



BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2021**

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2021**

	Note	For the 3 months ended		For the period ended	
		30.6.2021	30.6.2020	30.6.2021	30.6.2020
		RM'000	RM'000	RM'000	RM'000
Revenue		595,798	546,588	1,162,350	1,027,734
Cost of sales		(446,003)	(406,644)	(870,064)	(764,716)
Gross profit		149,795	139,944	292,286	263,018
Other operating income		91	251	374	712
Operating expenses		(43,291)	(57,238)	(99,308)	(109,414)
Profit from operations		106,595	82,957	193,352	154,316
Finance costs		(3,972)	(4,860)	(7,670)	(9,280)
Profit before tax	B2	102,623	78,097	185,682	145,036
Tax expense	B3	(31,005)	(23,486)	(50,951)	(39,659)
Profit after tax		71,618	54,611	134,731	105,377
Profit attributable to the shareholders of the Company		71,618	54,611	134,731	105,377
Effective tax rate		30%	30%	27%	27%
EPS	B10	25.1	19.1	47.2	36.9
<u>Dividends</u>					
- Interim 1		-	-	21	17
- Interim 2		24	18	24	18
		24	18	45	35

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021

	For the 3 months ended		For the period ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Profit after tax	71,618	54,611	134,731	105,377
Other comprehensive income, net of tax				
Items that may be subsequently reclassified to income statement				
- changes in fair value of cash flow hedges	547	(4,064)	6,525	5,249
- deferred tax on fair value changes of cash flow hedges	(132)	975	(1,566)	(1,260)
Total other comprehensive income/(expense), net of tax	415	(3,089)	4,959	3,989
Total comprehensive income	72,033	51,522	139,690	109,366
Profit attributable to:				
Shareholders of the Company	71,618	54,611	134,731	105,377
Total comprehensive income attributable to:				
Shareholders of the Company	72,033	51,522	139,690	109,366

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020.

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2021

		As at 30.6.2021	As at 31.12.2020
	Note	RM'000	RM'000
Assets			
Property, plant and equipment		50,277	57,540
Goodwill		411,618	411,618
Deferred tax assets		3,597	15,455
Total non-current assets		<u>465,492</u>	<u>484,613</u>
Inventories		361,002	229,942
Tax recoverable		3,314	3,865
Trade and other receivables		376,940	396,454
Derivative financial instruments		1,291	93
Cash and bank balances		23,756	29,002
Total current assets		<u>766,303</u>	<u>659,356</u>
Total assets		<u><u>1,231,795</u></u>	<u><u>1,143,969</u></u>
Equity			
Share capital		142,765	142,765
Cash flow hedge reserve		(212)	(5,171)
Retained earnings		232,722	235,045
Total equity		<u>375,275</u>	<u>372,639</u>
Liabilities			
Lease liabilities		16,108	19,218
Total non-current liabilities		<u>16,108</u>	<u>19,218</u>
Trade and other payables		141,777	198,835
Borrowings	B5	670,000	510,000
Derivative financial instruments		1,534	7,002
Current tax liabilities		20,974	29,968
Lease liabilities		6,127	6,307
Total current liabilities		<u>840,412</u>	<u>752,112</u>
Total liabilities		<u>856,520</u>	<u>771,330</u>
Total equity and liabilities		<u><u>1,231,795</u></u>	<u><u>1,143,969</u></u>
Net assets per share (RM)		1.31	1.31

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2021

	Issued and fully paid ordinary shares		Non-distributable		Distributable	Total Equity
	Number of shares	Nominal value	Cash flow hedge reserve	Share-based payment reserve	Retained earnings	
	'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	285,530	142,765	(5,171)	-	235,045	372,639
Profit after tax	-	-	-	-	134,731	134,731
Other comprehensive income/(expense):						
- changes in fair value of cash flow hedges	-	-	6,525	-	-	6,525
- deferred tax on fair value changes on cash flow hedges	-	-	(1,566)	-	-	(1,566)
Total comprehensive income	-	-	4,959	-	134,731	139,690
Transaction with shareholders:						
Dividend for financial year ended 31 December 2020						
- fourth interim	-	-	-	-	(77,093)	(77,093)
Dividend for financial year ending 31 December 2021						
- first interim	-	-	-	-	(59,961)	(59,961)
Total transactions with shareholders of the Company	-	-	-	-	(137,054)	(137,054)
At 30 June 2021	285,530	142,765	(212)	-	232,722	375,275
At 1 January 2020	285,530	142,765	(1,511)	-	247,327	388,581
Profit after tax	-	-	-	-	105,377	105,377
Other comprehensive income/(expense):						
- changes in fair value of cash flow hedges	-	-	5,249	-	-	5,249
- deferred tax on fair value changes on cash flow hedges	-	-	(1,260)	-	-	(1,260)
Total comprehensive income	-	-	3,989	-	105,377	109,366
Transaction with shareholders:						
Dividend for financial year ended 31 December 2019						
- fourth interim	-	-	-	-	(94,225)	(94,225)
Dividend for financial year ended 31 December 2020						
- first interim	-	-	-	-	(48,540)	(48,540)
Total transactions with shareholders of the Company	-	-	-	-	(142,765)	(142,765)
At 30 June 2020	285,530	142,765	2,478	-	209,939	355,182

