HEINEKEN MALAYSIA BERHAD

Company No. 196401000020 (5350-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2026

The Board of Directors of Heineken Malaysia Berhad ("the Company") wishes to announce the unaudited results of the Group for the second quarter and six months ended 30 June 2026.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		INDIVIDUAL PERIOD 3 MONTHS ENDED		% Change +/(-)	CUMULATIVE PERIOD 6 MONTHS ENDED		% Change +/(-)
		30/06/2026	30/06/2025		30/06/2026	30/06/2025	
		RM'000	RM'000		RM'000	RM'000	
1.	Revenue	434,748	539,725	-19%	1,098,957	1,303,353	-16%
2.	Operating expenses	(366,652)	(428,915)		(889,482)	(1,028,535)	
3.	Operating profit	**68,096**	**110,810**	-39%	**209,475**	**274,818**	-24%
4.	Interest expense	(1,479)	(1,397)		(5,272)	(4,472)	
5.	Profit before tax	66,617	109,413	-39%	204,203	270,346	-24%
6.	Taxation	(16,085)	(26,417)		(49,216)	(65,196)	
7.	Net profit for the period	50,532	82,996	-39%	154,987	205,150	-24%
8.	Profit attributable to owners of the Company	50,532	82,996		154,987	205,150	
9.	Total comprehensive income attributable to owners of the Company	50,532	82,996		154,987	205,150	
10.	Earnings per share:						
(a)	Basic (based on 302,098,000 stock units) (sen)	16.73	27.47		51.30	67.91	
(b)	Fully diluted	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for year ended 31 December 2025.

HEINEKEN MALAYSIA BERHAD
Company No. 196401000020 (5350-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30 June 2026 RM'000	AUDITED AS AT 31 DECEMBER 2025 RM'000
Non-current assets		
Property, plant and equipment	561,436	588,965
Intangible assets	22,865	24,552
Right-of-use asset	16,753	18,911
Deferred tax assets	421	704
Other receivables	1,371	1,411
	602,846	634,543
Current assets		
Inventories	161,255	148,843
Trade and other receivables	329,795	521,305
Current tax assets	14,315	21,700
Cash and cash equivalents	116,922	15,403
	622,287	707,251
Current liabilities		
Trade and other payables	512,620	631,262
Dividend payable	338,350	-
Current tax liabilities	348	1,259
Lease Liabilities	4,760	4,910
Borrowings	-	150,000
	856,078	787,431
Net current assets/(liabilities)	(233,791)	(80,180)
	369,055	554,363
Financed by:		
Capital and reserves		
Share capital	151,049	151,049
Reserves	196,385	379,748
Shareholders' funds	347,434	530,797
Non-current liabilities		
Deferred tax liabilities	18,859	18,934
Lease liabilities	2,762	4,632
	21,621	23,566
	369,055	554,363
Net Assets per share attributable to owners of the Company (RM)	1.15	1.76

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2025.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	6 MONTHS ENDED 30 JUNE 2026 RM'000	6 MONTHS ENDED 30 JUNE 2025 RM'000
Cash flows from operating activities		
Profit before tax	204,203	270,346
Adjustments for:		
Depreciation of property, plant and equipment	40,724	46,540
Amortisation of intangible assets	2,828	3,047
Inventories written off	1,690	-
Depreciation of right-of-use assets	2,789	-
Interest expense	5,927	4,973
Unrealised foreign exchange differences	(20)	612
Gain on termination of leases	-	(11)
Gain on disposal of property, plant and equipment	3,318	219
Interest income	(655)	(501)
Operating profit before changes in working capital	260,804	325,225
Movements in working capital		
Inventories	(14,102)	51,150
Receivables, deposits and prepayment	191,550	34,681
Payables and accruals	(118,623)	(152,104)
Cash generated from operations	319,629	258,952
Tax paid	(42,534)	(56,781)
Interest paid	(5,927)	(4,973)
Net cash from operating activities	271,168	197,198
Cash flows from investing activities		
Acquisition of property, plant and equipment	(17,810)	(34,879)
Acquisition of intangible assets	156	(3,745)
Interest received	655	501
Proceeds from disposal of property, plant and equipment	-	15
Net cash used in investing activities	(16,999)	(38,108)
Cash flows from financing activity		
Payment of lease liabilities	(2,650)	(3,016)
Increase / (Repayment) of borrowings	(150,000)	(80,000)
Net cash used in financing activity	(152,650)	(83,016)
Net change in cash and cash equivalents	101,519	76,074
Cash and cash equivalents at beginning of year	15,403	32,486
Cash and cash equivalents at end of period	116,922	108,560

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2025.

