BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2026

BRITISH AMERICAN TOBACCO (MALAYSIA) BERHAD

Registration No. 196101000326 (4372-M)

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2026

	Note	Individual Period For the 3 months ended		Cumulative Period For the 9 months ended	
		30.09.2026 RM'000	30.09.2025 RM'000	30.09.2026 RM'000	30.09.2025 RM'000
Revenue		302,024	300,803	977,617	1,247,546
Cost of sales		(248,002)	(237,405)	(791,480)	(972,344)
Gross profit		54,022	63,398	186,137	275,202
Other operating income		470	293	1,363	664
Operating expenses		(46,408)	(51,152)	(188,281)	(146,498)
Profit/(Loss) from operations		8,084	12,539	(781)	129,368
Finance costs		(7,465)	(7,092)	(20,600)	(21,684)
Profit/(Loss) before tax	B2	619	5,447	(21,381)	107,684
Tax income/(expense)	B3	1,730	1,573	(784)	(26,440)
Profit/(Loss) after tax		2,349	7,020	(22,165)	81,244
Profit/(Loss) attributable to the shareholders of the Company		2,349	7,020	(22,165)	81,244
Effective tax rate		-279.5%	-28.9%	-3.7%	24.6%
EPS	B10	0.8	2.5	(7.8)	28.5
Dividends					
- Interim 1		-	-	5.0	7.5
- Interim 2		-	-	5.0	12.0
- Interim 3		2.0	5.0	2.0	5.0
		2.0	5.0	12.0	24.5

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 2025.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2026

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2026	30.09.2025	30.09.2026	30.09.2025
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) after tax	2,349	7,020	(22,165)	81,244
Other comprehensive income/(expense), net of tax				
Items that may be subsequently reclassified to income statement				
- changes in fair value of cash flow hedges	1,181	3,825	5,692	(1,984)
- deferred tax on fair value changes of cash flow hedges	(283)	(917)	(1,365)	477
Total other comprehensive income/(expense), net of tax	898	2,908	4,327	(1,507)
Total comprehensive income/(loss)	3,247	9,928	(17,838)	79,737
Profit/(Loss) attributable to:				
Shareholders of the Company	2,349	7,020	(22,165)	81,244
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company	3,247	9,928	(17,838)	79,737

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 2025.

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2026

	Note	As at 30.09.2026 RM'000	As at 31.12.2025 RM'000
Assets			
Property, plant and equipment		30,898	42,091
Computer software		1,936	1,837
Goodwill		411,618	411,618
Deferred tax assets		12,035	10,209
Total non-current assets		456,487	465,755
Inventories		73,129	13,637
Tax recoverable		20,433	2,905
Trade and other receivables		646,409	746,036
Derivative financial instruments		1,269	1,124
Cash and bank balances		91,553	32,932
Total current assets		832,793	796,634
Total assets		1,289,280	1,262,389
Equity			
Share capital		142,765	142,765
Cash flow hedge reserve		394	(3,933)
Retained earnings		174,202	336,277
Total equity		317,361	475,109
Liabilities			
Lease liabilities		17,857	21,109
Total non-current liabilities		17,857	21,109
Trade and other payables		168,326	159,203
Borrowings	B5	780,000	569,700
Derivative financial instruments		800	7,084
Current tax liabilities		-	19,899
Lease liabilities		4,936	10,285
Total current liabilities		954,062	766,171
Total liabilities		971,919	787,280
Total equity and liabilities		1,289,280	1,262,389
Net assets per share (RM)		1.11	1.66

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 2025.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Non-distributable			Distributable	
	Share Capital RM'000	Cash flow hedge reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 January 2026	142,765	(3,933)	-	336,277	475,109
Loss after tax	-	-	-	(22,165)	(22,165)
Other comprehensive income/(expense):					
- changes in fair value of cash flow hedges	-	5,692	-	-	5,692
- deferred tax on fair value changes on cash flow hedges	-	(1,365)	-	-	(1,365)
Total comprehensive income/(expense)	-	4,327	-	(22,165)	(17,838)
Transaction with shareholders:					
Dividend for financial year ended 31 December 2025					
- fourth interim	-	-	-	(111,356)	(111,356)
Dividend for financial year ended 31 December 2026					
- first interim	-	-	-	(14,277)	(14,277)
- second interim	-	-	-	(14,277)	(14,277)
Total transactions with shareholders of the Company	-	-	-	(139,910)	(139,910)
At 30 September 2026	142,765	394	-	174,202	317,361
At 1 January 2025	142,765	(1,445)	-	246,617	387,937
Profit after tax	-	-	-	81,244	81,244
Other comprehensive (expense)/income:					
- changes in fair value of cash flow hedges	-	(1,984)	-	-	(1,984)
- deferred tax on fair value changes on cash flow hedges	-	477	-	-	477
Total comprehensive (expense)/income	-	(1,507)	-	81,244	79,737
Transaction with shareholders:					
Dividend for financial year ended 31 December 2024					
- fourth interim	-	-	-	(42,830)	(42,830)
Dividend for financial year ended 31 December 2025					
- first interim	-	-	-	(21,415)	(21,415)
- second interim	-	-	-	(34,264)	(34,264)
Total transactions with shareholders of the Company	-	-	-	(98,509)	(98,509)
At 30 September 2025	142,765	(2,952)	-	229,352	369,165

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 2025.

