



BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023**

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2023**

	Note	3 months ended		Financial year ended	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
Revenue		635,859	770,657	2,310,999	2,596,574
Cost of sales		(488,595)	(564,024)	(1,742,965)	(1,918,614)
Gross profit		147,264	206,633	568,034	677,960
Other operating income		210	697	1,103	3,931
Operating expenses		(83,493)	(107,049)	(288,505)	(274,802)
Profit from operations		63,981	100,281	280,632	407,089
Finance costs		(7,105)	(5,993)	(24,293)	(21,677)
Profit before tax	B2	56,876	94,288	256,339	385,412
Tax expense	B3	(9,512)	(32,560)	(61,591)	(122,893)
Profit after tax		47,364	61,728	194,748	262,519
Profit attributable to the shareholders of the Company		47,364	61,728	194,748	262,519
Effective tax rate		16.7%	34.5%	24.0%	31.9%
EPS	B10	16.6	21.6	68.2	91.9
<u>Dividends</u>					
- Interim 1		-	-	13	17
- Interim 2		-	-	16	25
- Interim 3		-	-	19	25
- Interim 4		15	21	15	21
		15	21	63	88

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 2022.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2023

	For the 3 months ended		For the year ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit after tax	47,364	61,728	194,748	262,519
Other comprehensive (expense)/income, net of tax				
Items that may be subsequently reclassified to income statement				
- changes in fair value of cash flow hedges	(5,128)	(10,725)	3,541	648
- deferred tax on fair value changes of cash flow hedges	1,060	1,270	(850)	(154)
Total other comprehensive income, net of tax	(4,068)	(9,455)	2,691	494
Total comprehensive income	43,296	52,273	197,439	263,013
Profit attributable to:				
Shareholders of the Company	47,364	61,728	194,748	262,519
Total comprehensive income attributable to:				
Shareholders of the Company	43,296	52,273	197,439	263,013

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 2022.

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Assets			
Property, plant and equipment		65,692	56,282
Computer software		1,311	3,027
Goodwill		411,618	411,618
Deferred tax assets		6,587	7,812
Total non-current assets		<u>485,208</u>	<u>478,739</u>
Inventories		32,570	55,975
Tax recoverable		2,321	2,171
Trade and other receivables		625,920	803,772
Derivative financial instruments		4,950	1,928
Cash and bank balances		27,849	16,636
Total current assets		<u>693,610</u>	<u>880,482</u>
Total assets		<u><u>1,178,818</u></u>	<u><u>1,359,221</u></u>
Equity			
Share capital		142,765	142,765
Cash flow hedge reserve		2,855	164
Retained earnings		231,939	234,207
Total equity		<u>377,559</u>	<u>377,136</u>
Liabilities			
Lease liabilities		34,136	21,644
Total non-current liabilities		<u>34,136</u>	<u>21,644</u>
Trade and other payables		206,977	212,264
Borrowings	B5	543,000	695,000
Derivative financial instruments		809	1,606
Current tax liabilities		1,808	39,453
Lease liabilities		14,529	12,118
Total current liabilities		<u>767,123</u>	<u>960,441</u>
Total liabilities		<u>801,259</u>	<u>982,085</u>
Total equity and liabilities		<u><u>1,178,818</u></u>	<u><u>1,359,221</u></u>
Net assets per share (RM)		1.32	1.32

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 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Non-distributable		Distributable		Total Equity RM'000
	Share Capital RM'000	Cash flow hedge reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
At 1 January 2023	142,765	164	-	234,207	377,136
Profit after tax	-	-	-	194,748	194,748
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	3,541	-	-	3,541
- deferred tax on fair value changes on cash flow hedges	-	(850)	-	-	(850)
Total comprehensive income	-	2,691	-	194,748	197,439
Transaction with shareholders:					
Expense arising from equity-settled share based payment transactions	-	-	2,524	-	2,524
Recharge of share-based payment	-	-	(2,524)	-	(2,524)
Dividend for financial year ended 31 December 2022					
- fourth interim	-	-	-	(59,961)	(59,961)
Dividend for financial year ended 31 December 2023					
- first interim	-	-	-	(37,119)	(37,119)
- second interim	-	-	-	(45,685)	(45,685)
- third interim	-	-	-	(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
At 1 January 2022	142,765	(330)	-	240,087	382,522
Profit after tax	-	-	-	262,519	262,519
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	648	-	-	648
- deferred tax on fair value changes on cash flow hedges	-	(154)	-	-	(154)
Total comprehensive income	-	494	-	262,519	263,013
Transaction with shareholders:					
Expense arising from equity-settled share based payment transactions	-	-	2,286	-	2,286
Recharge of share based payment	-	-	(2,286)	-	(2,286)
Dividend for financial year ended 31 December 2021					
- fourth interim	-	-	-	(77,093)	(77,093)
Dividend for financial year ended 31 December 2022					
- first interim	-	-	-	(48,540)	(48,540)
- second interim	-	-	-	(71,383)	(71,383)
- third interim	-	-	-	(71,383)	(71,383)
Total transactions with shareholders of the Company	-	-	-	(268,399)	(268,399)
At 31 December 2022	142,765	164	-	234,207	377,136

