personalised learning recommendations and engagement. The GRID now also features AI-powered coaching, offering bespoke skills development and career growth support.

Through these advancements, The GRID continues to drive a culture of self-guided learning and innovation, preparing our people to meet future demands.



Social

SkillsFest

SkillsFest is an immersive Metaverse platform that empowers employees to unlock their potential and explore career opportunities within the company. Through interactive modules, it provides access to learning content, leadership development and career growth resources. Key features and activities include:

- Leadership keynote with senior leaders on the future of work.
- Webinars on career navigation, mindset development and peak performance.
- Panel discussions on leadership and functional career paths.
- Career booths showcasing job opportunities and insights from BAT representatives.
- Talent marketplace profile enhancement feature, which enables employees to align their profiles to their career goals.



License to Hire

Designed to equip managers with essential hiring skills, the License to Hire training focuses on smart hiring, creating an inclusive candidate experience, identifying unconscious biases and effective onboarding. The programme also incorporates gamification within online sessions to enhance engagement and learning effectiveness, ensuring a fun and impactful experience for all participants.

This year, we completed our first face-to-face License to Hire cohort, where 28 hiring managers participated in a day of learning, including role-play simulations and curated content. The revamped programme, developed through collaboration between BAT Malaysia Human Resources and Global Business Services (GBS) recruitment teams, achieved a 100% satisfaction rate.

Be The Change Internship & Global Graduate (GG) Programme

Our 'Be The Change' Internship Programme offers young talent project-based experiences, mentorship from senior leaders and exposure to a diverse multinational workplace, forming a key first step towards success within BAT Malaysia.

Our GG Programme then takes growth to the next level, exposing participants to various aspects of our business and shaping them with the skills to become impactful future leaders.

This year, the internship programme successfully produced 4 GGs, highlighting its effectiveness in nurturing talent for future global career opportunities.



Our talent and capability development investment continues to resonate deeply across our workforce. In 2024, we prioritised creating meaningful and diverse learning experiences and empowering employees to enhance their skills through tailored training sessions—virtual, in-person, and self-directed. This holistic approach has not only enriched individual growth but also strengthened our collective expertise, positioning us for sustained success.

<h1>283</h1> <p>Employees</p>	<h1>250</h1> <p>Growth in facilitated led training (virtual and face-to-face)</p>	<h1>200%</h1> <p>Growth in local/functional led training</p>
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EMBRACING D&I

Commitment D&I is embedded deeply within BAT Malaysia, with our functional champions and leads serving as drivers for this critical agenda.

Further, the BAT Group is the first global tobacco company to achieve the National Equality Standard (NES) and the Global Equality Standard (GES). This recognition highlights the Group’s unwavering commitment to D&I and validates its efforts to prioritize mental health, well-being and the continuous enhancement of D&I practices.



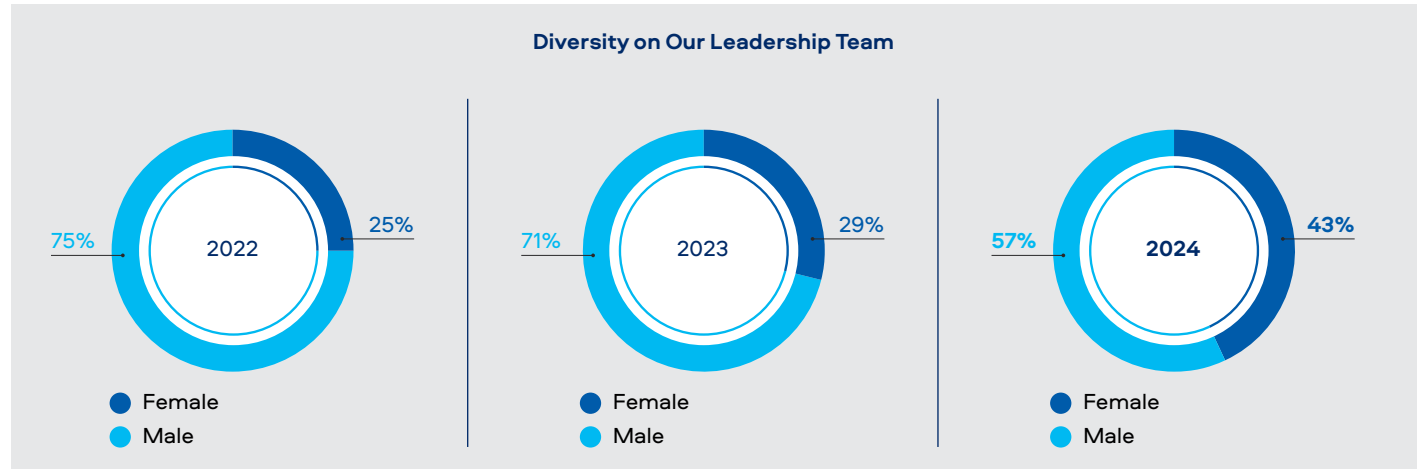
CELEBRATING INCLUSIVITY THROUGH MILESTONE EVENTS

In 2024, we celebrated International Women’s Day and International Men’s Day, reinforcing our commitment to supporting and championing all employees and their unique contributions. These celebrations provided opportunities for employees to learn how to manage a multigenerational workforce, cultivate a culture that celebrates D&I, address key D&I issues and steer the D&I agenda in their respective local organisations.

Social

Diversity on Our Leadership Team

Promoting women leadership is a cornerstone of our D&I strategy. This commitment is reflected in 43% representation of women on our Leadership Team, showcasing our dedication to fostering a diverse and inclusive leadership pipeline.



Our Commitment to Non-Discrimination

We strictly adhere to the BAT Group's SoBC, including the 'Respect in the Workplace' section of BAT Group's SoBC, underscoring our commitment to treating all colleagues and business partners with dignity and respect. To combat discriminatory practices, we have implemented provisions that promote equality and diversity while preventing harassment and bullying. The SoBC also includes the Group Whistleblowing Procedure, which provides a safe and confidential mechanism for employees to report discriminatory incidents without fear of retaliation.

All reported discrimination cases at BAT Malaysia were thoroughly investigated in the year under review.

Our Workforce

Our people drive our success. We foster an inclusive workplace where diverse perspectives fuel innovation. Employment decisions are guided by skills, performance and potential, ensuring equal opportunities for all—regardless of gender, age, nationality, ethnicity, or religion.

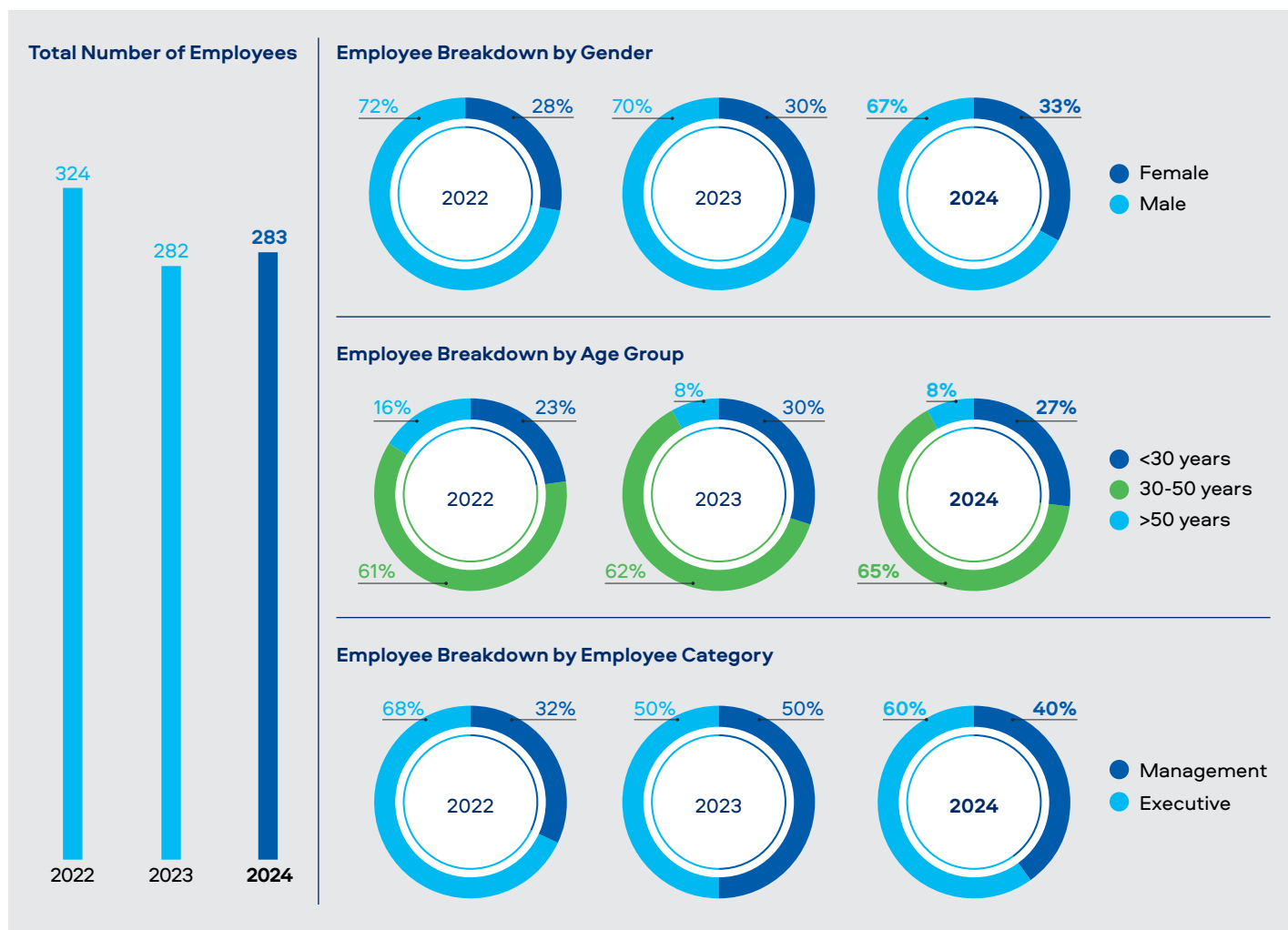
In 2024, 71% of our Leadership Team came from diverse nationalities, bringing a global perspective to decision-making. Women comprised 33% of our workforce and from the total management roles, 42% are held by women—reflecting our progress in building a more inclusive leadership pipeline.

With a workforce spanning multiple generations, we embrace the strengths of both experienced professionals and emerging talent. This balance fosters knowledge sharing, adaptability and long-term business sustainability.

Initiatives to Drive D&I

We strive to support our employees throughout various stages of their life journey by fostering a workplace that is both inclusive and accommodating.

To create a more inclusive workplace for women, we have implemented policies and initiatives designed to address the unique needs of women. For expectant and new mothers, we offer updated parental leave and flexible working arrangements. Expectant mothers in field-based roles, for example, have the option to transition to desk-bound duties during their pregnancy if they choose. Additionally, insights from our female employees have guided us in introducing specific measures, such as flexible working arrangements during the menstrual cycle for women based in the National Sales Team, as well as amenities like nursing and prayer rooms at sales offices and priority parking for expectant mothers.



* 2022 and 2023 numbers have been restated based on the updated employee category definition.

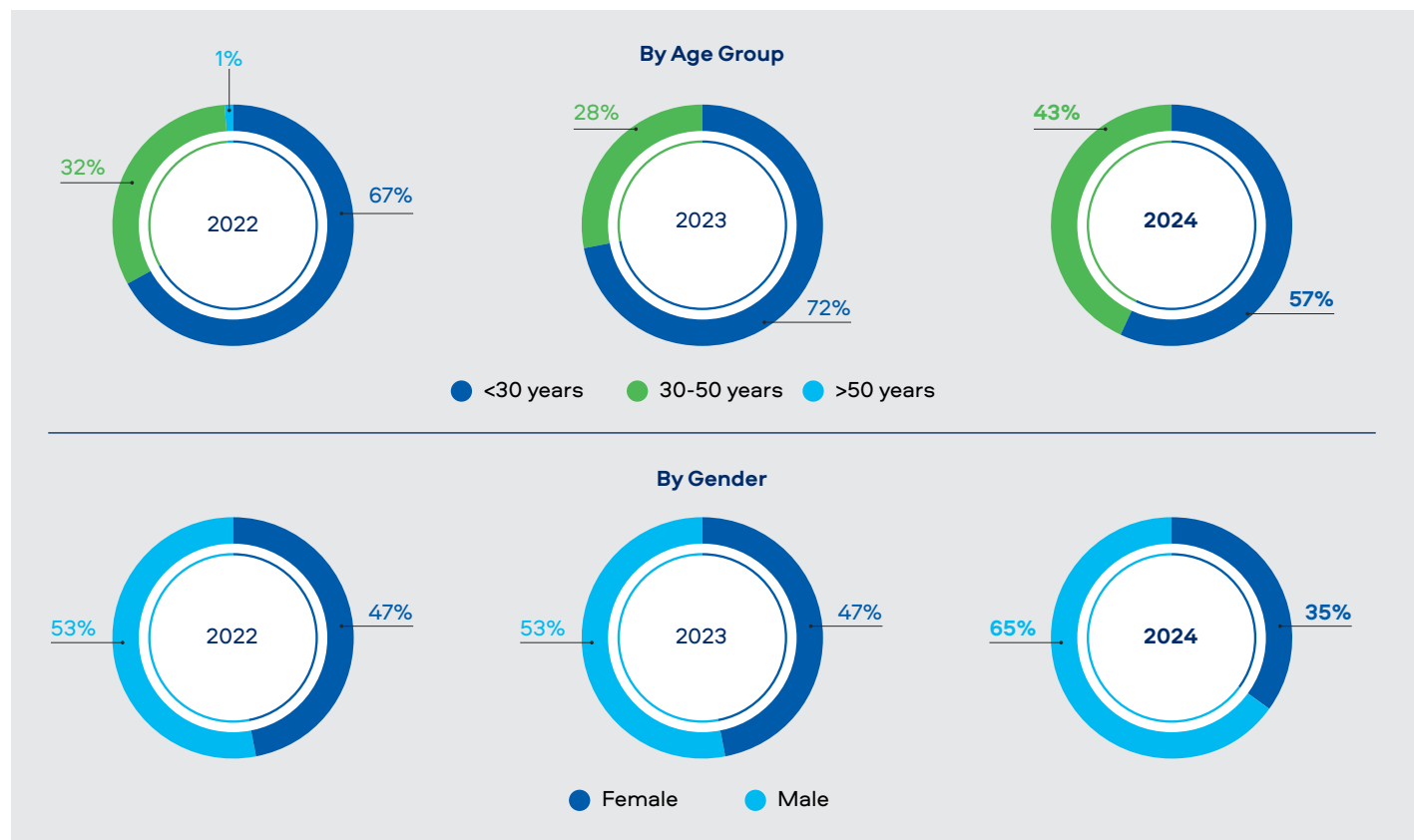
Our support extends beyond pregnancy, as we prioritise employees' parental responsibilities by offering generous leave options. Our female employees enjoy up to 6 months of paid maternity leave while our male employees are entitled to 20 working days of paid paternity leave. These enable parents to spend the necessary time caring for their child after birth or adoption, ensuring they can balance their personal and professional lives effectively.

Social

ATTRACTING TALENT

Our efforts to attract and hire top talent start by cultivating a strong employer brand and fostering a reputation that resonates with potential candidates, thereby positioning ourselves as a preferred workplace.

In 2024, we welcomed 64 external hires, with 70% bringing valuable expertise from diverse industries. This cross-industry talent infusion has further enriched our organisation, fostering innovation and enhancing our ability to adapt to new challenges and opportunities



Flexible Work Arrangements

We recognise that workplace flexibility is essential to attracting high-performing employees, providing for their well-being and enhancing their agility and productivity.

To meet this imperative, we continue to drive a flexible work arrangement and a work from anywhere policy, both designed to balance business needs with employee preferences. The flexible work arrangement allows employees to work remotely up to two days per week, while the work from anywhere policy enables staff to work from any location in Malaysia for up to four weeks per year.

These initiatives promote better work-life integration, fostering a more productive, empowered and motivated workforce.

Fair Employment Practices

We uphold fair employment practices and are committed to fostering an inclusive workforce across all levels of the organisation. To this end, we strictly adhere to non-discriminatory policies, ensuring equal opportunities across our hiring, promotion, remuneration and selection processes.

Our policies guarantee equal treatment for all qualified candidates, regardless of gender, race, disability, nationality, religion or age. We also strictly comply with local labour laws, regulations and cultural practices and regularly review employment data and statistics to assess and improve our workforce diversity.

We offer the following benefits to all permanent employees:

<ul style="list-style-type: none"> » Medical benefits » Leave: Annual, hospitalisation, medical, parental, marriage, study, examination, caregivers, compassionate, enrichment and pilgrimage » Performance bonus » Group Term Life Insurance » Group Personal Accident Insurance 	<ul style="list-style-type: none"> » Employees' Provident Fund (EPF) » Stock ownership (depending on grade) » Company vehicle and monthly allowance (depending on grade) » Flexible benefits » Long Service Awards » Employee Assistance Programme
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Our Values

Our values act as a clear and authentic guide to shape our culture and behaviours.

They underpin our purpose for A Better Tomorrow™ and our ambition to build a Smokeless World. Our values have a clear connection with our strategy and purpose, emphasising D&I; empowerment and collaboration; and organisational agility, to deliver sustainable growth.

Through our values, we strive to empower our people and foster an exciting and rewarding workplace.

 <p>Truly Inclusive</p> <p>We embrace diversity and celebrate our differences</p> <p>We are curious and safeguard the right to say what you think</p> <p>We debate constructively yet progress together</p>	 <p>Do The Right Thing</p> <p>We act with integrity to achieve results</p> <p>We care about our impact on society and our planet</p> <p>We are thoughtful in our decision making</p>	 <p>Love Our Consumer</p> <p>We understand the consumer better than anyone</p> <p>We are obsessed with innovation and our brands</p> <p>We have the courage to test, fail fast, and learn to improve</p>
 <p>Passion To Win</p> <p>We equally value "How" and "What", and go the extra mile for success</p> <p>We prioritise effectively and act like owners of our business</p> <p>We own our purpose with determination and resilience</p>	 <p>Empowered Through Trust</p> <p>We start with trust and believe in each other</p> <p>We ensure decisions are made at the right level</p> <p>We understand that empowerment comes with accountability</p>	 <p>Stronger Together</p> <p>We pull together as one team, through good and bad</p> <p>We collaborate beyond borders and functions</p> <p>We help each other grow and succeed</p>

Social

Digital Talent Branding

Digital channels such as LinkedIn are central to our talent acquisition strategy, providing us with valuable insights, analytics and the ability to deliver targeted content to top-quality talent.

We collaborate closely with our GBS recruitment teams to streamline the recruitment process, aligning strategies to meet our business objectives. Our recruitment efforts are further supported by advanced digital assessments such as Pymetrics and IMPACT, which enable us to precisely identify high-potential candidates while offering an engaging and holistic experience for applicants.

Battle of Minds 2024

We continue to drive innovation through our flagship annual event, Battle of Minds, a global competition led by BAT Group. The event empowers university students and professionals to present groundbreaking solutions that drive meaningful change, helping us identify forward-thinking talent nationwide.

In 2024, the competition embraced global themes centered around products and artificial intelligence in the wellness and stimulation space. Through strategic social media campaigns, university engagements and career fairs, we reached over 2,000 students and graduates, engaging thousands of aspiring talents nationwide.

The year also marked the competition's highest participation numbers since its inception in Malaysia in 2021, with 453 registrations and 76 idea submissions. This exceptional performance earned us a spot among the top 3 end markets

worldwide within the BAT Group, showcasing our rising prominence in fostering forward-thinking talent.

The Malaysia Finals featured three innovative ideas, with the winning team, MindSync, advancing to represent Malaysia on the global stage. Their revolutionary solution, the MindSync Ecosystem, exemplifies the perfect synergy of technology and sustainability. Powered by Agentic AI, it offers real-time brainwave monitoring, a personalized MindSync App and a data-driven dashboard, advancing mental health management and wellness innovation.

FOSTERING WORKFORCE ENGAGEMENT

Digitalised Onboarding Experience

We continue to enhance the onboarding experience with the digital platform Enboarder, specifically designed to assist and guide new employees on their first day of work, even before they officially set foot in the workplace.

Enboarder provides new employees with essential information, including an overview of our corporate purpose, strategy, business conduct expectations (via the SoBC) and training and development opportunities. In 2024, more than 60 new joiners benefited from the platform.

New Joiner Sharing Session

New joiners can engage with senior leaders in a casual meet-and-greet session as part of our onboarding process. This session helps them establish connections and integrate into the organisation with ease.



Employee Engagement Activities

Our employee engagement activities have rebounded strongly since the COVID-19 pandemic, offering a wide variety of huddles, away days, celebrations and events in 2024. Many of these activities were centered around annual festive celebrations such as Lunar New Year, Hari Raya and Diwali, providing employees with the opportunity to come together and build stronger bonds.



Employee Wellness

Our comprehensive Employee Assistance Programme is guided by the Wheel of Wellness, with initiatives offered across four key pillars: physical, emotional, financial and occupational wellness.

In 2024, we implemented a monthly half-day dedicated solely to wellness. In addition, we introduced various other wellness initiatives, including a physical wellness programme specifically tailored for our field force employees. This programme aimed to enhance our sales team's overall health and fitness through various activities, including BMI checks, salad-making sessions and group exercise sessions led by a professional fitness coach.

In line with our commitment to holistic well-being, we encourage greater participation in Naluri, a digital coaching platform available to all BAT Malaysia employees. Naluri offers a range of resources to help employees achieve their healthiest and best selves.

naluri[®] x BAT Cares

**Personalised Care for a
Healthier, Happier You**

Features you'll love

<p>Digital Health Coaching App</p> <p>Connect with your dedicated coaching team, explore lessons, track your health, and set challenges to achieve your goals.</p>	<p>24/7 Counselling Support</p> <p>Access free, discreet, 24/7 counselling support via a phone call or WhatsApp.</p>
<p>1-on-1 Consultations</p> <p>Schedule a one-on-one virtual or in-person session with a professional and get confidential support.</p>	<p>Community Resources</p> <p>Learn tips from experts and boost your wellbeing with workouts, webinars, dietitian-approved recipes, and more.</p>
<p>Health Improvement Programmes</p> <p>Work with a team of experts in a tailored programme to manage chronic conditions and achieve life-changing health improvements.</p>	<p>Health Assessments</p> <p>Get a better understanding of your mental and physical health, productivity, and more through assessments with instant results.</p>

Social

Employee Volunteering

Beyond Benih—which means 'beyond seeds' in English—was launched in 2022 as a community investment programme aimed at enhancing food security among financially vulnerable communities in Malaysia. Through community-led farm garden projects, Beyond Benih empowers urban and rural B40 communities to cultivate fruits and vegetables in community-led farm gardens, fostering resilience.

A cornerstone of Beyond Benih's success is the passionate involvement of our employees. As part of our Employee Volunteer Programme, our team members spent half-a day in four farm gardens, working alongside the RAs in cleaning and maintaining the gardens and building infrastructure.



RECOGNISING & REWARDING TALENT

Building Tomorrow Recognition

Our reward and recognition programmes - including the Building Tomorrow Awards and the Leadership Team Award - are designed to honour and celebrate high-performing employees, catalysing continued growth and even greater contributions.

Our vision is to create simple, consistent, meaningful, and memorable recognition that enhances our global employee experience. This empowers employees to value one another in our pursuit of innovation and high performance. In 2024 alone, a total of 485 Building Tomorrow Award nominations were awarded to 219 distinct recipients out of 283 employees. This highlights the depth of our recognition culture and our collective commitment to celebrating excellence.

Long Service Awards

We proudly celebrate employees who have completed 10, 20, or 30 years of service through our Long Service Awards and honour retiring employees for their dedication and lasting contributions to the organisation.



Recognition for BAT Malaysia's People, Diversity and Culture Practices

Our unwavering dedication to forging an engaged, inspired and dynamic workplace was recognised with several leading accolades in 2024.

Top Employer

2024 marks the 7th consecutive year that we have been honored with the 'Top Employer' award by the Top Employers Institute. This achievement not only underscores our dedication to nurturing a thriving company culture but also strengthens our resolve in driving towards our purpose of building A Better Tomorrow™ and is further solidified by our recognition as a Top Employer in the Asia Pacific Region and our position as one of the 15 certified Global Top Employers worldwide.



Graduates' Choice Award

We are proud to be ranked No. 1 in the Tobacco category at Talentbank's 2025 Graduates' Choice of Employer to Work For award. This prestigious accolade, which is highly regarded across the Asia-Pacific region, garners 100% of its votes from top-tier university students across Malaysia, reinforcing our standing as an employer of choice.



Life at Work Awards

We are honored to be ranked No. 1 in the 'Technology for Inclusion' category at TalentCorp's Life at Work Awards, which recognises companies that excel in diversity, equity and inclusion.



GRADUAN Brand Awards

We earned the 2nd runner-up position in the 'Malaysia's Most Preferred Employer in the FMCG sector' category at the GRADUAN Brand Awards. With over 120,000 talents participating in the voting process, this prestigious recognition underscores our ongoing efforts to create an attractive, supportive workplace that resonates with Malaysia's top talent.

These accolades not only celebrate our individual and collective achievements but also serve as a source of inspiration for our future endeavors. We eagerly anticipate another year of excellence and continued success together as a company.



Social



Human Rights

2024
Highlights

NO
Reported
incidents
of child
labour in
our supply
chain

BAT Malaysia's Approach

Our business and supply chain spans several sectors, including tobacco and raw material supply and manufacturing, and involves inherent human rights considerations.

We are committed to respecting the human rights of our employees, partners, and the communities in which we operate.

Our approach is guided by BAT Group's strategy and international standards, including the United Nations Guiding Principles on Business and Human Rights and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Our commitment to human rights is also reflected in the 'Human Rights' and 'Our Operations' sections of BAT Group's SoBC and the Supplier Code of Conduct (SCoC).

Specifically, we aim to achieve zero child labour in our tobacco supply chain and seek to respect human rights across our operations

BAT Malaysia's Ambition

Aiming for zero child labour in our tobacco supply chain by 2025.

BAT Malaysia's 2024 Performance

The BAT Group's SoBC, which has been localised by BAT Malaysia provides the framework for our approach to human rights. It guides our engagements with stakeholders, through which we identify and mitigate human rights risks within our operations and stay aligned with our human rights targets. In addition, we consistently implement appropriate measures and take necessary remedial actions to prevent human rights violations from occurring across our operations.

Our approach is further guided by our employment principles, which ensure fair treatment for all employees and uphold workplace-related human rights. These principles were developed in line with local labour laws and practices and form the foundation of our policies and procedures.

Based on the principles, we have incorporated policies and practices at BAT Malaysia that aim to:

- Ensure equal opportunities and non-discrimination.
- Foster internal communication to encourage the free flow of ideas.
- Support worker representation and promote freedom of association.
- Maintain fairness at work and enforce zero tolerance for harassment and bullying.
- Stand against all forms of child labour and forced labour.
- Promote performance responsibility.
- Uphold responsibility concerning health, safety, and the environment.
- Invest in community and employee skills development, particularly in our markets.
- Provide personal development and learning opportunities.
- Implement reasonable working hours for employees and establish family-friendly policies.
- Offer fair, just, and competitive remuneration and benefits packages.

We work with our suppliers — including contractors, service providers, and distributors — to support them in upholding similar human rights practices throughout their supply chains and comply with the SCoC. This requirement is included as part of all contractual agreements, and full cooperation with the SCoC is required for suppliers to maintain their business relationship with us. Accordingly, we have the right to investigate any instances of non-compliance, and if confirmed, we have the right to terminate contractual agreements with the offending suppliers duly.

Furthermore, our suppliers are expected to maintain high standards of business ethics and integrity. This includes preventing conflicts of interest, bribery, corruption, sanctions violations, tax evasion and illicit trade.



Employee Health and Safety

2024
Highlights

ZERO
Serious
injuries and
fatalities

BAT Malaysia's Approach

We are committed to providing a safe and healthy working environment for our employees and contractors. Our ambition is to keep our people safe along with the communities we operate in. Our approach is defined in our Integrated Environmental, Health and Safety Management System, which offers guidelines on occupational health and safety across the business. Our EHS roadmap allows for the efficacious implementation of safety practices. Effectiveness is gauged by measuring our performance against set targets.

BAT Malaysia's Ambition

Aiming to maintain zero accidents across all business operations.

BAT Malaysia's 2024 Performance

We implement a wide range of initiatives to foster a culture of workplace safety and empower our employees to perform at their best. This commitment begins with each employee's onboarding process, receiving health and safety training during their induction and continuing relevant training such as defensive driving throughout their journey with the organisation.

We enhanced our approach this year by introducing tailored training at each site office. This initiative, which starts with a comprehensive workplace assessment, aligns with the latest amendment to Malaysia's Occupational Safety and Health Act, emphasising employers' and employees' shared roles and responsibilities in maintaining a safe work environment. Through these efforts, we aim to ensure every employee is well-equipped to contribute to a safe and productive workplace.

In addition, we continued our focus on fleet vehicle safety. Recognising that field-based employees are exposed to higher risks, we have introduced a new global platform, 'Halo Insight', to monitor and enhance fleet safety. This platform gives us insight into driver behaviour based on a scoring system and feedback from onboard the telematics system which helps ensure our fleet operates in the safest possible conditions.

EHS Policy and Steering Committee

An EHS Policy governs our workplace health and safety and the Operations Director chairs our Steering Committee. This Committee provides direction, support and guidance to support the continuous development of EHS management. Meetings are held twice a year to discuss the following:

- Review and assessment of BAT Malaysia's EHS Policy, management systems and programmes.
- Implementation of actions compliant with laws, regulations and EHS policy objectives.
- Review of maintenance programmes.
- Engagement with external stakeholders.
- Management of employee self-assessment reviews based on the EHS Road Map.
- Decision-making processes concerning critical issues, budget timing and targets.

Social

Hazard Identification and Risk Assessment

We work to eliminate hazards and risks throughout our operations by proactively identifying potential threats through Hazard Identification, Risk Assessment and Risk Control. This approach helps us to maintain a work environment that safeguards the health and well-being of our employees. Our comprehensive EHS Policy continues to cover the entire workforce, reinforcing our commitment to maintaining a safe working environment.

Occupational Health and Safety Performance

We encourage all employees to incorporate safety measures into their daily activities and promptly report any safety risks or near misses to our EHS teams through the Near Miss Reporting process. In the year under review, there have been no serious accidents or Lost Time Injuries to our employees and contractors.

Defensive Driving Course

We are committed to ensuring the well-being and safety of our employees who spend significant time on the road. To this end, we conduct defensive driving training, equipping employees to identify potential road hazards and make prudent decisions in emergencies.

In 2024, we conducted 42 defensive driving sessions, engaging 92 employees in interactive training. These sessions provided essential skills for safe vehicle operation and helped instill a culture of safety and responsibility. In addition to basic first aid, the training covered crucial vehicle safety checks and proactive actions to prevent accidents.

Moving forward, we will strive to continually enhance our safety practices to ensure that every employee returns home safely after work.

Recognition for Excellence in Occupational Safety and Health

In 2024, we were honoured to receive the highest accolade from the Malaysian Occupational Safety and Health Practitioners' Association (MOSHPA) for the 6th consecutive year — the Diamond Award at the 20th MOSHPA OSH Excellence Awards. Winning the Diamond Award, the highest recognition in our industry, highlights our dedication to workplace safety. It underscores our continuous efforts to uphold health and safety standards across our operations. This award is more than a milestone — it reaffirms our leadership in promoting a health and safety culture.





Communities, Social Impact and Well-being

2024 Highlights

Ten new
farm gardens
established with
an investment of
RM655,830

An estimated
88,966
beneficiaries
were supported
from 2022 to
31 December
2024

BAT Malaysia's Approach

Our approach to community investment is localised to address the specific needs of Malaysian communities. In 2022, we assessed these needs by conducting desktop research and engaging with our stakeholders to understand the issues faced by communities in Malaysia. This process helped develop a localised strategy and action plan to make a positive social impact.

Our flagship programme, Beyond Benih, focuses on enhancing food security in vulnerable communities. In alignment with the Ministry of Housing and Local Government's Urban Community Garden Policy, we developed a methodology aimed at helping communities establish farm gardens to meet their food needs. We converted this methodology into standard operating procedures, which act as guidelines for all parties involved in the programme.

In addition to this, we continue to provide donations to support members of vulnerable community members, reinforcing our commitment to making a tangible difference.

BAT Malaysia's Ambition

Aiming to support an estimated 250,000 beneficiaries by 2026 through the Beyond Benih programme.

BAT Malaysia's 2024 Performance

Beyond Benih: Enhancing Food Security in Vulnerable Communities

In 2022, we launched our flagship community investment programme, "Beyond Benih." This programme supports vulnerable B40 communities to establish and manage farm gardens to meet their food needs.



Beyond Benih is conducted in collaboration with the federal and state Departments of Agriculture (DOA), local authorities and the RAs of the beneficiary communities. It provides RAs with funding, resources, knowledge transfer and technical support via relevant experts such as the DOA and Federal Agricultural Marketing Authority (FAMA). We aim to help create independent, prosperous and environmentally conscious agricultural communities capable of achieving food self-sufficiency.

Social

A COLLABORATIVE APPROACH



The Department of Agriculture recognised BAT Malaysia’s community farm garden programme, “Beyond Benih”, as a strategic partner in its efforts to support food security for Malaysia.

Source: British American Tobacco uphold food security in Malaysia - March 1, 2024 – Business Times

» 12-MONTH FUNDING PROVIDED BY BAT Malaysia

- Provide funding across a 12-month period to set up and run the farm gardens. (No cash handouts).
- Ensure good governance through SOP.
- Continuously monitor progress and provide field support via the Service Provider.
- Facilitate connections between the stakeholders and RAs particularly to provide troubleshooting support when needed.

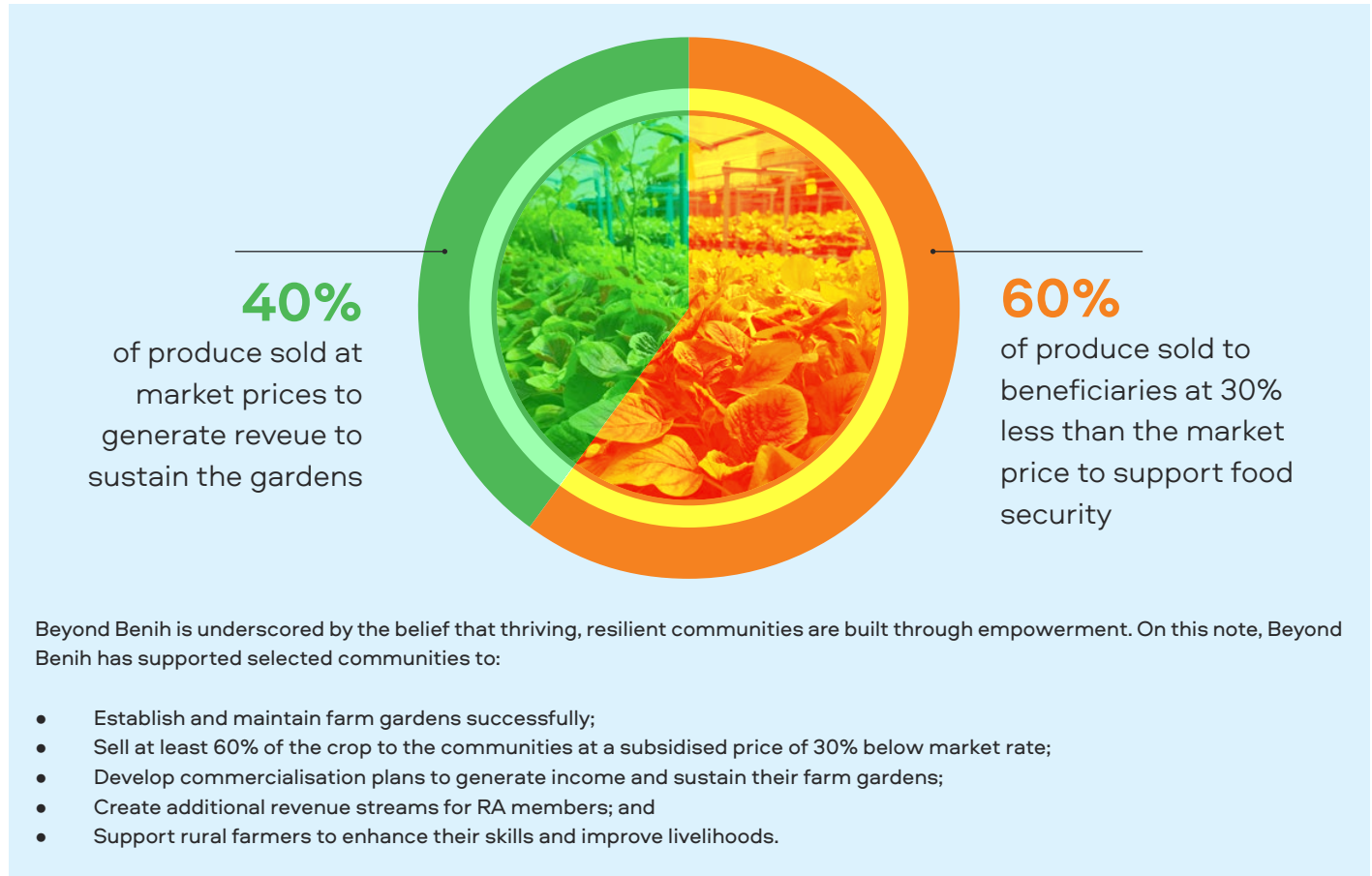
» TRAINING & TECHNICAL KNOWLEDGE BY DOA

- Work with BAT Malaysia to identify suitable communities and RAs to receive support.
- Recommend appropriate crops for farm gardens based on location and soil conditions.
- Recommend agriculture technologies and input resources to be used by the RAs. (BAT Malaysia's funding is based on these recommendations for each farm garden)
- Provide training and technical support to RAs.
- Assist the RAs in applying for MyGAP Certification.
- Monitor the progress and quality assurance.