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	For the 9 months ended 30.09.2026 RM'000	30.09.2025 RM'000
Operating activities			
(Loss)/Profit before tax		(21,381)	107,684
Adjustments for:			
- non-cash items		12,171	6,028
- interest income		(396)	(522)
- interest expense		20,600	21,684
Changes in working capital:			
- inventories		(59,492)	(47,767)
- trade and other receivables		99,683	(44,956)
- trade and other payables		7,395	(56,701)
Cash from/(used in) operations		58,581	(14,550)
Income tax paid		(41,403)	(54,679)
Net cash flow from/(used in) operating activities		17,178	(69,229)
Investing activities			
Purchase of property, plant and equipment		(623)	(148)
Proceeds from disposals of property, plant and equipment		-	351
Purchase of computer software		(737)	-
Interest received		396	522
Net cash flow (used in)/from investing activities		(964)	725
Financing activities			
Dividends paid to shareholders		(139,910)	(98,509)
Interest expense paid		(19,817)	(20,627)
Net drawdown from revolving credit		210,300	221,700
Payment on lease liabilities		(7,383)	(9,913)
Interest paid in relation to lease liabilities		(783)	(1,057)
Net cash flow from financing activities		42,407	91,594
Net increase in cash and cash equivalents		58,621	23,090
Cash and cash equivalents as at 1 January		32,932	35,385
Cash and cash equivalents as at 30 September		91,553	58,475

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 2025.

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 2025. 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 2025.

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 2025. 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 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7*, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2029

- MFRS 20, *Regulatory Assets and Regulatory Liabilities*

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 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 and amendments that are effective for annual periods beginning on or after 1 January 2027.
  from the annual period beginning on 1 January 2029 for the accounting standards that are effective for annual periods beginning on or after 1 January 2029.

A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no significant unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 30 September 2026, other than the exercise to restructure the business operations of the Group to be more efficient, agile and focused to enable the Group to continue operating effectively in a challenging business environment. This restructuring is aligned with our continuous efforts to improve and deliver a sustainable cost structure.

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

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2026	30.09.2025	30.09.2026	30.09.2025
Restructuring costs	9,950	-	38,747	-

A5. SIGNIFICANT CHANGES IN ESTIMATE

There were no significant changes in estimates for prior periods that have had a material effect on the results for the current quarter ended 30 September 2026.

A6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter ended 30 September 2026.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A7. SEGMENT REPORTING

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

For the financial quarter ended 30 September 2026, the Group concluded that the operating segments determined in accordance with MFRS 8 are to be based on geographical areas as it forms part of the internal management reports regularly provided to the Group's chief operational decision maker.

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

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

	Individual Period			Cumulative Period		
	For the 3 months ended 30.09.2026			For the 9 months ended 30.09.2026		
	West Malaysia RM'000	East Malaysia RM'000	Total RM'000	West Malaysia RM'000	East Malaysia RM'000	Total RM'000
Segment revenue and results						
Revenue from contracts with Customers	258,211	43,643	301,854	844,258	132,621	976,879
Gross profit	46,541	7,311	53,852	160,229	25,170	185,399

	Individual Period			Cumulative Period		
	For the 3 months ended 30.09.2025			For the 9 months ended 30.09.2025		
	West Malaysia RM'000	East Malaysia RM'000	Total RM'000	West Malaysia RM'000	East Malaysia RM'000	Total RM'000
Segment revenue and results						
Revenue from contracts with customers	251,451	49,067	300,518	1,103,569	143,122	1,246,691
Gross profit	50,821	12,292	63,113	240,132	34,215	274,347

	2026 RM'000	2025 RM'000
Reconciliation of reportable segment operating profits		
Total gross profits for reporting segments	185,399	274,347
Other revenue – Management fee from related company	738	855
Depreciation and amortisation	(11,726)	(13,658)
Finance costs	(20,600)	(21,684)
Total unallocated operating expense	(175,192)	(132,176)
Consolidated (loss)/profit before tax	(21,381)	107,684

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A8. EVENTS AFTER THE REPORTING PERIOD

There were no material events subsequent to the end of the financial period under review that have not been reflected in 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 September 2026.