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 2022.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	For the 12 months ended	
	31.12.2023	31.12.2022
	RM'000	RM'000
Operating activities		
Profit before tax	256,339	385,412
Adjustments for:		
- non-cash items	18,776	29,203
- interest income	(623)	(781)
- interest expense	24,293	21,677
Changes in working capital:		
- inventories	25,632	108,267
- trade and other receivables	177,242	(80,392)
- trade and other payables	(6,103)	19,244
Cash from operations	495,556	482,630
Income tax paid	(99,011)	(108,629)
Net cash flow from operating activities	396,545	374,001
Investing activities		
Purchase of property, plant and equipment	(1,210)	(11,142)
Proceeds from disposals of property, plant and equipment	2,208	11,279
Interest received	623	781
Net cash flow from investing activities	1,621	918
Financing activities		
Dividends paid to shareholders	(197,016)	(268,399)
Interest expense paid	(22,871)	(20,677)
Net repayment to revolving credit	(152,000)	(80,000)
Payment on lease liabilities	(13,644)	(10,034)
Interest paid in relation to lease liabilities	(1,422)	(1,000)
Net cash flow used in financing activities	(386,953)	(380,110)
Net increase/(decrease) in cash and cash equivalents	11,213	(5,191)
Cash and cash equivalents as at 1 January	16,636	21,827
Cash and cash equivalents as at 31 December	27,849	16,636

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 2022.

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 2022. 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 2022.

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 2022 except for the adoption of amendments to published standards for the Group for the financial year beginning 1 January 2023.

- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosure 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*

The adoption of these amendments to published standards did not have any material impact on the interim financial report of the Group.

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 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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*

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

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- 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.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The results of the Group's operations are affected by economic cycles and festive seasons.

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

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 31 December 2023.

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 31 December 2023.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter ended 31 December 2023.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. SEGMENT REPORTING

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which in this case is the Managing Director of the Group.

For the financial year ended 31 December 2023, the Group concluded that the operating segments determined in accordance with MFRS 8 are to be based on geographical areas as it forms part of the internal management reports regularly provided to the Group's chief operational decision maker.

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

Segment assets and liabilities are not included in the internal management reports nor provided regularly to the Group's chief operating decision maker. Hence no such disclosures are provided below.

	West Malaysia RM'000	2023 East Malaysia RM'000	Total RM'000	West Malaysia RM'000	2022 East Malaysia RM'000	Total RM'000
Segment revenue and results						
Revenue	2,104,422	206,577	2,310,999	2,335,044	261,530	2,596,574
Gross profit	<u>514,965</u>	<u>53,069</u>	<u>568,034</u>	<u>609,674</u>	<u>68,285</u>	<u>677,960</u>

	2023 RM'000	2022 RM'000
Reconciliation of reportable segment operating profits		
Total gross profits for reporting segments	568,034	677,960
Depreciation and amortisation	(19,634)	(17,279)
Finance costs	(24,293)	(21,677)
Total unallocated operating expense	<u>(267,768)</u>	<u>(253,592)</u>
Consolidated profit before tax	<u>256,339</u>	<u>385,412</u>

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

The dissolutions of Commercial Marketers and Distributors Sdn. Bhd. (incorporated in Brunei) and Rothmans Brands Sdn. Bhd. (incorporated in Malaysia), wholly owned subsidiaries of the Company had been completed on 4 July 2023 and 20 December 2023 respectively.

The dissolutions have no material effect on the financials nor operations of the Group.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A10. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets as at 30 January 2024 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

A11. CAPITAL COMMITMENTS

The Group has no capital commitments as at 31 December 2023.