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020.

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2021

	For the 6 months ended	
	30.6.2021	30.6.2020
	RM'000	RM'000
Operating activities		
Cash receipts from customers and fellow subsidiaries	1,181,967	1,059,710
Cash paid to suppliers, employees and fellow subsidiaries	(1,151,025)	(1,013,368)
Cash from operations	<u>30,942</u>	<u>46,342</u>
Income tax paid	(49,102)	(10,760)
Net cash flow (used in)/from operating activities	<u>(18,160)</u>	<u>35,582</u>
Investing activities		
Purchase of property, plant and equipment	(271)	(1,123)
Proceeds from disposals of property, plant and equipment	872	337
Proceeds from disposal of assets held for sale	-	620
Interest received	327	563
Net cash flow from investing activities	<u>928</u>	<u>397</u>
Financing activities		
Dividends paid to shareholders	(137,054)	(142,765)
Interest expense paid	(7,315)	(8,791)
Net drawdown from revolving credit	160,000	104,000
Payment on lease liabilities	(3,290)	(1,943)
Interest paid in relation to lease liabilities	(355)	(489)
Net cash flow from/(used in) financing activities	<u>11,986</u>	<u>(49,988)</u>
Net decrease in cash and cash equivalents	(5,246)	(14,009)
Cash and cash equivalents as at 1 January	<u>29,002</u>	<u>20,386</u>
Cash and cash equivalents as at 30 June	<u><u>23,756</u></u>	<u><u>6,377</u></u>

The unaudited Condensed Consolidated Cash Flows Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

These condensed consolidated financial statements ("Condensed Report") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report has also been prepared in accordance with paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the Condensed Report provide explanations of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of this Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020. As at the date of authorisation of this Condensed Report, the following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- from the annual period beginning on 1 January 2022 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2022; and
- from the annual period beginning on 1 January 2023 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2023.

The Group does not plan to apply MFRS 17, Insurance Contracts that is effective for annual period beginning on 1 January 2023 as it is not applicable to the Group. The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the Group.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The results of the Group are generally impacted by changes in excise typically announced during the National Budget.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 30 June 2021. The exercise to restructure the business operations of the Group was completed in 2020.

The financial impact arising from the abovementioned restructuring of business operations is set out below:

	3 months ended		Financial period ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Restructuring expenses	-	6,573	-	10,810

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A5. SIGNIFICANT CHANGES IN ESTIMATE

There were no significant changes in estimates for prior periods that have had a material effect on the results for the current quarter ended 30 June 2021.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter ended 30 June 2021.

A7. SEGMENT REPORTING

The Group is domiciled in Malaysia. The analysis of revenue from external customers in Malaysia is as follows:

	3 months ended		Financial period ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Sale of cigarettes, pipe tobaccos, cigars and other tobacco products	<u>595,798</u>	<u>546,588</u>	<u>1,162,350</u>	<u>1,027,734</u>

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

Segment analysis has not been prepared as the Group operates a single product business primarily engaged in the manufacture, importation and sale of cigarettes and other tobacco products and this forms the focus of the Group's internal reporting systems. While the Group has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operational decision maker and it is not possible to segment the Group results by brand without a high degree of estimation.

A8. EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly report.

A9. CHANGES IN COMPOSITION OF GROUP

There were no changes in the composition of the Group during the current quarter ended 30 June 2021.