» OPERATED BY RAs

- Establish farm gardens and infrastructure with guidance from the District DOA and BAT Malaysia.
- Manage the project in accordance with the SOPs.
- Keep documentation updated at every stage of the project stages.
- Ensure the long-term sustainability of the farm gardens.

PROGRAMME MODEL



CONTINUING TO INCREASE OUR REACH



The number of beneficiaries added to the programme each year can vary based on the low-income population in the community and the land area available for each farm garden, which is why we maintain a range in the expected beneficiaries.

Social

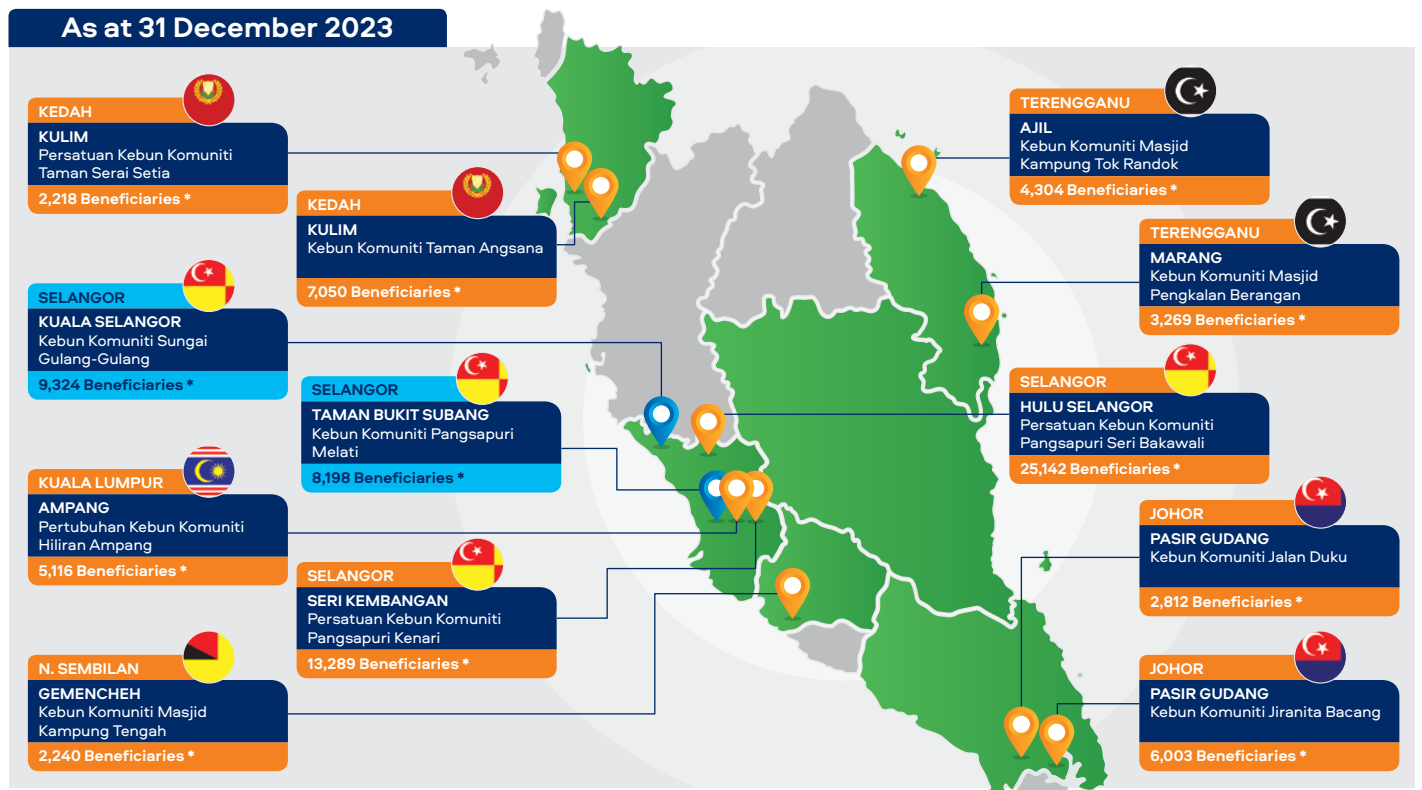
EXPANSION OF THE PROGRAMME

As at 31 December 2022

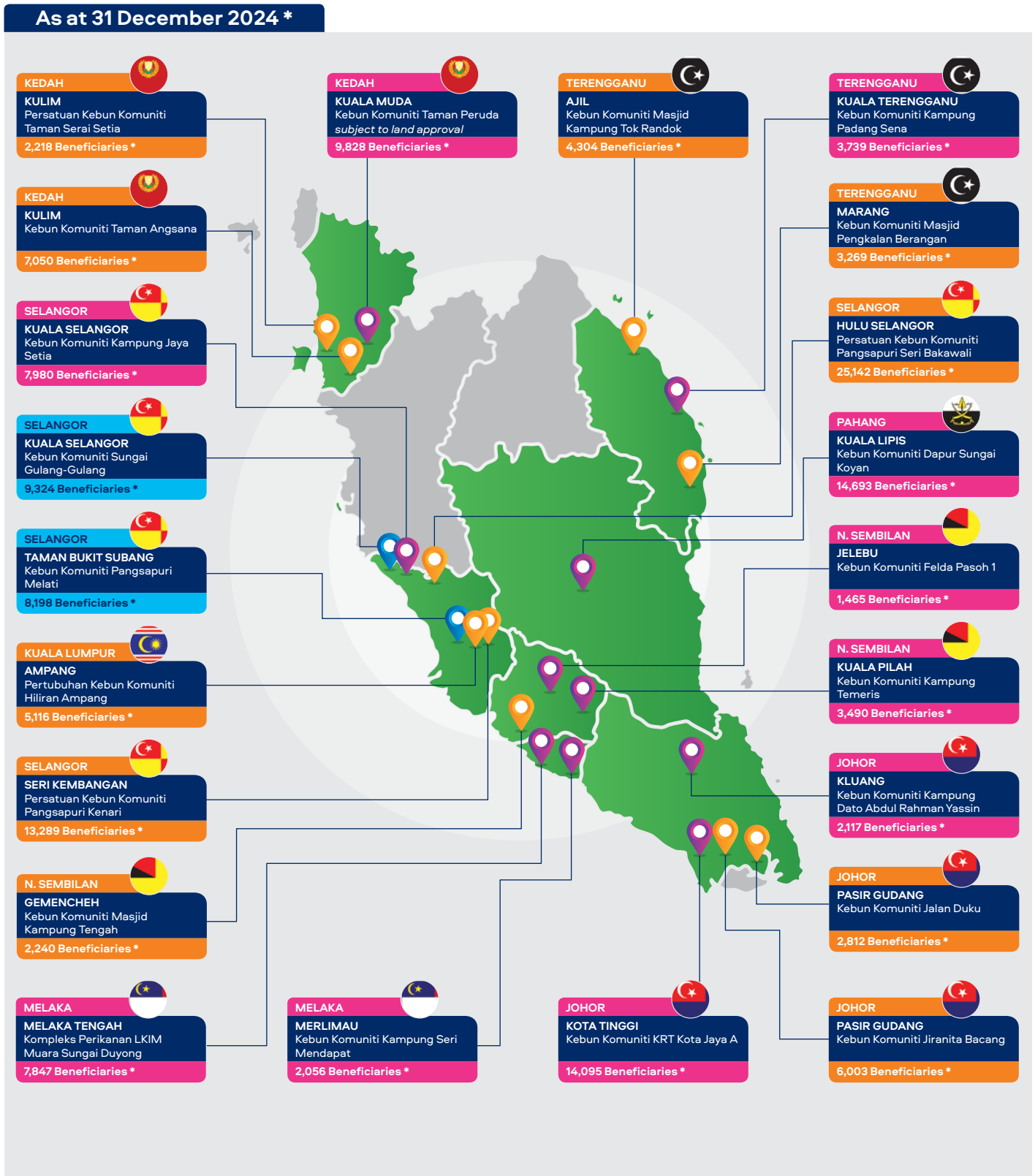


* Total estimated beneficiaries as provided by the RAs.

As at 31 December 2023



* Total estimated beneficiaries as provided by the RAs.



* Total estimated beneficiaries as provided by the RAs.

** The 10 gardens established in 2024 are still under development, and the beneficiaries will not be included until Q2 2025.

Social

OUR GARDENS AT A GLIMPSE

2022

Pangsapuri Melati, Taman Bukit Subang, Selangor



Sungai Gulang-Gulang, Kuala Selangor, Selangor



2023

Hiliran Ampang, Kuala Lumpur



Jiranita Bacang, Pasir Gudang, Johor



Jalan Duku, Pasir Gudang, Johor



Pangsapuri Kenari, Seri Kembangan, Selangor



Masjid Kampung Tengah, Gemencheh, Negeri Sembilan



Masjid Kampung Tok Randok, Ajil, Terengganu



Masjid Pengkalan Berangan, Marang, Terengganu



Seri Bakawali, Hulu Selangor, Selangor



Taman Angsana, Kulim, Kedah



Taman Serai Setia, Kulim, Kedah



2024

Sungai Koyan, Kuala Lipis, Pahang



Felda Pasoh 1, Jelebu, Negeri Sembilan



Kampung Dato Abdul Rahman Yassin, Kluang, Johor



Kampung Temeris, Kuala Pilah, Negeri Sembilan



Kota Jaya A, Kota Tinggi, Johor



LKIM Muara Sungai Duyong, Melaka Tengah, Melaka



Kampung Padang Sena, Kuala Terengganu, Terengganu



Kampung Seri Mendapat, Merlimau, Melaka



Kampung Jaya Setia, Kuala Selangor, Selangor



Social

No	Year	List of Beyond Benih Farm Gardens	Estimated Total Households (Declared by RAs)	Estimated Total Population	Estimated Total B40 Households (Declared by RAs)	Estimated Beneficiaries ¹³ (Census 3.8 pax per household)
1	2022	Kebun Komuniti Pangsapuri Melati, Taman Bukit Subang, Selangor	3,082	11,712	2,157	8,198
2	2022	Kebun Komuniti Sungai Gulang-Gulang, Tanjung Karang, Selangor	3,775	14,345	2,454	9,324
3	2023	Kebun Komuniti Jiranta Bacang, Pasir Gudang, Johor	2,633	10,005	1,580	6,003
4	2023	Kebun Komuniti Jalan Duku, Pasir Gudang, Johor	925	3,515	740	2,812
5	2023	Kebun Komuniti Masjid Kampung Tengah, Gemencheh, Negeri Sembilan	1,371	5,210	590	2,240
6	2023	Kebun Komuniti Pangsapuri Kenari, Seri Kembangan, Selangor	5,380	20,444	3,497	13,289
7	2023	Kebun Komuniti Pangsapuri Seri Bakawali, Hulu Selangor, Selangor	9,452	35,918	6,616	25,142
8	2023	Kebun Komuniti Hiliran Ampang, Kuala Lumpur	1,683	6,395	1,346	5,116
9	2023	Kebun Komuniti Taman Angsana, Kulim, Kedah	2,319	8,812	1,855	7,050
10	2023	Kebun Komuniti Serai Setia, Kulim, Kedah	834	3,169	584	2,218
11	2023	Kebun Komuniti Masjid Tok Randok, Ajil, Terengganu	1,510	5,738	1,133	4,304
12	2023	Kebun Komuniti Masjid Pengkalan Berangan, Marang, Terengganu	1,012	3,846	860	3,269
TOTAL			33,976	129,109	23,412	88,965

¹³ The Estimated Total Beneficiaries reported here cover only the twelve farm gardens established between 2022 – 2023. This is calculated based on the Number of B40 Households declared by the Residents' Associations multiplied by 3.8 (average number of individuals per Malaysian household according to the Department of Census and Statistics).

PROGRAMME DESIGN

We developed a step-by-step SOP to guide the establishment of each farm garden. Published as a booklet, the SOP is distributed to each RA upon their registration to the programme. Each project progresses through three distinct phases from inception until graduation.



Social

ENSURING THE SUSTAINABILITY OF BEYOND BENIH FARM GARDENS

We have implemented several measures to help ensure the continued sustainability of the farm gardens after the funding period concludes.

Commercialisation: RAs are encouraged to cultivate at least one commercial crop to be sold at market prices, with the generated revenue reinvested to support the maintenance and operation of the farm gardens. Occasionally, the DOA facilitates introductions between the RAs and third parties interested in purchasing their entire commercial crop for local consumption or export. FAMA provides training in basic marketing techniques, empowering RA members to run their own small businesses.

MyGAP Certification: BAT Malaysia helps RAs to apply for MyGAP certification during the first year. Once achieved, this certification can help RAs explore export opportunities for their commercial crops.



“The Beyond Benih programme truly has been a transformative experience for us. We have been introduced to various new and innovative farming methods that have upskilled us, improved our livelihood and strengthened bonds within our community. On behalf of the RAs, we are truly blessed and thankful to BAT Malaysia for the opportunity given throughout our involvement in this programme.”

Encik Ayub Fakhri bin Daim-RA- Kebun Komuniti Kampung Sungai Gulang-Gulang

HOW THE PROGRAMME BENEFITS MALAYSIA

In 2024, we conducted a survey to assess the impact of the Beyond Benih programme since its inception in 2022. Over 4,000 questionnaires were sent to residents in the communities where the farm gardens had been established. Recipients include both RA members and members of the community. We received over 1,800 responses, offering valuable insights into how Beyond Benih benefits communities and highlighting improvement areas.

Feedback from RA Members

The survey covered 12 RAs actively managing farm gardens under Beyond Benih. 10 new farm gardens, registered in October 2024, were still setting up infrastructure and not fully operational as of 31 December 2024. Thus, the data presented below reflects only the 12 fully operational farm gardens. The survey targeting RA members received over 100 responses.

91% of RA members participated in the programme on a part-time basis to earn additional income source.

- The Beyond Benih programme model allows participants to supplement their earnings without requiring full-time commitment.

52% out of the 329 RA members involved in Beyond Benih Farm Gardens are women.

Majority of women in RAs reported a 20% or more increase in income by participating in the programme.



“BAT Malaysia has taken bold steps to guide farm gardens so that these gardens can produce sufficient yields.

Considering the unpredictable weather in Malaysia, I request Beyond Benih programme to prioritise the construction of greenhouses in order to be more efficient.”

En Mohd Tarmizi Bin Hj Anuar Head of RA, Pangsapuri Melati 19-20, Bukit Subang, Selangor

Social

Feedback from Beneficiaries



“I applaud BAT Malaysia’s initiative to introduce the Beyond Benih farm garden within my area. This farm garden not only provides food security, but also offers prices at below market prices. This has reduced my dependency to purchase vegetables from the market. The produce from the Beyond Benih farm garden is fresh and high quality and I feel that this garden has the potential to flourish and become an active community hub for the surrounding residents.”

Pn. Khirosni binti Misbah, Jalan Canggung, Taman Pasir Putih for Kebun Komuniti Jalan Bacang, Pasir Gudang Johor

74% of beneficiaries reported purchasing from the farm garden.

40% of the beneficiaries reported purchasing from the gardens on weekly basis, showing demand for the crops grown in Beyond Benih farm gardens.

Key Learning: RAs need to maintain consistent high yields from the farm gardens to ensure they can meet the community's demand.

99.4% of beneficiaries agreed that farm garden produce is cheaper than market prices.

99.9% of beneficiaries praised the quality and availability of the produce, highlighting the Beyond Benih farm gardens have successfully provided affordable, high-quality vegetables.

83% also reported that the programme effectively addresses food security in their respective communities.

Key Learning: Further improvements such as offering more variety of vegetable and ensuring consistent high yields year-round are required to enhance the programme's impact further.

The feedback from the survey highlighted the importance of community outreach programmes and offered valuable insights for enhancing Beyond Benih to make it even more inclusive. Based on the insights we are collaborating with our programme partners to refine the SOP and develop sustainable solutions to address challenges identified. Key actions to be taken include:

» Boost Beneficiary Registrations:

- o BAT Malaysia will work with RAs and be directly involved through its service provider to ensure beneficiary registrations are conducted in an effective manner.
- o Constant progress reviews will be carried out to ensure RAs are actively registering more members and including newer members of the community.
- o Consistent communication plan will be implemented to raise awareness and promote farm gardens, encouraging greater participation.

» Boost Productivity:

- o All newly established farm gardens launched from 2024 onwards will start with a minimum 1,000 polybags (referring to saplings/seedlings which are supplied in polybags) to generate sufficient yields from the farm gardens.
- o BAT Malaysia will work closely with the DOA to review farm garden productivity and implement effective solutions to increase yield and variety.

» Access to Troubleshooting Resources:

- o Work together with District DOAs to explore and introduce low-maintenance technologies that reduce the need for intensive supervision.
- o Leverage on extension agents appointed by DOA to enhance technical support RAs.
- o Ensure easy access to troubleshooting materials, such as ready handouts, to address issues quickly.

» Building the RA Network:

- o Arrange visits between RAs to enhance information and experience sharing.

» Market Activation:

- o Host frequent FAMA farmer markets at farm gardens to boost sales and visibility.



Governance



Responsibility and integrity are fundamental to how we run our business operations. Corporate governance is key to ensuring sustainable, long-term growth of our business in Malaysia.

Ethics and Integrity



**2024
Highlights**

100%
Reported
SoBC cases
investigated

100%
Employees
completed
SoBC training
and compliance
sign-off

BAT Malaysia's Approach

We seek to ensure good corporate conduct by integrating ethics and integrity throughout our operations. Our standards extend to all employees, suppliers, and business partners and we are committed to never sacrificing these principles to deliver business results.

We have implemented a comprehensive suite of policies and standards supported by ongoing awareness and training programmes for our employees, contractors and business partners. Our expectations are clearly outlined in the BAT Group's SoBC and the SCoC which has been localised by BAT Malaysia. These are further enhanced by procedures and tools introduced to identify and mitigate risks continuously. Moreover, our employees are always encouraged to speak up in case of any breach or suspected violation.

'Ethics and Integrity' remains a principal material topic for BAT Malaysia and this section of the report discusses our performance during the reporting year.

BAT Malaysia's Targets

SoBC training and compliance sign-off procedures are completed by 100% of employees annually.

100% of reported SoBC cases are investigated.

BAT Malaysia's 2024 Performance

Compliance

Adherence to all applicable laws and regulations, as well as internal policies, standards and guidelines, forms the foundation of our operation in Malaysia. We have adopted BAT Group's policies and standards and established procedures to ensure that all our employees, contractors, and business partners are aware of them and comply accordingly.

Our employees are required to undergo online SoBC training annually, followed by a sign-off to acknowledge their compliance. In addition, we follow a risk-based approach to due diligence for our contractors and business partners through the Coupa Risk Assess (CRA) online system. We also require our third party affiliates to undergo assessments via 'Know-Your-Customer' (KYC) and 'Know-Your-Supplier' (KYS) policies.

Speak Up

Our 'Speak-Up' channels enable employees and third parties working with us to anonymously raise any concerns of non-compliance with the SoBC, without fear of reprisal. These channels are easily accessible via a designated hotline, an online portal, the mobile SoBC app, or through dedicated officers.

Compliance Training

We recognise the importance of ensuring that our employees are aware of and understand our policies and procedures regarding ethical behaviour. Regular refresher training sessions keep employees up to date with our policies. Additionally, regular communication through policy cascades and the SoBC app helps to embed ethical behaviour in our business practices.

In 2024, 100% of employees received SoBC training, while Supply Chain Compliance Procedure (SCCP) training was provided to employees in relevant roles.

Anti-Bribery and Corruption

Our third-party Anti-Financial Crimes Procedure promotes transparency and mitigates the risks of bribery and corruption, money laundering, terror financing, illicit trade, sanctions and tax evasion.

Governance

Responsible Marketing and Compliance

2024 Highlights

Adopted the BAT Group's updated International Marketing Principles, renamed **Responsible Marketing Principles (RMP)**

Worked closely with the government to reduce the illicit incidence to

55%
of the total illicit market in Malaysia

BAT Malaysia's Approach

To prioritise responsible marketing and transparent communication with our consumers, we adhere to all applicable laws, regulations and internal guidelines. Our responsible marketing approach is governed primarily by Malaysia's Act 852 and its regulations, as well as the BAT Group's RMPs.

We enforce stringent marketing standards and work closely with our employees, partners and customers to ensure effective implementation. Compliance with product regulations and clear, accurate labelling of products further support transparent and trustworthy product communication. We have established robust approval processes to uphold these standards and ensure that all communications are transparent.

Marketing freedoms with respect to our smokeless products are critical for our ability to deliver on Tobacco Harm Reduction. Through communication and raising awareness around reduced-risk[†] smokeless products, we can support the acceleration in reducing smoking rates and in turn, smoking-related diseases. We emphasize the need for clear and meaningful product information, while also focusing on preventing underage access.

Additionally, we actively support the government's efforts to fight the black market illicit trade, consistently advocating for stronger anti-smuggling measures, including tighter controls on cigarette imports and increased monitoring of suspicious activities. In line with the BAT Group's Anti-Illicit Trade Policy, which is outlined in the SoBC, we maintain rigorous supply chain controls and take appropriate action when there is a risk of product smuggling or diversion.

BAT Malaysia's Ambitions

Aiming for zero incidents of significant non-compliance with marketing regulations.

Full adherence to BAT Group's RMP guidelines.

Aiming for the reduction in total black market illicit incidence.

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Shus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

BAT Malaysia's 2024 Performance

Regulatory Compliance

We strictly adhere to all applicable laws and regulations in Malaysia. In 2024, there were no incidents of significant non-compliance.

Responsible Marketing

In addition to complying with Act 852 and its regulation, our marketing operations also follow the BAT Group's RMPs. The RMPs provide clear guidance on product marketing and labelling, and include strict requirements to be accurate, responsible and targeted at adult consumers only. The RMPs are applied even when they are stricter than local laws.

The RMPs are designed to ensure our products are marketed strictly to adult consumers and do not target or appeal to the underage. Our marketing must be responsible, accurate and not misleading. It is directed at adult consumers, transparent and fully compliant with all relevant laws.

Our vapour products were the first in Malaysia to comply with the Standard and Industrial Research Institute of Malaysia (SIRIM) certification requirements.

Preventing Underage Access

Given the nature of our business, we are deeply committed to marketing our products responsibly and exclusively to adults. This commitment reflects the expectations of the BAT Group and applies across all subsidiary companies. We have established stringent procedures and measures to ensure compliance.

We comply with Act 852, which prohibits the trade of tobacco products to anyone under 18. We reinforced awareness of the minimum age law through retailer engagement and providing UAP messaging at Point-of-Sale Marketing (POSM).

To ensure responsible product delivery, we require our retailers and traders to comply with UAP guidelines. This message is communicated through retailer communications and displayed clearly on the prescribed signage mandated by Act 852.

We have also worked closely with our retailers to ensure compliance with the new regulations for vapour products under local laws. We have made efforts to support our retailers in complying with applicable laws.

Maintaining a Level-Playing Field

We consistently urge the government to strengthen anti-smuggling measures by enforcing stricter controls on cigarette imports and increasing surveillance along the Malaysian coastline and entry points, including private jetties. We also support introducing a special rewards scheme by the government for enforcement agencies as we believe the scheme will drive sustained efforts to curb smuggling activities.

In 2024, the incidence of the tobacco black market in Malaysia reduced to 55%. We continue to call on the government to implement measures to combat the tobacco black market, recover lost taxation revenue and address risks associated with the black market.

Governance

Sustainability Governance



2024 Highlights

Initiated work to adopt **IFRS S2** (climate-related risks) reporting standard

Conducted our first-ever climate-workshop

BAT Malaysia's Approach

We continuously work to identify and manage sustainability risks and opportunities across our operations, relying on a well-established sustainability governance structure to achieve this.

Within this structure, the Board of Directors oversees our sustainability strategy, while the SC keeps the Board informed of updates and progress. The SC is also responsible for reviewing our strategy, goals and targets and monitoring our performance in achieving said goals and targets.

The Leadership Team drives strategic priorities with the support of BAT Malaysia's CSO. The CSO provides quarterly progress updates to both the Leadership Team and the SC. Furthermore, the SC Chairperson presents a quarterly progress report to the Board of Directors.

While our sustainability strategy aligns with BAT Group's overall framework, our priorities, goals, and targets are tailored to reflect the needs of our local stakeholders. We also leverage BAT Group's sustainability resources, including an online environmental reporting system that helps us track data and monitor performance.

BAT Malaysia's Ambitions

Effective management of sustainability governance to ensure compliance with Bursa Malaysia's MMLR.

BAT Malaysia's 2024 Performance

Our Sustainability Governance Structure



BOARD OF DIRECTORS

- Approves BAT Malaysia's sustainability strategy - oversees sustainability efforts, including operationalising BAT Malaysia's sustainability strategy and identifying and managing sustainability-related risks.
- Approves initiatives addressing issues such as climate change, talent management, integrity, corruption, business conduct standards and risk management.
- Approves the annual budget to implement sustainability strategies and action plans.



SUSTAINABILITY COMMITTEE

- Reviews the sustainability strategy, performance against goals and targets and the annual sustainability budgets.
- Assesses sustainability-related policies, resource allocation and other relevant issues.
- Assesses the execution of sustainability matters in alignment with the strategies approved by the Board.

**LEADERSHIP TEAM**

- Ensures effective implementation of Board-approved strategies and plans.
- Oversees our Community Investment programme.
- Reviews the annual functional budget and allocates resources to support sustainability plans for the financial year.
- Tracks progress on sustainability initiatives, activities, goals and targets.

**CHIEF SUSTAINABILITY OFFICER**

- Reviews sustainability initiatives within each function and ensures sufficient resources are available to achieve planned objectives.
- Monitors and reports the progress of sustainability initiatives, activities, goals and targets to the Leadership Team and SC.

Ratings and Recognitions

In 2024, we maintained our 4-star rating in the FTSE Russell Index which assesses how well companies manage ESG matters. We are proud to maintain our 4-Star rating in the index, which as per Bursa's definition represents companies with FTSE4Good ESG Rating of 3.7 or higher.

During the year, we also secured 1st place in the Industry Excellence category for Consumer Products and 6th place in the Overall Excellence category and Services at the MSWG - NACGSA 2024.







Our Governance

This section provides insights on how BAT Malaysia continues to uphold transparent and ethical business practices and an overview of BAT Malaysia Group's leadership, as well as the details of our governance and risk management practices.

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SEC. 06

Board of Directors

Sitting (from left to right):

1. NEDAL LOUAY SALEM

Executive Director/Managing Director

2. TAN SRI DATO' SERI DR. ASEH BIN HAJI CHE MAT

Independent Non-Executive Director/Chairman

Standing (from left to right):

1. ERIC OOI LIP AUN

Independent Non-Executive Director

2. NORLIZA BINTI KAMARUDDIN

Independent Non-Executive Director

3. ADRIAN LEE PENG YONG

Executive Director/Finance Director

4. DATUK CHRISTINE LEE OI KUAN

Non-Independent Non-Executive Director

5. DATO' CHAN CHOON NGAI

Senior Independent Non-Executive Director



TAN SRI DATO' SERI DR. ASEH BIN HAJI CHE MAT

PSM, SPSK, SSAP, SPTJ, SPDK, DPCM, DSAP, DIMP, KMN, AMN
Independent Non-Executive Director/Chairman

73

Male

Malaysian

Date Appointed to the Board: 1 January 2017

Number of Board Meetings Attended
in the Financial Year:



Membership of Board Committees:

Nil

Present Directorship(s):

Listed Entity:

- Parkson Holdings Berhad

Other Public Companies:

- Nil

» Additional Information:

Tan Sri Dato' Seri Dr. Aseh has no:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

Qualifications:

- Degree in Economics from the University of Malaya, Malaysia
- Masters in Public Administration from the University of Southern California, United States of America (USA)
- Certificate in International Financial Administration from the University of Southern California, USA
- PhD (Honorary) in International Relations from Limkokwing University of Creative Technology, Cyberjaya, Malaysia
- PhD (Honorary) in Management from Infrastructure University Kuala Lumpur, Malaysia
- PhD from the Swiss School of Management

Working Experience:

Tan Sri Dato' Seri Dr. Aseh is active in community service. He is the Trustee and Chairman of the Football Association of Malaysia, Chairman of Yayasan Pesara Kerajaan, President of Tiara Golf & Country Club, Melaka and Vice President of the Malaysian Golf Association. He is also the Chancellor of Infrastructure University Kuala Lumpur. He was active in the Administrative and Diplomatic Service and was its longest-serving President. Besides that, he was the Chairman of the University Council of Limkokwing University of Creative Technology (2008-2017), Stemlife Berhad (2008-2013) and MWE Holdings Berhad (2008-2018). He was also a board member of Lion Diversified Holdings Berhad (2007-2019).

Tan Sri Dato' Seri Dr. Aseh joined the Ministry of Finance, Malaysia in March 1974 and held various positions as Assistant Secretary, Secretary and Principal Assistant Secretary of the Education Services Commission in Kuala Lumpur, Sarawak and Sabah during his eight years with the Commission.

From 1984, he served in the Ministry of Home Affairs, Malaysia in various positions including Principal Assistant Secretary of the Security and Police Affairs Division, Undersecretary of the Security and Preventive Division and Management Division and Deputy Director General and Director General of the Department of Immigration, Malaysia.

In February 2001, Tan Sri Dato' Seri Dr. Aseh was appointed Secretary General of the Ministry of Home Affairs, Malaysia, a post he held until his retirement on 22 October 2007.

After retirement from the civil service, he held the positions of Chairman of Pos Malaysia from July 2008 to 2011, President of Putrajaya Corporation from August 2012 to July 2015 and Chairman of the Social Security Organisation (2017-2018). In September 2015, Tan Sri Dato' Seri Dr. Aseh was appointed Non-Executive Chairman of Fujitsu (Malaysia) Sdn Bhd. He was also appointed as an Independent Non-Executive Director of Parkson Holdings Berhad on 24 November 2022.

Board of Directors

DATO' CHAN CHOON NGAI

DSNS

Senior Independent Non-Executive Director

69

Male

Malaysian

Date Appointed to the Board: 1 February 2011

Number of Board Meetings Attended
in the Financial Year:

5/6



Membership of Board Committees:

- Nomination and Remuneration Committee (Chairman)
- Risk Management Committee
- Audit Committee

Present Directorship(s):

Listed Entity:

- Nil

Other Public Companies:

- Nil

Qualifications:

- Degree in Mechanical Engineering from the University of Birmingham, United Kingdom

Working Experience:

Dato' Chan was appointed to the Board of BAT Malaysia on 1 February 2011 after his retirement on 31 December 2010 as Operations Director of the Company. He was re-designated as Non-Independent Non-Executive Director of the Company on 1 January 2013 following the expiry of his contract of service on 31 December 2012. Subsequently, he was re-designated as Independent Non-Executive Director of the Company on 23 May 2016. He was re-designated as Senior Independent Non-Executive Director on 28 February 2021.

He was appointed as the Operations Director of BAT Malaysia in July 2000 and his portfolio expanded to include Business Development Services effective 15 November 2010.

Dato' Chan joined Rothmans of Pall Mall (Malaysia) Berhad (Rothmans Malaysia) in 1979, as a Production Management Trainee and held various positions in the production division including Production Executive Make and Pack (1980-1982), Personal Assistant to Rothmans International World Production Director, Rothmans International United Kingdom (1982-1984), Acting Factory Manager Rothmans Malaysia (1984-1986), Factory Manager Rothmans Malaysia (1986-1994) and Production Director (Designate) of Rothmans Malaysia (1994-1995). Dato' Chan was then appointed Production Director of the then Rothmans Malaysia in October 1995. He was a director of Tien Wah Press Holdings Berhad from May 1997 to June 2003.

» Additional Information:

Dato' Chan has no:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

ERIC OOI LIP AUN

Independent Non-Executive Director

67

Male

Malaysian

Date Appointed to the Board: 1 March 2019

Number of Board Meetings Attended
in the Financial Year:

6/6

**Membership of Board Committees:**

- Risk Management Committee (Chairman)
- Audit Committee (Chairman)

Present Directorship(s):

Listed Entity:

- Carlsberg Brewery Malaysia Berhad

Other Public Companies:

- Nil

Qualifications:

- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Working Experience:

Eric was a Partner at PricewaterhouseCoopers (PwC), Malaysia until his retirement in June 2015 after 38 years of service. He joined the firm of Price Waterhouse (PW) (now known as PwC) in 1977, qualified as a Certified Public Accountant in 1981 and was admitted to the partnership of PwC in Malaysia in 1991.

In 2012, Eric assumed the responsibility of leading the middle market practices of the Asia-Pacific cluster of PwC firms, focused on working with entrepreneurs and high-net-worth individuals and families.

From 2002 until 2008, Eric was the Assurance leader for PwC's regional grouping in Asia and was a member of PwC's Global Assurance leadership team.

In 1996, he assumed management and leadership positions for different parts of PW/PwC within Malaysia, across Asia and globally. He was PW Malaysia's leader for Audit and Business Advisory Services and continued in the role following the merger between PW and Coopers & Lybrand to form PwC in 1998, a position he held until 2008.

He served as an Independent Non-Executive Director of Genting Berhad from March 2019 to February 2025.

» Additional Information:

Eric has no:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

Board of Directors

NORLIZA BINTI KAMARUDDIN

ADJUNCT PROFESSOR

Independent Non-Executive Director

60

Female

Malaysian

Date Appointed to the Board: 30 April 2021

Number of Board Meetings Attended
in the Financial Year:



Membership of Board Committees:

- Sustainability Committee (Chairwoman)
- Nomination and Remuneration Committee
- Audit Committee

Present Directorship(s):

Listed Entity:

- Kumpulan Perangsang Selangor Berhad
- Sedania Innovator Berhad

Other Public Companies:

- Nil

Qualifications:

- Industry Adjunct Professor Multimedia University, Malaysia
- Senior Certified Professional Coach (SCPC/CPC/EMCC), Coach Transformation Academy, Dubai, United Arab Emirates (UAE)
- Professional Certificate in Corporate Public Affairs from The Center of Corporate Public Affairs, Melbourne Business School, Australia
- Bachelor in Arts and Design from Universiti Teknologi MARA, Malaysia

Working Experience:

Norliza binti Kamaruddin is a senior communications specialist with more than 30 years of experience in Malaysia and other international markets. She specialises in multiple sectors including energy, finance, banking, aviation, telecommunications and hospitality. Norliza has helped organisations within ASEAN, the Middle East and the Americas to develop and execute communication strategies. She is recognised as one of Malaysia's leading communication strategists with a deep understanding of the geopolitical landscape and a track record in developing sophisticated reputation campaigns for major companies. She is the only Malaysian to have been recognised in the world's three most prestigious public relations (PR) and marketing awards. She was also named one of the 'Top 500 Most Influential PR Professionals in PR Week Power Book 2014 and 2015' by the global PR Week magazine. She was awarded 'Internationalist of the Year 2014' by The Internationalist, New York.