A10. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets as at 21 October 2026 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

A11. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment, and intangible assets not provided for in the financial statements as at 30 September 2026 are as follows:

	RM'000
Approved but not contracted for	218

A12. 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.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

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

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2026 RM'000	30.09.2025 RM'000	30.09.2026 RM'000	30.09.2025 RM'000
Purchase of leaf, cigarette packaging, wrapping materials and tobacco products from:				
PT Bentoel Prima	31,294	30,473	82,230	116,217
Procurement of information technology services from:				
British American Shared Services (GSD) Limited	4,556	4,034	13,865	14,871
Royalties paid/payable to:				
British American Tobacco Exports Limited	7,699	8,462	25,209	37,905
Payment for technical and advisory support services fee to:				
British American Tobacco Investments Ltd.	3,611	3,392	11,309	10,356
British American Shared Services (GSD) Limited	4,383	-	13,085	-
BAT Aspac Service Centre Sdn. Bhd.	-	5,876	-	15,007
BAT South Pty Ltd	4,707	-	23,431	16,136

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 2025 was unqualified.

B2. PROFIT/(LOSS) BEFORE TAX

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2026 RM'000	30.09.2025 RM'000	30.09.2026 RM'000	30.09.2025 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Finance costs:				
- lease liabilities	232	366	781	1,057
- borrowings	7,233	6,726	19,817	20,627
Property, plant and equipment:				
- depreciation	953	990	2,969	2,991
- depreciation of right-of-use assets	2,011	3,232	8,119	10,124
- write-off	753	-	753	-
Computer software:				
- amortisation	213	150	638	543
Net loss on impairment of financial assets amortised cost	-	63	4	38
Bad debts written-off	-	100	-	100
Inventories written-off	1,229	19,268	2,350	24,200
Net provision for market returns	678	-	2,087	-
Net foreign exchange loss/(gain)	131	(220)	577	(1,555)
Loss on derivatives	21	1,054	828	1,394
Restructuring costs	9,950	-	38,747	-
and after crediting:				
Interest income on deposits	125	153	396	522
Gain on disposal for property, plant and equipment	-	140	-	140
Gain on derecognition of lease contracts	1,238	216	1,243	214
Reversal on impairment of financial assets amortised cost	170	-	-	-
Net reversal in provision for market returns	-	10,284	-	5,670

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

B3. TAX (INCOME)/EXPENSE

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2026 RM'000	30.09.2025 RM'000	30.09.2026 RM'000	30.09.2025 RM'000
Current tax (income)/expense				
- current tax	(8,642)	7,375	3,915	28,604
- under provision in prior year	60	1,270	60	1,270
	(8,582)	8,645	3,975	29,874
Deferred tax expense/(income)				
- recognition/(reversal) of temporary differences	10,872	(5,386)	829	1,398
- under provision in prior year	(4,020)	(4,832)	(4,020)	(4,832)
	6,852	(10,218)	(3,191)	(3,434)
	(1,730)	(1,573)	784	26,440

The current tax (income)/expense recorded for the third quarter and financial period ended 30 September 2026 were attributable to the reversal of provisions and non-deductible expenses, respectively. The deferred tax income recorded for the 9 months ended 30 September 2026 was mainly attributable to deferred tax assets arising from prior year tax adjustments.

B4. CORPORATE PROPOSAL

There were no new corporate proposals announced as at 21 October 2026 (the latest practicable date which shall not be earlier than 7 days from the date of issue of this quarterly report).

B5. BORROWINGS

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

	As at 30.09.2026 RM'000	As at 31.12.2025 RM'000
Borrowings – unsecured	780,000	569,700

The Group's borrowings have a maturity date between one month to three months. The Group's borrowings are denominated in Ringgit Malaysia.

B6. MATERIAL LITIGATION

There was no material litigation as at 21 October 2026 (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

Continued stabilization of illicit incidence in Q3 (-0.2ppt vs Q2) saw a moderate legal industry volume growth of 3% quarter to quarter. However, the Group's volume decreased by 40% due to trade inventory normalization following inventory build up ahead of Route to Market (RTM) change in Q2.

In line with lower volumes, revenue declined by 41% for the quarter. Despite a 50% reduction in operating expenses driven by lower RTM transition costs, profit from operations declined 75% quarter-on-quarter from RM33 million to RM8 million, reflecting the impact of lower sales volumes.