A10. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets as at 16 July 2021 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A11. CAPITAL COMMITMENTS

Capital commitments of the Group as at the end of the financial period are as follows:

	As at 30.6.2021 RM'000	As at 31.12.2020 RM'000
Property, plant and equipment:		
Approved and contracted for	1	2
Approved but not contracted for	9,148	-
	<u>9,149</u>	<u>2</u>

A12. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of this quarterly report, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

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

	3 months ended		Financial period ended	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Purchase of leaf, cigarette packaging, wrapping materials and tobacco products from:				
PT Bentoel Prima	52,952	36,470	87,020	79,644
Royalties paid / payable to:				
British American Tobacco Western Europe Commercial Trading Limited	19,031	-	36,765	-
British-American Tobacco (Holdings) Ltd.	-	17,582	-	33,208
Technical and advisory support services fee paid / payable to:				
British American Tobacco Investments Ltd.	<u>2,697</u>	<u>5,398</u>	<u>6,843</u>	<u>9,999</u>

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

B1. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the annual financial statements of the Group for the year ended 31 December 2020 was unqualified.

B2. PROFIT BEFORE TAX

	3 months ended		Financial period ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Finance costs:				
- lease liabilities	176	237	355	489
- borrowings	3,796	4,623	7,315	8,791
Property, plant and equipment:				
- depreciation	1,812	1,896	3,718	3,838
- depreciation of right-of-use assets	1,484	1,685	2,990	3,363
- loss on disposal	6	-	-	237
- write-off	-	-	1	4
Computer software:				
- amortisation	-	-	-	3
Net loss on impairment of financial assets at amortised cost	4	67	-	27
Inventories written down	1,008	1,525	3,153	2,411
Net foreign exchange loss	297	320	1,227	1,291
Loss on derivatives	257	-	362	-
Restructuring expenses	-	6,573	-	10,810
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
and after crediting:				
Interest income on deposits	96	251	327	563
Property, plant and equipment:				
- gain on disposal	-	-	47	-
Gain on disposal of assets held for sale	-	-	-	386
Reversal on impairment of financial assets at amortised cost	-	-	103	-
Gain on derivatives	-	779	-	931
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

B3. TAX EXPENSE

	3 months ended		Financial period ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current tax	20,681	19,996	40,659	37,042
Deferred tax expense				
- additional of temporary differences	10,324	3,490	10,292	2,617
	31,005	23,486	50,951	39,659

The average effective tax rate of the Group for the second quarter 2021 and financial period ended 30 June 2021 were 30.2% (2020: 30.1%) and 27.4% (2020: 27.3%) respectively.

The average effective tax rate in the second quarter 2021 and financial period ended 30 June 2021 was higher than the corporate tax rate mainly attributed to non-deductible expenses.

B4. CORPORATE PROPOSAL

There were no new corporate proposals announced as at 16 July 2021 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

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

B5. BORROWINGS

The Group's borrowings as at the end of the financial period are as follows:

	As at 30.6.2021 RM'000	As at 31.12.2020 RM'000
Current		
Borrowings – unsecured	<u>670,000</u>	<u>510,000</u>

The Group's borrowings relate to revolving credits maturing between one week to one month. The Group's borrowings are denominated in Ringgit Malaysia.

B6. MATERIAL LITIGATION

On 14 November 2019, Commercial Marketers and Distributors (CMD), one of the subsidiaries of the Company, filed an application for judicial review proceedings against the decisions of the Ministry of Health (MOH) in recategorising its non-cigarette tobacco product, Dunhill HTL Cigarillo, as a cigarette and revoking its approval granted on 12 July 2018 for CMD to sell Dunhill HTL Cigarillo ("MOH Decisions"). In its application, CMD sought the MOH Decisions to be nullified and for damages to be assessed by the Court.

On 8 January 2020, CMD managed to obtain leave from the Court to commence judicial review proceedings against the MOH with hearings conducted on 27 August 2020, 24 September 2020, 17 November 2020, 11 March 2021 and subsequently adjourned to 21 June 2021. On 21 June 2021, CMD and MOH entered into a mutual settlement and the judicial review application has been withdrawn.

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

B7. MATERIAL CHANGES IN THE QUARTERLY RESULTS AS COMPARED WITH THE PRECEDING QUARTER

Profit from operations was RM107 million in the second quarter of 2021 versus RM87 million in the first quarter. This represents an increase of 23% versus the preceding quarter largely driven by Domestic volume growth.

This growth is in part due to the implementation of Budget 2021 measures, such as tobacco transshipment restrictions to tackle the tobacco black market. The tobacco black market incidence has reduced to 57.9% in May from 63% in the fourth quarter of 2020.

The Group's share of market registered at 52.5%, increased by 0.2ppt versus the preceding quarter. Dunhill remained strong and continued to hold the market leadership position with share of premium segment of 61%. The Group's Value-for-Money (VFM) brands Rothmans and KYO recorded an increase of 0.3ppt to a 10% share of market.