Previously, Norliza was the Managing Director in the Strategic Communications practice of FTI Consulting, Inc based in Kuala Lumpur, Malaysia. Prior to that, she was the Global Head of Strategic Communications for PETRONAS. She also served as the Country Head of Corporate Affairs at Standard Chartered Bank.

» Additional Information:

Norliza has no:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

DATUK CHRISTINE LEE OI KUAN

DPSM

Non-Independent Non-Executive Director

66

Female

Malaysian

Date Appointed to the Board: 1 March 2012

Number of Board Meetings Attended
in the Financial Year:

6/6

**Membership of Board Committees:**

- Sustainability Committee

Present Directorship(s):

Listed Entity:

- Carlsberg Brewery Malaysia Berhad

Other Public Companies:

- Nil

Qualifications:

- Degree in Law from the University of Malaya, Malaysia

Working Experience:

Datuk Christine was the Legal and External Affairs Director of BAT Malaysia from September 2006 until her retirement on 31 December 2018. She was responsible for the corporate and regulatory affairs and legal matters of BAT Malaysia. She was re-designated as Non-Independent Non-Executive Director of BAT Malaysia on 1 January 2019 after her retirement.

Datuk Christine started out as the Head of Legal and Company Secretary at BAT Malaysia in 2001. She was appointed to the Top Team, now known as the Leadership Team of BAT Malaysia, in 2006.

Prior to joining BAT Malaysia, Datuk Christine was the Head of Legal and Company Secretary of two public listed companies, Hong Leong Industries Berhad and Malaysian Pacific Industries Berhad.

She was with the Attorney General's Chambers of Malaysia from 1983, serving in the Prosecution and Advisory and International Law divisions.

» Additional Information:**Datuk Christine has no:**

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

Board of Directors

NEDAL LOUAY SALEM

Executive Director/Managing Director

55

Male

American

Date Appointed to the Board: 1 September 2021

Number of Board Meetings Attended
in the Financial Year:

6/6



Membership of Board Committees:

- Sustainability Committee

Present Directorship(s):

Listed Entity:

- Nil

Other Public Companies:

- British American Tobacco Malaysia Foundation

Qualifications:

- Bachelor of Arts (BA) in International Business from George Washington University, USA

Working Experience:

Prior to his appointment, Nedal Salem was the Managing Director and Chief Executive Officer of Ceylon Tobacco Company PLC (CTC), Sri Lanka since 2019. During Nedal's tenure, CTC achieved significant milestones in its corporate governance framework, talent strategy and sustainability agenda, with a specific focus on becoming the first seed-to-smoke end-market to achieve carbon neutrality within BAT Group.

He has more than 20 years of international experience in British American Tobacco p.l.c. Group, spanning nine markets in three continents. He has created a legacy of building strong and driven teams, growing globally-driven brands and successfully delivering results.

He was the Head of Brands Marketing in Bentoel Indonesia (2017-2019) and the Director of Brands Marketing, Korea (2011-2015). Nedal started his career in British American Tobacco Middle East in 1998.

» Additional Information:

Nedal has no:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

Board of Directors

ADRIAN LEE PENG YONG

Executive Director/Finance Director

45

Male

Singaporean

Date Appointed to the Board: 1 November 2024

Number of Board Meetings Attended
in the Financial Year:**Membership of Board Committees:**

- Risk Management Committee

Present Directorship(s):

Listed Entity:

- Nil

Other Public Companies:

- Nil

Qualifications:

- Bachelor of Business Management, Double Major in Marketing/ Finance, Singapore Management University (SMU)

Working Experience:

Adrian has been a finance specialist for more than 18 years, during which time he has worked solely in global FMCG MNCs, covering a variety of roles encompassing financial planning and delivery, commercial business partnering, supply chain analytics, cost management, controls & risk management and financial accounting, amongst others.

Prior to his appointment, Adrian was the Regional Head of Operations Finance for BAT Group, looking after the Asia Pacific, Middle East & Africa region (2019 to 2024), and was a valued member of the global operations finance, regional finance and operations leadership teams. In this role, he was at the forefront of driving the operations productivity agenda for the region, driving synergies and cross-functional collaboration to deliver over £100m in savings year-on-year. Adrian also played a pivotal role in footprint/network design, pursuing an asset light strategy to unlock value and deliver significant benefits to the Group.

He has more than twelve years (12) of international experience in BAT Group, starting out in Hong Kong in 2012 and spanning multiple roles in commercial, operations and corporate finance, where he has excelled in the on-target delivery of various strategic initiatives. As a finance professional, Adrian thrives on leveraging his functional expertise and commercial acumen to drive the Group's agenda and is committed to corporate governance and sustainable business practices.

» Additional Information:

Adrian has no:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

Leadership Team



Wong Hoi Wun Ann
Supply Chain Director

Anthony Lea Clayton
Commercial Marketing Director

Adrian Lee Peng Yong
Finance Director

Nedal Louay Salem
Managing Director

Jacqueline Ko Man Ting
Legal Director

Fairuz Helmi
Corporate and Regulatory Affairs Director

Adrita Datta
Human Resources Director

Leadership Team

**NEDAL LOUAY SALEM**

1

Managing Director

55

Male

American

Date Appointed to the Leadership Team:

13 October 2021

For details of Nedal's profile, please refer to page 108 of this Annual Report.

**ADRIAN LEE PENG YONG**

2

Finance Director

45

Male

Singaporean

Date Appointed to the Leadership Team:

1 November 2024

For details of Adrian's profile, please refer to page 109 of this Annual Report.

**FAIRUZ HELMI**

3

Corporate and Regulatory Affairs Director

52

Male

Malaysian

Date Appointed to the Leadership Team:

1 April 2022

Qualifications:

- Degree in Law from the University of Wales, Aberystwyth, United Kingdom

Directorship in Public Companies and Listed Issuers:

- Nil

Working Experience:

- Fairuz was appointed the External Affairs Director of BAT Malaysia on 1 April 2022.
- Fairuz joined BAT Malaysia in 2006 and has since held various roles in the Company.
- Prior to joining BAT Malaysia, Fairuz was the Head of Department in the Market Policy & Development Division of Securities Commission Malaysia.
- Fairuz is an experienced government and public affairs professional, specialising in strategic government and stakeholder in the regulatory and public policy advocacy.
- Fairuz has been a member of the National Kenaf and Tobacco Board since November 2020.

» Additional Information:**None of the Leadership Team has:**

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business, with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.
- direct/indirect shareholdings in BAT Malaysia.

Leadership Team



WONG HOI WUN ANN

4

Supply Chain Director

42

Female

Hong Konger

Date Appointed to the Leadership Team:

1 January 2025

Qualifications:

- Bachelor of Business Administration, Chinese University of Hong Kong
- Master of Arts, Chinese University of Hong Kong

Directorship in Public Companies and Listed Issuers:

Nil

Working Experience:

- Ann was appointed as the Supply Chain Director of BAT Malaysia on 1 January 2025.
- Prior to this appointment, she was the Supply Chain Manager of BAT Malaysia.
- She joined BAT Group in 2008 and has worked across several markets: Hong Kong, United Kingdom and Malaysia.
- During her tenure at BAT Group, she has held various marketing roles. During this time, she has been instrumental in driving excellence and delivering sustainable results through programme and project management across various markets.



ADRITA DATTA

5

Human Resources Director

41

Female

Bangladeshi

Date Appointed to the Leadership Team:

1 September 2022

Qualifications:

- Master of Business Administration in HRM, Symbiosis Institute of Business Management, Pune, India
- Bachelor of Computer Science, University of Pune, India

Directorship in Public Companies and Listed Issuers:

- Nil

Working Experience:

- Adrita has over 15 years of experience across different dimensions of HR as well as commercial functions in a multinational and multicultural environment.
- She joined BAT Bangladesh in 2010 and has since held various senior leadership roles within the BAT Group in several countries like Bangladesh, Japan and Sri Lanka.
- Prior to her current role, she took a bold step and ventured out to lead the largest Trade Marketing region of Bangladesh to deliver commercial growth, amid the adversities of a global pandemic.
- Adrita has a strong track record of championing D&I in the workplace and beyond. She is also passionate about building future-fit capabilities and championing an empowered culture in the organisation.
- Adrita was recognised as a Progressive Women Leader in 2017 by a reputable local authority in Bangladesh.

» Additional Information:

None of the Leadership Team has:

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business, with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.
- direct/indirect shareholdings in BAT Malaysia.

Leadership Team

**ANTHONEY LEA CLAYTON**

6

Commercial Marketing Director

44

Male

British

Date Appointed to the Leadership Team:

15 August 2024

Qualifications:

- Bachelor of Business Management, University of Wolverhampton

Directorship in Public Companies and Listed Issuers:

- Nil

Working Experience:

- Anthony was appointed as the Commercial Marketing Director of BAT Malaysia on 15 August 2024.
- Prior to this appointment, he was the Global Head of Customer for Global Travel Retail.
- With extensive experience in sales and business management within the FMCG sector, he has held pivotal roles at companies such as Kellogg's, GSK and PepsiCo.

**JACQUELINE KO MAN TING**

7

Legal Director

41

Female

New Zealander

Date Appointed to the Leadership Team:

25 February 2024

Qualifications:

- Postgraduate Certificate in Laws, University of Hong Kong, Hong Kong SAR
- Professional Legal Studies, College of Law, New Zealand
- Bachelor of Laws & Bachelor of Commerce, University of Auckland, New Zealand

Directorship in Public Companies and Listed Issuers:

- Nil

Working Experience:

- Jacqueline was appointed as the Legal Director on 25 February 2024.
- Prior to her current role, she was the Senior Legal Counsel for the Global Travel Retail business, with additional coverage of New Zealand, the Philippines, Hong Kong SAR and the joint venture CTBAT's businesses based out of Hong Kong SAR during the three years since she joined BAT group in 2020.
- She was the Legal Counsel for Alibaba Group's International Dispute Resolution team between 2015 to 2020.
- Before taking on corporate in-house roles, Jacqueline was practicing in private law firms with a focus on Dispute Resolution and Intellectual Property between 2008 to 2015.
- Jacqueline has also taken up a commercial role as the Director of Business Development of an online beauty discovery platform start-up between 2011 to 2012.
- She is also an alumni of KPMG New Zealand.

» Additional Information:**None of the Leadership Team has:**

- family relationships with any Directors and/or major shareholders of BAT Malaysia.
- conflict of interest or potential conflict of interest, including interest in any competing business, with BAT Malaysia.
- convictions for offences within the past five years or any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.
- direct/indirect shareholdings in BAT Malaysia.

Corporate Governance Overview Statement



On behalf of the Board, I am pleased to present our Corporate Governance Overview Statement for 2024. The Board remains steadfast in its commitment to maintaining effective corporate governance and integrity, enabling us to deliver our strategy for the long-term benefit of all our stakeholders.

GOVERNANCE, CULTURE AND GOALS

Guided by our purpose to build A Better Tomorrow™, well-informed decisions are consistently made at every level of the Company. BAT Malaysia takes great pride in its strong and well-established culture, which is firmly underpinned by our core principles and values and significantly shapes the way we work. Our resilience and performance following the pandemic can be attributed to our robust business model and dedicated team, who uphold our high ethical standards and focus on doing the right thing. This commitment drives our sustainable growth and the outcomes we desire.

We continue to ensure that good governance is present at all levels and all functions of the Company. Reliable Group-wide systems are in place to monitor every aspect of governance, with the Board and its Committees regularly reviewing information about our health and safety culture and approach to assessing and monitoring risks.

SUSTAINABILITY

As set out on pages 46 to 99 in this report, we made significant strides towards achieving our sustainability goals in 2024, with valuable support and oversights from our SC. You can read more about the Committee's activities at page 126 and review the SC's TOR under the Corporate Governance section on our website, www.batmalaysia.com. The SC has successfully enhanced the Board's focus on the environmental and employee engagement-related social elements of sustainability. Other Board Committees that have contributed to this agenda include the Nomination and Remuneration Committee (NRC), with its focus on the D&I-related social element and the Audit Committee (AC), with its focus on the governance element.

Our solid governance structures and well-established procedures gave the Board and its Committees the flexibility to operate in an increasingly uncertain environment. We maintained our engagement with shareholders through

the AGM, which was held virtually once again. The meeting was live-streamed, with the opportunity for shareholders to pose questions before and during the meeting, which was very much valued by the Board.

In conclusion, I wish to express my gratitude to my fellow Board members, the Leadership Team and our colleagues in the wider workforce who contributed their services during the year for BAT Malaysia Group. My profound appreciation also goes to our valued business partners who worked with and supported us in our drive towards a sustainable business. As we go through 2025, the Board will continue to work with the Leadership Team and our people to deliver on our strategic initiatives to ensure the well-being of our colleagues and build a successful and sustainable business for all stakeholders.

Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat
(Chairman)

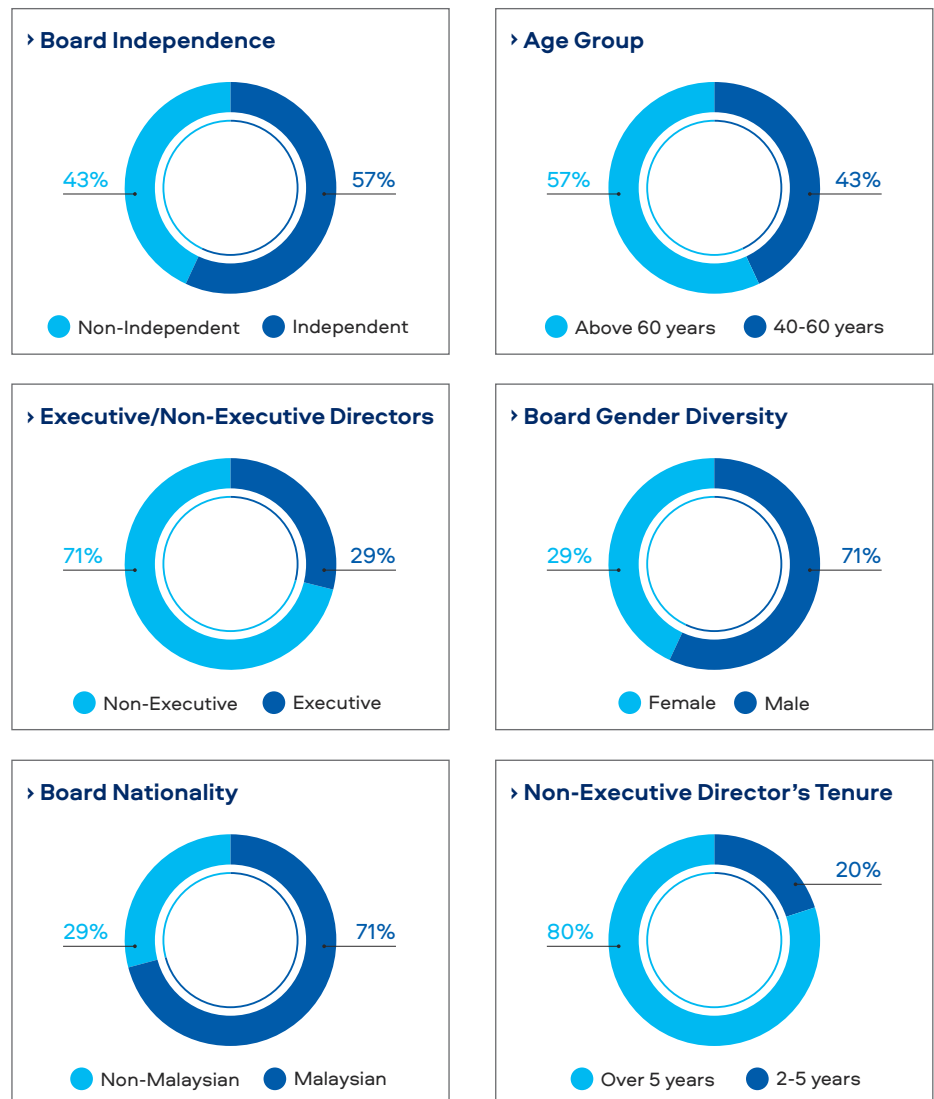
Corporate Governance Overview Statement

STATEMENT OF COMPLIANCE

BAT Malaysia continues to demonstrate a strong commitment to corporate governance, successfully implementing and adhering to 39 of the 43 Practices prescribed in the MCCG 2021. Furthermore, in our ongoing drive to exceed regulatory expectations and maintain good governance standards, we have adopted four out of the five optional Step-Up Practices. These practices allow BAT Malaysia to go above and beyond existing regulatory requirements, strengthening our organisational governance. The Corporate Governance Report, which details the application or departure of each MCCG 2021 Practice, can be viewed on our website, www.batmalaysia.com.

This commitment to continually improve our compliance practices underscores our dedication to operating with unwavering integrity, confirming BAT Malaysia as a trusted and responsible leader in the industry.

GOVERNANCE AT A GLANCE AS AT 31 DECEMBER 2024



MSWG - NACGSA 2024

2 categories won by the Company:



1st place
in the Industry Excellence Award - Consumer Products and Services



6th place
in the Overall Excellence Award




Corporate Governance Overview Statement

PRINCIPLE **A** — Board Leadership and Effectiveness

BOARD LEADERSHIP

BAT Malaysia Group is led by an effective and entrepreneurial Board that promotes the long-term, sustainable success of BAT Malaysia Group, generating value for shareholders whilst contributing to the broader community. The Board assumes ultimate responsibility for BAT Malaysia Group's overall leadership, overseeing the development and delivery of clear strategies for BAT Malaysia Group.

As of the date of this report, the Board comprises seven Directors: the Chairman, two Executive Directors, three Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Non-Executive Directors have a broad range of business, financial and international skills and experience, contributing to a balanced and diverse Board.

 Details about the Directors' biographies can be found on pages 103 to 109.

The Board's Charter and size allows time for constructive debate on key elements of BAT Malaysia Group's performance and strategic initiatives. It also allows for challenges to these elements and ensures that all Directors' views are heard. The Board monitors operational and financial performance against agreed-upon goals and objectives and ensures the existence of appropriate controls and systems for risk management. Additionally, it ensures the provision of financial resources and a workforce with the necessary skills to deliver the Company's strategic goals.

The Board maintains a formal schedule of matters reserved for its approval. These matters include approving BAT Malaysia Group's strategy and budget,

material corporate and related party transactions and the authorisation of capital expenditure above delegated authority limits. This also includes matters relating to risk management, dividends, appointing new directors and significant communication to shareholders.

The Board discharges some of its responsibilities directly and others through its Committees. Execution of approved strategies and day-to-day management of the Company's business is delegated to the Leadership Team, with the Board retaining responsibility for overseeing, guiding and holding Management to account. The diagram on page 117 describes BAT Malaysia Group's governance framework and provides an overview of the key Committees of the Board.

Division of Responsibility

The roles of the Chairman and the Managing Director are separated with clear written guidelines on the division of responsibilities.

Board Meetings

The Board meets on a regular basis, with a minimum of four (4) scheduled meetings in a financial year or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance by the last quarter of the preceding financial year to enable the Directors to plan ahead. In addition to the scheduled meetings, special meetings may be convened as and when required. The summary of Board and Board Committee meetings attendance for 2024 can be found on page 118.

The Constitution of BAT Malaysia and the Board Charter set out the conduct of the Board meetings, including quorum. In accordance to Clause 134 of the Constitution of BAT Malaysia, the quorum necessary for the transaction of the business of Directors shall be a majority of Directors.

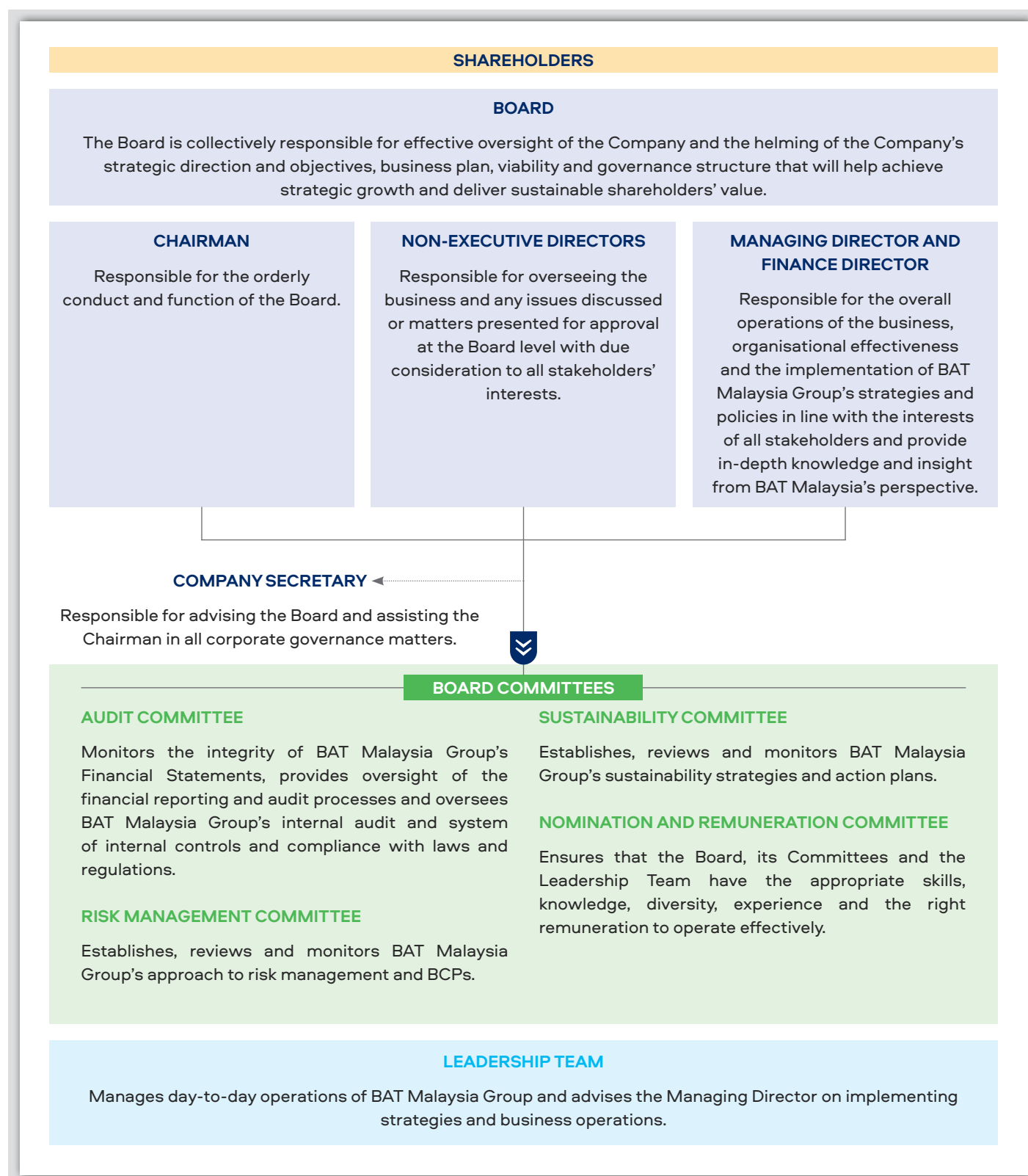
Board Diversity and Experience

BAT Malaysia Group is committed to fostering a diverse Board comprising Directors from various backgrounds with relevant experience, perspectives, skills and knowledge. We believe that diversity, including gender diversity, among Directors and employees contributes to a high-performing and effective Board and business, thus promoting BAT Malaysia Group's ongoing success. We strive to maintain this optimal balance using a meritocratic appointment process.

Conflicts of Interest

A well-established process is in place whereby the Board, through the AC, regularly reviews and monitors conflicts of interest or potential conflicts of interest, including interests in any competing businesses. Directors holding significant commitments outside of BAT Malaysia Group are required to disclose them prior to appointment and on an ongoing basis whenever changes occur. Actual and potential conflicts of interest are documented in a register, which is maintained by the Company Secretary and reviewed annually.

Corporate Governance Overview Statement



Corporate Governance Overview Statement

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR 2024

Board of Directors	Total Meetings Attended
Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat Independent Non-Executive Director/Chairman	6/6 100%
Nedal Louay Salem Executive Director/Managing Director	10/10 100%
Dato' Chan Choon Ngai Senior Independent Non-Executive Director	20/21 95.24%
Datuk Christine Lee Oi Kuan Non-Independent Non-Executive Director	10/10 100%
Eric Ooi Lip Aun Independent Non-Executive Director	15/15 100%
Norliza binti Kamaruddin Independent Non-Executive Director	21/21 100%
Anthony Yong Mun Seng¹ Executive Director/Finance Director	10/10 100%
Adrian Lee Peng Yong² Executive Director/Finance Director	N/A N/A

Average Percentage of Board Meetings Attended by Directors:

99.32%

All Directors have complied with the minimum attendance requirement as stipulated in the Bursa Malaysia's MMLR, attending at least 50% of the Board meetings held during the financial year.

¹ Resigned on 1 November 2024

² Appointed on 1 November 2024

PRINCIPAL BOARD ACTIVITIES IN 2024

At every scheduled Board meeting, the Board receives updates from the Leadership Team and the Company Secretary on strategic, financial, operational and governance matters. The table below provides examples of significant matters presented and discussed in the year ended 31 December 2024.

Corporate Governance Overview Statement

› STEP CHANGE IN NEW CATEGORIES' PERFORMANCE

- Reviewed BAT Malaysia Group's strategy and approach to implement and accelerate New Categories.

Note: *New Categories refer to reduced-risk[†] categories of products other than combustibles (cigarettes).

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

† Our vapour product Vuse (including Alto, Solo, Ciro, and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

› DRIVE VALUE FROM COMBUSTIBLES

- Reviewed BAT Malaysia Group's strategy to build a strong portfolio and enable value growth.
- Reviewed BAT Malaysia Group's combustible portfolio to unlock new revenue streams for sustainable growth.

› SIMPLIFY THE BUSINESS

- Reviewed the supply chain transformation.
- Assessed the accelerators required to deliver BAT Malaysia Group's ambition and evolve into a future-fit, interconnected organisation.
- Reviewed compliance and policies.
- Reviewed the implementation of operational efficiencies.
- Reviewed BAT Malaysia Group's digital strategy and cybersecurity threats.

› SUSTAINABILITY

- Reviewed the evolution of BAT Malaysia Group's strategy, placing sustainability at the forefront of BAT Malaysia Group's activities.
- Reviewed the strategy to reduce the health impact of the business.
- Reviewed environmental management.
- Reviewed positive social impact deliverables.
- Reviewed sustainability governance.

› ACCELERATING TOMORROW'S LEADERS

- Monitored corporate culture and its alignment with BAT Malaysia Group's purpose, values and strategy.
- Reviewed BAT Malaysia Group's Leadership talent, diversity and inclusiveness.
- Reviewed the assessment of the effectiveness of the Board and its committees.

› FINANCIAL PERFORMANCE

- Approved BAT Malaysia Group's budget and oversight of resource allocation activities to support strategy execution.
- Reviewed the financial performance and business outlook.
- Assessed cost optimisation and unlocked revenue to support investments.
- Reviewed compliance with BAT Malaysia Group's financial principles.
- Reviewed BAT Malaysia Group's revolving credit facilities and cash flows.

› RISK

Management of Principal Risks

The Board deliberated and approved BAT Malaysia Group's principal risks that might significantly impact its business goals and targets. The Board constantly monitored the agreed mitigations to manage or reduce the likelihood and impact of these principal risks. Key risk indicators that provide early warnings of risk manifestation were also reported to the Board.

In addition, various emerging risks or opportunities arising from complex internal and external environments were also identified. These were then reported to the Board, which subsequently determined if they should be included in BAT Malaysia Group Corporate Risk Profile as one of the principal risks.

To ensure that the risks undertaken in the pursuit of business objectives remained within the Board's acceptable levels, the Board approved BAT Malaysia Group's risk appetite, which sets its key operational boundaries.

› CORPORATE GOVERNANCE AND COMPLIANCE

Related Party Transactions (RPT) and Recurrent Related Party Transactions (RRPT)

The Board reviewed BAT Malaysia Group's RPT and RRPT to ensure all transactions were conducted at arm's length, on normal commercial terms and not detrimental to minority shareholders. During the period from 1 January 2024 to 31 December 2024, BAT Malaysia Group successfully entered into and duly completed contracts for seven RPT/RRPTs, which were reported to the AC on a quarterly basis.

› TRAINING AND DEVELOPMENT

The Board recognises the importance of the continuous development of its Directors to acquire or enhance the requisite knowledge and skills, ensuring they can discharge their duties effectively.

Corporate Governance Overview Statement

> BOARD TRAINING

The Directors attended the following training programmes during the financial year ended 31 December 2024:

Director	Briefing/Conference/Forum/Seminar/Training/Workshop/Webinar attended	Organiser	Date
Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat	Product Update: Vuse Refresher	BAT Malaysia	22 February 2024
	Bursa Academy: Conflict of Interest and Governance of Conflict of Interest	Iclif Executive Education Center of Asia School of Business	12 September 2024
	Cybersecurity and Data Protection Awareness	BAT Malaysia	30 October 2024
	Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	Institute of Corporate Directors Malaysia (ICDM)	12 December 2024
Dato' Chan Choon Ngai	Product Update: Vuse Refresher	BAT Malaysia	22 February 2024
	Aligning Risk Management to Strategy and Purpose	ICDM	7 October 2024
	Cybersecurity and Data Protection Awareness	BAT Malaysia	30 October 2024
	Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	ICDM	12 December 2024
Datuk Christine Lee Oi Kuan	Product Update: Vuse Refresher	BAT Malaysia	22 February 2024
	ICDM PowerTalk Series Future-Proofing Malaysian Businesses : Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape	ICDM	11 March 2024
	Emerging Strategic Risks and Mitigation Strategies for 2024: Exclusive Board and C-Suite Brief	MIA	24 June 2024
	Boards as Drivers of Corporate Innovation: A Practical and Engaging Masterclass	ICDM	8 August 2024
	Cybersecurity and Data Protection Awareness	BAT Malaysia	30 October 2024
Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	ICDM	12 December 2024	
Eric Ooi Lip Aun	Product Update: Vuse Refresher	BAT Malaysia	22 February 2024
	Conflict of Interest	Christopher & Lee Ong	21 May 2024
	Latest Global Trends	Citibank HK	21 May 2024
	Virtual MIA International Accountants Conference 2024: Navigating New Frontiers, Embracing Sustainability	Malaysian Institute of Accountants	11-12 June 2024
	Live Board Simulation: Withstanding A Crisis Through Management Dynamics	ICDM	20 August 2024
	Aligning Risk Management to Strategy and Purpose	ICDM	7 October 2024
	Cybersecurity and Data Protection Awareness	BAT Malaysia	30 October 2024
Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	ICDM	12 December 2024	

Corporate Governance Overview Statement

Director	Briefing/Conference/Forum/Seminar/Training/ Workshop/Webinar attended	Organiser	Date
Norliza binti Kamaruddin	Product Update: Vuse Refresher	BAT Malaysia	22 February 2024
	SSM National Conference	Companies Commission of Malaysia	27-28 August 2024
	Building sustainability creditability - greenwashing and the rise of greenhushing	ICDM	24 September 2024
	Cybersecurity and Data Protection Awareness	BAT Malaysia	30 October 2024
	Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	ICDM	12 December 2024
	Boardroom Insights 2025 : Navigating Governance, Risk and Strategic Foresight	ICDM	17 December 2024
Nedal Louay Salem	Product Update: Vuse Refresher	BAT Malaysia	22 February 2024
	Cybersecurity and Data Protection Awareness	BAT Malaysia	30 October 2024
	Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	ICDM	12 December 2024
Adrian Lee Peng Yong	Media Training	BAT Malaysia	28 November 2024
	Corporate Liability Provision - Anti-Bribery & Corruption Practices to Strengthen Company Integrity	ICDM	12 December 2024

BOARD APPOINTMENTS AND SUCCESSION

BAT Malaysia is committed to maintaining a transparent process for the selection, nomination and appointment of suitable candidates to the Board.

The NRC is entrusted with the responsibility of assessing and considering the capabilities, professionalism, integrity, expertise and experience of prospective Board members and Board Committee members. This assessment takes into consideration the Board's current structure, size, gender diversity, time commitment and composition. It is crucial to ensure that the Board and the Board Committees possess an appropriate balance of skills, expertise and knowledge to manage the business effectively.

The NRC also takes into consideration the following factors:

- (1) Whether the individual meets the requirements for independence as defined in the Bursa Malaysia's MMLR.
- (2) The candidate's general understanding of BAT Malaysia Group's business and market.
- (3) The candidate's general alignment with BAT Malaysia Group's strategic direction.
- (4) Other factors that promote a diversity of views, experience and independent judgement.

The NRC uses independent executive search firms and/or recommendations from existing Board members, the Management and major shareholders. As part of a Fit and Proper Policy adopted in 2022, the Company Secretary will carry out a comprehensive reference check for all appointments and reappointments of Directors to the Board. These checks include verifications of financial background, character integrity and professional qualifications of shortlisted candidates. Each shortlisted candidate will undergo an interview conducted by the members of the NRC to assess their technical expertise, skills and experience, compatibility with the Board and terms of appointment. Upon completion of the reference checks, the NRC will recommend the proposed candidate to the Board. The Board will deliberate on the recommended candidate and, if deemed appropriate, shall approve the appointment of the candidate as a Board member. Upon the candidate's appointment as a new Director, an appointment letter will be issued.

The Board appointment process is outlined below:

- (1) Identification of potential individual
- (2) Evaluation and review of the individual
- (3) Submission of recommended individuals to the Board
- (4) Decision on appointment made by the Board

Corporate Governance Overview Statement

In 2024, the Board also placed focus on the Non-Independent Executive Director/Finance Director's succession and transition plan given that the former Non-Independent Executive Director/Finance Director, Anthony Yong Mun Seng resigned on 1 November 2024. In this respect, a structured plan was in place to ensure effective and smooth handovers to the incoming Non-Independent Executive Director/Finance Director. The NRC reviewed the capabilities of candidates proposed by BAT p.l.c., assessed the candidates' experiences, qualifications, leadership track record and industry exposure, and determined the remuneration package of the incoming Non-Independent Executive Director/Finance Director. After due process, the Board approved the recommendations of the NRC for the appointment of Adrian Lee Peng Yong as the new Non-Independent Executive Director/Finance Director of BAT Malaysia effective 1 November 2024.

Considering that several Independent Non-Executive Directors are expected to retire in 2025, upon completing their nine-year tenure on the Board, the NRC has commenced the search for potential candidates to fill the vacant Board seats based on the criteria identified by the Board during their discussion on succession planning. To ensure boardroom diversity, the NRC has conducted a robust review of candidates recommended by Board members as well as by the appointed external search firm, before including them in the talent pool for consideration.

LEADERSHIP SUCCESSION PLANNING

In addition, the Board also oversaw the appointment and succession planning of the Leadership Team. During the year, the Board together with the Managing Director, reviewed the detailed succession plan of Leadership Team. The Board reviewed the capabilities of candidates proposed by the BAT p.l.c, assessed the candidates' experiences, qualifications, leadership track and industry exposure of the proposed candidates. After due process, during the year, the Board approved the recommendations of the Leadership Team for the appointment of the Legal Director, Commercial Marketing Director, Finance Director and Supply Chain Director of BAT Malaysia. The Board also reviewed the succession pipeline for each role in the Leadership Team.

BOARD INDUCTION

Upon the appointment of a new Director to the Board, a comprehensive induction programme is provided. This programme is primarily designed to onboard and familiarise the new Director with BAT Malaysia Group's business, vision, values, governance and people. In addition, the programme also takes into consideration the induction needed for a new Director's appointment to Board Committees.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

The re-election of Directors is conducted in accordance with Clause 109.1 of BAT Malaysia's Constitution. This clause stipulates that one-third of the Directors are subject to retirement by rotation at every AGM but shall be eligible for re-election. It also mandates that all Directors shall retire from office at least once every three years. The Directors to retire each year are those who have served the longest since their last re-election.