B8. REVIEW OF PERFORMANCE YEAR-TO-DATE 2026 VS YEAR-TO-DATE 2025

The legal tobacco industry remained under pressure with illicit incidence increase of 1.6ppt (54.4% to 56.0%) driven by fiscal and regulatory changes (Retail Display Ban and Excise increase) over the past year. As a result, the legal tobacco industry recorded a 4% year to date decline in volumes. The impact of fiscal and regulatory change coupled with further macroeconomic pricing headwinds contributed to a 1.9% reduction in market share for the Group resulting in a decline of 22% in volume and revenue. Operating expenses increased by 28% compared to the corresponding period in the prior year largely driven by one off transition costs and business restructuring activities.

As a result, the Group reported a year to date loss from operations of RM0.8 million compared to a profit from operations of RM129 million in the corresponding period in the prior year.

B9. CURRENT YEAR PROSPECTS

Malaysia's economy has remained resilient through 2026. According to Bank Negara Malaysia, the economy grew by 6.0% in the second quarter (1Q 2026: 5.4%), bringing first-half growth to 5.7%. Growth was supported by household spending, investment and exports. However, Malaysia's economy is expected to moderate between 4.2%–5.2% in 2027 amid softer domestic demand and easing growth in most sectors.

Budget 2027 introduced measures to support household spending, including an increase in allocations for cash assistance, higher individual tax relief and lower income tax rates for selected income groups. These measures will support consumer spending in 2027, although cost-of-living pressures remain present with headline inflation increasing to 1.9% in August (1Q 2026: 1.6%) reflecting higher external cost pressures resulting from the conflict in the Middle East.

Against this backdrop, the Group's third quarter results continued to reflect challenging market conditions. Nevertheless, performance is showing signs of stabilisation, supported by disciplined cost optimisation and the new Route-to-Market strategy undertaken earlier in 2026. While these initiatives are gaining traction, the Group recognises that their full benefits will take time to be realised as the new operating model matures.

The legal tobacco market continues to face pressure from the significant price gap between legal and illicit products. Illicit cigarette incidence stood at 56.0% of total industry volume as at June 2026 (vs 54.4% in 2025) according to the Illicit Cigarettes Study. While sustained enforcement remains important, further progress will also depend on measures that address the availability of illicit products and the demand for lower-priced alternatives.

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

B9. CURRENT YEAR PROSPECTS (CONT'D)

As the Group enters the final quarter of 2026, it will continue to focus on disciplined cost management, Route-to-Market efficiency and portfolio resilience. The Group remains mindful of the challenging operating environment and will continue to monitor developments closely as it works towards building a more resilient business and delivering long-term value for shareholders.

B10. EARNINGS/(LOSS) PER SHARE

	Individual Period		Cumulative Period	
	For the 3 months ended		For the 9 months ended	
	30.09.2026	30.09.2025	30.09.2026	30.09.2025
Basic earnings/(loss) per share				
Profit/(Loss) for the financial period (RM'000)	2,349	7,020	(22,165)	81,244
Weighted average number of ordinary shares in issue ('000)	285,530	285,530	285,530	285,530
Basic earnings/(loss) per share (sen)	0.8	2.5	(7.8)	28.5

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/(loss) per share is not disclosed.

B11. DIVIDENDS

Dividends paid or declared in respect of the quarter ended 30 September 2026 are as follows:

	Sen per share	Total amount RM'000
2026		
Fourth interim dividend 2025	39.0	111,356
First interim dividend 2026	5.0	14,277
Second interim dividend 2026	5.0	14,277
	49.0	139,910
2025		
Fourth interim dividend 2024	15.0	42,830
First interim dividend 2025	7.5	21,415
Second interim dividend 2025	12.0	34,264
	34.5	98,509

The Board of Directors had on 29 October 2026 declared a third interim ordinary dividend of 2.0 sen per ordinary share (tax exempted under single-tier tax system)* amounting to RM5,710,600 in respect of the financial quarter ended 30 September 2026, payable on 28 December 2026 to shareholders whose names appear on the Record of Depositors on 1 December 2026. This equates to a dividend yield of 11.9%**.

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

B11. DIVIDENDS (CONT'D)

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 1 December 2026, in respect of ordinary transfers; and

(b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

** The single-tier dividend declared is exempt from tax under subsection 108(1) of the Income Tax Act 1967. Pursuant to paragraph 12B of Schedule 6 of Income Tax Act 1967, the single-tier dividend is not taxable in the hands of the shareholders other than an individual who receives one or more dividend vouchers, where the total gross dividend, other than dividend which is exempt in the hands of the shareholder, exceeds RM100,000.00, the individual must declare the dividend income as part of their aggregate income pursuant to paragraph 6(1)(r) of the said Act.*

*** Based on last 3 quarters dividend paid out and third interim dividend 2026 declared.*

B12. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board in accordance with a resolution of the Directors on 29 October 2026.