

Joint Message from Our Chairman and Our Managing Director

**Nedal Louay
Salem**
(Managing Director)



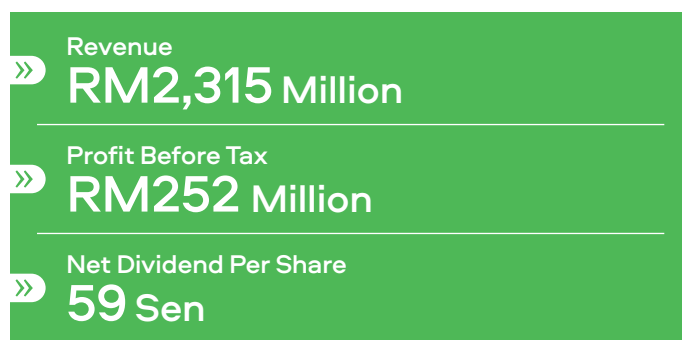
**Tan Sri Dato' Seri Dr. Aseh
bin Haji Che Mat**
(Chairman)



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.