In addition, Clause 115 of BAT Malaysia's Constitution stipulates that any Director appointed to fill a casual vacancy shall hold office only until the following AGM. The Directors will be eligible for re-election but shall not be taken into account when determining the Directors who are to retire by rotation at the AGM.

To ensure the Directors up for re-election are fit and capable of continuing serving as Directors, the NRC enlisted the ICDM to conduct a fit and proper assessment in accordance with the Company's Fit and Proper Policy.

Consequently, upon the NRC's recommendations, the Board has unanimously resolved to recommend to the shareholders to vote in favour of re-electing the following Directors, who are due for retirement at the Company's 64th AGM:

- (1) Re-election of Datuk Christine Lee Oi Kuan and Nedal Louay Salem pursuant to Clause 109.1 of the Constitution of BAT Malaysia; and
- (2) Re-election of Adrian Lee Peng Yong pursuant to Clause 115 of the Constitution of BAT Malaysia.

ANNUAL PERFORMANCE ASSESSMENTS

The Board, with the assistance of the NRC, undertakes annual assessments of its performance and that of its Committees and each Director.

Since the Company had engaged an Independent Consultant to facilitate the Board and Directors Effectiveness Evaluation (BDEE) exercise in 2022, the BDEE exercise for the financial year ended 31 December 2024 was conducted internally through a comprehensive set of questionnaires. The summary of the findings was reported to the NRC for deliberation before the NRC's recommendations were tabled to the Board. The assessment served as guidance for the NRC and a reference point for the Board to ensure that a balance of skills and expertise across a wide range of areas is consistently maintained. Additionally, it addressed gaps and training areas to enhance the Board's effectiveness.

Corporate Governance Overview Statement

A comprehensive assessment framework encompassing the following areas was used:

- (1) Board and its Board Committees Mix and Composition
- (2) Board and its Board Committees Quality and Decision-Making
- (3) Board and its Board Committees Activities
- (4) Board and its Board Committees Interaction and Communication
- (5) Board and its Board Committees Performance



CONCLUSIONS OF THE 2024 REVIEW

The Board concluded that the Board, the Board Committees and the individual Directors are efficient and effective in discharging their oversight responsibilities during the financial year.

The NRC reviewed the results and findings of the evaluation on 24 February 2025 and presented them to the Board on 25 February 2025.

REMUNERATION

BAT Malaysia's remuneration policy for its Directors is tailored to provide a remuneration package that serves to attract, retain and motivate directors of the calibre needed to manage the business of BAT Malaysia Group.

The NRC is responsible for reviewing and recommending to the Board the remuneration package for Executive Directors. For the Executive Directors of BAT Malaysia, both corporate

and individual performances are rewarded using an integrated pay, benefits and bonus structure, which not only reflects the competitive nature of BAT Malaysia Group's operations but also contributes to its strategic goals. The Executive Directors, who are full-time employees, receive no additional compensation for their services as Directors.

In evaluating the Managing Director's remuneration, the NRC also considers corporate and individual performances, as well as performance on a range of other factors, including accomplishment of strategic goals and regional and global corporate performance. The remuneration package for the Directors comprises the following elements, where applicable:

- i. **Fees** – The fixed annual fees to be paid to the Non-Executive Directors.
- ii. **Salaries** – The basic salaries for the Executive Directors as recommended by the NRC to the Board for approval.
- iii. **Benefits-in-kind** – Customary benefits such as rented accommodation for expatriate Executive Directors, motor vehicle, club membership and coverage of personal expenses for the Executive Directors, in accordance with the policies of BAT Malaysia.
- iv. **Other emoluments** – Include retirement benefits, provision for leave, consultancy services fee, statutory contributions and incentives in the form of shares/options in shares of BAT Group pursuant to the BAT Group shares scheme.

All Non-Executive Directors are paid fixed annual director fees as members of the Board and the Board Committees. The fee payable to each Non-Executive Director is determined by the Board as authorised by the shareholders of BAT Malaysia and it varies depending on the level of responsibilities undertaken by the individual Non-Executive Director.

In addition to the fixed annual Director fees, all Non-Executive Directors, except for the Chairman of the Board, are paid an attendance allowance for each Committee meeting they attend. Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages for both Executive and Non- Executive Directors.

The Board believes in a competitive and transparent remuneration framework that supports the responsibilities and fiduciary duties of the Directors and Leadership Team, towards realising BAT Malaysia Group's long-term objectives and enhancing stakeholder value.

Corporate Governance Overview Statement

The details of the Director's remuneration, comprising remuneration received/receivable from BAT Malaysia Group for the financial year ended 31 December 2024, are as follows:

Directors	Fee (RM'000)		Allowance (RM'000)		Salary (RM'000)		Bonus (RM'000)		Benefits-in-kind		Other emoluments		Total (RM'000)
	Company	Subsidiaries	Company	Subsidiaries	Company	Subsidiaries	Company	Subsidiaries	Company	Subsidiaries	Company	Subsidiaries	
Independent Non-Executive Directors													
Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat	345	-	154	-	-	-	-	-	-	-	-	-	499
Dato' Chan Choon Ngai	110	-	15	-	-	-	-	-	-	-	-	-	125
Eric Ooi Lip Aun	120	-	9	-	-	-	-	-	-	-	-	-	129
Norliza binti Kamaruddin	110	-	15	-	-	-	-	-	-	-	-	-	125
Non-Independent Non-Executive Director													
Datuk Christine Lee Oi Kuan	100	-	4	-	-	-	-	-	-	-	-	-	104
Executive Directors													
Nedal Louay Salem	-	-	-	-	1,267	-	386	-	431	-	2,049	-	4,133
Anthony Yong Mun Seng (Resigned on 1 November 2024)	-	-	-	-	797	-	215	-	108	-	957	-	2,077
Adrian Lee Peng Yong (Appointed on 1 November 2024)	-	-	-	-	113	-	-	-	-	-	118	-	231
Total (RM'000)	785	-	197	-	2,177	-	601	-	539	-	3,124	-	7,423

The remuneration of the Leadership Team for the financial year ended 31 December 2024 is as follows:

Name	Range of remuneration
C K Remeena C K Prabhakaran (Resigned on 1 January 2025)	1,500,000 - 1,550,000
Adrita Datta	1,500,000 - 1,550,000
Fairuz Helmi Abdul Malek	1,100,000 - 1,150,000
Jacqueline Ko Man Ting (Appointed on 25 February 2024)	900,000 - 950,000
Anthoney Lea Clayton (Appointed on 15 August 2024)	800,000 - 850,000
Darren John Corby (Resigned on 15 August 2024)	800,000 - 850,000

The Managing Director's and Finance Director's remuneration was disclosed under the Directors' remuneration.

Corporate Governance Overview Statement

NOMINATION AND REMUNERATION COMMITTEE REPORT



Dato' Chan Choon Ngai
Senior Independent Non-Executive Director (Chairman)

› TERMS OF REFERENCE

The TOR of the NRC is available in the Corporate Governance section of the Company's website at www.batmalaysia.com

› COMPOSITION

Dato' Chan Choon Ngai
Senior Independent Non-Executive Director (Chairman)

Norliza binti Kamaruddin
Independent Non-Executive Director (Member)

› ATTENDANCE

Dato' Chan Choon Ngai	6/6
Norliza binti Kamaruddin	6/6

The NRC is pleased to present the NRC Report for the financial year ended 31 December 2024.

The Managing Director and Human Resources Director were invited to NRC meetings to brief the committee on the terms of employment and remuneration package of the Executive Directors and members of the Leadership Team and human resources policies.

The NRC Chairman engaged with the Management on a continuous basis to keep abreast of matters affecting the board members of BAT Malaysia. Where significant issues were noted, the NRC Chairman communicated and conferred with other NRC members, either through emails or in meetings.

The minutes of each NRC meeting were recorded and tabled for confirmation at the next NRC meeting and subsequently presented to the Board for notation. The NRC Chairman provides reports to the Board, highlighting the significant points of discussion and recommendations for the Board's consideration.

› SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2024, the NRC undertook and/or deliberated on the following:

- (1) Recommended the re-election of Directors at the 64th AGM to the Board for consideration.
- (2) Conducted the Fit and Proper assessment on the candidates for the re-election of Directors, as guided by the Directors' Fit and Proper Policy.
- (3) Reviewed the analysis/findings of the Directors' performance assessment of the Board, Board Committees and individual Directors for 2024.
- (4) Reviewed the tenure of the Independent Non-Executive Directors.
- (5) Reviewed the appointment and remuneration of the Leadership Team.
- (6) Reviewed the NRC Report for inclusion in the Annual Report 2024.
- (7) Reviewed the fees and benefits of Non-Executive Directors.
- (8) Reviewed and approved the Leadership Team's annual bonus, salary increments and remuneration package.
- (9) Reviewed and recommended the BAT Malaysia Policies on Company Car and Monthly Cash Allowance, Annual Leave, Driving License Reimbursement, Career Milestone Recognition and Medical Benefits to the Board for approval.
- (10) Reviewed the succession planning of the Board by developing a set of selection criteria for the candidates for Independent Directors.

Corporate Governance Overview Statement

SUSTAINABILITY COMMITTEE REPORT



Norliza binti Kamaruddin
Independent Non-Executive Director (Chairwoman)

› TERMS OF REFERENCE

The TOR of the SC is available in the Corporate Governance section of the Company's website at www.batmalaysia.com

› COMPOSITION

Norliza binti Kamaruddin
Independent Non-Executive Director (Chairwoman)

Datuk Christine Lee Oi Kuan
Non-Independent Non-Executive Director (Member)

Nedal Louay Salem
Executive Director/Managing Director (Member)

› ATTENDANCE

Norliza binti Kamaruddin	4/4
Datuk Christine Lee Oi Kuan	4/4
Nedal Louay Salem	4/4

The SC is pleased to present the SC Report for the financial year ended 31 December 2024.

The CSO was invited to SC meetings to brief the committee on the agenda tabled at the meetings.

The SC Chairwoman engaged with the Management on a continuous basis to keep abreast of matters affecting BAT Malaysia. Where significant issues were noted, the SC

Chairwoman communicated and conferred with other SC members, either through emails or in meetings.

The minutes of each SC meeting were recorded and tabled for confirmation at the next SC meeting and subsequently presented to the Board for notation. The SC Chairwoman provides reports to the Board, highlighting the significant points of discussion and recommendations for the Board's consideration.

› SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2024, the SC undertook and/or deliberated on the following:

- (1) Continuously reviewed BAT Malaysia Group's sustainability strategy and its delivery through the achievement of the KPIs set for 2024.
- (2) Reviewed BAT Malaysia Group's sustainability initiatives and activities in relation to tobacco harm reduction and the environmental, social and governance priorities.
- (3) Reviewed the annual budget for the sustainability plan.
- (4) Reviewed BAT Malaysia Group's community investment strategy and achievements and approved the launch of 10 new sites under the Beyond Benih programme.
- (5) Reviewed and endorsed the SC Report and Sustainability Statement for the Board's approval for inclusion in the Annual Report 2024.
- (6) Reviewed BAT Malaysia's sustainability governance and the plan to adopt the NSRF.
- (7) Reviewed the proposed enhancements to climate risk-related governance for adoption in 2025.

Corporate Governance Overview Statement

PRINCIPLE **B** — Effective Audit and Risk Management

Directors' Responsibilities for the Preparation of the Annual Audited Financial Statements

Statements explaining the responsibilities of the Directors for the preparation of the Annual Audited Financial Statements are available in the Annual Report on page 146.

Risk Management and Internal Control Framework

The Board, with assistance from the AC and RMC, holds ultimate responsibility for the risk management and internal control framework of BAT Malaysia. It monitors the Company's risk management and internal control systems and reviews their effectiveness. This monitoring and review covers all material

controls, including financial, operational and compliance controls. Further details of BAT Malaysia's Risk Management Framework and Internal Control System can be found in the Statement on Risk Management and Internal Control and Risk Management Report from pages 135 to 142.

Ethical and Procedural Standards

BAT Malaysia and its subsidiaries are committed to upholding high ethical and procedural standards that align with BAT Malaysia Group's values and objectives. To this end, BAT Malaysia Group has internal policies, standards, guidelines, procedures and codes in place in support of its corporate governance framework.

AUDIT COMMITTEE REPORT



Eric Ooi Lip Aun
Independent Non-Executive Director (Chairman)

› TERMS OF REFERENCE

The TOR of the AC is available in the Corporate Governance section of the Company's website at www.batmalaysia.com

› COMPOSITION

Eric Ooi Lip Aun
Independent Non-Executive Director (Chairman)

Dato' Chan Choon Ngai
Senior Independent Non-Executive Director (Member)

Norliza binti Kamaruddin
Independent Non-Executive Director (Member)

› ATTENDANCE

Eric Ooi Lip Aun	5/5
Dato' Chan Choon Ngai	5/5
Norliza binti Kamaruddin	5/5

Corporate Governance Overview Statement

The AC is pleased to present the AC Report for the financial year ended 31 December 2024.

The Finance Director, the external auditors and a permanent invitee from the BAT Group's Internal Audit team were invited to AC meetings. They attended all the meetings held during the financial year to brief the AC on pertinent issues.

The AC Chairman engaged with the Management, the external auditors and the internal auditors on a continuous basis to keep abreast of matters affecting BAT Malaysia Group. Where significant issues were noted, the AC Chairman communicated and conferred with other AC members, either through emails or in meetings.

The minutes of each AC meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. The AC Chairman provides reports to the Board, highlighting the significant points of discussion and recommendations for the Board's consideration.

› SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2024, the AC undertook the following activities:

(1) Financial Reporting

The AC reviewed BAT Malaysia Group's quarterly financial results and annual audited financial statements and recommended the same to the Board for approval. The reviews focused on significant changes to accounting policies and practices, adjustments arising from the audits, compliance with relevant accounting standards and other legal requirements to ensure that the financial statements presented a true and fair view of BAT Malaysia Group's financial performance.

(2) Internal Audit

- i. Reviewed the 2024 Internal Audit plan of BAT Malaysia Group to ensure adequate coverage of BAT Malaysia Group's key risks and adequate resources within the Internal Audit team were available to execute the audit plan.
- ii. Reviewed BAT Malaysia Group's three-year rolling plan, developed by Internal Audit via a comprehensive planning process that identified and prioritised potential auditable areas and audit coverage.
- iii. Reviewed the internal control processes and considered the recommendations and improvements to be implemented by the Management based on the audit findings.
- iv. Reviewed the implementation status of agreed audit actions to ensure timely implementation by the Management.
- v. Reviewed Integrated Assurance Framework applicable to BAT Malaysia's control environment.

(3) External Audit

- i. Reviewed the external auditors' report, which summarised key findings from the audit of the financial statements for the year ended 31 December 2024, along with the Directors' Statement on Risk Management and Internal Control.
- ii. Reviewed with the external auditors their audit plan for the financial year ended 31 December 2024, which outlined audit materiality, audit scope, methodology and timing of the audit, key milestones, involvement of IT specialists, audit focus areas, adoption and transition of accounting standards and proposed fees for the audit services rendered by the external auditors for the financial year ended 31 December 2024.
- iii. Reviewed the written assurance provided by the external auditors in respect of their independence.
- iv. Met with the external auditors twice without the presence of the Executive Directors and the Management during the year under review.

Corporate Governance Overview Statement

(4) Related Party Transactions

- i. Reviewed and discussed reports on RPT, RRPT and potential conflict-of-interest transactions to ensure that all RPT and RRPT were undertaken on an arm's length basis and normal commercial terms consistent with BAT Malaysia Group's usual business practices and policies, which were not more favourable than those generally available to the public and other suppliers and not detrimental to the minority shareholders.
- ii. Monitored the RPT and RRPT thresholds to ensure compliance with the Bursa Malaysia's MMLR.
- iii. Reviewed and recommended to the Board for approval the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for the Company and its subsidiaries to enter into RRPT of the revenue or trading nature with related parties.
- iv. Reviewed and discussed reports on RPT, RRPT and potential conflict-of-interest transactions to ensure that all RPT and RRPT were undertaken on an arm's length basis and normal commercial terms consistent with BAT Malaysia Group's usual business practices and policies, which were not more favourable than those generally available to the public and other suppliers and not detrimental to the minority shareholders.
- viii. Conducted a self-assessment of the AC's performance.
- ix. Deliberated on KPMG PLT's Transparency Report.
- x. Deliberated on BAT Malaysia Procurement and Tendering Process.
- xi. Deliberated on the implementation of e-invoicing for BAT Malaysia Group.
- xii. Assessed Transfer Pricing of RRPT.

(5) Annual Reporting

Reviewed and endorsed the AC Report, SoBC Statement and Statement on Risk Management and Internal Control for the Board's approval and inclusion in the Annual Report 2024.

(6) Other Activities

- i. Deliberated on BAT Malaysia Group's two-year cash flow forecast.
- ii. Deliberated on reports regarding whistleblowing and breaches of the SoBC.
- iii. Deliberated on security and safety matters and loss reports.
- iv. Assessed the performance of the internal and external auditors.
- v. Deliberated on health and safety review reports.
- vi. Deliberated on reports on the Control Navigator and Immediately Reportable Incidents.
- vii. Deliberated on reports on financial record-keeping and reporting under the Sarbanes-Oxley Act.

INTERNAL AUDIT FUNCTION

BAT Malaysia Group's Internal Audit function is carried out by the Global Audit function of BAT Group Internal Audit. BAT Group Internal Audit possesses direct access to both the AC and the AC Chairman, and reports to the AC on matters concerning controls and audit findings. In addition to this, BAT Group Internal Audit assists the AC in reviewing the effectiveness of BAT Malaysia Group's internal controls and processes. In doing this, it ensures there is an appropriate balance of risk and control in achieving its business objectives. This approach ensures a high level of independence and provides access to more skilled and specialised resources than would otherwise be available within the BAT Group.

BAT Group Internal Audit is staffed by over fifty personnel with relevant professional qualifications. They comply with the BAT Group's SoBC and provide independent assurance.

Imad Rahman, Internal Audit Manager and permanent invitee to the AC, manages the remit of internal audit at BAT Malaysia. He holds a bachelor's degree in Business Administration and a Master of Business Administration, majoring in Finance.

Management's proposals regarding the appointment, transfer and removal of Internal Audit staff require the prior approval of the AC. Any inappropriate restrictions on the audit scope are to be reported to the AC. The Internal Audit Manager presents and reports the Internal Audit findings pertinent to BAT Malaysia Group at the AC meeting on a quarterly basis.

Corporate Governance Overview Statement

The development of the annual audit plan continues to be risk-based, taking into consideration the evolving nature of the business and BAT Malaysia Group. The annual audit plan is developed based on the following:

- Key risks faced by BAT Malaysia Group.
- Continued progress towards becoming a globally integrated enterprise.
- Changes introduced by the global operating model.

Several types of audits exist within BAT Group, namely Process Audits (which include IT), Audits of Change, End Market Accountability Audits, Operations Audits and Other Audits.

- Process Audits carry out an end-to-end audit of business processes across various entities within BAT Group.
- Audits of Change focus on significant business change initiatives, such as key projects and programmes.
- End Market Accountability Audits consider BAT Group's top risks.

- Operations Audits provide assurance of BAT Group's ability to supply high-quality finished goods in line with the evolving needs of the business and regulatory agenda.
- Other Audits are conducted upon direct requests, which may arise due to an incident, a request from the Management, or a request from the AC.

During the financial year 2024, the subject matter of audits conducted by the BAT Group Internal Audit was as follows:

- New Categories (which comprised review of key commercial processes related to Regulatory Compliance, Brand Deployment, Consumer Order Management and Trade Marketing).

Additionally, there were certain IT application and system-related audits carried out at Global level which provided assurance on the BAT Malaysia Group's IT control environment.

Given that the Internal Audit Function is in-house and part of BAT Group, there is no cost recharged to BAT Malaysia Group.

Corporate Governance Overview Statement

RISK MANAGEMENT COMMITTEE REPORT



Eric Ooi Lip Aun
Independent Non-Executive Director (Chairman)

› TERMS OF REFERENCE

The TOR of the RMC is available in the Corporate Governance section of the Company's website at www.batmalaysia.com

› COMPOSITION

Eric Ooi Lip Aun
Independent Non-Executive Director (Chairman)

Dato' Chan Choon Ngai
Senior Independent Non-Executive Director (Member)

Adrian Lee Peng Yong
Executive Director/Finance Director (Member)
Appointed on 1 November 2024

Anthony Yong Mun Seng
Executive Director/Finance Director (Member)
Resigned on 1 November 2024

› ATTENDANCE

Eric Ooi Lip Aun	4/4
Dato' Chan Choon Ngai	4/4
Anthony Yong Mun Seng	4/4
Adrian Lee Peng Yong	N/A

The RMC is pleased to present the RMC Report for the financial year ended 31 December 2024.

The CRO was invited to RMC meetings to brief the committee on the agenda tabled at the meetings.

The RMC Chairman engaged with the Management on a continuous basis to keep abreast of matters affecting BAT Malaysia Group. Where significant issues were noted, the RMC Chairman communicated and conferred with other RMC members, either through emails or in meetings.

The minutes of each RMC meeting were recorded and tabled for confirmation at the next RMC meeting and subsequently presented to the Board for notation. The RMC Chairman provides reports to the Board, highlighting the significant points of discussion and recommendations for the Board's consideration.

› SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2024, the RMC undertook and/or deliberated on the following:

- (1) Reviewed BAT Malaysia Group's Risk Management Programme, which includes BAT Malaysia Group's gross and net risks and associated mitigating actions, to ensure comprehensive management and reporting of all major risks to the Board.
- (2) Reviewed BAT Malaysia Group's BCPs as part of its business continuity management.
- (3) Reviewed and endorsed the RMC Report for the Board's approval for inclusion in the Annual Report 2024.
- (4) Succession of CRO.

Corporate Governance Overview Statement

ETHICAL AND PROCEDURAL STANDARDS

BAT Malaysia Group is committed to upholding high ethical and procedural standards that are aligned with our values and objectives. To this end, BAT Malaysia Group has in place internal policies, standards, guidelines, procedures and codes in support of our corporate governance framework. Some of the key internal policies, standards, guidelines, procedures and codes are outlined as follows:



» 1. STANDARDS OF BUSINESS CONDUCT

A set of key policies, expressing the high standards of integrity BAT Malaysia Group is committed to upholding. The areas covered by the SoBC are Conflicts of Interest, Anti-Bribery and Corruption, Entertainment and Gifts, Respect in the Workplace, Human Rights, Health, Safety and Welfare, Environment, Political Contributions, Community Investments, Accurate Books and Records, Protection of Corporate Assets, Data Privacy, Ethics and Artificial Intelligence, Cybersecurity, Confidentiality and Information Security, Insider Dealing and Market Abuse, Competition and Anti-Trust, Sanctions and Export Controls, Anti-Illicit Trade and Anti-Tax Evasion and Anti-Money Laundering.

The SoBC requires all employees to act with high standards of business integrity and declare any conflict of interest. This disclosure exercise is carried out on an annual basis. BAT Malaysia Group is also a signatory of the Malaysian Corporate Integrity Pledge, which was signed on 19 February 2014, demonstrating our commitment to upholding anti-corruption in the conduct of its business.

Corporate Governance Overview Statement

» 2. SUPPLIER CODE OF CONDUCT

The SCoC complements the SoBC by defining the minimum standards that the suppliers of BAT Malaysia Group are expected to adhere to. The areas covered by this Code are Legal Compliance, Respecting Human Rights, Environmental Sustainability, Responsible Marketing and Business Integrity.

» 3. INTERNAL REGULATION ON SECURITIES DEALINGS

The regulations were put in place as part of the compliance with the stock exchange requirement under the Capital Markets and Services Act 2007. The regulations ensure that designated insiders and persons connected to such insiders do not abuse and do not place themselves under suspicion of abusing, price sensitive information learned from their work for personal gain, in transactions whether on or off the stock market.

» 4. GLOBAL ENVIRONMENTAL, HEALTH AND SAFETY POLICY MANUAL

This policy sets out BAT Malaysia Group's commitment to be an environmentally responsible business and implementing environmental management standards and practices internally, through the global environmental, health and safety management system, which has been designed using the international environmental system standard ISO 14001.

» 5. SECURITY PROCEDURE

This procedure provides for effective business-focused security throughout BAT Malaysia Group.

» 6. POLICY ON DATA PROTECTION

This policy governs an adequate level of personal data protection pursuant to the collecting, processing, disclosing and cross-border transfer of personal data, past and prospective employees, consumers, customers, enquirers, complainants, suppliers, contractors, business associates and other agents of BAT Malaysia Group. This Policy also reflects the BAT Group's Data Protection Policy, which incorporates current international standards for the protection of personal data and specific elements to comply with the Malaysian Personal Data Protection Act 2010 (PDPA).

» 7. GROUP DATA PRIVACY PROCEDURE

This procedure governs how BAT Malaysia Group uses personal data belonging to individuals BAT Malaysia Group deals with on a daily basis, including consumers, employees, visitors to BAT Malaysia's website and third parties we do business with.

» 8. THIRD PARTY ANTI-FINANCIAL CRIME PROCEDURE

This procedure is designed to assess and mitigate third party risks regarding:

- bribery and corruption
- money laundering
- terrorist financing
- illicit trade (supply chain compliance)
- sanctions
- the facilitation of tax evasion

» 9. GRIEVANCE PROCEDURE

The grievance procedure exists to provide guidance on operational-level grievances between employees. The Human Resources department manages any grievances confidentially or otherwise, raised to resolve such matters.

Corporate Governance Overview Statement

PRINCIPLE Integrity in Corporate Reporting and Meaningful Relationships With Stakeholders

The Board recognises the importance of effective and proactive engagement with both shareholders and stakeholders.

BAT Malaysia Group has a dedicated Corporate Finance team that meets with key institutional investors and analysts on a regular basis and responds to inquiries from shareholders.

The timely release of financial results on a quarterly basis provides an up-to-date view of BAT Malaysia Group's performance and operations. Throughout the year, BAT Malaysia conducted two briefings for fund managers, institutional investors, investment analysts and the media. These briefings aim not only to disseminate BAT Malaysia Group's financial results to a broad audience of investors, shareholders and the media but also to keep the investing public and other stakeholders updated on the progress and development of BAT Malaysia Group's business. This is further testimony to BAT Malaysia Group's continued commitment to transparency.

The engagement programme was adapted to leverage digital and physical interactions, enabling more investor contact through a broader range of event formats.

The primary contact for investor relation matters is as follows:

Name : Adrian Lee Peng Yong
 Designation : Finance Director
 Email : fdoffice_malaysia@bat.com

CONDUCT OF GENERAL MEETINGS

The Company acknowledges that good corporate governance requires the active participation of the shareholders in the decision-making process at the Company's AGM. The AGM is the principal forum for dialogue and communication between the shareholders and the Board. On 8 May 2024, our 63rd AGM took place, with shareholders participating remotely. They submitted questions and deliberated on BAT Malaysia's proposed resolutions and operations using the Remote Participation and Voting (RPV) facilities.

All Board members attended the meeting, addressing questions where possible. The Company committed to respond via email to queries not addressed during the AGM within five working days post-event.

Additionally, detailed responses to the questions raised by the MSWG were shared with all shareholders during the 63rd AGM.

Shareholders received the Notice of the 63rd AGM (Notice) at least 28 days in advance, giving them ample time to either arrange for their participation or appoint proxy(ies) to vote on their behalf. The Notice, published in local newspapers, was also available on the Company's website (www.batmalaysia.com).

A summary of the 63rd AGM, highlighting director attendance, shareholders' questions and responses, outcomes of e-voting and replies to MSWG's queries was shared with all shareholders and the public on our website.

REMOTE E-VOTING

For its 63rd AGM, the Company utilised the RPV facilities to facilitate remote e-voting on the resolutions. The remote e-voting processes were explained during the general meeting and the poll results were verified by appointed scrutineers.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is fully committed to complying with the requirements of the MCCG 2021 and will continue to pursue efforts to address the remaining departures. Though we continue to make strides in our corporate governance journey, the Board recognises that our governance practices will only be as robust as those tasked with their execution.

The Board of Directors approved this Corporate Governance Overview Statement at its meeting held on 25 February 2025.

Statement on Risk Management and Internal Control

RESPONSIBILITY

The Board recognises the importance of sound risk management practices and internal controls to safeguard shareholders' investments and BAT Malaysia Group's assets. The Board affirms its overall responsibility for BAT Malaysia Group's system of risk management and internal control, which includes the establishment of an appropriate control environment and framework and a review of its adequacy and integrity. The Board as such is responsible for determining the nature and extent of the strategic risks that BAT Malaysia Group is willing to take to achieve its objectives, while in parallel maintaining sound risk management and systems of internal control. By virtue of the controversial nature of the industry in which we operate, the Board does not consider its strategic risk appetite to be high and it seeks to minimise risks at an operational level.

The Board tasked the Management to identify and assess the risks faced by BAT Malaysia Group and thereafter design, implement and monitor appropriate internal controls to control and mitigate those risks. BAT Malaysia Group has in place a systematic application of processes (outlined below) for identifying, evaluating, monitoring and managing significant risks faced by BAT Malaysia Group and this process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory, business and external environment. This process is reviewed by the Board via the AC and the RMC. The AC's responsibilities and duties can be found in the AC Report section, while the RMC's responsibilities are explained in the RMC Report section of this Annual Report.

There are inherent limitations to any system of internal controls and the system is set up to manage and minimise impact due to risks rather than completely eliminate risks that may impact the achievement of BAT Malaysia Group's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal controls covers, inter alia, financial, operational and compliance controls and risk management procedures.

BAT Malaysia Group's SoBC underpin our commitment to good corporate behaviour and are an integral part of BAT Malaysia Group's system of corporate governance. The SoBC require all employees to act with high standards of business integrity, comply with all applicable laws and regulations and ensure that business standards are not compromised for the sake of results. Our SoBC are made available to our stakeholders and employees on our corporate website at www.batmalaysia.com.

ENTERPRISE RISK MANAGEMENT

TABLE 1: OBJECTIVES

- › Preserve the safety and health of BAT Malaysia Group's employees.
- › Ensure the continuity of BAT Malaysia Group's products to consumers and customers at all times.
- › Protect BAT Malaysia Group's assets and reputation.
- › Ensure that BAT Malaysia Group's operations do not impact negatively on the community in which it operates and the environment.
- › Protect the interests of all stakeholders.
- › Promote a risk awareness culture where risk management is an integral aspect of BAT Malaysia Group's management systems.
- › Ensure compliance to all applicable laws, the MCCG 2021 and BAT p.l.c. guidelines.

Statement on Risk Management and Internal Control



Risk Management Committee

BAT Malaysia Group's RMC is led by the Chairman, who is an Independent Non-Executive Director. The committee comprises three members, majority of whom are independent. The Committee meets quarterly to consider the risk registers proposed by the Risk Management Team and its mitigation action plans. The CRO assists the Committee to review, monitor and assess the effectiveness of BAT Malaysia Group's implementation of risk mitigation actions in managing key risks.

Risk Management Team

BAT Malaysia Group's Risk Management Team is led by the Finance Director and comprises senior managers from all functions of BAT Malaysia Group. It meets formally at least twice a year to review and update the risk register as well as to assess the status of risk mitigation action plans.

TABLE 2: RISK MANAGEMENT TEAM RESPONSIBILITIES

- › Steer BAT Malaysia Group's enterprise risk management programme.
- › Promote a proactive risk awareness culture in BAT Malaysia Group.
- › Review and assess BAT Malaysia Group's risks formally twice during the year.
- › Coordinate the development and implementation of risk mitigation action plans.
- › Develop and update BCPs for key business risks.
- › Plan and coordinate the testing of BCPs.
- › Organise training and education for employees on risk management.

Statement on Risk Management and Internal Control

Four-phase Enterprise Risk Management Process (Figure 1)

(1) Risk Identification

All potential events that could adversely impact the achievement of business objectives, including failure to capitalise on opportunities, are identified.

(2) Risk Assessment and Evaluation

The identified business risks are then assessed and evaluated to determine their impact on the relevant business strategy/objectives and whether the risks are likely to occur (as per Figure 2), taking into account the degree of internal control and risk management measures in place:

- LIKELIHOOD of the risks crystallising
- IMPACT of the consequence

Assessment against a set of pre- specified criteria on a scale of 1 to 3 is completed for both Likelihood and Impact, the combination of which provides the total risk rating, ranging from 1 to 9. Risks are then categorised on a Risk Heat Map, which maps the significance of the risks to BAT Malaysia Group and determines the relative prioritisation and focus for risk mitigation.

The outcome of the risk identification and evaluation process is both a Risk Heat Map and a comprehensive risk register that documents all identified business risks.

FIGURE 1: ENTERPRISE RISK MANAGEMENT PROCESS

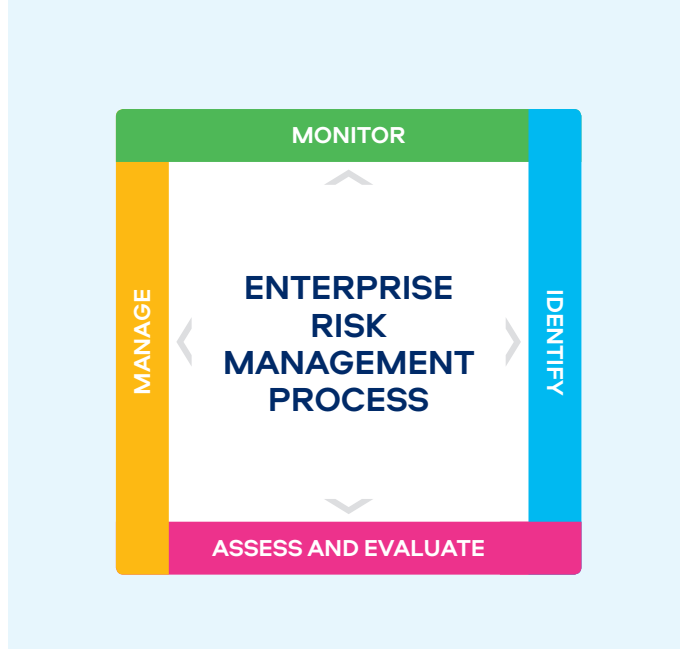
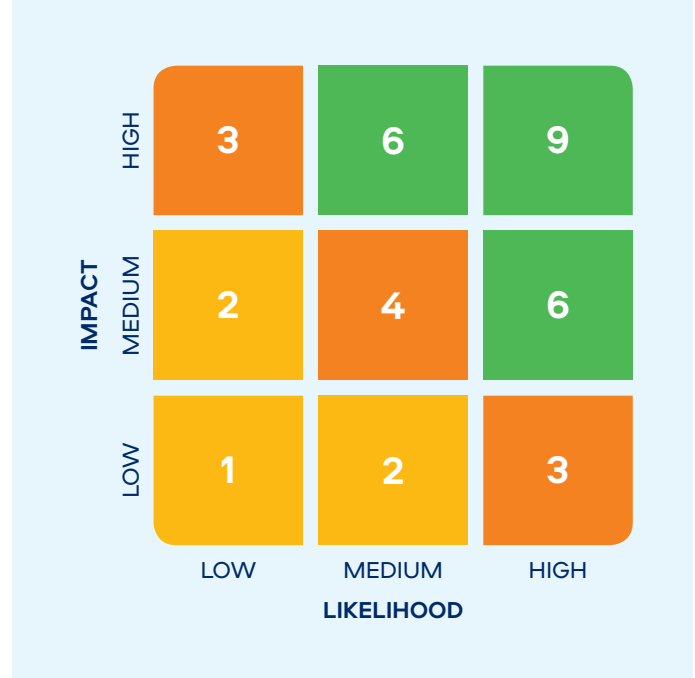


FIGURE 2: RISK HEAT MAP



Statement on Risk Management and Internal Control

(3) Risk Management

In completing the risk register, risk owners are responsible for identifying action plans to manage and mitigate the risks, together with a timeline for completion of the actions. The risk owners are senior managers of BAT Malaysia Group.