HEINEKEN MALAYSIA BERHAD
Company No. 196401000020 (5350-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Non-Distributable		*Distributable*	
	Share Capital RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000
6 months ended **<u>30 June 2026</u>**				
Balance at 1 January 2026	151,049	1,930	377,818	530,797
Total comprehensive income for the period	-	-	154,987	154,987
Effects of share-based payments	-	-	-	-
Dividends paid/ payable	-	-	(338,350)	(338,350)
Balance at 30 June 2026	**151,049**	**1,930**	**194,455**	**347,434**
6 months ended **<u>30 June 2025</u>**				
Balance at 1 January 2025	151,049	1,562	386,727	539,338
Total comprehensive income for the period	-	-	205,150	205,150
Effects of share-based payments	-	370	-	370
Dividends paid/ payable	-	-	(347,413)	(347,413)
Balance at 30 June 2025	**151,049**	**1,932**	**244,464**	**397,445**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2025.

Notes:

1. **Basis of Preparation**

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Annual Audited Financial Statements of the Company and its subsidiaries ("the Group") as at and for the year ended 31 December 2025.

2. **Significant Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2025 save for the adoption of the following amendments to the Malaysian Financial Reporting Standards ("MFRS"):

	Effective Date
▪ Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*	1 January 2026
▪ 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*	

The adoption of the above amendments is not expected to have any material effect on the financial statements of the Group.

3. **Audit Report on Preceding Annual Financial Statements**

The Group's Annual Audited Financial Statements for the year ended 31 December 2025 were not qualified.

4. **Seasonal or Cyclical Factors**

The business operations of the Group are generally affected by festive seasons.

5. **Exceptional Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no exceptional items for the current financial quarter under review.

6. **Changes in Estimates**

There were no changes in estimates that have had any material effect on current financial quarter under review.

7. **Debt and Equity Securities**

There was no issuance, repayment of debt and equity securities for the current financial quarter under review, except for those as disclosed under Note 21.

8. Dividends Paid

No dividends were paid during the financial quarter under review.

9. Segmental Reporting

No segmental analysis is prepared as the Group's business is primarily engaged in malt liquor brewing including production, packaging, marketing and distribution of its products principally in Malaysia. The Management Team of the Company reviews the financial information as a whole for decision making.

10. Property, Plant and Equipment Valuation

There were no changes in the valuation of property, plant and equipment for the current financial quarter under review.

11. Events Subsequent to the End of the Period

Between the end of the financial quarter under review and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the quarter ended 30 June 2026.

12. Changes in the Composition of the Group

There was no change to the composition of the Group during the financial period under review including business combination, acquisition or disposal of subsidiaries and long-term investments.

13. Changes in Contingent Liabilities or Contingent Assets

Other than the material litigation disclosed under Note 24 of this report, there are no other contingent liabilities for the quarter under review.

14. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 June 2026 are as follows:

	RM'000
Property, plant and equipment	
Authorised and contracted for	13,322

15. Significant Related Party Transactions

As at the end of the quarter under review, the Group has entered into/or completed the following significant Related Party Transactions:

	Heineken N.V. and its related corporations RM'000
Sales of beverage products	146
Fees received/receivable for professional services	1,117
Purchase of beverage products, manufacturing and marketing materials	9,601
Royalties paid/payable	22,010
Fees paid/payable for professional services relating to technical, marketing and other advisory support	42,025

15. Significant Related Party Transactions (Continued)

All Related Party Transactions had been entered into in the ordinary course of business on normal commercial terms and are within the scope of the general mandate approved by the shareholders of the Company on 20 May 2026.

16. Review of Performance

Quarter ended 30 June 2026 (Q2 2026) versus quarter ended 30 June 2025 (Q2 2025)

	3 months ended 30 June 2026 RM'000	3 months ended 30 June 2025 RM'000	% Change +/(-)
Revenue	434,748	539,725	-19%
Profit before tax	66,617	109,413	-39%
Net profit	50,532	82,996	-39%

Group revenue decreased by 19% mainly due to the softer consumer sentiment and the continued effect of demand-led inventory normalisation which started in Q1 2026 across the Group's customers and distributors.

Profit before tax and net profit each decreased by 39%, as the decline in revenue outpaced the corresponding reduction in operating expenses.

Six months ended 30 June 2026 versus the same period in 2025

	6 months ended 30 June 2026 RM'000	6 months ended 30 June 2025 RM'000	% Change +/(-)
Revenue	1,098,957	1,303,353	-16%
Profit before tax	204,203	270,346	-24%
Net Profit	154,987	205,150	-24%

Group revenue declined by 16% due to the same factors as described above.

The impact on profitability was partially mitigated by effective cost management initiatives. Profit before tax and net profit each declined by 24%, as the lower cost base was not sufficient to fully offset the decline in revenue.