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 year ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Purchase of leaf, cigarette packaging, wrapping materials and tobacco products from:				
PT Bentoel Prima	30,548	44,698	149,483	165,415
Purchase of vapour and tobacco heating products from:				
Nicoventures Trading Limited	23,949	-	59,397	-
Procurement of information technology services from:				
British American Shared Services (GSD) Limited	3,639	7,464	18,556	18,923
Royalties paid/payable to:				
British American Tobacco Exports Limited	18,947	27,161	73,037	87,902
Technical and advisory support services fee from:				
British American Tobacco Investments Ltd.	1,513	6,135	13,134	16,856
BAT Aspac Service Centre Sdn. Bhd.	7,016	3,004	18,845	12,667
	<u>7,016</u>	<u>3,004</u>	<u>18,845</u>	<u>12,667</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 2022 was unqualified.

B2. PROFIT BEFORE TAX

	3 months ended		Financial year ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:				
Finance costs:				
- lease liabilities	630	275	1,422	1,000
- borrowings	6,475	5,718	22,871	20,677
Property, plant and equipment:				
- depreciation	238	1,304	5,286	5,455
- depreciation of right-of-use assets	4,822	2,988	12,974	10,700
- loss on disposal	235	-	-	-
- write-off	-	-	199	25
Computer software:				
- amortisation	305	304	1,218	1,124
Net loss on impairment of financial assets at amortised cost	72	528	-	575
Inventories written down	3,029	238	12,910	13,399
Net foreign exchange loss	65	-	2,802	1,075
	<u>65</u>	<u>-</u>	<u>2,802</u>	<u>1,075</u>
and after crediting:				
Interest income on deposits	155	136	623	781
Property, plant and equipment:				
- gain on disposal	-	561	480	3,150
- write-off	-	8	-	-
Gain on derecognition of lease contracts	-	-	39	-
Gain on derivatives	1,214	365	2,343	1,946
Net foreign exchange gain	-	1,784	-	-
Reversal on impairment of financial assets at amortised cost	-	-	177	-
	<u>-</u>	<u>-</u>	<u>177</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 year ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current tax	8,727	39,900	63,085	125,501
- over provision in prior year	(1,869)	(862)	(1,869)	(862)
	<u>6,858</u>	<u>39,038</u>	<u>61,216</u>	<u>124,639</u>
Deferred tax expense				
- origination/(reversal) of temporary differences	627	(3,771)	2,402	961
- under/(over) provision in prior year	2,027	(2,707)	(2,027)	(2,707)
	<u>2,654</u>	<u>(6,478)</u>	<u>375</u>	<u>(1,746)</u>
	<u>9,512</u>	<u>32,560</u>	<u>61,591</u>	<u>122,893</u>

The average effective tax rate of the Group for the fourth quarter 2023 and financial year ended 31 December 2023 were 16.7% (2022: 34.5%) and 24.0% (2022: 31.9%) respectively. The average effective tax rate of 34.5% in the prior period was higher than the corporate tax rate mainly attributed to the one-off Prosperity Tax (Cukai Makmur) applicable for 2022.

The average effective tax rate in the fourth quarter 2023 was lower than 24% and financial year ended 31 December 2023 was at 24% which is the statutory corporate tax rate. The lower effective tax rate in the fourth quarter was mainly attributed to reversal of prior year corporate and deferred tax expenses.

B4. CORPORATE PROPOSAL

There were no new corporate proposals announced as at 30 January 2024 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

B5. BORROWINGS

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Borrowings – unsecured	<u>543,000</u>	<u>695,000</u>

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

B6. MATERIAL LITIGATION

There was no material litigation as at 30 January 2024 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

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

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

The Group gained 0.3% market share within this quarter as compared with the preceding quarter contributed by the Group's Value-For-Money brands which captured an additional 0.9% of the market share. As the downtrading trend continued within the combustible industry, the Group's Premium and Aspirational Premium brands recorded market share declines of 0.3% each.

The legal industry combustible volume grew by 4.3% quarter on quarter. Within this legal combustibles space, the Group gained 0.3% market share within this quarter as compared with the preceding quarter contributed by the Group's Value-For-Money brands which captured an additional 0.9% of the market share. The Group's share of market in West Malaysia improved by 0.1% while an increase of 1% share of market was observed in East Malaysia as compared to the preceding quarter. The increase in combustible volume alongside the sale of vapour products during this quarter gave rise to 4.8% increase in revenue from RM607 million to RM636 million. In view of the Group's major launches of its Vuse products during the final quarter of the year, sizeable investments were incurred to build brand visibility and credibility. As a result, profit from operations reported a dip of 24.5% from RM85 million to RM64 million as the Group continues to charge forward into a true multcategory business.