A variety of risk management measures are used to manage the identified risks, as outlined in the table below:

RISK MANAGEMENT MEASURES	DESCRIPTION	EXAMPLE
TOLERATE	Accept or retain the risk, taking the chance of it occurring with its full impact, when all cost-effective control measures have been put in place	Translational foreign exchange rate exposures
TREAT	Control or reduce the risk to constrain it to an acceptable impact and/or likelihood level	Reducing levels of stock in a distributor's warehouse helps to reduce impact Implementing a new system to develop innovations reduce the likelihood of failing to develop new consumer-relevant products
TRANSFER	Insure or contract to a third party	Insuring the value of stocks in warehouses Business interruption policies
TERMINATE	Avoid or eliminate the activity that gives rise to the risk (make the uncertain certain by removing the risk)	Stop using chemicals which are unacceptable to the organisation Exiting certain segments

(4) Risk Monitoring

Ongoing risk monitoring is conducted by the Risk Management Team to assess whether any conditions associated with a particular risk have changed and to ensure that action and risk mitigation plans have been implemented. Status of action/mitigation plans are communicated to the RMC quarterly.

FIGURE 3: STRUCTURE OF CRISIS MANAGEMENT



Statement on Risk Management and Internal Control

BUSINESS CONTINUITY AND CRISIS MANAGEMENT

BCP is defined as the strategic and tactical capability of BAT Malaysia Group to plan for and respond to incidents and business disruptions to continue business operations at an acceptable pre-defined level to avoid negative impact on the business.

In 2024, BAT Malaysia Group had 14 BCPs in place to manage the various potential disruptions that could impact BAT Malaysia Group. Examples are the Product Recall Plan, Finished Goods Supply Contingency Plan, SAP Contingency Plan, Denial of Site Plan and Pandemic Plan.

These plans were developed and updated for content by the owners on an annual basis. In addition, desktop reviews/simulations were planned and conducted by the respective Functional Continuity Managers who are owners of the various BCPs with the support of the Crisis Response Team members, based on the testing schedule. The reviews and simulations indicated that the existing plans were still relevant to the current business environment.

In addition, BAT Malaysia Group has a structured approach to crisis management to ensure leadership and timely decision-making in the event of a crisis and to manage the situation effectively within minimal time duration.

Our approach involves the immediate formation of a Crisis Management Team, assisted by a Crisis Response Team and a Communications Team. The responsibilities of these teams are outlined in Figure 3.

KEY RISKS TO BAT MALAYSIA GROUP

BAT Malaysia Group views three key risks that have the ability to significantly impact BAT Malaysia Group:

1. Illicit Trade
2. Market Reduction & Downtrading
3. Non-Compliance with Competition Laws/Guidelines

In addition to the above, BAT Malaysia Group is subject to the ever-present risk of competitor actions. Steps to anticipate, mitigate and neutralise such risks are core to our business.

2024 RISK MANAGEMENT ACTIVITIES

Review of BAT Malaysia Group's Risks

The Risk Management Team reviewed and assessed BAT Malaysia Group's risks formally twice during the year, in January and July 2024. The responsibilities of the Risk Management Team can be found on page 135.

During the BCP testing period, the CRO provided monthly updates on the status of the BCPs testing and highlighted any key threats to the internal controls of BAT Malaysia Group to the Leadership Team.

On a quarterly basis, the RMC was briefed by the CRO on BAT Malaysia Group's Enterprise Risk Management Programme. The briefing includes updates on the key risks of BAT Malaysia Group, risk mitigation plans and the status of the BCPs testing.

Promotion of Risk Awareness

Risk communication is equally important and forms an integral part of the risk management activity as it focuses on the dissemination of risk information to appropriate levels of employees and stakeholders. Appropriate channels are available for employees to provide feedback on risk management issues and suggestions for improvement.

During the year, company-wide risk and control awareness communications were cascaded and department huddles conducted regularly for all employees throughout the nation. The objectives of the communications and huddles were to raise risk and control awareness within BAT Malaysia Group and to drive compliance of controls and adherence to risk mitigation plans.

Significant Risk Mitigation Activities

There were no significant risk mitigation activities required to be carried out in 2024.

SYSTEM OF INTERNAL CONTROL

Control Self-Assessment (CSA) Process

Central to BAT Malaysia Group's system of internal control is its CSA process and the backbone of this process is a key control checklist known as the Control Navigator. The Control Navigator sets out various key controls and process requirements across all functions in BAT Malaysia Group. BAT Malaysia Group's CSA process requires controls and processes to be self-assessed for effectiveness on an annual basis. Where control gaps/weaknesses are identified, corrective actions and timelines are identified and agreed. The findings from the CSA and year-on-year trend analysis are reported to the AC annually.

The self-assessment is carried out via an SAP-enabled tool, which provides a standardised central solution that automates and monitors key risks and controls at business level. The tool allows the business to use a combination of automated workflows, certification, manual controls and interactive reports to monitor control and compliance activities across BAT Malaysia Group. This has resulted in an improved visibility of assessment throughout the business, improved transparency of issues management and remediation, together with streamlining reporting.

Statement on Risk Management and Internal Control

In 2024, BAT Malaysia Group's Control Navigator was refreshed and updated.

Financial Reporting Controls

BAT Malaysia Group has in place a series of policies, practices and controls in relation to the financial reporting and consolidation process, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards. The Finance Director is required to confirm annually that all information relevant to BAT Malaysia Group audit has been provided and that reasonable steps have been taken to ensure full disclosure in response to requests for information from the external auditor. In addition, it is our practice for the Finance Director to review account reconciliations on a bi-annual basis.

The effectiveness of BAT Malaysia Group's financial reporting controls is assessed through self-certification as part of the Control Navigator exercise. The integrity of BAT Malaysia Group's public financial reporting is further supported by a number of processes and steps to provide assurance over the completeness and accuracy of the content, including review and recommendation by the AC and review and approval by the Board.

Information Technology (IT)

BAT Malaysia Group's IT security programme is centred around the 'Predict, Prevent, Detect and Respond' framework, where each step in the cycle plays a role in decreasing the risk of information security failure or attack (as per Figure 4).

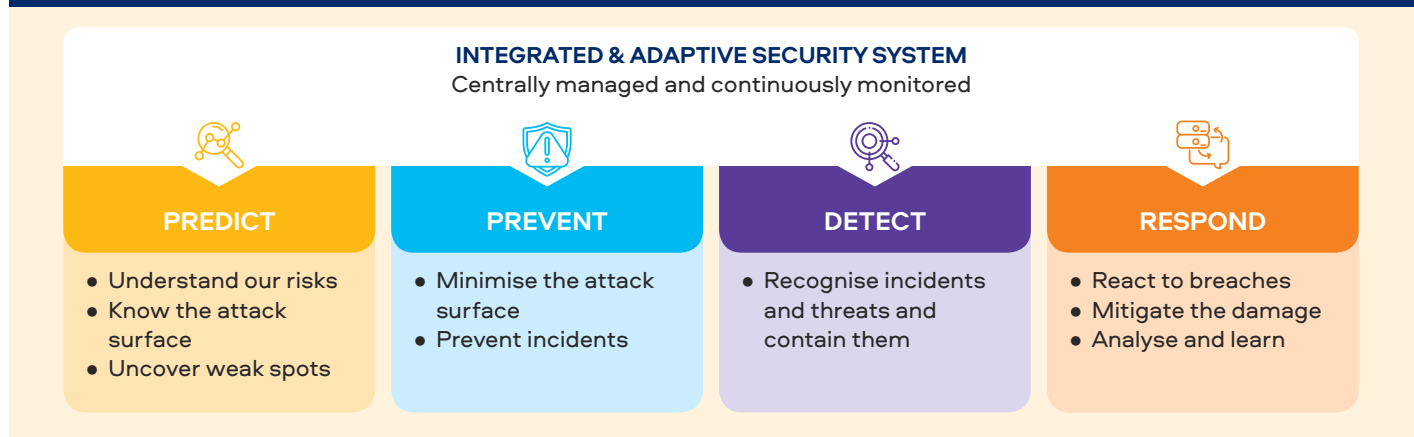
BAT Malaysia Group, with the assistance of professional information security companies, can predict the higher occurrence of any information security threats and with that implement prevention activities and controls to prevent or mitigate the likelihood of an attack. The preventive activities cover technology hygiene in terms of compliance with recognised industry security standards for system configuration, continuous testing to ensure readiness of recovery action and training users to avoid being compromised by social-based attacks.

The next step in the IT security programme is detection, where technical controls are put in place to detect anomalies. After thorough assessment, BAT Malaysia Group then responds by reacting to the breaches and mitigating any resulting damages.

Internal Audit

The role of Internal Audit for BAT Malaysia Group is fulfilled through the Global Audit function of BAT Group Internal Audit. This approach ensures a high level of independence and gives access to more skilled and specialised resources than would otherwise be available within BAT Malaysia Group. A permanent invitee from the Global Audit function attends AC meetings and is the liaison between the AC and Global Audit. The annual audit planning cycle takes direct input from both the risk register described above and the AC. In turn, the AC formally approves the scope of work for the year. Furthermore, the AC can request immediate assistance from Global Audit for any matter it considers appropriate.

FIGURE 4: IT SECURITY PROGRAMME



Statement on Risk Management and Internal Control

The BAT Group Internal Audit undertakes risk-based audit reviews structured in line with the operating model of the BAT Group. As such, five types of audits exist, namely Process Audits (including IT), Audits of Change, End Market Accountability Audits, Operations Audits and Other Audits.

- Process Audits cover an end-to-end audit on business processes across multiple entities of BAT Malaysia Group.
- Audits of Change focus on significant business change initiatives, including key projects and programmes.
- End Market Accountability Audits consider BAT Malaysia Group's Top Risks.
- Operations Audits to provide assurance over the core of BAT Malaysia Group's business and the ability to supply high-quality finished goods in line with the evolving needs of the business and regulatory agenda.
- Other Audits are those that are conducted arising from direct requests, either due to an incident, or a request from Management or a request from the AC.

More details on the audit activities conducted during the year can be found in the AC Report in this report.

External Audit

In the course of conducting the annual statutory audit of BAT Malaysia Group's consolidated financial statements, the external auditors review and, where applicable, based on judgement, will highlight any significant audit, accounting and internal control matters that require attention of the Board and the AC. Results of the findings on the above are reported to the AC and the Management post substantial completion of the year-end audit. Additionally, the external auditors attend the quarterly AC meetings and, where applicable, will provide views on any related matters for the attention of the AC. At least twice a year, the AC meets the external auditors without the Executive Directors and Management being present. This year, the AC have met twice with the external auditors without the Executive Directors and the Management being present.

Other Key Elements of the System of Internal Control

Apart from the above, other key elements of BAT Malaysia Group's internal control and risk management system that have been reviewed and approved by the Board are described below:

a. Policies, Procedures and Limits of Authority

- Clearly defined delegation of responsibilities to the Board Committees and to the Management, including organisation structures and appropriate authority levels.
- Clearly documented internal policies, standards and procedures are in place and are regularly updated to reflect changing risks or to resolve operational deficiencies. All policies are approved by the Board and cases of non-compliance to policies and procedures that are in place are reported to the Board and the AC by exception.

b. Immediately Reportable Incidents (IRIs)

- BAT Malaysia Group adheres to the BAT p.l.c. control procedure termed 'Immediately Reportable Incidents'. This process seeks to capture breakdowns in basic controls and investigate root cause and immediate action thereof by the management. Seven areas of basic control issues are considered: (1) Reconciliation of Accounts Issue; (2) Reporting Issue; (3) Stock Control Issue; (4) Procurement Issue; (5) Segregation of Duties, Access, Password and Related Issues; (6) Effective Market Focus Demand Issue; and (7) Trade Debtor Management.
- Once the IRI has been finalized, the action plans will be tracked through to completion and progress to be reported to the Leadership Team, AC and the Board.

c. Strategic Business Plan, Budget and Performance Review

- Regular and comprehensive information is provided by the Management for monitoring of performance against the strategic plan, covering all key financial and operational indicators. On a quarterly basis, the Managing Director reviews with the Board all key performance metrics and highlights any issues.
- Annually, a detailed budgeting process is completed for the year ahead, which is discussed and approved by the Board.
- Effective reporting systems are in place to monitor business performance against business plans. Key changes to business plans are reported to the Board.

d. Insurance and Physical Safeguard

- Adequate insurance and physical security of major assets are in place to ensure that the assets of BAT Malaysia Group are sufficiently covered against any mishap that will result in material losses to BAT Malaysia Group.

Statement on Risk Management and Internal Control

Sarbanes-Oxley Act

As a result of the acquisition of Reynolds American Incorporated (RAI), BAT p.l.c. is subject to US securities law, including the Sarbanes-Oxley Act of 2002 (the Act). BAT p.l.c. has assigned the 11 sections of the Act to respective functional owners as stipulated below:

1 Public Company Accounting Oversight Board (PCAOB) <i>Indirect impact</i>	2 Auditor Independence <i>Internal Audit</i>	3 Corporate Responsibility <i>Finance, Human Resources, Legal and Corporate and Regulatory Affairs</i>
4 Enhanced Financial Disclosure <i>Finance and Legal</i>	5 Analyst Conflicts of Interest <i>No impact</i>	6 Commission Resources and Authority <i>No impact</i>
7 Studies and Reports <i>Indirect impact</i>	8 Corporate and Criminal Fraud Accountability <i>Legal</i>	9 White-Collar Crime Penalty Enhancements <i>Legal</i>
10 Corporate Tax Returns <i>Tax</i>	11 Corporate Fraud and Accountability <i>Legal and Human Resources</i>	

BAT Malaysia Group has continued to adopt the framework designed by BAT p.l.c. during the year. BAT Malaysia Group, being part of BAT p.l.c., is required to implement additional internal controls and procedures to deliver a heightened control environment.

CONTROL MATTERS

No significant deficiency or material weakness was reported in 2024.

BOARD ASSESSMENT

The Board is of the view that BAT Malaysia Group's overall risk management and internal control system is operating adequately and effectively and has received the same assurance from both the Managing Director and Finance Director of BAT Malaysia Group. The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by BAT Malaysia Group has been in place throughout 2024 and up to the date of approval of this statement. The Board is also of the view that BAT Malaysia Group's system of internal control is robust and is able to detect any material losses, contingencies or uncertainties that would require disclosure in BAT Malaysia Group's 2024 Annual Report.

This Statement is made in accordance with the resolution of the Board of Directors on 25 February 2025.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG) 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of BAT Malaysia Group for the year ended 31 December 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of BAT Malaysia Group, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- is factually inaccurate.

Audit and Assurance Practice Guide (AAPG) 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of BAT Malaysia Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Other Compliance Information

1. UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from any corporate proposal during the financial year ended 31 December 2024.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees paid or payable to the external auditors, KPMG PLT, for services rendered to BAT Malaysia Group for the financial year ended 31 December 2024, are as follows:

	Company (RM)	Group (RM)
Audit fees	427,500	580,500
Non-Audit fees	278,000	278,000

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by BAT Malaysia Group involving Directors and Major Shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2024 or, if not then subsisting, entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

During BAT Malaysia's 63rd AGM held on 8 May 2024, BAT Malaysia Group had obtained a renewal and new Recurrent Related Party Transaction (Recurrent RPTs) mandate with certain related parties (as defined in the Circular to Shareholders dated 4 April 2024). The Recurrent RPTs conducted during the financial year ended 31 December 2024 pursuant to the said mandate are disclosed in pages 217 to 219 of this Report.





Financial Performance

Financial Performance:

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Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 (the Act) to prepare the financial statements for each financial year which have been made out in accordance with the provisions of the Act and the applicable approved accounting standards set out by Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year as well as of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors are satisfied that the applicable approved accounting standards in Malaysia have been complied with and reasonable and prudent judgments and estimates have been made.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps necessary to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Directors' Report

for the Year Ended 31 December 2024

The Directors have pleasure in submitting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The Company is principally engaged in providing day-to-day management and administrative services to its subsidiaries which are principally engaged in the sales, marketing and importation of cigarettes, pipe tobaccos, cigars, devices, other tobacco products and nicotine products. The details of the subsidiaries are as stated in Note 13 to the financial statements.

There have been no significant changes in the nature of the Company's activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to Shareholders of the Company	183,142	151,187

Reserves and Provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Note 18 in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

- i) fourth interim ordinary dividend of 15 sen per ordinary share totalling RM42,829,500 in respect of the financial year ended 31 December 2023 on 5 March 2024.
- ii) first interim ordinary dividend of 10 sen per ordinary share totalling RM28,553,000 in respect of the financial year ended 31 December 2024 on 20 June 2024.
- iii) second interim ordinary dividend of 12 sen per ordinary share totalling RM34,264,000 in respect of the financial year ended 31 December 2024 on 22 August 2024.
- iv) third interim ordinary dividend of 22 sen per ordinary share totalling RM62,817,000 in respect of the financial year ended 31 December 2024 on 27 November 2024.

The Directors declared a fourth interim ordinary dividend of 15 sen per ordinary share at the Board of Directors' meeting on 6 February 2025 amounting to RM42,830,000 in respect of the financial year ended 31 December 2024 which will be paid on 6 March 2025 to shareholders registered in the Company's Register of Members at the close of business on 21 February 2025. The financial statements for the year ended 31 December 2024 do not reflect the fourth interim ordinary dividend which will be accounted for in the financial year ending 31 December 2025.

The Board of Directors do not recommend the payment of a final dividend in respect of the financial year ended 31 December 2024.

Director's Report

for the Year Ended 31 December 2024

Directors of the Company

Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Seri Dr. Aseh Bin Haji Che Mat (Chairman)
 Dato' Chan Choon Ngai
 Datuk Lee Oi Kuan (f)
 Eric Ooi Lip Aun
 Nedal Louay Salem
 Norliza Binti Kamaruddin (f)
 Adrian Lee Peng Yong** (Appointed on 1 November 2024)
 Anthony Yong Mun Seng** (Resigned on 1 November 2024)

** This Director is also Director of the Company's subsidiaries.

The name of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report are:

Anthony Lea Clayton (Appointed on 15 August 2024)
 Fairuz Helmi Bin Abdul Malek (Appointed on 1 January 2025)
 Darren John Corby (Resigned on 15 August 2024)
 C.K. Remeena A/P C.K. Prabhakaran (f) (Resigned on 1 January 2025)

Directors' Interests in Shares

The interests in the ordinary shares and share options of the Company and of its related corporations of those who were Directors at the end of the financial year as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Bought	Sold	
Company				
Shareholdings in the name of the Director:				
Dato' Chan Choon Ngai	1,000	-	-	1,000
Datuk Lee Oi Kuan (f)	100	-	-	100

Director's Report

for the Year Ended 31 December 2024

Directors' Interests in Shares (continued)

Number of ordinary shares in British American Tobacco p.l.c.			
At 11.2024/ Date of appointment	Bought	Sold	At 31.12.2024
Ultimate Holding Company			
- British American Tobacco p.l.c.			
Shareholdings in the name of the Director:			
Datuk Lee Oi Kuan (f)	38,029	2,600	-
Nedal Louay Salem	55,000	7,000	-
Adrian Lee Peng Yong	2,191	-	-

Number of ordinary shares in British American Tobacco p.l.c.			
At 11.2024/ Date of appointment	Awarded	Vested	At 31.12.2024
Ultimate Holding Company			
- British American Tobacco p.l.c.			
Deferred Share Bonus Scheme & International Share Reward Scheme			
Shareholdings in the name of the Director:			
Nedal Louay Salem	6,267	1,735	(1,748)
Adrian Lee Peng Yong	2,404	-	-

Number of options in ordinary shares in British American Tobacco p.l.c.			
At 11.2024/ Date of Appointment	Granted	Exercised	At 31.12.2024
Ultimate Holding Company			
- British American Tobacco p.l.c.			
Long-Term Incentive Plan (LTIP)			
Shareholdings in the name of the Director:			
Nedal Louay Salem			
LTIP (29 March 2031)	1,942	1,026	(2,968)
LTIP (25 March 2032)	7,146	-	-
LTIP (22 March 2033)	8,372	-	-
LTIP (20 March 2034)	-	11,722	-
Adrian Lee Peng Yong			
LTIP (20 March 2034)	671	-	-

Director's Report

for the Year Ended 31 December 2024

Directors' Interests in Shares (continued)

Some of the shares and options in the ultimate holding company held by Directors arose as a result of the Directors' participation in the employee share schemes offered by British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent equity interest in the Company and is the Company's ultimate holding company). Further details on the employee share schemes offered by British American Tobacco p.l.c. are provided in Note 22 to the financial statements.

Directors' Benefits

Since the end of the previous financial year, no Director has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM'000
Directors of the Company:	
Fees	785
Other emoluments	6,639
	7,424

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate pursuant to requirements under the Companies Act 2016, other than as may arise from equity-settled share-based compensation plans offered by British American Tobacco p.l.c. (British American Tobacco p.l.c. is the ultimate holding company) as disclosed in Note 22 to the financial statements.

Issue of Shares and Debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options Granted over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and Insurance Costs

During the financial year, Directors and Officers of the Group were covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacities as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total premiums paid and indemnity coverage in respect of Directors' and Officers' Liability Insurance for the Directors and Officers of the Group were RM11,929 and RM4,414,354 respectively.

There were no indemnity and insurance costs effected for auditors of the Group and of the Company during the financial year.

Other Statutory Information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- iii) which have arisen that render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liability of any other person; or
- ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Holding Companies

The Directors regard British American Tobacco Holdings (Malaysia) B.V. (incorporated in Netherlands) as its immediate holding company and British American Tobacco p.l.c. (incorporated in England and Wales) as its ultimate holding company.

Director's Report

for the Year Ended 31 December 2024

Auditors

The auditors, KPMG PLT, have indicated their willingness to continue in office. The Directors had endorsed the recommendation of the Audit Committee for KPMG PLT to be re-appointed as auditors.

The auditors' remuneration of the Group and of the Company during the year are RM858,500 and RM705,500 respectively as disclosed in Note 4 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

Nedal Louay Salem
Managing Director

Adrian Lee Peng Yong
Finance Director

Kuala Lumpur

Date: 25 February 2025

Statements of Profit or Loss

for the Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	3	2,315,404	2,310,999	159,977	247,398
Cost of sales		(1,774,235)	(1,742,965)	-	-
Gross profit		541,169	568,034	159,977	247,398
Other operating income		3,460	1,103	3,944	358
Distribution and marketing costs		(139,250)	(159,076)	-	-
Administrative expenses		(98,309)	(93,622)	(2,016)	(3,786)
Other operating expenses		(28,553)	(35,807)	-	-
Profit from operations		278,517	280,632	161,905	243,970
Finance costs		(26,901)	(24,293)	(8,160)	(8,414)
Profit before tax	4	251,616	256,339	153,745	235,556
Tax expense	7	(68,474)	(61,591)	(2,558)	(1,414)
Profit for the year		183,142	194,748	151,187	234,142

The notes on pages 162 to 219 are an integral part of these financial statements.

Statements of Other Comprehensive Income

as at Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the year		183,142	194,748	151,187	234,142
Other comprehensive (expense)/income, net of tax:					
Items that may be subsequently reclassified to profit or loss					
- changes in fair value of cash flow hedges	20	(5,658)	3,541	-	-
- deferred tax on fair value changes on cash flow hedges	14	1,358	(850)	-	-
Total other comprehensive (expense)/income for the financial year, net of tax		(4,300)	2,691	-	-
Total comprehensive income for the financial year		178,842	197,439	151,187	234,142
Profit attributable to:					
Shareholders of the Company		183,142	194,748	151,187	234,142
Total comprehensive income for the financial year attributable to:					
Shareholders of the Company		178,842	197,439	151,187	234,142
Basic and diluted earnings per ordinary share (sen)	8	64.1	68.2		

The notes on pages 162 to 219 are an integral part of these financial statements.

Statements of Financial Position

as at 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Property, plant and equipment	10	50,299	65,692	12,599	18,907
Computer software	11	1,809	1,311	1,220	-
Goodwill	12	411,618	411,618	-	-
Subsidiaries	13	-	-	723,395	723,395
Deferred tax assets	14	12,565	6,587	2,544	2,603
Total non-current assets		476,291	485,208	739,758	744,905
Inventories	15	10,538	44,910	-	-
Tax recoverable		2,245	2,321	1,965	877
Trade and other receivables	16	669,208	625,920	20,765	2,485
Derivative financial instruments	20	2,649	4,950	-	-
Cash and bank balances		35,385	27,849	23,680	21,051
Total current assets		720,025	705,950	46,410	24,413
Total assets		1,196,316	1,191,158	786,168	769,318
Equity					
Share capital		142,765	142,765	142,765	142,765
Cash flow hedge reserve		(1,445)	2,855	-	-
Retained earnings		246,617	231,939	347,454	364,731
Total equity attributable to the owners of the Company	17	387,937	377,559	490,219	507,496
Liabilities					
Lease liabilities	21	26,357	34,136	3,841	7,904
Total non-current liabilities		26,357	34,136	3,841	7,904
Trade and other payables	18	194,464	219,317	286,646	247,900
Borrowings	19	558,000	543,000	-	-
Derivative financial instruments	20	4,183	809	-	-
Lease liabilities	21	11,416	14,529	5,462	6,018
Current tax liabilities		13,959	1,808	-	-
Total current liabilities		782,022	779,463	292,108	253,918
Total liabilities		808,379	813,599	295,949	261,822
Total equity and liabilities		1,196,316	1,191,158	786,168	769,318

The notes on pages 162 to 219 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2024

	Note	Non-distributable			Distributable	Total RM'000
		Share capital RM'000	Cash flow hedge reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
Group						
At 1 January 2024		142,765	2,855	-	231,939	377,559
Profit for the year		-	-	-	183,142	183,142
Other comprehensive (expense)/ income:						
- changes in fair value of cash flow hedges	20	-	(5,658)	-	-	(5,658)
- deferred tax on fair value changes on cash flow hedges	14	-	1,358	-	-	1,358
Total comprehensive income		-	(4,300)	-	183,142	178,842
Transactions with shareholders:						
Expense arising from equity- settled share-based payment transactions	22	-	-	1,684	-	1,684
Recharge of share-based payments	22	-	-	(1,684)	-	(1,684)
Dividend for financial year ended 31 December 2023						
- fourth interim	9	-	-	-	(42,830)	(42,830)
Dividends for financial year ended 31 December 2024						
- first interim	9	-	-	-	(28,553)	(28,553)
- second interim	9	-	-	-	(34,264)	(34,264)
- third interim	9	-	-	-	(62,817)	(62,817)
Total transactions with shareholders of the Company		-	-	-	(168,464)	(168,464)
At 31 December 2024		142,765	(1,445)	-	246,617	387,937

Consolidated Statement of Changes in Equity

for the Year Ended 31 December 2024

	Note	← Non-distributable →			Distributable	Total RM'000
		Share capital RM'000	Cash flow hedge reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
Group						
At 1 January 2023		142,765	164	-	234,207	377,136
Profit for the year		-	-	-	194,748	194,748
Other comprehensive (expense)/ income:						
- changes in fair value of cash flow hedges	20	-	3,541	-	-	3,541
- deferred tax on fair value changes on cash flow hedges	14	-	(850)	-	-	(850)
Total comprehensive income		-	2,691	-	194,748	197,439
Transactions with shareholders:						
Expense arising from equity- settled share-based payment transactions	22	-	-	2,524	-	2,524
Recharge of share-based payments	22	-	-	(2,524)	-	(2,524)
Dividend for financial year ended 31 December 2022						
- fourth interim	9	-	-	-	(59,961)	(59,961)
Dividends for financial year ended 31 December 2023						
- first interim	9	-	-	-	(37,119)	(37,119)
- second interim	9	-	-	-	(45,685)	(45,685)
- third interim	9	-	-	-	(54,251)	(54,251)
Total transactions with shareholders of the Company		-	-	-	(197,016)	(197,016)
At 31 December 2023		142,765	2,855	-	231,939	377,559

The notes on pages 162 to 219 are an integral part of these financial statements.

Statement of Changes in Equity

for the Year Ended 31 December 2024

	Note	← Non-distributable →		Distributable	Total RM'000
		Share capital RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
Company					
At 1 January 2024		142,765	-	364,731	507,496
Profit for the year		-	-	151,187	151,187
Total comprehensive income		-	-	151,187	151,187
Transactions with shareholders:					
Expense arising from equity-settled share-based payment transactions	22	-	1,403	-	1,403
Recharge of share-based payments	22	-	(1,403)	-	(1,403)
Dividend for financial year ended 31 December 2023					
- fourth interim	9	-	-	(42,830)	(42,830)
Dividends for financial year ended 31 December 2024					
- first interim	9	-	-	(28,553)	(28,553)
- second interim	9	-	-	(34,264)	(34,264)
- third interim	9	-	-	(62,817)	(62,817)
Total transactions with shareholders of the Company		-	-	(168,464)	(168,464)
At 31 December 2024		142,765	-	347,454	490,219

Statement of Changes in Equity
for the Year Ended 31 December 2024

	Note	← Non-distributable →		Distributable	Total RM'000
		Share capital RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
Company					
At 1 January 2023		142,765	-	327,605	470,370
Profit for the year		-	-	234,142	234,142
Total comprehensive income		-	-	234,142	234,142
Transactions with shareholders:					
Expense arising from equity-settled share-based payment transactions	22	-	1,980	-	1,980
Recharge of share-based payments	22	-	(1,980)	-	(1,980)
Dividend for financial year ended 31 December 2022					
- fourth interim	9	-	-	(59,961)	(59,961)
Dividends for financial year ended 31 December 2023					
- first interim	9	-	-	(37,119)	(37,119)
- second interim	9	-	-	(45,685)	(45,685)
- third interim	9	-	-	(54,251)	(54,251)
Total transactions with shareholders of the Company		-	-	(197,016)	(197,016)
At 31 December 2023		142,765	-	364,731	507,496

The notes on pages 162 to 219 are an integral part of these financial statements.

Statements of Cash Flows

for the Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities					
Profit before tax		251,616	256,339	153,745	235,556
Adjustments for:					
- non-cash items		32,306	18,776	7,161	7,234
- interest income		(585)	(623)	(585)	(623)
- interest expense		26,901	24,293	8,159	8,414
Changes in working capital:					
- inventories		34,372	25,632	-	-
- trade and other receivables		(43,619)	177,242	(18,283)	10,003
- trade and other payables		(35,146)	(6,103)	38,857	(31,007)
Cash from operations		265,845	495,556	189,054	229,577
Income tax paid		(60,867)	(99,011)	(3,587)	(4,716)
Net cash flow from operating activities		204,978	396,545	185,467	224,861
Investing activities					
Property, plant and equipment					
- additions	10	(1,624)	(1,009)	(380)	-
- proceeds from disposal		247	2,007	247	-
Addition of computer software	11	(1,796)	-	(1,255)	-
Interest income received		585	623	585	623
Net cash flow (used in)/from investing activities		(2,588)	1,621	(803)	623
Financing activities					
Dividends paid to shareholders	9	(168,464)	(197,016)	(168,464)	(197,016)
Interest expense paid on borrowings		(25,355)	(22,871)	(7,810)	(7,919)
Net drawdown/(repayment) of borrowings	19	15,000	(152,000)	-	-
Payment on lease liabilities	21	(14,489)	(13,644)	(5,412)	(5,466)
Interest paid in relation to lease liabilities		(1,546)	(1,422)	(349)	(496)
Net cash flow used in financing activities		(194,854)	(386,953)	(182,035)	(210,897)
Net increase in cash and bank balances		7,536	11,213	2,629	14,587
Cash and bank balances at 1 January		27,849	16,636	21,051	6,464
Cash and bank balances at 31 December		35,385	27,849	23,680	21,051

Statements of Cash Flows

for the Year Ended 31 December 2024

(a) Cash outflows for leases as a lessee

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	4	31	1,272	-	-
Included in net cash from financing activities:					
Interest paid in relation to lease liabilities	4	1,546	1,422	349	496
Payment of lease liabilities		14,489	13,644	5,412	5,466
		16,035	15,066	5,761	5,962
Total cash outflows for leases		16,066	16,338	5,761	5,962

The notes on pages 162 to 219 are an integral part of these financial statements.

Notes to the Financial Statements

British American Tobacco (Malaysia) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company is as follows:

Registered Office and Principal Place of Business

Level 19, Guoco Tower
Damansara City
No. 6 Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in providing day-to-day management and administrative services to its subsidiaries which are principally engaged in the sales, marketing and importation of cigarettes, pipe tobaccos, cigars, devices, other tobacco products and nicotine products. The details of the subsidiaries are as stated in Note 13 to the financial statements.

The Directors regard British American Tobacco Holdings (Malaysia) B.V. (incorporated in Netherlands) and British American Tobacco p.l.c. (incorporated in England and Wales), as its immediate and ultimate holding company respectively.

These financial statements were authorised for issue by the Board of Directors on 25 February 2025.

1. Basis of Preparation

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards, 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*

Notes to the Financial Statements

1. Basis of Preparation (continued)

(a) Statement of Compliance (continued)

MFRS Accounting Standards, 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*

MFRS Accounting Standards, 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*

MFRS Accounting Standards, 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 and the Company plan 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.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the Group and the Company.

Notes to the Financial Statements

1. Basis of Preparation (continued)

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value

(c) Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following note:

- Note 12 – impairment of goodwill

2. Comparative figures

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

	2023		
	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Reclassification			
Statement of financial position			
Inventories	32,570	12,340	44,910
Trade and other payables	206,977	12,340	219,317

Notes to the Financial Statements

3. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers:				
Sale of cigarettes, pipe tobaccos, cigars, devices, other tobacco and nicotine products	2,314,292	2,310,999	-	-
Other revenue:				
Dividend income from unquoted subsidiaries	-	-	154,464	242,412
Management fee from subsidiaries	-	-	4,869	2,918
Management fee from related company	1,112	-	644	-
Fee for usage of property, plant and equipment from subsidiaries	-	-	-	2,068
	2,315,404	2,310,999	159,977	247,398

The Group is primarily engaged in the sales, marketing and importation of cigarettes, pipe tobaccos, cigars, devices and other tobacco and nicotine products. Revenue of the Group is recognised at a point in time when it transfers control of tobacco products and nicotine devices to the customers. Payment terms given to customers range from 1 to 75 days from invoice date. Variable elements in consideration are those trade discounts, volume rebates, trade incentives and rights of return. The Group allows return only for exchange with new goods (i.e. no cash refunds are offered).

Material accounting policy information**(a) Revenue from Contracts with Customers**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to the customer. An asset is transferred when (or as) the customer obtains control of the asset.

(b) Dividend Income

Dividend income is recognised in the profit or loss on the date that the Group's or the Company's right to receive payment is established.

(c) Management Fee

Management fee is recognised when services are rendered.

(d) Fee for usage of Property, Plant and Equipment

Fee for usage of property, plant and equipment is recognised when services are rendered.

Notes to the Financial Statements

4. Profit Before Tax

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- Fees for statutory audit of the financial statements		581	571	428	418
- Fees for other audit-related services		278	248	278	248
Raw materials and consumables used		222,783	213,409	-	-
Excise duties		1,290,324	1,272,634	-	-
Staff costs	6	72,209	58,514	17,150	13,083
Property, plant and equipment:					
- depreciation	10	4,373	5,286	1,722	2,106
- depreciation of right-of-use ("ROU") assets	10	14,527	12,974	5,232	5,055
- write-off	10	1,649	199	446	-
Computer software:					
- amortisation	11	1,298	1,218	35	-
Net loss on impairment of financial assets at amortised cost	24.4	37	-	-	-
Expenses relating to:					
- short-term lease	a	31	1,272	-	-
Inventories written-off	15	8,001	16,653	-	-
Net provision for market returns		11,498	-	-	-
Finance costs:					
- lease liabilities		1,546	1,422	349	496
- borrowings		25,355	22,871	7,810	7,919
Net foreign exchange loss		-	2,802	-	264
and after crediting:					
Gain on disposal of property, plant and equipment		166	280	166	-
Interest income on deposits		585	623	585	623
Gain on derecognition of lease assets		18	40	-	-
Gain on derivatives	20	286	2,343	-	-
Net reversal in provision for market returns		-	2,227	-	-
Net foreign exchange gain		1,955	-	319	-
Reversal on impairment of financial assets at amortised cost	24.4	-	177	-	-

Notes to the Financial Statements

4. Profit Before Tax (continued)

Note a

The Group leases buildings and motor vehicles with contract terms of less than 1 year. These leases are short-term leases and the Group has elected not to recognise right-of-use ("ROU") assets and lease liabilities for these leases.