Quarter ended 30 June 2026 (Q2 2026) versus 31 March 2026 (Q1 2026)

	3 months ended 30 June 2026 RM'000	3 months ended 31 March 2026 RM'000	% Change +/(-)
Revenue	434,748	664,209	-35%
Profit before tax	66,617	137,586	-52%
Net profit	50,532	104,455	-52%

Group revenue decreased by 35% due to normal seasonal step-down following the Chinese New Year-related sales in Q1 2026.

Profit before tax and net profit declined by 52% each, due to a lower revenue base and continued investments in commercial initiatives.

17. Prospects

The market outlook remains with continued uncertainty amid geopolitical challenges, particularly the ongoing conflict in the Middle East and its disruption to regional trade and shipping routes, and subdued consumer sentiment. The Group continues to monitor inventory levels across its customer and distributor base and will remain agile in responding to evolving demand patterns. Together with broader cost pressures, these conditions underscore the need for sharper focus and execution.

Guided by the EverGreen 2030 strategy, the Group remains focused on disciplined and agile execution to strengthen fundamentals, step up productivity and build a more resilient, future-fit organisation.

The Group's export activities are on track to commence in Q3 2026. This development supports the Group's EverGreen 2030 strategy to optimise supply chain capacity, enhance economies of scale and improve operational efficiency.

18. Variance from Profit Forecast

No profit forecast was issued during the financial quarter under review.

19. Taxation

Taxation in respect of the current financial quarter comprises the following:

	3 months ended 30 June 2026 RM'000	6 months ended 30 June 2026 RM'000
Taxation		
Malaysian - Current	15,988	49,009
Deferred taxation		
Malaysian - Current	97	207
	16,085	49,216

The Group's effective tax rate for the quarter under review is broadly in line with the statutory tax rate.

20. Status of Corporate Proposals

There were no corporate proposals which have not been completed at the date of this report.

21. Group Borrowings and Debt Securities

The Group has no borrowings during the period under review. The Group has repaid the borrowings amounted to RM150 million during the period under review.

22. Financial Instruments

The outstanding derivatives at the end of the reporting period are as follows:

	Notional value RM'000	Fair Value RM'000	Gain arising from fair value changes RM'000
Forward foreign exchange contracts - Less than one year	185	192	7

22. Financial Instruments (Continued)

The above-mentioned foreign exchange contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities, in accordance with the Group's foreign currency hedging policy.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Foreign currency differences arising from retranslation are recognised in comprehensive income, except for differences arising from the retranslation of a financial instrument designated as a hedge of currency risk, which is recognised in other comprehensive income.

There is minimal credit and market risk as the forward contracts are executed with the Group's relationship financial institutions, namely Citibank Berhad, BNP Paribas Malaysia Berhad, United Overseas Bank (Malaysia) Bhd and HSBC Bank Malaysia Berhad. The Group is of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

23. Notes to the Statement of Comprehensive Income

	3 months ended 30 June 2026 RM'000	6 months ended 30 June 2026 RM'000
Depreciation and amortization	22,933	46,341
Provision for and write off of inventories	1,229	1,690
(Gain)/Loss on derivatives	7	(12)

Other than the items highlighted above which have been included in the Consolidated Statement of Comprehensive Income, there were no impairment of assets nor profits/losses on any other items and sale of quoted securities, investments and properties included in the results for the quarter ended 30 June 2026.

24. Material Litigation

There is no material development relating to the material litigation as reported under Note 23 of the Group's Annual Audited Financial Statements for the financial year 2025 dated 27 February 2026. The trial for the case commenced on 19 November 2024, with the hearings held throughout 2025 and into first half of 2026. The trial will continue in September 2026.

25. Dividend

The Board has declared a single-tier interim dividend of 40 sen per stock unit for the financial year ending 31 December 2026 to be paid on 14 October 2026. The entitlement date for the dividend payment is 24 September 2026. Total dividend declared for the six months ended 30 June 2026 is 40 sen per stock unit (six months ended 30 June 2025: 40 sen).

A Depositor shall qualify for entitlement only in respect of:

(a) Shares deposited into the Depositor's securities account before 12.30 p.m. on 22 September 2026 (in respect of shares which are exempted from mandatory deposit);
(b) Shares transferred into the Depositor's securities account before 4.30 p.m. on 24 September 2026 in respect of ordinary transfers; and
(c) Shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

26. Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share for the period ended 30 June 2026 is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary stock units outstanding as at 30 June 2026 of 302,098,000.

(b) Diluted Earnings Per Share

There were no diluted earnings per ordinary stock unit for the Group as at 30 June 2026.

For and on Behalf of the Board
Martijn Rene van Keulen
Managing Director

5 August 2026