

Dear Shareholders,
In a year defined by cost pressures, policy shifts and the growing challenge of illicit beer, 2025 underscored HEINEKEN Malaysia's ability to adapt and stay the course, protecting profitability and cash generation while progressing our strategic agenda to Brew the Joy of True Togetherness to Inspire a Better World.

Dato' Sri Idris Jala
Chairman

Highest
Dividend Yield
6.6%

HIGHLIGHTS

A single-tier interim dividend of
40 sen per stock unit
paid on 30 October 2025

A proposed single-tier final dividend of
112 sen per stock unit
payable on 7 July 2026

The expansion of the Sales and Service Tax (SST) in July 2025 increased operating costs across businesses, while the 14.2% rise in Peninsular Malaysia's base electricity tariff placed additional pressure on production and logistics. These dynamics were further intensified in November 2025 by the 10% excise duty increase announced in the National Budget, which continues to widen the price gap between legal and illicit beer.

Industry estimates suggest that illicit beer now accounts for approximately 25% of the total beer market, resulting in an estimated RM1.2 billion in annual losses of Government revenue.

In the face of these challenges, we remain focused on protecting profitability, strengthening cash generation and preserving long-term value, guided by our purpose to Brew the Joy of True Togetherness to Inspire a Better World.

Financial Performance & Shareholder Returns

For the financial year ended 31 December 2025 (FY2025), the Group delivered a resilient performance:

- **Revenue: RM2.8 billion** (FY2024: RM2.8 billion)
- **Profit Before Tax: RM608 million, +4%** (FY2024: RM584 million)
- **Net Profit: RM459 million, -2%** (FY2024: RM467 million)

Net profit for the year moderated, primarily due to the non-recurrence of the reinvestment tax allowance that benefited FY2024 financial performance. Excluding this one-off benefit, the Group's underlying

profitability would have improved by approximately 4%.

Supported by the Group's performance and subject to shareholders' approval at the forthcoming 62nd Annual General Meeting, the Board of Directors has proposed a single-tier final dividend of 112 sen per stock unit, bringing the total declared dividends for FY2025 to 152 sen per stock unit.

This represents a **100% payout ratio and the highest dividend yield since the pandemic at 6.6%**, reflecting our disciplined revenue management and continued commitment to delivering sustainable returns to shareholders.

Completion of the EverGreen 2025 Strategy Cycle

FY2025 marked the conclusion of our EverGreen 2025 strategy cycle.

Throughout this period, our priorities remained firmly focused on safeguarding profitability, maintaining disciplined cost management, sustaining brand strength through strategic investment and innovation, and building the capabilities required for balanced long-term growth.

These priorities reflect EverGreen's ambition to deliver superior growth, strengthen our position as a high-performing organisation and evolve into a more connected brewer through accelerated digitalisation, ensuring our business remains future-ready.

Sustainability & Responsible Business

We remain committed to embedding sustainability across all aspects of our business. In 2025, we commenced

disclosures aligned with the Securities Commission's National Sustainability Reporting Framework.

During the year, we continued advancing the Brew a Better World 2030 (BaBW) strategy across responsible consumption, social sustainability and environmental stewardship. We also completed a gap assessment to support readiness for the sustainability reporting in accordance with the International Financial Reporting Standards (IFRS) S1 and S2.

Our efforts received several recognitions, including Best Corporate Responsibility Initiative at The Edge Billion Ringgit Club Awards 2025 and recognition at the Asia ESG Positive Impact Awards 2025 in the renewable energy category, selected from entries across Malaysia, Indonesia and the Philippines.

We also earned multiple accolades for our people management practices, including the Great Place to Work Certification and being listed among Fortune 100 Best Companies to Work For™ Southeast Asia 2025, reflecting our dedication to fostering an engaged and high-performing workforce.

We continued to advocate with the Government for accessible and affordable renewable energy and stronger water stewardship policies through strategic platforms such as Climate Governance Malaysia (CGM) and the Malaysian International Chamber of Commerce and Industry (MICCI). These efforts support a just transition that balances sustainable operations, community resilience and broader societal value.

Further details on our sustainability journey and recognitions are provided in the Management Discussion & Analysis, and ESG Review sections of this report.

Illicit Alcohol: Strengthening Collaboration to Address a Long-Standing Issue

Illicit alcohol continues to pose a significant challenge, undermining Government revenue, consumer safety and the viability of legitimate operators.

According to the Economic Impact Assessment of the Beer Industry* conducted by the Confederation of Malaysian Brewers Berhad, in collaboration with the University of Nottingham and the Southeast Asia Public Policy Institute, the legal beer industry contributes:

- **RM7.1 billion** annually to the Malaysian economy.
- **RM3.3 billion** in annual tax revenue, representing approximately 1.5% of Malaysia's total tax revenue.
- More than **52,000 jobs** nationwide.

The potential rise in illicit beer, amplified by the 10% excise duty increase in November 2025, underscores the critical need for strengthened enforcement.

We commend the Government for its continued efforts in this regard. We extend our appreciation to the Multi-Agency Task Force, led by the Ministry of Finance and spearheaded by the Royal Malaysian Customs Department alongside Royal Malaysia Police, Malaysian Maritime Enforcement Agency, Ministry of Health, Ministry of Domestic Trade and Cost of Living, and other relevant Government agencies.

Their concerted actions have been instrumental in mitigating the infiltration of illicit beer, safeguarding public safety and ensuring a level playing field for legitimate operators.

We remain committed to supporting holistic enforcement and awareness initiatives to combat illicit beer to protect consumers and Government revenue.

Governance

Strong governance remains central to long-term resilience and shareholder confidence.

During the year, the Board maintained active oversight of strategy execution, risk management, sustainability priorities and leadership continuity, with continued emphasis on strengthening Board effectiveness as we transition into the next strategic phase.

I am pleased to welcome Shelly Kohli, who joined the Board on 1 January 2026. I also record my sincere appreciation to Seng Yi-Ying, who stepped down on the same date, for her dedicated service and valuable contributions to the Group's growth and governance.

Outlook & EverGreen 2030

External conditions are expected to remain challenging, with geopolitical tensions, global trade tariffs and cost of living pressures tempering consumer sentiment. As we enter EverGreen 2030, a sharpened five-year strategy anchored on three priorities, we are strengthening our resilience to navigate this evolving landscape:

Accelerate Growth

Strengthening category growth, driving innovation, and elevating consumer and customer centricity.

Step Up Productivity

Driving cost efficiency and generating value to support future growth.

Focus Future-Fit

Advancing digital transformation, sustainability leadership and a high-performance, people-driven culture.

The Board remains confident in the Group's ability to navigate uncertainty while delivering sustainable value for shareholders, employees, customers, consumers and communities.

On behalf of the Board, I would like to express my deepest appreciation to our Management Team and employees for their tireless dedication in navigating this challenging environment. I also thank our suppliers, distributors, trade partners and shareholders for the continued trust and support that enables us to move forward with confidence.

Dato' Sri Idris Jala
Chairman
27 February 2026



* For more information on the Economic Impact Assessment of the Beer Industry, scan the QR code