5. Directors' Remuneration

	Group and Company	
	2024 RM'000	2023 RM'000
Fees	785	775
Other emoluments	6,639	5,883
	7,424	6,658

Included in other emoluments is the estimated monetary value of benefits in kind provided to Directors of the Group and of the Company during the financial year amounted to RM539,000 (2023: RM718,000) and RM539,000 (2023: RM718,000) respectively.

Details of the movements of certain Directors' equity-settled share-based payments arrangements, covering the Deferred Share Bonus Scheme and International Share Reward Scheme are as follows, representing number of ordinary shares awarded during the tenure of the Directors' service with the Group and the Company.

	Number of ordinary shares in British American Tobacco p.l.c.				
	At 1.1.2023	Other movements*	At 31.12.2023/ 1.1.2024	Other movements*	At 31.12.2024
Executive Directors					
Deferred Share Bonus Scheme	8,890	993	9,883	(1,510)	8,373
International Share Reward Scheme	313	(27)	286	(1)	285
	9,203	966	10,169	(1,511)	8,658

Notes to the Financial Statements

5. Directors' Remuneration (continued)

Details of the movements of the Directors' participation in the equity-settled Long-Term Incentive Plan are as follows, representing number of options in ordinary shares granted during the tenure of the Directors' service with the Group and the Company.

Number of options in ordinary shares in British American Tobacco p.l.c.

Grant price	At		At		At
	1.1.2023	Other movements*	31.12.2023/ 1.1.2024	Other movements*	
£26.33	1,986	(1,986)	-	-	-
£24.04	1,942	-	1,942	(1,942)	-
£32.18	9,070	-	9,070	(1,924)	7,146
£29.71	-	10,450	10,450	(2,078)	8,372
£23.84	-	-	-	12,393	12,393
	12,998	8,464	21,462	6,449	27,911

* Other movements relate to ordinary shares and options that would have lapsed or movement of Directors during the financial year.

6. Staff Costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and bonuses	58,914	46,357	13,386	10,790
Defined contribution plan	5,062	5,182	880	755
Other staff related expenses	8,233	6,975	2,884	1,538
	72,209	58,514	17,150	13,083

Included in staff costs is an amount for other emoluments as part of Directors' remuneration disclosed in Note 5 to the financial statements.

Staff costs recharged by the Company to the subsidiaries during the year amounted to RM17,206,000 (2023: RM12,185,000).

Material accounting policy information

(a) Short-term Employee Benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the Financial Statements

6. Staff Costs (continued)

Material accounting policy information (continued)

(b) State Plans

The Group's contributions to statutory pension funds are charged to the profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Termination Benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

7. Tax Expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax expense				
- current year	66,662	63,085	1,863	1,871
- under/(over) provision in prior year	6,432	(1,869)	636	563
	73,094	61,216	2,499	2,434
Deferred tax expense/(credit)				
- reversal and origination of temporary differences	(516)	2,402	177	(793)
- under provision in prior year	(4,104)	(2,027)	(118)	(227)
	(4,620)	375	59	(1,020)
	68,474	61,591	2,558	1,414

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Reconciliation of tax rate				
Statutory tax rate	24	24	24	24
Expenses not deductible for tax purposes	2	2	2	1
(Over)/Under provision in prior year	1	(2)	-	-
Income not subject to tax	-	-	(24)	(24)
	27	24	2	1

Notes to the Financial Statements

7. Tax Expense (continued)

Material accounting policy information

Tax expense comprises income and deferred tax. Income tax and deferred tax are recognised in the profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

Income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

8. Earnings Per Share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2024	2023
Profit for the year (RM'000)	183,142	194,748
<u>Weighted average number of ordinary shares:</u>		
Number of ordinary shares at 31 December ('000)	285,530	285,530
Basic earnings per ordinary share (sen)	64.1	68.2

The Group's diluted profit per ordinary share for the financial year approximates its basic earnings per ordinary shares.

Material accounting policy information

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Notes to the Financial Statements

9. Dividends

Dividends paid or declared in respect of the financial year are as follows:

	Sen per share	Total amount RM'000
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
Third interim dividend 2024	22.0	62,817
Total amount	59.0	168,464
2023		
Fourth interim dividend 2022	21.0	59,961
First interim dividend 2023	13.0	37,119
Second interim dividend 2023	16.0	45,685
Third interim dividend 2023	19.0	54,251
Total amount	69.0	197,016

The first, second and third interim dividends are paid and accounted for in shareholders' equity as an appropriation of retained earnings in the financial year they are declared.

The Directors declared a fourth interim ordinary dividend of 15.0 sen per ordinary share at the Board of Directors' meeting on 6 February 2025 amounting to RM42,830,000 in respect of the financial year ended 31 December 2024 which will be paid on 6 March 2025 to shareholders registered in the Company's Register of Members at the close of business on 21 February 2025. These financial statements do not reflect the fourth interim ordinary dividend which will be accounted for in the financial year ending 31 December 2025.

The Board of Directors do not recommend the payment of a final dividend in respect of the financial year ended 31 December 2024.

Material accounting policy information

Interim dividends are recognised as a liability in the period in which they are declared. Final dividends are recognised in the period approval of members is obtained.

Notes to the Financial Statements

10. Property, Plant and Equipment

Group	Buildings (ROU assets)* RM'000	Machinery and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Motor vehicles (ROU assets)* RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
At 1 January 2023	42,869	5,823	29,430	7,847	15,409	3,849	106,194
Additions	28,636	-	1,009	-	1,338	-	30,983
Disposals	-	-	-	(4,496)	-	-	(4,496)
Derecognition	(149)	-	-	-	(2,464)	-	(2,613)
Remeasurement	(201)	-	-	-	-	-	(201)
Reclassification	-	-	3,551	-	-	(3,551)	-
Write-off	-	-	(895)	(933)	-	-	(1,828)
At 31 December 2023/							
1 January 2024	71,155	5,823	33,095	2,418	14,283	298	128,039
Additions	948	-	1,244	-	1,915	380	4,906
Disposals	(7,678)	(896)	(344)	(543)	-	-	(9,461)
Derecognition	-	-	-	-	(63)	-	(63)
Remeasurement	350	-	-	-	-	-	350
Reclassification	-	-	99	-	-	(99)	-
Write-off	-	(583)	(2,740)	-	-	-	(3,323)
At 31 December 2024	64,775	4,344	31,354	1,875	16,135	579	120,448

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)

Group	Buildings (ROU assets)* RM'000	Machinery and equipment RM'000	Furniture and fittings RM'000	Furniture and fittings (ROU assets)* RM'000	Motor vehicles RM'000	Motor vehicles (ROU assets)* RM'000	Capital work-in- progress RM'000	Total RM'000
Accumulated depreciation								
At 1 January 2023	24,144	1,384	15,217	185	4,927	4,055	-	49,912
Charge for the year	7,598	-	4,831	261	455	5,115	-	18,260
Disposals	-	-	-	-	(2,769)	-	-	(2,769)
Derecognition	(58)	-	-	-	-	(1,369)	-	(1,427)
Write-off	-	-	(895)	-	(734)	-	-	(1,629)
At 31 December 2023/ 1 January 2024	31,684	1,384	19,153	446	1,879	7,801	-	62,347
Charge for the year	8,840	317	3,935	287	121	5,400	-	18,900
Disposals	(7,678)	(896)	(344)	-	(462)	-	-	(9,380)
Derecognition	-	-	-	-	-	(44)	-	(44)
Write-off	-	(168)	(1,506)	-	-	-	-	(1,674)
At 31 December 2024	32,846	637	21,238	733	1,538	13,157	-	70,149
Carrying amounts								
At 1 January 2023	18,725	4,439	14,213	782	2,920	11,354	3,849	56,282
At 31 December 2023/ 1 January 2024	39,471	4,439	13,942	521	539	6,482	298	65,692
At 31 December 2024	31,929	3,707	10,116	653	337	2,978	579	50,299

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)

Company	Buildings (ROU assets)* RM'000	Furniture and fittings RM'000	Furniture and fittings (ROU assets)* RM'000	Motor vehicles RM'000	Motor vehicles (ROU assets)* RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 January 2023	30,565	18,775	967	1,763	136	228	52,434
Additions	1,143	-	-	-	305	-	1,448
Reclassification	-	228	-	-	-	(228)	-
Remeasurement	(202)	-	-	-	-	-	(202)
Write-off	-	(704)	-	-	-	-	(704)
At 31 December 2023/ 1 January 2024	31,506	18,299	967	1,763	441	-	52,976
Additions	-	-	420	-	373	380	1,173
Write-off	-	(1,158)	-	-	-	-	(1,158)
Disposal	-	(186)	-	(543)	-	-	(729)
At 31 December 2024	31,506	16,955	1,387	1,220	814	380	52,262

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)

Company	Buildings (ROU assets)* RM'000	Furniture and fittings RM'000	Furniture and fittings (ROU assets)* RM'000	Motor vehicles RM'000	Motor vehicles (ROU assets)* RM'000	Capital work-in- progress RM'000	Total RM'000
Accumulated depreciation							
At 1 January 2023	14,905	11,359	185	1,118	45	-	27,612
Charge for the year	4,715	1,829	261	277	79	-	7,161
Write-off	-	(704)	-	-	-	-	(704)
At 31 December 2023/ 1 January 2024	19,620	12,484	446	1,395	124	-	34,069
Charge for the year	4,626	1,646	287	76	319	-	6,954
Disposal	-	(186)	-	(462)	-	-	(648)
Write-off	-	(712)	-	-	-	-	(712)
At 31 December 2024	24,246	13,232	733	1,009	443	-	39,663
Carrying amounts							
At 1 January 2023	15,660	7,416	782	645	91	228	24,822
At 31 December 2023/ 1 January 2024	11,886	5,815	521	368	317	-	18,907
At 31 December 2024	7,260	3,723	654	211	371	380	12,599

* The Group leases office building, motor vehicle, warehouse, factory and computer equipment that run for 3 to 10 years, with an option to renew the lease after that date.

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)

Extension options

Some leases contain extension options exercisable by the Group and the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Material accounting policy information

(a) Recognition and Measurement

Items of property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "other operating expenses" respectively in the profit or loss.

(b) Subsequent Costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to the profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)**Material accounting policy information (continued)****(c) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

Buildings	2 to 10 years
Machinery and equipment	14 to 20 years
Furniture and fittings (including computer equipment and peripherals)	Various periods not exceeding 10 years
Motor vehicles	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

Leases**(a) Definition of a Lease Contract**

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)

Material accounting policy information (continued)

Leases (continued)

(b) Recognition and Initial Measurement

(i) As a Lessee

The Group and the Company recognise a right-of-use (“ROU”) asset and a lease liability at the lease commencement date. The right-of-use (“ROU”) asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities’ incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company have elected not to recognise right-of-use (“ROU”) assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

10. Property, Plant and Equipment (continued)

Material accounting policy information (continued)

Leases (continued)

(c) Subsequent Measurement

(i) As a Lessee

The right-of-use (“ROU”) asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use (“ROU”) asset or the end of the lease term. The estimated useful lives of right-of-use (“ROU”) assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use (“ROU”) asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group and the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use (“ROU”) asset, or is recorded in profit or loss if the carrying amount of the right-of-use (“ROU”) asset has been reduced to zero.

11. Computer Software

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost				
At 1 January	3,740	4,238	87	87
Additions	1,796	-	1,255	-
Write-off	-	(498)	-	-
At 31 December	5,536	3,740	1,342	87
Accumulated amortisation				
At 1 January	2,429	1,211	87	87
Charge for the year	1,298	1,218	35	-
At 31 December	3,727	2,429	122	87
Carrying amounts				
At 31 December	1,809	1,311	1,220	-

Notes to the Financial Statements

11. Computer Software (continued)

Material accounting policy information

(a) Other Intangible Assets

Intangible assets, other than goodwill, that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

(c) Amortisation

Intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative years are as follows:

Computer software 3 to 5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate. The amortisation of computer software is recognised in administrative expenses.

12. Goodwill

	Group	
	2024	2023
	RM'000	RM'000
Carrying amount at 31 December	411,618	411,618

Goodwill arose from the acquisition of the business of Malaysian Tobacco Company Berhad, and represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the net assets of the subsidiary companies acquired on 2 November 1999, the date of acquisition.

The carrying amount of goodwill is reviewed for impairment annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The carrying amount of goodwill fully relates to the West Malaysia cash-generating unit. The recoverable amount has been determined based on value-in-use calculations. For the purposes of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The key assumptions for the recoverable amount are management's current estimates for revenue, volume growth and terminal growth rate as well as a pre-tax discount rate of 10.6 percent (2023: 10.2 percent). These assumptions are determined by management using past experience and external information where available. The assumptions are applied to a projection for a period of five years (2023: five years) plus terminal value.

Notes to the Financial Statements

12. Goodwill (continued)

The value-in-use calculations use cash flows based on detailed financial budgets prepared by management covering a one-year period extrapolated over a 5-year horizon with growth of 2.1% (2023: 4.0%) in years 2 to 5. A 5-year horizon is considered appropriate based on the Group's history of profit and cash growth, its well-balanced portfolio of brands and the industry in which it operates. A terminal growth rate was assumed beyond the 5-year horizon taking into account potential long-term volume decline of combustible products offset by a conservative rate of growth assumed for new category products as the Group pivots into a multicategory business. Terminal growth rates are reassessed on an annual basis.

Based on the assessment, the recoverable amount exceeded the carrying amount of the goodwill. Accordingly, no impairment loss was recognised in 2024 (2023: Nil).

Based on sensitivity tests performed by the Group, any reasonable change in the key assumptions used will not result in any significant change to the results of impairment assessment.

Material accounting policy information**(a) Goodwill**

Goodwill arising on business combinations is measured at cost less any accumulated impairment losses.

(b) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

13. Subsidiaries

	Note	Company	
		2024 RM'000	2023 RM'000
Cost			
Unquoted shares in subsidiaries	13.1	723,395	723,395

Notes to the Financial Statements

13. Subsidiaries (continued)

13.1 Unquoted shares in subsidiaries

The subsidiaries, all of which are wholly-owned, are as follows:

Name of entity	Principal place of business/ country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024	2023
Commercial Marketers and Distributors Sdn. Bhd.	Malaysia	Sales, marketing and importation of cigarettes, pipe tobaccos, cigars, devices, other tobacco products and nicotine products	100%	100%
Tobacco Importers and Manufacturers Sdn. Berhad	Malaysia	Manufacture and sale of cigarettes and other tobacco related products	100%	100%

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Material accounting policy information

(a) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Financial Statements

14. Deferred Tax

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets					
At 1 January		6,587	7,812	2,603	1,583
Recognised in profit or loss	14(i)	4,620	(375)	(59)	1,020
Recognised in other comprehensive income	14(ii)	1,358	(850)	-	-
At 31 December		12,565	6,587	2,544	2,603
Represented by:					
Property, plant and equipment		(1,030)	(926)	(432)	(648)
Provisions		12,283	8,409	2,976	3,251
Cash flow hedge		1,312	(896)	-	-
Deferred tax assets		12,565	6,587	2,544	2,603

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets				
Deferred tax liabilities not to be recovered after more than 12 months	(1,030)	(926)	(432)	(648)
Deferred tax assets to be recovered within 12 months	13,595	7,513	2,976	3,251
At 31 December	12,565	6,587	2,544	2,603
(i) Recognised in profit or loss:				
- Credited/(charged) in respect of net deferred tax assets	4,620	(375)	(59)	1,020
Net credited/(charged) to profit or loss	4,620	(375)	(59)	1,020
(ii) Recognised in other comprehensive income:				
- Charged in respect of deferred tax assets	1,358	(850)	-	-
Net credited/(charged) to other comprehensive income	1,358	(850)	-	-

During and at the end of the financial year, there were no unabsorbed tax losses. There are no items for which deferred tax assets have not been recognised.

Notes to the Financial Statements

14. Deferred Tax (continued)

Material accounting policy information

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

15. Inventories

	Group	
	2024	2023
	RM'000	RM'000
Raw materials	328	208
Finished goods	10,210	44,702
	10,538	44,910
Recognised in profit or loss:		
Inventories recognised as cost of sales	1,513,107	1,486,043
Written-off to distribution and marketing costs	8,001	16,653

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

16. Trade and Other Receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables	16.1	649,745	614,050	-	-
Allowance for impairment loss		(851)	(806)	-	-
Trade receivables, net		648,894	613,244	-	-
Amounts due from fellow subsidiaries*	16.2	9,237	7,456	4,583	209
Amounts due from subsidiaries	16.3	-	-	14,203	574
Other receivables, deposits and prepayments	16.4	11,077	5,220	1,979	1,702
		20,314	12,676	20,765	2,485
Total receivables		669,208	625,920	20,765	2,485

* Fellow subsidiaries through a common ultimate major shareholder, British American Tobacco p.l.c.

16.1 Trade Receivables

Credit terms of trade receivables range from 1 to 75 days (2023: 1 to 75 days).

Transfer of trade receivables

The Group sold without recourse certain trade receivables to a bank for cash proceeds. These trade receivables have been derecognised from the statement of financial position because the Group has transferred risks and rewards to the bank. The arrangement with the bank is such that the customers remit cash directly to the Group and the Group transfers the collected amounts to the bank.

The following information shows the carrying amount of trade receivables at the reporting date that have been sold and derecognised under trade receivables.

	Group	
	2024 RM'000	2023 RM'000
Carrying amount of trade receivables sold to a bank and derecognised	79,995	60,157

16.2 Amounts Due From Fellow Subsidiaries

The Group's and the Company's amounts due from fellow subsidiaries are trade and non-trade in nature and are unsecured and interest free with a credit term of 30 to 60 days (2023: 30 to 60 days).

16.3 Amounts Due From Subsidiaries

The Company's amounts due from subsidiaries are non-trade in nature and is unsecured and interest free with a credit term of 30 days (2023: 30 days).

Notes to the Financial Statements

16. Trade and Other Receivables (continued)

16.4 Other Receivables, Deposits and Prepayments

Included in other receivables, deposits and prepayments of the Group are prepaid excise duties of RM8,442,000 (2023: RM3,710,000).

Material accounting policy information

(a) Financial Instruments

(i) Recognition and Initial Measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial Instrument Categories and Subsequent Measurement

Financial Assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised Cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit-impaired financial assets where the effective interest rate is applied to the amortised cost.

Notes to the Financial Statements

16. Trade and Other Receivables (continued)**Material accounting policy information (continued)****(a) Financial Instruments (continued)****(ii) Financial Instrument Categories and Subsequent Measurement (continued)***Financial Assets (continued)***(b) Fair Value through Other Comprehensive Income****(i) Debt Investments**

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit-impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity Investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses accumulated in other comprehensive income are not reclassified to profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair Value through Profit or Loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 24.4(a)(i)).

Notes to the Financial Statements

17. Capital and Reserves

Share capital

	Group and Company			
	Number of shares 2024 '000	Amount 2024 RM'000	Number of shares 2023 '000	Amount 2023 RM'000
	Ordinary shares issued and fully paid with no par value	285,530	142,765	285,530

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

Material accounting policy information

(a) Equity Instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue Expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary Shares

Ordinary shares are classified as equity.

18. Trade and Other Payables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables	18.1	23,432	40,929	-	-
Trade accruals		69,573	78,878	-	-
Amounts due to subsidiaries	18.2	-	-	271,804	230,906
Amounts due to fellow subsidiaries*	18.3	19,988	30,663	416	1,022
Other payables and accruals		81,471	68,847	14,426	15,972
		194,464	219,317	286,646	247,900

Notes to the Financial Statements

18. Trade and Other Payables (continued)

Other payables and accruals comprise the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Accruals for employee expenses	17,527	13,899	5,372	4,197
Accruals for administrative expenses	38,807	40,686	7,767	10,105
Provision for restructuring	-	252	-	-
Provision for market returns	23,838	12,340	-	-
Other non-operating creditors	1,299	1,670	1,287	1,670
	81,471	68,847	14,426	15,972

* Fellow subsidiaries through a common ultimate major shareholder, British American Tobacco p.l.c.

Provision for restructuring

The provision for restructuring is expected to be settled within 12 months. Movements of provision for restructuring are as follows:

	Group RM'000
At 1 January 2023	18,464
Provisions used during the year	(18,212)
At 31 December 2023/1 January 2024	252
Provisions used during the year	(252)
At 31 December 2024	-

Provision for market returns

The provision for market returns is expected to be settled within 12 months. Movements of provision for market returns are as follows:

	Group RM'000
At 1 January 2023	14,567
Provisions made during the year	14,426
Provisions used during the year	(16,653)
At 31 December 2023/1 January 2024	12,340
Provisions made during the year	19,499
Provisions used during the year	(8,001)
At 31 December 2024	23,838

Notes to the Financial Statements

18. Trade and Other Payables (continued)

18.1 Trade Payables

Credit terms of trade payables and suppliers of property, plant and equipment granted to the Group vary from cash term to 120 days (2023: cash term to 120 days).

18.2 Amounts Due to Subsidiaries

The Company's amounts due to subsidiaries are non-trade in nature and are unsecured and subject to 3% (2023: 3%) interest per annum with a credit term of 30 days (2023: 30 days).

18.3 Amounts Due to Fellow Subsidiaries

The Group's and the Company's amounts due to fellow subsidiaries are trade and non-trade in nature and are repayable within credit terms of 30 to 60 days (2023: 30 to 60 days). These amounts are unsecured and interest free.

Material accounting policy information

(a) Financial Instruments

(i) Recognition and Initial Measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial Instrument Categories and Subsequent Measurement

Financial Liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Notes to the Financial Statements

18. Trade and Other Payables (continued)**Material accounting policy information (continued)****(a) Financial Instruments (continued)****(ii) Financial Instrument Categories and Subsequent Measurement (continued)*****Financial Liabilities (continued)***

The categories of financial liabilities at initial recognition are as follows (continued):

(a) Fair Value through Profit or Loss (continued)

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(b) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(ii) Market returns

A provision for market returns is recognised at the point of sale based on a reasonable estimate of likely returns and expected product expiry date.

Notes to the Financial Statements

19. Borrowings

	Group	
	2024	2023
	RM'000	RM'000
Current – unsecured		
Revolving credit	330,000	360,000
Short-term loan	228,000	183,000
	558,000	543,000

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

Reconciliation of movement of liabilities to cash flow arising from financing activities

	Net changes from financing cash flows			
	2023	Drawdown	Repayment	2024
	RM'000	RM'000	RM'000	RM'000
Group				
Borrowings	543,000	587,000	(572,000)	558,000

	Net changes from financing cash flows			
	2022	Drawdown	Repayment	2023
	RM'000	RM'000	RM'000	RM'000
Group				
Borrowings	695,000	322,000	(474,000)	543,000

Material accounting policy information

Borrowing costs are recognised in the profit or loss using the effective interest method.

20. Derivative Financial Instruments

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Group				
Forward foreign exchange contract				
- cash flow hedges	2,649	4,183	4,950	809

The fair values of derivative financial instruments are determined based on the quoted market price of similar derivatives, as they are not traded on an active market.

Notes to the Financial Statements

20. Derivative Financial Instruments (continued)

During the year, a gain of RM286,000 (2023: gain of RM2,343,000) arising from forward foreign exchange contracts in relation to cash flow hedges was recognised in the profit or loss.

The Group's cash flow hedges are principally net exposure in the respective foreign currencies of future payment for finished goods and services, over a period of 6 to 18 months. The timing of expected cash flows in respect of derivatives designated as cash flow hedges is expected to be comparable to the timing of when the hedged item will affect the profit or loss, which are expected to occur at various dates over a period of 6 to 18 months (2023: 6 to 18 months).

Gains and losses recognised in other comprehensive income on forward foreign exchange contracts are recognised in the profit or loss in the period or periods during which the hedged forecast transaction affects the profit or loss. During the year, the Group recognised a loss of RM5,658,000 (2023: gain of RM3,541,000) in the statement of other comprehensive income and a loss of RM3,626,000 (2023: gain of RM6,403,000) was reclassified from equity to the profit or loss.

The notional principal amounts of the outstanding forward foreign exchange contracts are as follows:

Hedging Instruments	Currency	RM'000 equivalent	Average contracted rate
Group			
2024			
Currency to be received over the next 12 months USD39,870,000 (net)	US Dollar	179,064	1 USD = RM4.4912
2023			
Currency to be received over the next 12 months USD36,914,000 (net)	US Dollar	164,030	1 USD = RM4.4436

Material accounting policy information**(a) Hedge Accounting**

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in the profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Notes to the Financial Statements

20. Derivative Financial Instruments (continued)

Material accounting policy information (continued)

(a) Hedge Accounting (continued)

Cash Flow Hedge (continued)

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into the profit or loss in the same year during which the hedged forecast cash flows affect the profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into the profit or loss immediately.

The Group designate only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (“forward points”) and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item’s cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect the profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

Notes to the Financial Statements

21. Lease Liabilities

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current	11,416	14,529	5,462	6,018
Non-current	26,357	34,136	3,841	7,904
Total	37,773	48,665	9,303	13,922

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	48,665	33,762	13,922	18,142
Net changes from financing cash flows	(14,489)	(13,644)	(5,412)	(5,466)
Addition and remeasurement	3,634	29,773	793	1,246
Derecognition	(37)	(1,226)	-	-
At 31 December	37,773	48,665	9,303	13,922

21.1 Material accounting policy information**(a) Definition of a Lease Contract**

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

For leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements

21. Lease Liabilities (continued)

21.1 Material accounting policy information (continued)

(b) Recognition and Initial Measurement

(i) As a Lessee

The Group recognises a right-of-use (“ROU”) asset and a lease liability at the lease commencement date. The right-of-use (“ROU”) asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities’ incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use (“ROU”) assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(c) Subsequent Measurement

(i) As a Lessee

The right-of-use (“ROU”) asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use (“ROU”) asset or the end of the lease term. The estimated useful lives of right-of-use (“ROU”) assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use (“ROU”) asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes to the Financial Statements

21. Lease Liabilities (continued)**21.1 Material accounting policy information (continued)****(c) Subsequent Measurement (continued)****(i) As a Lessee (continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use ("ROU") asset, or is recorded in profit or loss if the carrying amount of the right-of-use ("ROU") asset has been reduced to zero.

22. Share-based Payments

The Group operates a number of share-based payment arrangements of which the three principal ones are:

LTIP - Performance Share Plan (PSP)

Since 2020, performance-related conditional awards under which shares are released automatically following a 3-year vesting period (5-year period for the Executive Directors). LTIP awards granted up to 2019 are nil-cost options exercisable after three years from date of grant (five years for Executive Directors) with a contractual life of 10 years.

For awards granted in 2021, 2020 and 2019, vesting is subject to performance conditions measured over a 3-year period (for all awards), based on earnings per share (40% of grant), operating cash flow (20% of grant), total shareholder return (20% of grant) and net turnover (20% of grant). Total shareholder return combines the share price and dividend performance of the Company by reference to one comparator group.

For 2022, 2023 and 2024 awards, the performance conditions are based on earnings per share (30% of grant), operating cash flow (20% of grant), total shareholder return (20% of grant), net turnover (15% of grant) and New Categories revenue growth (15% of grant).

Participants are not entitled to dividends prior to the vesting or exercise of the awards. A cash equivalent dividend accrues through the vesting period (other than for the Executive Directors where additional shares are delivered in lieu of cash) and is paid on vesting. Equity-settled PSP awards are granted in March each year.

Restricted Share Plan (RSP)

Introduced in 2020, conditional awards under which shares are released three years from date of grant, subject to a continuous employment condition during the three-year vesting period. Participants are not entitled to dividends prior to shares vesting. A cash equivalent dividend accrues through the vesting period and is paid on vesting. Equity-settled RSP awards are granted in March or September.

Notes to the Financial Statements

22. Share-based Payments (continued)

Deferred Share Bonus Scheme (DSBS)

Granted in connection with annual bonuses, conditional awards under which shares are released three years from date of grant subject to a continuous employment condition during the three-year vesting period. A cash equivalent dividend accrues through the vesting period and is paid quarterly (other than for the Executive Directors where additional shares are delivered in lieu of cash). Equity-settled DSBS awards are granted in March each year.

The Group also has a number of other arrangements which are not material for the Group and these are as follows:

International Share Reward Scheme (ISRS)

Conditional shares are granted in April each year (up to an equivalent of £3,600 in any year) subject to a three-year vesting period. Dividend equivalents accrue through the vesting period and additional shares are delivered at vesting. Awards are equity-settled.

Share-based Payment Expense

The amount recognised in the profit or loss in respect of share-based payments were as follows:

		Equity-settled	
	Note	2024 RM'000	2023 RM'000
Group			
LTIP - PSP & RSP	22.1	1,175	1,208
DSBS	22.2	497	1,299
Other schemes	22.3	12	17
Total recognised in profit or loss		1,684	2,524

		Equity-settled	
	Note	2024 RM'000	2023 RM'000
Company			
LTIP - PSP & RSP	22.1	1,029	1,208
DSBS	22.2	362	754
Other schemes	22.3	12	18
Total recognised in profit or loss		1,403	1,980

Notes to the Financial Statements

22. Share-based Payments (continued)

22.1 Long-Term Incentive Plan - PSP & RSP

Details of the movements for the equity-settled LTIP scheme during the years ended 31 December 2024 and 31 December 2023, were as follows:

	Equity-settled Number of options in thousand	
	2024	2023
Group		
Outstanding at start of financial year	31	32
Granted during the period	15	11
Exercised during the period	(7)	(9)
Forfeited during the period	(4)	(3)
Outstanding at end of financial year	35	31
Exercisable at end of financial year	-	1

The weighted average British American Tobacco p.l.c. share price at the date of exercise for share options exercised during the period was £24.06 (2023: £27.62) for equity-settled options.

The outstanding shares for the year ended 31 December 2024 had a weighted average contractual life of 1.4 years (2023: 1.4 years) for the equity-settled scheme.

	Equity-settled Number of options in thousand	
	2024	2023
Company		
Outstanding at start of financial year	29	28
Granted during the period	14	11
Exercised during the period	(6)	(7)
Forfeited during the period	(4)	(3)
Outstanding at end of financial year	33	29
Exercisable at end of financial year	-	-

The weighted average British American Tobacco p.l.c. share price at the date of exercise for share options exercised during the period was £23.51 (2023: £27.84) for equity-settled options.

The outstanding shares for the year ended 31 December 2024 had a weighted average contractual life of 1.3 years (2023: 1.2 years) for the equity-settled scheme.

Notes to the Financial Statements

22. Share-based Payments (continued)

22.2 Deferred Share Bonus Scheme

Details of the movements for the equity-settled DSBS scheme during the years ended 31 December 2024 and 31 December 2023, were as follows:

	Equity-settled Number of options in thousand	
	2024	2023
Group		
Outstanding at start of financial year	23	24
Granted during the period	5	11
Exercised during the period	(6)	(9)
Forfeited during the period	(1)	(3)
Outstanding at end of financial year	21	23
Exercisable at end of financial year	-	-

The weighted average British American Tobacco p.l.c. share price at the date of exercise for share options exercised during the period was £23.51 (2023: £28.23) for equity-settled options.

The outstanding shares for the year ended 31 December 2024 had a weighted average contractual life of 1.1 years (2023: 1.3 years) for the equity-settled scheme.

	Equity-settled Number of options in thousand	
	2024	2023
Company		
Outstanding at start of financial year	15	15
Granted during the period	4	6
Exercised during the period	(5)	-
Forfeited during the period	(1)	(6)
Outstanding at end of financial year	13	15
Exercisable at end of financial year	-	-

The weighted average British American Tobacco p.l.c. share price at the date of exercise for share options exercised during the period was £23.51 (2023: £27.74) for equity-settled options.

The outstanding shares for the year ended 31 December 2024 had a weighted average contractual life of 1.1 years (2023: 1.2 years) for the equity-settled scheme.

Notes to the Financial Statements

22. Share-based Payments (continued)

22.3 Other Schemes

International Share Reward Scheme

Group

The number of outstanding shares at the end of the year for the International Share Reward Scheme were 561 (2023: 276).

Company

The number of outstanding shares at the end of the year for the International Share Reward Scheme were 469 (2023: 184).

Valuation Assumptions

Assumptions used in the Black-Scholes models to determine the fair value of share options at grant date were as follows:

	2024		2023	
	LTIP - PSP & RSP	DSBS	LTIP - PSP & RSP	DSBS
Group and Company				
Expected volatility (%)	25.0	25.0	27.0	27.0
Average expected term to exercise (years)	3.0	3.0	3.0	3.0
Risk-free rate (%)	4.0	4.0	3.5	3.5
Expected dividend yield (%)	9.8	9.8	7.7	7.7
Share price at date of grant (£)	23.84	23.84	29.17	29.71
Fair value at grant date (£)	15.92 / 17.75	17.75	23.15 / 23.61	23.61

Market condition features were incorporated into the Monte-Carlo models for the total shareholder return elements of the LTIP - PSP, in determining fair value at grant date. Assumptions used in these models were as follows:

	2024	2023
	%	%
Group and Company		
Average share price volatility FMCG comparator group	24	24
Average correlation FMCG comparator group	30	29

Fair values determined from the Black-Scholes and Monte-Carlo models use assumptions revised at the end of each reporting period for equity-settled share-based payment arrangements.

The expected British American Tobacco p.l.c. share price volatility was determined taking account of the return index (the share price index plus the dividend reinvested) over a five-year period. The FMCG share price volatility and correlation was also determined over the same periods. The average expected term to exercise used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural conditions, forfeiture and historical experience.

Notes to the Financial Statements

22. Share-based Payments (continued)

Valuation Assumptions (continued)

The risk-free rate has been determined from market yield curves for government gilts with outstanding terms equal to the average expected term to exercise for each relevant grant. The expected dividend yield was determined by calculating the yield from the last two declared dividends divided by the grant share price.

In addition to these valuation assumptions, LTIP - PSP awards contain earnings per share performance conditions. As these are non-market performance conditions they are not included in the determination of fair value of share options at the grant date, however, they are used to estimate the number of awards expected to vest. This pay-out calculation is based on expectations published in analysts' forecasts.

Material accounting policy information

A number of employees of the Group participate in equity-settled share-based compensation plans offered by British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns 50 percent equity interest in the Company and is the Company's ultimate holding company).

Equity-settled share-based payments are measured at fair value at the date of grant and are expensed off over the vesting period, based on British American Tobacco p.l.c.'s estimate of awards that will eventually vest. Fair value is measured by the use of the Black-Scholes and Monte-Carlo pricing models. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations, forfeiture and historical experience.

The grant by British American Tobacco p.l.c. of options over its equity instruments to the employees of the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an expense in the profit or loss, with a corresponding credit to equity.

23. Segment Reporting

The Group is organised and managed on the basis of its geographic regions. These are the reportable segments for the Group as they form the focus of the Group's internal reporting systems and are the basis used by the chief operating decision maker, identified as the Group's Managing Director, for assessing performance and allocating resources.

Performance is measured based on segment revenue and gross profit, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment revenue and gross profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

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

The Group and the Company are domiciled in Malaysia. The revenue from external customers is RM2,314,292,000 (2023: RM2,310,999,000).

Notes to the Financial Statements

23. Segment Reporting (continued)

Segment assets, liabilities and capital expenditures information is neither included in the internal management reports nor provided regularly to the Group's Managing Director who is considered the Group's chief operating decision maker. Hence no such disclosures are provided below.