The overall volume performance translated to a revenue increase of 5% (RM29 million) and gross profit increase of 5% (RM7 million). With lower Group operating expenses by 23% (RM13 million) in the current quarter, this translated to an increase in profit from operations of 23% (RM20 million) versus the preceding quarter.

B8. REVIEW OF PERFORMANCE YEAR-TO-DATE 2021 VS YEAR-TO-DATE 2020

Profit from operations was at RM193 million year-to-date 2021 versus RM154 million same period last year, registering an increase of 25% (RM29 million). The increase was driven by higher volume as a result of a reduction in the tobacco black market and a less restrictive MCO environment versus the same period last year. This saw an increase in the Group's Domestic volume by 14%, which outperformed the total legal industry recovery rate of 12%. Duty-free sales continue to be impacted due to regional and international travel restrictions.

Consistent with the volume growth trajectory, the Group's total market share was 52.4%, registering an increase of 1.5ppt when compared to the same period last year. This encouraging share performance was driven by the strength of the Group's strategic brands, Dunhill, Rothmans and KYO. The Group's portfolio grew in all segments with Dunhill increasing its Premium segment share by 2.7ppt; Peter Stuyvesant and Pall Mall by 1.0ppt in the Aspirational Premium segment and Rothmans and KYO by 4.4ppt in the VFM segment ⁽²⁾.

The growth in volume led to revenue growth of 13% (RM135 million) when compared to the same period last year. The Group's operating expenses were lower by 9% (RM10 million) mainly due to the absence of restructuring costs that were incurred in H1 2020. Revenue growth combined with lower operating expenses, translated to an increase in profit from operations of 25% (RM39 million) as compared to the same period last year.

Source:
(1) Nielsen Illicit Cigarettes Study
(2) Ipsos Retail Audit

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

B9. CURRENT YEAR PROSPECTS

The remainder of 2021 will see continued focus on the Group's purpose of building "A Better Tomorrow" for all of the Group's stakeholders. This will be achieved by building a long-term sustainable business. For the second half of 2021, this will require the progressive recovery of the legal cigarette market and the introduction of a regulated nicotine vaping framework.

With respect to the tobacco black market, the Group is encouraged by the impact of the supply restrictions such as transshipment controls introduced in Budget 2021 but to effectively reduce the tobacco black market, such restrictions must be complemented with measures that address the affordability pressures that consumers in Malaysia currently face. Further, as a result of the transshipment controls, tobacco black market smugglers are now turning to small coastal jetties as smuggling ingress and this must be shut down to continue addressing illegal supplies.

On the nicotine vaping market, over one million Malaysians continue to consume unregulated, untaxed nicotine vapour products of unknown provenance. The Group believes that an evidence-based regulatory framework should be put in place for these products as soon as possible.

B10. EARNINGS PER SHARE

	3 months ended		Financial period ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
Basic earnings per share				
Profit for the financial period (RM'000)	<u>71,618</u>	<u>54,611</u>	<u>134,731</u>	<u>105,377</u>
Weighted average number of ordinary shares in issue ('000)	285,530	285,530	285,530	285,530
Basic earnings per share (sen)	<u>25</u>	<u>19</u>	<u>47</u>	<u>37</u>

The Group does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore, diluted earnings per share is not disclosed.

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

B11. DIVIDENDS

Dividends paid or declared in respect of the quarter and financial period ended 30 June are as follows:

	Sen per share	Total amount RM'000
2021		
Fourth interim dividend 2020	27.0	77,093
First interim dividend 2021	21.0	59,961
	48.0	137,054
2020		
Fourth interim dividend 2019	33.0	94,225
First interim dividend 2021	17.0	48,540
	50.0	142,765

The Board of Directors had on 23 July 2021 declared a second interim ordinary dividend of 24.0 sen per ordinary share (tax exempted under single-tier tax system) amounting to RM68,527,200 in respect of the financial year ending 31 December 2021, payable on 20 August 2021 to shareholders whose names appears on the Record of Depositors on 6 August 2021. This equates to a 96% payout on Q2 2021 earnings per share and dividend yield of 6%*.

A Depositor shall qualify for entitlement only in respect of:

- (a) Securities transferred to the Depositor's Securities Account before 4.30 p.m. on 6 August 2021, in respect of ordinary transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

** Based on last 3 quarters dividend paid out and second interim dividend 2021 declared*

B12. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board in accordance with a resolution of the Directors on 23 July 2021.