B8. REVIEW OF PERFORMANCE YEAR-TO-DATE YEAR 2023 VS YEAR-TO-DATE 2022

Although the tobacco black market incidence had shrunk 1.0% to 55.6% for the year as compared to the previous year, the backflow within the nicotine landscape showed signs of increasing consumer migration towards the growing vapour category which led to an overall volume decline in the legal combustible industry.

Intensified competition within a contracted combustible industry size coupled with a sustained downtrading trend throughout the year increased the pressure on the Group's product portfolio and volumes. The Group saw an overall decline of 0.5% share of market as the Premium brands' share of market declined by 0.9%. However, Value-For-Money (VFM) brands share of market improved by 0.5% owing mainly to the timely launch of Luckies by the Group which presented additional affordable options to consumers. Overall, the Group experienced a significant volume decline for the year as a result of the above factors compounded by the absence of additional volume benefit that the Group experienced in 2022 from the route-to-market changes.

The Group's cost base was impacted due to rising input prices resulting from inflationary pressures as well as depreciation of the Ringgit. Whilst the Group had been actively managing and optimizing costs, the Group had decided on taking a necessary step to increase the prices of some of its brands by 2-3%, marking the first price adjustment since 2018.

Buffered by the encouraging performance of the Group's vapour category launches during the second half of the year, total revenue decreased by 11% from RM2,597 million to RM2,311 million. Operating expenses incurred during the year was 4.9% higher than the previous year as the Group continues to invest into the multcategory business transition. This translated to lower profit from operations by 31% from RM407 million to RM281 million.

B9. CURRENT YEAR PROSPECTS

According to the Central Bank of Malaysia, the country's economic momentum in 2024 is expected to improve with gross domestic product (GDP) set to grow between 4% and 5% driven by robust domestic demand.

Against this backdrop, the Group is cautiously optimistic of achieving an improved financial performance for the coming year, as it continues to build A Better Tomorrow™, backed by its New Category business. The Group firmly believes that harm reduction strategies are crucial to reducing the health impact of its business. In 2024, the Group will focus on growing the market share of Vuse, which represents the Group's efforts to offer reduced-risk* alternatives to adult smokers.

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

B9. CURRENT YEAR PROSPECTS (CONT'D)

The Group is supportive of the Control of Smoking Products for Public Health Bill 2023, which was passed during the Parliament session in December 2023. As the Government develops the regulatory framework for tobacco and vapour products under this new law, the Group reiterates that any regulations introduced must be sensible and evidence-based for all stakeholders to ensure that it can be enforced effectively and deliver its intended objectives, without fuelling the growth of the black market.

The tobacco black market incidence in Malaysia remained persistently high at 55.6% for 2023. With the measures announced by the Government during the tabling of Budget 2024, the Group believes that it will further strengthen efforts to combat the tobacco black market and help recover revenue leakages for the Government.

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

B10. EARNINGS PER SHARE

	3 months ended		Financial year ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Basic earnings per share				
Profit for the financial period (RM'000)	<u>47,364</u>	<u>61,728</u>	<u>194,748</u>	<u>262,519</u>
Weighted average number of ordinary shares in issue ('000)	285,530	285,530	285,530	285,530
Basic earnings per share (sen)	<u>16.6</u>	<u>21.6</u>	<u>68.2</u>	<u>91.9</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 31 December 2023 are as follows:

	Sen per share	Total amount RM'000
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
	69.0	197,016
2022		
Fourth interim dividend 2021	27.0	77,093
First interim dividend 2022	17.0	48,540
Second interim dividend 2022	25.0	71,383
Third interim dividend 2022	25.0	71,383
	94.0	268,399

The Board of Directors had on 6 February 2024 declared a fourth interim ordinary dividend of 15.0 sen per ordinary share (tax exempted under single-tier tax system) amounting to RM42,829,500 in respect of the financial period ended 31 December 2023, payable on 5 March 2024 to shareholders whose names appear on the Record of Depositors on 21 February 2024. This equates to a 90% payout on Q4 2023 earnings per share and dividend yield of 6.8%*.

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 21 February 2024, 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 fourth interim dividend 2023 declared*

B12. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board in accordance with a resolution of the Directors on 6 February 2024.