	2024			2023		
	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 external customers	2,129,693	184,599	2,314,292	2,104,422	206,577	2,310,999
Gross profit	499,141	40,916	540,057	514,965	53,069	568,034

	2024 RM'000	2023 RM'000
Reconciliation of reportable segment operating profits		
Total gross profits for reporting segments	540,057	568,034
Other revenue – Management fee from related company	1,112	-
Depreciation and amortisation	(20,198)	(19,478)
Finance costs	(26,901)	(24,293)
Total unallocated operating expense	(242,454)	(267,924)
Consolidated profit before tax	251,616	256,339

Major customers

The following are customers with revenue equal or more than 10 percent of the Group's total revenue:

	2024 RM'000	2023 RM'000
- Customer A	1,664,796	1,684,249
- Customer B	445,502	399,823

Material accounting policy information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Notes to the Financial Statements

24. Financial Instruments

24.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (a) Financial assets measured at amortised cost (FAAC)
- (b) Financial liabilities measured at amortised cost (FLAC)

2024	Carrying amount	FAAC / FLAC	Derivative used for hedging
Financial assets	RM'000	RM'000	RM'000
Group			
Trade and other receivables (excluding prepayments)	661,254	661,254	-
Cash and bank balances	35,385	35,385	-
Derivative financial assets	2,649	-	2,649
	699,288	696,639	2,649
Company			
Trade and other receivables (excluding prepayments)	20,765	20,765	-
Cash and bank balances	23,680	23,680	-
	44,445	44,445	-
2024			
Financial liabilities	Carrying amount	FAAC / FLAC	Derivative used for hedging
RM'000	RM'000	RM'000	RM'000
Group			
Borrowings	558,000	558,000	-
Trade and other payables (excluding provisions)	170,626	170,626	-
Derivative financial liabilities	4,183	-	4,183
	732,809	728,626	4,183
Company			
Trade and other payables	286,646	286,646	-

Notes to the Financial Statements

24. Financial Instruments (continued)

24.1 Categories of Financial Instruments (continued)

2023	Carrying amount	FAAC / FLAC	Derivative used for hedging
Financial assets	RM'000	RM'000	RM'000
Group			
Trade and other receivables (exclude prepayments)	623,016	623,016	-
Cash and bank balances	27,849	27,849	-
Derivative financial assets	4,950	-	4,950
	<u>655,815</u>	<u>650,865</u>	<u>4,950</u>
Company			
Trade and other receivables (exclude prepayments)	2,485	2,485	-
Cash and bank balances	21,051	21,051	-
	<u>23,536</u>	<u>23,536</u>	<u>-</u>
Financial liabilities			
Group			
Borrowings	543,000	543,000	-
Trade and other payables (excluding provisions)	206,725	206,725	-
Derivative financial liabilities	809	-	809
	<u>750,534</u>	<u>749,725</u>	<u>809</u>
Company			
Trade and other payables (exclude provisions)	247,900	247,900	-

24.2 Net Gains and Losses Arising from Financial Instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net (losses)/gains on:				
Derivative used for hedging				
- recognised in profit or loss	286	2,343	-	-
- recognised in other comprehensive income	(5,658)	3,541	-	-
Financial assets measured at amortised cost	1,516	(878)	693	553
Financial liabilities measured at amortised cost	(24,294)	(24,348)	53	(246)
	<u>(28,150)</u>	<u>(19,342)</u>	<u>746</u>	<u>307</u>

Notes to the Financial Statements

24. Financial Instruments (continued)

24.3 Financial Risk Management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity and cash flow risk
- Market risk

24.4 Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of its receivables from customers, amounts due from fellow subsidiaries, short-term deposit and bank balances and outstanding forward exchange contracts. The Company's exposure to credit risk arises principally from amounts due from fellow subsidiaries. There are no significant changes as compared to previous years.

Trade Receivables

Risk Management Objective, Policies and Processes for Managing The Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount with clear approving authority and limits.

Approximately 94 percent (2023: 92 percent) of the Group's trade receivables are derived from its sales to two (2023: two) of its key customers. The Group closely monitors collections from these customers. At each reporting date, the Group assess whether any of the receivables are credit-impaired.

The gross carrying amounts of credit-impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subjected to enforcement activities. The Group does not foresee any credit risk arising from amounts due from fellow subsidiary companies.

There are no significant changes as compared to previous year.

Exposure to Credit Risk, Credit Quality and Collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

A significant portion of these receivables are regular customers that have been transacting with the Group.

Short-term advances are only provided to subsidiaries which are wholly-owned by the Company.

Concentration of Credit Risk

The exposure of credit risk for trade receivables, net of allowance for impairment losses, as at the end of the reporting period by customers are disclosed in this Note.

Notes to the Financial Statements

24. Financial Instruments (continued)

24.4 Credit Risk (continued)

Trade Receivables (continued)

Recognition and Measurement of Impairment Loss

The Group uses an allowance matrix to measure expected credit losses of trade receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

To measure the expected credit losses, trade receivables have been grouped based on credit risk and days past due.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2024 and 31 December 2023.

Group	Gross RM'000	Loss allowance RM'000	Net RM'000
2024			
Current (not past due)	548,732	(628)	548,104
Past due 1 – 30 days	92,347	(111)	92,236
Past due 31 – 90 days	8,566	(12)	8,554
Past due more than 90 days	100	(100)	-
	649,745	(851)	648,894
2023			
Current (not past due)	493,887	(555)	493,332
Past due 1 – 30 days	108,956	(131)	108,825
Past due 31 – 90 days	11,671	(120)	11,551
Past due more than 90 days	(464)	-	(464)
	614,050	(806)	613,244

Movements in the Allowance for Impairment in Respect of Trade Receivables

The movements in the allowance for impairment in respect of trade receivables during the year are as follows:

Group	RM'000
Balance at 1 January 2023	871
Net remeasurement of loss allowance	(177)
Amounts written off	112
Balance at 31 December 2023/1 January 2023	806
Net remeasurement of loss allowance	37
Amounts written off	8
Balance at 31 December 2024	851

Notes to the Financial Statements

24. Financial Instruments (continued)

24.4 Credit Risk (continued)

Trade Receivables (continued)

Amounts Due from Fellow Subsidiaries

The ageing of amounts due from fellow subsidiaries as at the end of the financial year ended was:

	2024 RM'000	2023 RM'000
Group		
Not past due	9,237	7,456
Company		
Not past due	4,583	209

Generally, the Group and Company consider amounts due from fellow subsidiaries as low credit risk. The Group and Company determine the probability of default for these amounts due from fellow subsidiaries individually using internal information. For the financial year ended 31 December 2024, there was no evidence that the amounts due from fellow subsidiaries are not recoverable.

Amounts Due from Subsidiaries

The ageing of amounts due from subsidiaries as at the end of the financial year ended was:

	2024 RM'000	2023 RM'000
Company		
Not past due	14,203	574

Generally, the Company consider amounts due from subsidiaries as low credit risk. The Company determine the probability of default for these amounts due from subsidiaries individually using internal information. For the financial year ended 31 December 2024, there was no evidence that the amounts due from subsidiaries are not recoverable.

Material accounting policy information

(a) Impairment

(i) Financial Assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost or fair value through other comprehensive income. Expected credit losses are a probability-weighted estimate of credit losses.

Notes to the Financial Statements

24. Financial Instruments (continued)**24.4 Credit Risk (continued)****Material accounting policy information (continued)****(a) Impairment (continued)****(i) Financial Assets (continued)**

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivable are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in the profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in the profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

Notes to the Financial Statements

24. Financial Instruments (continued)

24.4 Credit Risk (continued)

Cash and Bank Balances

The cash and bank balances are held with banks and financial institutions. For the financial year ended 31 December 2024, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and bank overdraft which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

Other Receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. Based on management's assessment, the probability of the default of these receivables is low and hence, no loss allowance has been made.

24.5 Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and bank balances to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions so as to achieve overall cost effectiveness.

The Group utilises cash pooling and zero balancing bank account structures in addition to borrowings to ensure that there is maximum mobilisation of cash within the Group. The key objective of treasury management in respect of cash and bank balances is to concentrate cash at the centre for better cash management.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

24. Financial Instruments (continued)

24.5 Liquidity and Cash Flow Risk (continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities based on estimated contractual undiscounted repayment obligations.

2024	Carrying amount RM'000	Contractual interest rate/ incremental borrowing rate	Estimated contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Group							
Non-derivative financial liabilities							
Borrowings	558,000	3 - 4%	561,938	561,938	-	-	-
Lease liabilities	37,773	3 - 4%	42,375	12,599	8,062	10,290	11,424
Trade and other payables	170,626	-	170,626	170,626	-	-	-
	766,399		774,939	745,163	8,062	10,290	11,424
Derivative financial liabilities							
Derivative financial instruments							
- Outflow	4,183	-	4,183	4,183	-	-	-
	770,582		779,122	749,346	8,062	10,290	11,424
Company							
Non-derivative financial liabilities							
Lease liabilities	9,303	3 - 4%	9,579	5,658	3,730	191	-
Trade and other payables	14,842	-	14,842	14,842	-	-	-
Amounts due to subsidiaries	271,804	3%	272,483	272,483	-	-	-
	295,949		296,904	292,983	3,730	191	-

Notes to the Financial Statements

24. Financial Instruments (continued)

24.5 Liquidity and Cash Flow Risk (continued)

2023	Carrying amount RM'000	Contractual interest rate/ incremental borrowing rate	Estimated contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Group							
Non-derivative financial liabilities							
Borrowings	543,000	3 - 4%	546,754	546,754	-	-	-
Lease liabilities	48,665	3 - 4%	54,619	16,048	10,858	13,024	14,689
Trade and other payables	206,725	-	206,725	206,725	-	-	-
	798,390		808,098	769,527	10,858	13,024	14,689
Derivative financial liabilities							
Derivative financial instruments							
- Outflow	809	-	809	809	-	-	-
	799,199		808,907	770,336	10,858	13,024	14,689
Company							
Non-derivative financial liabilities							
Lease liabilities	13,922	3 - 4%	14,498	6,383	5,351	2,764	-
Trade and other payables	16,994	-	16,994	16,994	-	-	-
Amounts due to subsidiaries	230,906	3%	231,483	231,483	-	-	-
	261,822		262,975	254,860	5,351	2,764	-

24.6 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Notes to the Financial Statements

24. Financial Instruments (continued)

24.6 Market Risk (continued)

24.6.1 Currency Risk

The Group is subject to currency exchange risk as a result of its purchases of finished goods and services in foreign currencies. The currencies giving rise to this risk are US Dollar (“USD”), Great Britain Pound (“GBP”) and Euro (“EUR”). The currency profile of the assets and liabilities of the Group are disclosed in the respective notes to the financial statements.

The objective of the Group’s foreign exchange policies is to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group enters into forward foreign exchange contracts to hedge up to 95 percent of its exposure on foreign currency payables and on cash flows to be used in anticipated transactions denominated in foreign currencies for the subsequent eighteen months. The Group’s hedging period of eighteen months is in line with the hedging period that was allowed under the Foreign Exchange Control guidelines enforced by Bank Negara Malaysia.

Exposure to Foreign Currency Risk

The Group’s and the Company’s exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amounts as at the end of the reporting period were:

	2024			2023		
	Denominated in			Denominated in		
	USD RM’000	GBP RM’000	EUR RM’000	USD RM’000	GBP RM’000	EUR RM’000
Group						
Trade payables	(289)	(180)	-	(36)	-	(467)
Cash and bank balances	1,584	780	507	3,614	1,623	556
Amounts due from fellow subsidiaries	1,502	11	-	2,465	687	-
Amounts due to fellow subsidiaries	(1,840)	(300)	(9)	(10,123)	(1,186)	-
Net exposure in the statement of financial position	957	311	498	(4,080)	1,124	89
Company						
Trade payables	-	82	-	-	-	-
Cash and bank balances	257	330	-	882	524	-
Amounts due from fellow subsidiaries	198	-	-	194	-	-
Amounts due to fellow subsidiaries	-	(229)	-	(59)	(257)	-
Net exposure in the statement of financial position	455	183	-	1,017	267	-

Notes to the Financial Statements

24. Financial Instruments (continued)

24.6 Market Risk (continued)

24.6.1 Currency Risk (continued)

Currency Risk Sensitivity Analysis

A 10 percent (2023: 10 percent) strengthening of RM against the following currencies at the end of the financial year would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular ratio, remain constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
USD	(96)	408	(45)	(102)
GBP	(31)	(112)	(18)	(27)
EUR	(50)	(9)	-	-

A 10 percent (2023: 10 percent) weakening of RM against the above currencies at the end of the financial year would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Material accounting policy information

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at financial year end are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

Notes to the Financial Statements

24. Financial Instruments (continued)

24.6 Market Risk (continued)

24.6.2 Interest Rate Risk

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and interest cash flow risk that results from borrowings at variable rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The objectives of the Group's interest rate risk management policy are to lessen the impact of adverse interest rate movements on earnings, cash flow and economic value of the Group. As at the statement of financial position date, there were no open interest rate swap contracts. Borrowings issued at floating rates expose the Group to risk of change in cash flows due to change in interest rate risks. The Group has floating rate borrowings as disclosed in Note 19.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial liabilities	37,773	48,665	9,303	13,922
Floating rate instruments				
Financial liabilities	558,000	543,000	-	-

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis point ("bp") in interest rates at the end of reporting period would have increased/ (decreased) equity and pre-tax profit by the amounts shown below:

Group	2024		2023	
	Profit or loss		Profit or loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments	(5,580)	5,580	(5,430)	5,430

Notes to the Financial Statements

24. Financial Instruments (continued)

24.7 Fair Value Information

The carrying amounts of cash and bank balances, short-term receivables and payables and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

The Group measures its forward foreign exchange contracts (cash flow hedges) at fair values, as disclosed in Note 20. The fair values of forward foreign exchange contracts are determined based on the quoted market price of similar derivatives, as they are not traded on an active market. These derivatives are classified as Level 2 financial instruments.

The Group measures the fair values of its borrowings based on observable yield curves. The fair value of the Group's financial assets and financial liabilities approximate to their carrying value.

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

Material accounting policy information

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements

25. Capital Management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio.

The Group defines capital as net debt and equity. Net debt is calculated as total borrowings less cash and bank balances. The debt-to-equity ratios at 31 December 2024 and at 31 December 2023 were as follows:

	Group	
	2024	2023
	RM'000	RM'000
Total borrowings (Note 19)	558,000	543,000
Less: Cash and bank balances	(35,385)	(27,849)
Net debt	522,615	515,151
Total equity	387,937	377,559
Debt-to-equity ratio	1.3	1.4

There was no change in the Group's approach to capital management during the financial year.

26. Capital Commitments

The Group and the Company have no capital commitments as at 31 December 2024.

27. Related Parties**Identity of Related Parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company 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 or the Company 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 Directors' remuneration paid is disclosed in Note 5.

The Group has related party relationship with its holding company, subsidiaries, fellow subsidiaries and key management personnel.

Significant Related Party Transactions

The Group's and the Company's transactions are with member corporations of British American Tobacco p.l.c. (British American Tobacco p.l.c. indirectly through British American Tobacco Holdings (Malaysia) B.V., owns fifty percent equity interest in the Company and is the Company's ultimate holding company).

Notes to the Financial Statements

27. Related Parties (continued)

Significant Related Party Transactions (continued)

The significant related party transactions of the Group and of the Company are shown below. The balances related to the transactions below are shown in Note 16 and Note 18.

	Group	
	2024	2023
	RM'000	RM'000
(i) Purchase of goods		
Purchase of leaf, cigarette packaging and wrapping materials and tobacco products from:		
- PT Bentoel Prima	173,466	149,483
Purchase of vapour and tobacco heating products from:		
- Nicoventures Trading Limited	21,936	59,397
(ii) Procurement of services		
Procurement of information technology services from:		
- British American Shared Services (GSD) Limited	19,968	18,556
(iii) Technical and advisory (includes share-based payment charges)		
Payment for technical and advisory support services to:		
- British American Tobacco Investments Ltd.	13,795	13,134
- BAT Aspac Service Centre Sdn. Bhd.	18,133	18,845
- BAT South East Asia Pty Ltd	23,171	27,379
	55,099	59,358
(iv) Royalties		
Royalties paid/payable to:		
- British American Tobacco Exports Limited	74,578	73,037

	Company	
	2024	2023
	RM'000	RM'000
(i) Management fee		
Management fee received from:		
- Commercial Marketers and Distributors Sdn. Bhd.	4,756	2,795
- Tobacco Importers and Manufacturers Sdn. Berhad	113	123
	4,869	2,918
(ii) Fee for usage of property, plant and equipment		
Fee for usage of property, plant and equipment received from:		
- Commercial Marketers and Distributors Sdn. Bhd.	-	2,009
- Tobacco Importers and Manufacturers Sdn. Berhad	-	59
	-	2,068

Notes to the Financial Statements

27. Related Parties (continued)

Significant Related Party Transactions (continued)

	Company	
	2024	2023
	RM'000	RM'000
(iii) Technical and advisory		
Provision of technical and advisory fees received from:		
- British American Tobacco Sales & Marketing (Singapore) Pte. Ltd.	644	916
(iv) Technical and advisory		
Payment of fees for technical and advisory support services to:		
- BAT Aspac Service Centre Sdn. Bhd.	7,021	13,309
(v) Interest expense		
Interest expense on cash pooling:		
- Commercial Marketers and Distributors Sdn. Bhd.	5,777	6,437
- Tobacco Importers and Manufacturers Sdn. Berhad	1,875	1,429
	7,652	7,866

28. Contingent liabilities

There were no contingent liabilities as at the reporting date.

Material accounting policy information

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 153 to 219 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

Nedal Louay Salem
Director

Adrian Lee Peng Yong
Director

Kuala Lumpur

Date: 25 February 2025

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Adrian Lee Peng Yong, the Director primarily responsible for the financial management of British American Tobacco (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 153 to 219 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Adrian Lee Peng Yong, Passport: K3513513A, at Kuala Lumpur in the State of Federal Territory on 25 February 2025.

Adrian Lee Peng Yong
Director

Before me:

Commissioner for Oaths

Independent Auditors' Report

to the members of British American Tobacco (Malaysia) Berhad
(Registration No. 196101000326 (4372-M)) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of British American Tobacco (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 153 to 219.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill - Assessment of potential impairment

Refer to Note 12 – Goodwill.

The key audit matter

The carrying amount of the Group's goodwill as at 31 December 2024 amounts to RM411,618,000.

The Group performs annual impairment assessment of its goodwill with indefinite useful life by comparing the carrying amount of the goodwill against the recoverable amount of the cash generating unit to which the goodwill is allocated. The recoverable amount is determined based on management estimates and assumptions on inputs, as disclosed in Note 12 to the financial statements.

Independent Auditors' Report
to the members of British American Tobacco (Malaysia) Berhad
(Registration No. 196101000326 (4372-M)) (Incorporated in Malaysia)

Key Audit Matters (continued)**The key audit matter (continued)**

We have identified goodwill assessment as a key audit matter for the Group because:

- the carrying amount is significant to the Group's total assets; and
- there is significant judgement involved in the forecasting and discounting of future cash flows, which is the basis of the Group's assessment of the recoverable amount of the goodwill.

How the matter was addressed in our audit

We performed the following audit procedures:

- Compared prior year cash flow forecasts to current year actual results to assess the performance of the business and the reliability of prior year's forecasts; and
- Tested the assumptions and basis used. To do this, we:
 - involved our internal valuation specialists to evaluate and compare the discount rate to similar companies in the market.
 - compared the key assumptions to externally derived data as well as our own assessments of the key inputs such as revenue, volume growth, terminal growth rate and discount rate.
 - assessed the sensitivity of the outcome of the impairment assessment to changes in key assumptions.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Independent Auditors' Report

to the members of British American Tobacco (Malaysia) Berhad
(Registration No. 196101000326 (4372-M)) (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditors' Report
to the members of British American Tobacco (Malaysia) Berhad
(Registration No. 196101000326 (4372-M)) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Soo Tho Pei Yin
Approval Number: 03699/12/2026 J
Chartered Accountant

Petaling Jaya

Date: 25 February 2025

GRI Standards Index

Statement of Use BAT Malaysia has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 to with reference to the GRI Standards.

GRI 1 Used GRI 1: Foundation 2021

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/Omissions
GRI 2: General Disclosures 2021			
The Organisation and its Reporting Practices			
2-1	Organisational details	Pages 8 to 11	
2-2	Entities included in the organisation's sustainability reporting	Page 1	
2-3	Reporting period, frequency and contact point	Page 1	
2-4	Restatements of information	Pages 20, 22, 23, 50, 53	
2-5	External assurance	Pages 21 and 222 to 225	
Activities and Workers			
2-6	Activities, value chain and other business relationships	Pages 8 to 11	
2-7	Employees	Page 70	
2-8	Workers who are not employees	Page 22	
Governance			
2-9	Governance structure and composition	Pages 110 to 134	
2-10	Nomination and selection of the highest governance body	Pages 110 to 134	
2-11	Chair of the highest governance body	Pages 110 to 134	
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 110 to 134	
2-13	Delegation of responsibility for managing impacts	Pages 110 to 134	
2-14	Role of the highest governance in sustainability reporting	Pages 110 to 134	
2-15	Conflicts of interest	Pages 110 to 134	
2-16	Communication of critical concerns	Pages 110 to 134	
2-17	Collective knowledge of the highest governance body	Pages 110 to 134	
2-18	Evaluation of the performance of the highest governance body	Pages 110 to 134	
2-19	Remuneration policies	Pages 110 to 134	
2-20	Process to determine remuneration	Pages 110 to 134	
2-21	Annual total compensation ratio	Pages 110 to 134	
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Pages 18 to 25	
2-23	Policy commitments	Pages 114 to 133	
2-24	Embedding policy commitments	Pages 114 to 133	
2-25	Processes to remediate negative impacts	Pages 132 to 133	
2-26	Mechanisms for seeking advice and raising concerns	Pages 132 to 133	
2-27	Compliance with laws and regulations	Pages 114 to 133	
2-28	Membership associations	-	<ul style="list-style-type: none"> • Confederation of Malaysia Tobacco Manufacturers (CMTM) • Malaysian International Chamber of Commerce and Industry (MICCI) • Federation of Malaysian Manufacturers (FMM) • Institute of Corporate Directors (ICDM)
Strategy, Policies and Practices			
2-29	Approach to stakeholder engagement	Pages 35 to 36	
2-30	Collective bargaining agreements	-	No employees are covered by collective bargaining agreements in BAT Malaysia Group.
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Pages 37 to 38	
3-2	List of material topics	Page 37	

GRI Standards Index

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/Omissions
ECONOMIC			
Management Approach			
3-3	Management of Material Topics	Pages 28 to 43	
201: Economic Performance			
3-3	Management of Material Topics	Pages 28 to 43	
201-1	Direct economic value generated and distributed	Pages 40 to 43	
201-2	Financial implications and other risks and opportunities due to climate change	Pages 56 to 62	
201-3	Defined benefit plan obligation and other retirement plans	-	In 2024, BAT Malaysia Group maintained its employer contribution for the Employees Provident Fund (EPF), which is 4 percent higher than the mandatory employer contribution. This involves 12 percent for salaries more than RM5,000 and 13 percent for salaries less than RM5,000. In total, BAT Malaysia contributed 16 percent or 17 percent to the employees' EPF.
202: Market Presence			
3-3	Management of Material Topics	Pages 29 to 32	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	BAT Malaysia Group ensures that its workforce is compensated above the prescribed amount in the Minimum Wages Order 2020 irrespective of gender or location.
202-2	Proportion of senior management hired from local community	-	In 2024, 14 percent of our senior management (Leadership Team) were locals.
203: Indirect Economic Impacts			
3-3	Management of Material Topics	Pages 81 to 93	
203-1	Infrastructure investments and services supported	Pages 81 to 93	
203-2	Significant indirect economic impacts	Pages 81 to 93	
204: Procurement Practices			
3-3	Management of Material Topics	Page 34	
ENVIRONMENTAL			
103: Management Approach			
3-3	Management of Material Topics	Pages 48 to 62	
302: Energy			
3-3	Management of Material Topics	Pages 49 to 51	
302-1	Energy Consumption Within the Organisation	Pages 49 to 51	
302-4	Reduction of Energy Consumption	Pages 49 to 51	

GRI Standards Index

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/Omissions
ENVIRONMENTAL (continued)			
303: Water and Effluents 2018			
3-3	Management of Material Topics	Pages 54 to 55	
303-1	Interactions with water as a shared resource	Pages 54 to 55	
303-2	Management of water discharge-related impacts	Pages 54 to 55	
303-3	Water withdrawal	Page 55	
303-4	Water discharge	-	Not reported
303-5	Water consumption	-	Not reported
305: Emissions			
3-3	Management of Material Topics	Pages 49 to 51	
305-1	Direct (Scope 1) GHG Emissions	Pages 49 to 51	
305-2	Energy indirect (Scope 2) GHG Emissions	Pages 49 to 51	
305-3	Other indirect (Scope 3) GHG Emissions	Pages 49 to 51	
305-4	GHG Emissions Intensity	-	Not reported
305-5	Reduction of GHG Emissions	Pages 49 to 51	
306: Waste 2020			
3-3	Management of Material Topics	Pages 52 to 53	
306-1	Waste generation and significant waste-related impacts	Pages 52 to 53	
306-2	Management of significant waste-related impacts	Pages 52 to 53	
306-3	Waste generated	Pages 52 to 53	
306-4	Waste diverted from disposal	Pages 52 to 53	
306-5	Waste directed to disposal	Pages 52 to 53	
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Page 53	
SOCIAL			
Management Approach			
3-3	Management of Material Topics	Pages 63 to 93	
401: Employment			
3-3	Management of Material Topics	Pages 64 to 77	
401-1	New employee hires and employee turnover	Page 23 and page 72	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 73	
401-3	Parental leave	Page 71	

GRI Standards Index

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/Omissions
SOCIAL (continued)			
403: Occupational Health and Safety			
3-3	Management of Material Topics	Pages 79 to 80	
403-1	Occupational Health and Safety Management System	Pages 79 to 80	
403-2	Hazard Identification, Risk Assessment and Incident Investigation	Pages 79 to 80	
403-4	Worker participation, consultation and communication on occupational health and safety	Pages 79 to 80	
403-5	Worker training on occupational health and safety	Pages 79 to 80	
403-8	Workers covered by an occupational health and safety management system	Pages 79 to 80	
403-9	Work-related injuries	Page 79	
403-10	Work-related ill health	Page 79	
404: Training and Education			
3-3	Management of Material Topics	Pages 66 to 68	
404-1	Average hours of training per year per employee	Page 22	
404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 66 to 68	
404-3	Percentage of employees receiving regular performance and career development	-	100 percent of our employees received regular performance and career development.
405: Diversity and Equal Opportunity			
3-3	Management of Material Topics	Pages 69 to 71	
405-1	Diversity of governance bodies and employees	Page 21	
406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	Page 70	
408: Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	Page 78	
409: Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 78	
410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	-	Not reported
411: Incidents of Violations Involving Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous peoples	-	Not reported

GRI Standards Index

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks/Omissions
SOCIAL (continued)			
412: Human Rights Assessment			
3-3	Management of Material Topics	Page 78	
412-1	Operations that have been subjected to human rights reviews or impact assessments	Page 78	
412-2	Employee training on human rights policies or procedures	Page 78	
413: Local Communities			
3-3	Management of Material Topics	Pages 81 to 93	
413-1	Operations with local community engagement, impact assessments and development programmes	Pages 81 to 93	
414: Supplier Social Assessment			
3-3	Management of Material Topics	Page 78	
415: Public Policy			
415-1	Political contributions	-	There were no political contributions made by BAT Malaysia in 2024.
416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	-	100 percent of our tobacco products are assessed to ensure compliance to the emission standard for cigarette as provided under the Control of Tobacco Product Regulations (CTPR).
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	There were zero incidents of non-compliance concerning the health and safety impacts or products and services.
418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in 2024.
GOVERNANCE			
Management Approach			
3-3	Management of Material Topics	Pages 102 to 134	
205: Anti-Corruption			
205-2	Communication and training about anti-corruption policies and procedures	Page 95	100 percent of our employees completed the Anti-Bribery and Corruption e-module, which is mandatory and part of our Standards of Business Conduct. Our Anti-Bribery and Corruption policies and procedures are communicated to all our employees across all employment categories via email as well as the Standards of Business Conduct.
205-3	Confirmed incidents of corruption and actions taken	Page 21	There were zero confirmed incidents of corruption and actions taken in 2024.
206: Anti-Competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	-	There was no legal action taken against BAT Malaysia for anti-competitive behaviour, anti-trust or monopoly practices in 2024.

Corporate Information

» Board of Directors

Tan Sri Dato' Seri Dr. Aseh bin Haji Che Mat
PSM, SPSK, SSAP, SPTJ, SPDK, DPCM, DSAP, DIMP, KMN, AMN
Independent Non-Executive Director
(Chairman)

Dato' Chan Choon Ngai
DSNS
Senior Independent Non-Executive Director

Eric Ooi Lip Aun
Independent Non-Executive Director

Norliza binti Kamaruddin
Independent Non-Executive Director

Datuk Christine Lee Oi Kuan
DPSM
Non-Independent Non-Executive Director

Nedal Louay Salem
Non-Independent Executive Director
(Managing Director)

Adrian Lee Peng Yong
Non-Independent Executive Director
(Finance Director)

» Company Secretary

Adiel Emir Ikram Aziz Al Rahim
(SSM Practicing Certificate No: 202208000613)
(LS0010638)
Tel : +60 (3) 2720 8188
Fax : +60 (3) 2720 8106
Email : adiel_emir_ikram_aziz_al_rahim@bat.com

» Registered Office

British American Tobacco (Malaysia) Berhad
[Registration No: 196101000326 (4372-M)]
Level 19, Guoco Tower
Damansara City
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel : +60 (3) 2720 8188
Fax : +60 (3) 2720 8106
Email : bat_malaysia@bat.com

» Company Website

www.batmalaysia.com

» Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
[Registration No: 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +60 (3) 2783 9299
Fax : +60 (3) 2783 9222
Email : Mohamad.Hifzul@vistra.com;
nazrul.darwin@vistra.com;
siti.zalina@vistra.com

» Auditors

KPMG PLT
[Firm No: LLP0010081-LCA & AF 0758]
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : +60 (3)7721 3388
Fax : +60 (3)7721 3399

» Principal Bankers

- Citibank Berhad**
[Registration No: 199401011410 (297089-M)]
- Malayan Banking Berhad**
[Registration No: 196001000142 (3813-K)]
- Deutsche Bank (Malaysia) Berhad**
[Registration No: 199401026871 (312552-W)]
- Sumitomo Mitsui Banking Corporation Malaysia Berhad**
[Registration No: 201001042446 (926374-U)]

» Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Listed Since : 27 October 1961
Stock Code : 4162
Stock Name : BAT

Corporate Directory

PRINCIPAL OFFICES

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

[Registration No. 196101000326 (4372-M)]

Head Office

Level 19, Guoco Tower

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : +60(3) 2720 8188

Fax : +60(3) 2720 8106

TOBACCO IMPORTERS AND MANUFACTURERS SDN. BHD.

[Registration No. 196101000373 (4414-U)]

Level 19, Guoco Tower

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : +60(3) 2720 8188

Fax : +60(3) 2720 8106

COMMERCIAL MARKETERS AND DISTRIBUTORS SDN. BHD.

[Registration No. 197801005300 (42316-T)]

Level 19, Guoco Tower

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : +60(3) 2720 8188

Fax : +60(3) 2720 8106

MANUFACTURING PLANT

TOBACCO IMPORTERS AND MANUFACTURERS SDN. BHD.

[Registration No. 196101000373 (4414-U)]

No. 4, Jalan Teknologi Perintis 1/2

Taman Teknologi Nusajaya

79250 Iskandar Puteri

Johor Darul Takzim

Tel : +60(7) 869 1686

Fax : +60(7) 869 1678

BRANCH OFFICES

SELANGOR

Level 10, Guoco Tower

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : +60(3) 2720 8211

KUALA LUMPUR

Level 10, Guoco Tower

No. 6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel : +60(3) 2720 8210

SEREMBAN

No. 305, Jalan Pusat Perdagangan

Sendayan 3/6

Pusat Perdagangan

Sendayan

71950 Seremban

Negeri Sembilan

IPOH

No. 1, Jalan Abdul Manap

Taman Eden

30200 Ipoh, Perak

Tel : +60(5) 525 1981

PENANG

Level 5, Wisma Leader

No. 8, Jalan Larut

10050 Penang

Tel : +60(4) 287 4990

ALOR SETAR

No. 238, Jalan Kristal 3

Taman Perindustrian Ringan Kristal

05150 Alor Setar, Kedah

Tel : +60(4) 737 2072

MELAKA

No. 12, Jalan Abadi 3

Taman Malim Jaya

75250 Melaka

Tel : +60(6) 337 6593

+60(6) 332 9236

JOHOR BAHRU

No 10 & 12, Jalan Roda 3

Skudai 81300

Johor Bahru, Johor

Tel : +60(7) 511 6141

+60(7) 511 2754

BATU PAHAT

No. 9, Jalan Komercial Pantai 1

Pusat Komercial Pantai

81300, Batu Pahat, Johor

KUANTAN

Level 5-A, Menara Zenith

Jalan Putra Square 6

Putra Square

25200 Kuantan, Pahang

Tel : +60(9) 573 7831 / 8373

Fax : +60(9) 573 3484

KOTA BHARU

AG-01-15, Alwaqf Garden

Boulevard @ Tunjong

Jalan Kuala Krai

16010 Kota Bharu, Kelantan

Tel : +60(9) 740 6532

KOTA KINABALU

Lot L180-101/000

Block A, HSK Industrial Centre

Jalan Bundusan

Mile 5 Off Jalan Penampang

89500 Kota Kinabalu, Sabah

Tel : +60(88) 722 628 / 629

KUCHING

No. 19-A, Lot 3439, Block 12

Vista Industrial Park

Muara Tebas Land District

Off Jalan Setia Raja

93350 Kuching, Sarawak

Tel : +60(82) 362 112

Analysis of Shareholdings

as at 28 February 2025

The total number of issued shares of the Company stands at 285,530,000 ordinary shares, with voting right of one vote per ordinary share.

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
1 - 99	1,105	6.486	10,067	0.003
100 - 1,000	7,417	43.537	4,411,195	1.544
1,001 - 10,000	6,972	40.925	26,116,866	9.146
10,001 - 100,000	1,410	8.276	37,656,200	13.188
100,001 - 14,276,499 *	131	0.768	74,570,572	26.116
14,276,500 and above **	1	0.005	142,765,100	50.000
Total	17,036	100.00	285,530,000	100.00

Notes:

* Less than 5% of issued shares

** 5% and above of issued shares

Substantial Shareholders

(As per Register of Substantial Shareholders)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	% of Shareholders	No. of Shares Held	% of Shareholders
1.	British American Tobacco p.l.c.	-	-	142,765,100	50.00
2.	British American Tobacco (1998) Limited	-	-	142,765,100	50.00
3.	British American Tobacco (2012) Limited	-	-	142,765,100	50.00
4.	British American Tobacco (2009) Limited	-	-	142,765,100	50.00
5.	Weston (2009) Limited	-	-	142,765,100	50.00
6.	Weston Investment Company Limited	-	-	142,765,100	50.00
7.	British American Tobacco International (Holdings) B.V.	-	-	142,765,100	50.00
8.	British American Tobacco Holdings (The Netherlands) B.V.	-	-	142,765,100	50.00
9.	Allen & Ginter (UK) Limited	-	-	142,765,100	50.00
10.	Chelwood Trading & Investment Company Limited	-	-	142,765,100	50.00
11.	B.A.T. Industries p.l.c.	-	-	142,765,100	50.00
12.	British-American Tobacco (Holdings) Limited	-	-	142,765,100	50.00
13.	British American Tobacco Exports Limited	-	-	142,765,100	50.00
14.	British American Tobacco Holdings (Malaysia) B.V.	142,765,100	50.00	-	-

Analysis of Shareholdings

as at 28 February 2025

Directors' Direct and Indirect Interests in the Company and its Related Corporations (As per Register of Directors' Shareholdings)

Interest in the Company		Number of ordinary shares			
		Direct Interest		Indirect Interest	
No.	Name	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Dato' Chan Choon Ngai	1,000	0.00*	-	-
2.	Datuk Lee Oi Kuan	100	0.00*	-	-

Interest in the Ultimate Holding Company British American Tobacco p.l.c.		Number of ordinary shares in British American Tobacco p.l.c.			
		Direct Interest		Indirect Interest	
No.	Name	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Datuk Lee Oi Kuan	40,629	0.00*	-	-
2.	Nedal Louay Salem	62,000	0.00*	-	-
3.	Adrian Lee Peng Yong	2,191	0.00*	-	-

Note:

* Less than 0.01%

Interest in the Ultimate Holding Company British American Tobacco p.l.c.		Number of ordinary shares of 25p each in British American Tobacco p.l.c.	
Deferred Share Bonus Scheme & International Share Reward Scheme		Direct Interest	
No.	Name	No. of Shares Held	
1.	Nedal Louay Salem	6,254	
2.	Adrian Lee Peng Yong	2,404	

Interest in the Ultimate Holding Company British American Tobacco p.l.c.		Number of options in ordinary shares of 25p each in British American Tobacco p.l.c.	
Long Term Incentive Plan (LTIP)		Direct Interest	
No.	Name	No. of Options Held	
1.	Nedal Louay Salem		
	LTIP (25 March 2032)	7,146	
	LTIP (22 March 2033)	8,372	
	LTIP (20 March 2034)	11,722	
2.	Adrian Lee Peng Yong		
	LTIP (20 March 2034)	671	

Save as disclosed above, none of the Directors of the Company has any direct or indirect interest in the Company and its related corporations.

Analysis of Shareholdings as at 28 February 2025

List of Top Thirty Largest Shareholders

(without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Shares Held	% of Issued Shares
1.	British American Tobacco Holdings (Malaysia) B.V.	142,765,100	50.000
2.	Cartaban Nominees (Tempatan) Sdn Bhd Standard Chartered Bank (Singapore) Limited for Tan Yu Yeh	8,890,000	3.113
3.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An for Deutsche Bank AG Singapore (Maybank SG PWM)	5,031,700	1.762
4.	Kam Loong Mining Sdn Bhd	4,550,000	1.593
5.	Yap Ah Fatt	4,025,000	1.409
6.	Toh Ean Hai	3,580,000	1.253
7.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)	2,679,800	0.938
8.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	2,123,069	0.743
9.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	1,933,234	0.677
10.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF)	1,900,000	0.665
11.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt An for State Street Bank & Trust Company (West CLT OD67)	1,787,744	0.626
12.	Kam Loong Credit Sdn Bhd	1,304,000	0.456
13.	Foo Khen Ling	1,200,000	0.420
14.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Woon Chuan Keong	1,179,000	0.412
15.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	994,900	0.348
16.	CIMSEC Nominees (Tempatan) Sdn Bhd Exempt An for CIMB Commerce Trustee Berhad for Pearson Trust (PB)	975,200	0.341
17.	Tan Yu Yeh	912,300	0.319
18.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	889,968	0.311
19.	Cartaban Nominees (Asing) Sdn Bhd Exempt An for Standard Chartered Bank Singapore Branch (SG PVB CLAC)	865,900	0.303

Analysis of Shareholdings

as at 28 February 2025

List of Top Thirty Largest Shareholders

(without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Shares Held	% of Issued Shares
20.	Goh Hian Chew	845,200	0.296
21.	AmSec Nominees (Tempatan) Sdn Bhd AmBank (M) Berhad for Lim Choo Hong (5682-1502)	810,000	0.283
22.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Toh Hooi Hak	687,100	0.240
23.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)	651,000	0.227
24.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Yen Woon @ Low Sau Chee (PB)	617,700	0.216
25.	Lim Sew Muei	615,300	0.215
26.	Woon Chuan Keong	615,000	0.215
27.	Woon Yin Shan	589,000	0.206
28.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (ULIFE)	572,800	0.200
29.	Citigroup Nominees (Tempatan) Sdn Bhd UBS AG Singapore for Mr D.I.Y Holdings (M) Sdn Bhd	557,100	0.195
30.	Tee Chee Chong	550,000	0.192
	Total	194,697,115	68.187

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixty-Fourth (64th) Annual General Meeting (**AGM** or **Meeting**) of British American Tobacco (Malaysia) Berhad (the **Company**) will be held at Connexion Conference & Event Centre, Nexus 2 & 3, Level 3A, Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur on **Tuesday, 29 April 2025** at **9.30 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note 10 (Note A)
2. To re-elect the following Directors, each whom retires pursuant to Clause 109.1 of the Constitution of the Company:
 - i. Nedal Louay Salem Ordinary Resolution 1
 - ii. Datuk Christine Lee Oi Kuan Ordinary Resolution 2
Please refer to Explanatory Note 10
3. To re-elect Adrian Lee Peng Yong, who retires as Director pursuant to Clause 115 of the Constitution of the Company. Ordinary Resolution 3

Please refer to Explanatory Note 10
4. To approve the payment of Directors' fees and Board Committees' fees to the Non-Executive Directors for the period commencing 30 April 2025 until the next AGM of the Company. Ordinary Resolution 4

Please refer to Explanatory Note 10
5. To approve the payment of Directors' benefits to the Non-Executive Directors of up to RM250,000 for the period commencing 30 April 2025 until the next AGM of the Company. Ordinary Resolution 5

Please refer to Explanatory Note 10
6. To re-appoint KPMG PLT as the Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. Ordinary Resolution 6

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution:

7. **Proposed Renewal of Shareholders' Mandate for the Company and its Subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties (Proposed Renewal of the Recurrent RPTs Mandate)** Ordinary Resolution 7

"THAT, the Recurrent RPTs Mandate (as defined in the Circular to Shareholders dated 28 March 2025) granted by the shareholders of the Company authorising the Company and/or its Subsidiaries (**British American Tobacco Malaysia Group**) to enter into the recurrent related party transactions of a revenue or trading nature (**Recurrent RPTs**) with Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) as set out in Paragraph 2.2 and Appendix II of the Circular to Shareholders dated 28 March 2025 which are necessary for British American Tobacco Malaysia Group's day-to-day operations, be and is hereby renewed and approved, provided that:

Notice of Annual General Meeting

- i. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders to the Company; and
- ii. disclosure of the aggregate value of the transactions conducted during a financial year will be made in the annual report for the said financial year,

AND THAT the authority conferred by such renewed mandate shall continue to be in force until:

- i. the conclusion of the next AGM of the Company following the AGM at which the Proposed Renewal of the Recurrent RPTs Mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM the mandate is renewed.
- ii. the expiration of the period within which the next AGM of the Company after the forthcoming AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- iii. revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the Proposed Renewal of the Recurrent RPTs Mandate.

AND FURTHER THAT, as the estimated values of the Recurrent RPTs given in Appendix II of the Circular to Shareholders dated 28 March 2025 are provisional in nature, the Directors of the Company or any of them be and are hereby authorised to agree to the actual amount or amounts thereof, provided that such amount or amounts comply with the review procedures set out in Paragraph 2.3 of the Circular to Shareholders dated 28 March 2025."

Please refer to Explanatory Note 11

8. To transact any other business of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 64th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 71 of the Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors (**General Meeting ROD**) as at 17 April 2025. Only a member whose name appears on this General Meeting of ROD shall be entitled to attend the said Meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

Adiel Emir Ikram Aziz Al Rahim
LS0010638
SSM PC No.: 202208000613

Company Secretary

Kuala Lumpur
28 March 2025

Notice of Annual General Meeting

Notes:

1. The 64th AGM of the Company will be held on a physical mode. All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 64th AGM must register as a user via the TIIH Online website at <https://tiih.online> first and then pre-register their attendance through Remote Participation & Voting (RPV) facilities on TIIH Online to verify their eligibility to attend the 64th AGM based on the General Meeting ROD as at 17 April 2025. The RPV pre-registration is open from the date of the Notice of the 64th AGM on Friday, 28 March 2025 at 5.00 p.m. and the closing date and time shall be no later than 27 April 2025 at 9.30 a.m. Please refer to the Administrative Guide for the full guide of the 64th AGM.
2. Members may submit questions in relation to the agenda items for the 64th AGM prior to the meeting via TIIH Online website at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than 27 April 2025 at 9.30 a.m. The responses to these questions will be shared at the 64th AGM.
3. During the 64th AGM, Members will be able to ask questions using the RPV facilities. Members may use the Query Box facility to ask questions real time (in the form of typed text) during the meeting. The Board and leadership team will be in attendance at the AGM venue to provide responses accordingly. **Please note that no in-person questions will be accepted during the AGM.**
4. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a member appoints two (2) proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified. A proxy need not be a member of the Company.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**Omnibus Account**), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (**Central Depositories Act**) which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
6. The instrument appointing a proxy(ies) must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
7. If there is no indication as to how a member wishes his/her vote to be cast, the proxy will vote or abstain from voting at his/her discretion. In the event a member duly executes the proxy form but does not name any proxy, such member shall be deemed to have appointed the Chairman of the Meeting as his/her proxy.
8. The proxy form must be duly executed and deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, via the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or **no later than 27 April 2025 at 9.30 a.m.** The proxy appointment may also be lodged electronically via Tricor’s TIIH Online website at <https://tiih.online>.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.
10. **Explanatory Notes on Ordinary Business**

Note A

The Audited Financial Statements for the financial year ended 31 December 2024 under Agenda item 1 are meant for discussion only in accordance with the provision of Section 340(1)(a) of the Companies Act, 2016, and it does not require a formal approval of the shareholders. Hence, this agenda item will not be put forward for voting.

Notice of Annual General Meeting

Ordinary Resolutions 1 and 2 – To re-elect Nedal Louay Salem and Datuk Christine Lee Oi Kuan as Directors

Clause 109.1 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and be eligible for re-election at the annual general meeting.

Nedal Louay Salem and Datuk Christine Lee Oi Kuan being eligible, has offered themselves for re-election as Directors at the 64th AGM. The Board has endorsed the Nomination and Remuneration Committee's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board meeting.

The Nomination and Remuneration Committee (**NRC**) had assessed Nedal Louay Salem and Datuk Christine Lee Oi Kuan and considered the retiring Directors' performance and contribution based on the Board and Directors Effectiveness Evaluation, their contribution to the Board deliberations, time commitment and their ability to act in the best interests of the Company in decision-making. The NRC also reviewed and assessed Nedal Louay Salem and Datuk Christine Lee Oi Kuan through Fit & Proper (**F&P**) Assessment based on the F&P Policy of the Company. The Board had endorsed the NRC's recommendation subject to the shareholders' approval at this AGM.

The details and profiles of Directors who are standing for re-election at the 64th AGM are provided in the Board of Directors Section of the Company's Annual Report 2024.

Datuk Christine Lee Oi Kuan who is a shareholder of the Company will abstain from voting on Resolution 2.

Ordinary Resolution 3 – To re-elect Adrian Lee Peng Yong as Director

Clause 115 of the Constitution of the Company states that the Directors shall have the power to appoint any person to be a Director, either fill a casual vacancy or as an addition to the existing Directors and any Director so appointed shall hold office only until the next following AGM, and shall then be eligible for re-election.

Adrian Lee Peng Yong, who was appointed as Director on 1 November 2024, being eligible, has offered himself for re-election as Director at the 64th AGM.

The NRC had reviewed and assessed Adrian Lee Peng Yong through F&P Assessment based on the F&P Policy of the Company. The NRC is also of the view that Adrian Lee Peng would be able to provide valuable contributions to the Company based on his qualification, skills and experience. The Board had endorsed the NRC's recommendation subject to the shareholders' approval at this AGM.

The details and profiles of Adrian Lee Peng Yong who is standing for re-election at the 64th AGM is provided in the Directors Profile Section of the Company's Annual Report 2024.

Ordinary Resolution 4 – Payment of Directors' fees to the Non-Executive Directors.

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees to Non-Executive Directors for the period commencing 30 April 2025 until the next AGM of the Company based on the fee structure below.

Structure	Chairman	Member
	Fee (RM per annum)	Fee (RM per annum)
Board of Directors	345,000	100,000
Audit Committee	10,000	-
Nomination and Remuneration Committee	10,000	-
Risk Management Committee	10,000	-
Sustainability Committee	10,000	-

Notice of Annual General Meeting

Ordinary Resolution 5 – Payment of Non-Executive Directors benefits' of up to RM250,000

The Company is seeking shareholders' approval for the payment of Non-Executive Directors benefits' of up to RM250,000 for the period commencing 30 April 2025 until the next AGM of the Company based on the fee structure below.

Structure	Chairman	Member
	Allowance (RM per annum)	Meeting Allowance (RM per meeting)
Board of Directors	154,092	-
Audit Committee	-	1,000
Nomination and Remuneration Committee	-	1,000
Risk Management Committee	-	1,000
Sustainability Committee	-	1,000

The Non-Executive Directors who are shareholders of the Company will abstain from voting on Resolution 4 and Resolution 5.

Ordinary Resolution 6 – Re-appointment of Auditors

The Audit Committee (AC) had undertaken an annual assessment of the external auditors, KPMG PLT on their independence, scope of audit, audit fee, expert and experience, performance based on annual audit scope and planning. The AC was satisfied with the suitability of KPMG PLT on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the British American Tobacco Malaysia Group.

11. Explanatory Notes on Special Business

Ordinary Resolution 7 – Proposed Renewal of the Recurrent RPTs Mandate

The proposed resolution, if passed, will enable British American Tobacco Malaysia Group to enter into the Recurrent RPTs which are necessary for the British American Tobacco Malaysia Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Further information on the Proposed Renewal of the Recurrent RPTs Mandate is set out in the Circular to Shareholders dated 28 March 2025, which is available at the Company's corporate website at www.batmalaysia.com.

12. Personal Data Privacy

By lodging of a completed proxy form to the Company and the Share Registrar (as the case may be) for appointing a proxy(ies) and/or representative(s) to attend and vote at the 64th AGM and any adjournment therefore, a shareholder of the Company and the Share Registrar is hereby:

- i. consenting to the collection, use and disclosure of the member's personal data by the Company and to Share Registrar (as the case may be) for the purpose of the processing and administration by the Company and the Share Registrar (as the case may be) of proxy(ies) and representative(s) appointed for the 64th AGM (including any adjournment thereof), and in order for the Company and the Share Registrar (as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively the **Purpose**).

Notice of Annual General Meeting

- ii. warranting that where the member discloses the personal data of shareholder's proxy(ies) and/or representative(s) to the Company and the Share Registrar (as the case may be), the shareholder has obtained to prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company and the Share Registrar (as the case may be) of the personal data of such proxy(ies) and/or representative(s) for the Purpose (**Warranty**); and
- iii. agreeing that the member will indemnify the Company and the Share Registrar (as the case may be) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of Warranty.

For the Purpose of the paragraph, "personal data" shall have the same meaning given in section 4 of Personal Data Protection Act 2010.

Statement Accompanying Notice of the 64th AGM

(pursuant to Paragraph 8.27(2) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad)

There are no Directors standing for election at the forthcoming 64th AGM.

Administrative Details

for British American Tobacco (Malaysia) Berhad
Sixty-Fourth (64th) Annual General Meeting (AGM)

Date : Tuesday, 29 April 2025
Time : 9.30 a.m.
Venue : Connexion Conference & Event Centre,
Nexus 2 & 3, Level 3A, Nexus, Bangsar South City,
No. 7, Jalan Kerinchi, 59200 Kuala Lumpur

1. Pre-Registration to Attend the 64th AGM

- The 64th AGM of the Company will be held on a physical mode. All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 64th AGM are required to take the following steps to pre-register yourselves in order to participate at the 64th AGM:

Procedure	Action
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your personal mobile device, access the TIIH Online website at https://tiih.online. Register as a user under the “e-Services”. Refer to the tutorial guide posted on the homepage for assistance. <p>For individual shareholders:-</p> <ul style="list-style-type: none"> Select “Create Account by Individual Holder”. Registration will be verified and you will be notified via email within one (1) to two (2) working days. <p>For corporation or institutional shareholders:-</p> <ul style="list-style-type: none"> The authorised or nominated representative of the corporation or institutional shareholder to select “Create Account by Representative of Corporate Holder”. Registration will be verified and you will be notified via email within one (1) to two (2) working days. <ul style="list-style-type: none"> If you are already a user of TIIH Online, you are not required to sign-up again. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online)</i></p>
(b) Pre-register your attendance to attend AGM	<ul style="list-style-type: none"> Registration is open on Friday, 28 March 2025 at 5.00 p.m. up to Sunday, 27 April 2025 at 9.30 a.m. Login with your user ID and password and select the corporate event: “(REGISTRATION) BAT Malaysia 64th AGM”. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Physical Attendance at Meeting Venue”. Review your registration information and proceed to submit your pre-registration. TIIH Online will send an e-mail to notify that your pre-registration for physical attendance is received and will be verified. Upon system verification of your registration against the General Meeting Record of Depositors (General Meeting ROD) as at 17 April 2025, TIIH Online will send you an e-mail after 27 April 2025 to confirm your Physical Attendance at the meeting venue. In the event you missed the above dateline to register for Physical Attendance, you may continue to pre-register as Remote Participation and Voting.

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for British American Tobacco (Malaysia) Berhad
Sixty-Fourth (64th) Annual General Meeting (AGM)

2. Verification on Meeting Day

- The verification will start at **7.30 a.m.** at Connexion Conference & Event Centre, Nexus 1, Level 3A, Nexus, Bangsar South City and the **AGM will start at 9.30 a.m. sharp.** We strongly encourage you to come early to facilitate and ensure smooth verification process. Kindly note that your entry into the AGM Venue shall only be allowed subject to verification of your pre-registration of attendance as per above.
- Please do read the signage to ascertain where you should register yourself for the AGM and join the queue accordingly.
- Please do produce your original National Registration Identification Card (**NRIC**) or valid Passport (collectively referred as **Identification**) at the verification counter for verification purposes. Kindly ensure you collect your Identification upon completion. No person will be allowed to verify the attendance on behalf of another person even with the original Identification of that other person. Upon verification, you will be given an identification wristband.
- You must wear the identification wristband throughout the AGM. No person will be allowed to enter the AGM venue without the identification wristband. There won't be any replacement in the event that the identification wristband is lost, stolen and/or misplaced.

3. Login to TIIH Online website during the 64th AGM

- Members who attend the 64th AGM must ensure their personal mobile devices are connected to either personal network or WiFi provided at the AGM venue. Please login to TIIH Online to participate during Questions & Answers and voting sessions. The procedures for the RPV facilities are as summarised below:

Procedure		Action
(a)	Login to TIIH Online	<ul style="list-style-type: none"> • Login with your user ID and password to use the Query Box facility to pose questions real time (in the form of typed text) during the meeting from 8.30 a.m.
(b)	Questions & Answers	<ul style="list-style-type: none"> • Select the corporate event: “(Live Streaming) BAT Malaysia 64th AGM” to access to the Query Box. • All questions to the Chairman/Board of Directors (Board) to be submitted via RPV. You may use the Query Box to transmit your question. The Chairman/Board will try to respond to questions submitted by you during the 64th AGM. Any unanswered questions received during the Questions & Answers session, the responses will be e-mailed to you after the meeting. <p>Note: No live streaming of AGM will be available upon your login to the above corporate event name. The RPV is only to facilitate your submission of questions to Chairman/ Board and the online voting.</p>
(c)	Voting	<ul style="list-style-type: none"> • The voting session commences from 9.30 a.m. until a time when the Chairman announces the end of the said voting session. • Select the corporate event: “(Remote Voting) BAT Malaysia 64th AGM” or if you click “Go To Remote Voting Page” below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the Central Depository System (CDS) account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.

Administrative Details
for British American Tobacco (Malaysia) Berhad
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4. Entitlement to Attend and Vote

- Only members whose names appear in the General ROD as on **17 April 2025 at 5.00 p.m.** shall be entitled to attend, speak (in the form of real time submission of typed texts) and vote at the 64th AGM in respect of the number of shares registered in their name at that time.
- If you wish to attend the AGM in person, please **do not** submit any Proxy Form.

5. Appointment of Proxy(ies) or Corporate Representative(s) or Attorney(s)

- If you are a Member of the Company as on **17 April 2025 as at 5.00 p.m.**, you are entitled to appoint not more than two (2) proxies or the Chairman of the Meeting to exercise all or any of your rights to attend, speak (in the form of real time submission of typed texts) and vote at the AGM.
- As the 64th AGM is a physical AGM, members who are unable to participate in the 64th AGM may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the proxy form.
- The proxy form and/or documents relating to the appointment of proxy(ies) for the 64th AGM whether in hardcopy or by electronic means shall be deposited or submitted in the following manner **not less than forty-eight (48) hours** before the time appointed for the taking of poll or **no later than 27 April 2025 at 9.30 a.m.**:
 - i. In hard copy form:
 - In the case of an appointment made in hard copy form, the proxy form must be duly executed and deposited with Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, via the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
 - ii. By electronic form:
 - In the case of an appointment made in electronic form, the proxy form can be electronically lodged via TIIH Online. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.
- Corporate members through corporate representative(s) or nominees companies (through the beneficiary of shares held under a nominee company's CDS account or attorney(s) appointed as power of attorney, who wish to appoint their proxy(ies) or the Chairman of the Meeting for the 64th AGM, shall submit their original/certificate of appointment of corporate representative or power of attorney upon request for verification whether in hardcopy or by electronic means, and shall be deposited or submitted in the following **not less than forty-eight (48) hours** before the time appointed for the taking of poll or **no later than 27 April 2025 at 9.30 a.m.**:
 - i. In hard copy form:
 - In the case of an appointment made in hard copy form, the proxy form must be duly executed and deposited with Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, via the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
 - ii. By electronic form:
 - In the case of an appointment made in electronic form, the proxy form can be electronically lodged via TIIH Online. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.

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6. Revocation of Proxy

- If you wish to appoint a proxy, please note that the proxy may be revoked by:
 - a. Attendance of the appointer at the AGM and exercising his/her voting rights at the AGM personally will automatically revoke the proxy;
 - b. Notice of revocation of the Proxy Form or the authority served by 27 April 2025 at 9.30 a.m.;
 - c. Appointing new proxy by depositing a new Proxy Form in favour of another person by 27 April 2025 at 9.30 a.m.; or
 - d. Transfer of shares by the appointer.

If you have submitted your Proxy Form prior to the AGM and subsequently decide to attend the AGM in person, please proceed to the Help Desk counter.

7. Help Desk

- Please proceed to the Help Desk counter for the following matters:
 - a. Any enquiry or clarification;
 - b. To revoke the appointment of your proxy/proxies. Upon your revocation of appointment, your proxy/proxies will not be allowed to attend the AGM; or
 - c. If you require any First Aid assistance once you have entered the AGM Venue.

8. Refreshment

- The Packed Breakfast will be given to all shareholders by way of redemption Breakfast vouchers given during verification. The Packed Breakfast including tea or coffee will be made available from 7.00 a.m. to 9.30 a.m.
- There will be no food served apart from the abovementioned and/or after the AGM.

9. Breakfast Voucher

- Upon successful verification, **a shareholder/proxy will be given one (1) Breakfast voucher**. The collection of the Breakfast voucher will be in accordance to the followings:
 - a. Each individual present as shareholder or proxy(ies) or corporate representative; or representing more than one (1) shareholder is entitled to one (1) Breakfast voucher only.
 - b. If the proxy(ies) has/have obtained a Breakfast voucher, a shareholder who subsequently decided to attend the AGM in person will not be given any Breakfast voucher.
 - c. If you lose or misplace your Breakfast voucher, you will not be entitled for a replacement.

10. Door Gift

- A Door Gift will be provided to all shareholders/proxies who have attended the 64th AGM.
- The Door Gift will be distributed to entitled shareholders/proxies **within THIRTY (30) working days after the conclusion of the 64th AGM** via email registered with TIIH Online.
- The Door Gift will be provided in accordance to the followings manner:
 - a. Each individual attended the 64th AGM as shareholder or proxy(ies) or corporate representative; or representing more than one (1) shareholder is entitled to one (1) Door Gift only.
 - b. Additionally, if two (2) proxies represent one (1) shareholder, Door Gift will only be provided to the first (1st) named proxy stated in the Proxy Form.
 - c. If you lose or misplace your Door Gift, you will not be entitled for a replacement.

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for British American Tobacco (Malaysia) Berhad
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11. Submission of Questions to the Board

- The Board recognises that the 64th AGM is a valuable opportunity for the Board to engage with Members. In order to enhance the efficiency of the proceedings of the 64th AGM, Members may submit questions in relation to the agenda items for the 64th AGM prior to the meeting via TIIH Online website at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically **no later than 27 April 2025 at 9.30 a.m.** The Board will endeavour to address the questions received at the 64th AGM.
- During the 64th AGM, Members will be able to ask questions using the RPV facilities from TIIH Online website at <https://tiih.online>. Members may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. As such, all shareholders and proxies attending the 64th AGM are advised to bring their own personal mobile devices in order to pose questions via TIIH Online website at <https://tiih.online>. The Board and leadership team will be in attendance at the AGM venue to provide responses accordingly. Please refer to Note 3(b) above on steps for submission of questions.
- **Please note that no in-person questions will be accepted during the AGM.**

12. Voting Procedure

- Voting at the 64th AGM will be conducted by poll in accordance with Paragraph 8.29A of the main market of Bursa Malaysia Securities Berhad Listing Requirement. All attendees at the 64th AGM is advised to bring their own personal devices in order to vote via the TIIH Online website at <https://tiih.online>. Please refer to Note 3(c) above on steps for voting.
- The Company’s Share Registrar, Tricor, is appointed as Poll Administrator to conduct the polling process. An Independent Scrutineer is appointed to verify and validate the results of the poll.

13. Integrated Annual Report 2024

- The Integrated Annual Report 2024 is available on Bursa Malaysia’s website at www.bursamalaysia.com under the Company Announcements and also at the Company’s website at www.batmalaysia.com.

14. No recording or photography

- Strictly **NO** recording or photography of the proceedings of the 64th AGM is allowed.

15. No Smoking Policy

- A no smoking policy is maintained inside the AGM venue. Your co-operation is much appreciated.

16. Other Meeting Details

- Free WIFI is available at the AGM venue for the convenience of shareholders/proxies.
- Indoor parking is available (subject to availability). Please validate or exchange the parking card at the booth situated in the foyer.

17. Personal Belongings

- Please take care of your personal belongings. The organiser will not be held responsible for any lost item.

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18. Enquiry

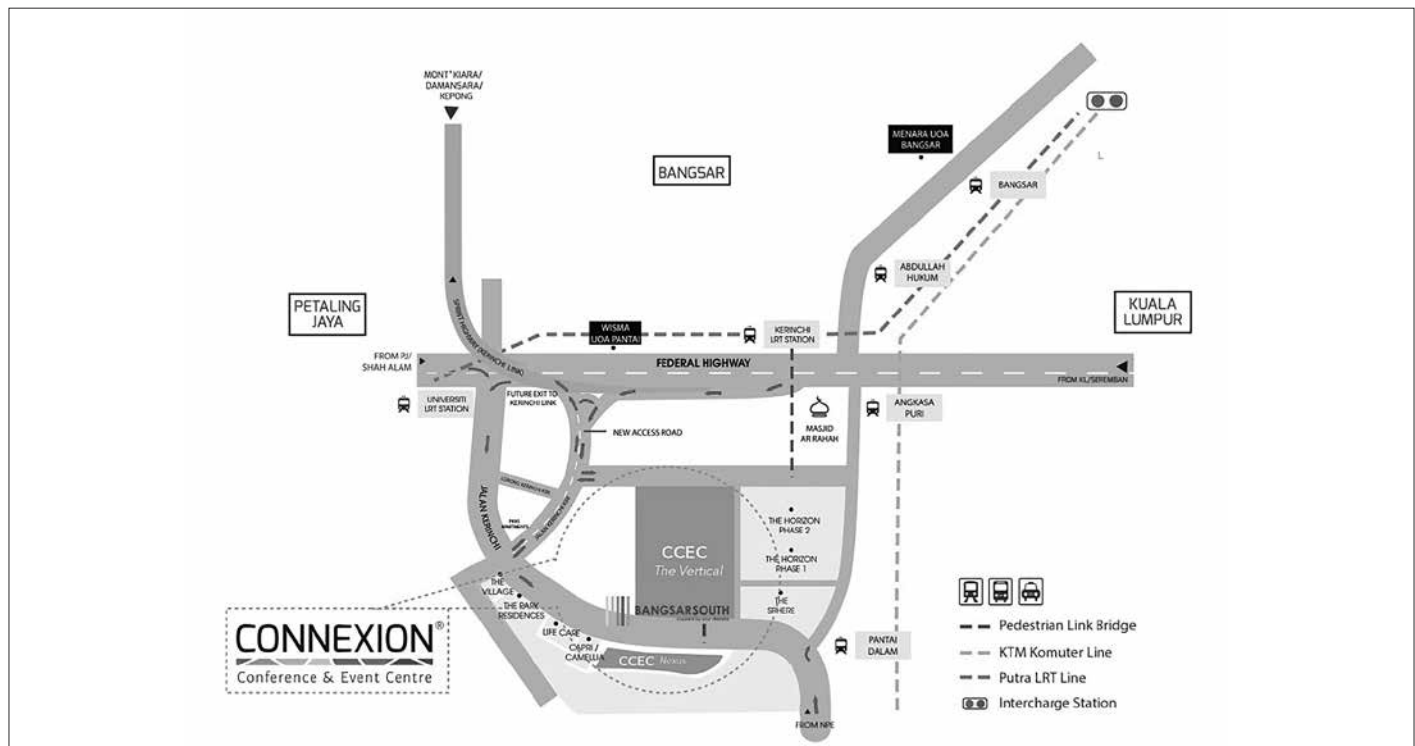
- If you have general queries prior to the 64th AGM, please contact the following persons during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday):

Tricor Investor & Issuing House Services Sdn Bhd Registration No. 197101000970 (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No.8, Jalan Kerinchi, 59200 Kuala Lumpur.	General Line No.	+60(3) 27839299
	Fax No.	+60(3) 27839222
	Email	is.enquiry@vistra.com
	Mr. Mohamad Hifzul	+60(3) 27839284 Mohamad.Hifzul@vistra.com
Mr. Nazrul Darwin	+60(3) 27839246 Nazrul.Darwin@vistra.com	
Ms. Siti Zalina	+60(3) 27839247 Siti.Zalina@vistra.com	

Location map to AGM venue

Connexion Conference & Event Centre

Nexus 2 & 3, Level 3A, Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur.



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for British American Tobacco (Malaysia) Berhad
Sixty-Fourth (64th) Annual General Meeting (AGM)

Appendix A

Procedures for Electronic Submission of Proxy Form**Appointment of Proxy(ies)/Corporate Representative(s)/Attorney(s)**

Procedure	Action
BEFORE THE AGM DAY	
APPOINTMENT OF PROXY: INDIVIDUAL SHAREHOLDERS	
a. Register as a new user with TIIH Online	<ul style="list-style-type: none"> • Using your personal mobile, access TIIH Online website at https://tiih.online. • Register as a new user under “e-Services”. Refer to the tutorial guide posted on the homepage for assistance. • If you are already a TIIH Online user, you are not required to register again.
b. Proceed with the submission of Proxy Form	<ul style="list-style-type: none"> • After the release of the Notice of meeting by the Company, login with your user ID and password. • Select the corporate event: “BAT Malaysia 64th AGM: Submission of Proxy Form”. • Read and agree to the “Terms and Conditions” and confirm the “Declaration”. • Insert the CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman of the Meeting as your proxy. • Indicate your voting instructions – “FOR” or “AGAINST”, otherwise your proxy(ies) will decide your vote. • Review and confirm your proxy(ies) appointment. • Print the Proxy Form for your record.
BEFORE THE AGM DAY	
APPOINTMENT OF PROXY: CORPORATE OR INSTITUTIONAL SHAREHOLDERS	
a. Register as a new user with TIIH Online website	<ul style="list-style-type: none"> • Using your computer, access TIIH Online website at https://tiih.online. • Register as a new user under “e-Services” by selecting “Create Account by Representative of Corporate Holder”. • Please complete the registration form and upload the required documents. • Your registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and reset your password. <p><i>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please do contact our Share Registrar if you need clarifications on the user registration.</i></p>
b. Proceed with the submission of proxy form	<ul style="list-style-type: none"> • After the release of the Notice of meeting by the Company, login TIIH Online website at https://tiih.online with your user ID and password. • Select the corporate event: “BAT Malaysia 64th AGM: Submission of Proxy Form”. • Read and agree to the “Terms and Conditions” and confirm the “Declaration”. • Proceed to download the file format for the “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.

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PROXY FORM

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

[Registration No. 196101000326 (4372-M)]

(Incorporated in Malaysia)



CDS Account No.

I/We _____ (NRIC/Passport/Co. No.: _____)
(Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

of _____ (Full Address)

being a member/members of **BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD** (the Company), do hereby appoint _____

_____ (NRIC/Passport No.: _____)
(Name as per NRIC/Passport in Capital Letters)

of _____ (Full Address)

and/or failing him/her _____ (NRIC/Passport No.: _____)
(Name as per NRIC/Passport in Capital Letters)

of _____ (Full Address)

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the Sixty-Fourth (64th) Annual General Meeting (AGM or Meeting) of the Company, to be held **Connexion Conference & Event Centre, Nexus 2 & 3, Level 3A, Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur** on **Tuesday, 29 April 2025 at 9.30 a.m.** and at any adjournment thereof.

My/our proxy/proxies shall vote as follows:

(Please indicate with an "X" in the spaces provided below how you wish your votes to be cast on the resolutions specified in the notice of meeting. If you do not do so, your proxy/proxies will vote or abstain as he/she may think fit)

Resolutions		For	Against
Ordinary Resolution 1	Re-election of Nedal Louay Salem who retires pursuant to Clause 109.1 of the Constitution of the Company.		
Ordinary Resolution 2	Re-election of Datuk Christine Lee Oi Kuan who retires pursuant to Clause 109.1 of the Constitution of the Company.		
Ordinary Resolution 3	Re-election of Adrian Lee Peng Yong who retires pursuant to Clauses 115 of the Constitution of the Company.		
Ordinary Resolution 4	Approval of payment of Directors' fees and Board Committees' fees to the Non-Executive Directors for the period commencing 30 April 2025 until the next AGM of the Company.		
Ordinary Resolution 5	Approval of payment of Directors' benefits to the Non-Executive Directors of up to RM250,000 for the period commencing 30 April 2025 until the next AGM of the Company.		
Ordinary Resolution 6	Re-appointment of KPMG PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise Directors to fix their remuneration.		
Ordinary Resolution 7	Proposed Renewal of the Recurrent Related Party Transactions Mandate.		

Dated this _____ day of _____ 2025

For appointment of two proxies, the percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
TOTAL		100

Signature(s) of member(s)/Common Seal

Notes:

1. The 64th AGM of the Company will be held on a physical mode. All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 64th AGM must register as a user via the TIH Online website at <https://tjih.online> first and then pre-register their attendance through Remote Participation & Voting (RPV) facilities on TIH Online to verify their eligibility to attend the 64th AGM based on the General Meeting Record of Depositors (General Meeting ROD) as at 17 April 2025. The RPV pre-registration is open from the date of the Notice of the 64th AGM on Friday, 28 March 2025 at 5.00 p.m. and the closing date and time shall be no later than 27 April 2025 at 9.30 a.m. Please refer to the Administrative Guide for the full guide of the 64th AGM.
2. Members may submit questions in relation to the agenda items for the 64th AGM prior to the meeting via TIH Online website at <https://tjih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than 27 April 2025 at 9.30 a.m. The responses to these questions will be shared at the 64th AGM.
3. During the 64th AGM, Members will be able to ask questions using the RPV facilities. Members may use the Query Box facility to ask questions real time (in the form of typed text) during the meeting. The Board and leadership team will be in attendance at the AGM venue to provide responses accordingly. Please note that no in-person questions will be accepted during the AGM.
4. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a member appoints two (2) proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified. A proxy need not be a member of the Company.
5. Where a member of the Company is an exempt authorised nominee that holds ordinary shares in the Company for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies that the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
6. The instrument appointing a proxy(ies) must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
7. If there is no indication as to how a member wishes his/her vote to be cast, the proxy will vote or abstain from voting at his/her discretion. In the event a member duly executes the proxy form but does not name any proxy, such member shall be deemed to have appointed the Chairman of the Meeting as his/her proxy.
8. The proxy form must be duly executed and deposited at the Registrar of Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Lumpur or alternatively, via the drop-in box provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for the taking of poll or **no later than 27 April 2025 at 9.30 a.m.** The proxy appointment may also be lodged electronically via TIH Online website at <https://tjih.online>.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in this Notice will be put to vote by poll.
10. For the purpose of determining a member who shall be entitled to attend the 64th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 71 of the Constitution and Section 34(1) of the Central Depositories Act, to issue a General Meeting ROD as at 17 April 2025 shall be entitled to attend the said Meeting or appoint proxies to attend and/or vote on his/her behalf.

Please refer to the personal data privacy terms set out in the Notice of the 64th AGM dated 28 March 2025.

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Affix postage
stamp

The Share Registrar
British American Tobacco (Malaysia) Berhad
[Registration No. 196101000326 (4372-M)]
c/o Tricor Investor & Issuing House Services Sdn Bhd
[Registration No. 197101000970 (11324-H)]
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