



## HEINEKEN MALAYSIA BERHAD

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

### CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

The Board of Directors of Heineken Malaysia Berhad (“the Company”) wishes to announce the unaudited results of the Group for the quarter ended 31 March 2024.

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD 3 MONTHS ENDED			CUMULATIVE PERIOD 3 MONTHS ENDED		
	31/03/2024	31/03/2023	% Change +/(–)	31/03/2024	31/03/2023	% Change +/(–)
	RM'000	RM'000		RM'000	RM'000	
1. Revenue	789,165	740,218	7%	789,165	740,218	7%
2. Operating expenses	(623,635)	(593,796)		(623,635)	(593,796)	
3. Operating profit	<b>165,530</b>	<b>146,422</b>	13%	<b>165,530</b>	<b>146,422</b>	13%
4. Interest expense	(4,245)	(1,825)		(4,245)	(1,825)	
5. Profit before tax	161,285	144,597	12%	161,285	144,597	12%
6. Taxation	(38,802)	(34,668)		(38,802)	(34,668)	
7. Net profit for the period	<u>122,483</u>	<u>109,929</u>	11%	<u>122,483</u>	<u>109,929</u>	11%
8. Profit attributable to owners of the Company	<u>122,483</u>	<u>109,929</u>		<u>122,483</u>	<u>109,929</u>	
9. Total comprehensive income attributable to owners of the Company	<u>122,483</u>	<u>109,929</u>		<u>122,483</u>	<u>109,929</u>	
10. Earnings per share:						
(a) Basic (based on 302,098,000 stock units) (sen)	40.54	36.39		40.54	36.39	
(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 2023.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT 31 March 2024 RM'000	AUDITED AS AT 31 December 2023 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	574,607	576,464
Intangible assets	18,800	20,357
Right-of-use asset	18,001	18,848
Deferred tax assets	1,664	1,742
Other receivables	2,347	2,663
	615,419	620,074
<b>Current assets</b>		
Inventories	108,654	120,564
Trade and other receivables	678,680	433,561
Current tax assets	32,266	29,912
Cash and cash equivalents	136,768	43,318
	956,368	627,355
<b>Current liabilities</b>		
Trade and other payables	607,311	610,263
Lease Liabilities	3,748	3,906
Borrowings	340,000	135,000
	951,059	749,169
<b>Net current assets/(liabilities)</b>	5,309	(121,814)
	620,728	498,260
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Share capital	151,049	151,049
Reserves	430,106	307,623
<b>Shareholders' funds</b>	581,155	458,672
<b>Non-current liabilities</b>		
Deferred tax liabilities	35,164	34,567
Lease liabilities	4,409	5,021
	39,573	39,588
	620,728	498,260
Net Assets per share attributable to owners of the Company (RM)	1.92	1.52

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 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>3 MONTHS ENDED 31 MARCH 2024 RM'000</b>	<b>3 MONTHS ENDED 31 MARCH 2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	161,285	144,597
Adjustments for:		
Amortisation of intangible assets	1,557	1,281
Depreciation of property, plant and equipment	19,622	19,282
(Gain)/Loss on disposal of property, plant and equipment	(36)	273
Amortisation of prepaid contractual promotion expenses	1,053	2,206
Interest expense	4,481	2,039
Interest income	(236)	(214)
Unrealised foreign exchange differences	692	306
<b>Operating profit before changes in working capital</b>	<b>188,418</b>	<b>169,770</b>
<b>Movements in working capital</b>		
Inventories	11,910	54,564
Receivables, deposits and prepayment	(245,856)	58,691
Payables and accruals	(3,645)	(63,195)
<b>Cash generated from operations</b>	<b>(49,173)</b>	<b>219,830</b>
Tax paid	(40,481)	(37,345)
Interest paid	(4,481)	(2,039)
<b>Net cash from operating activities</b>	<b>(94,135)</b>	<b>180,446</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(16,615)	(21,231)
Acquisition of intangible assets	-	(166)
Interest received	236	214
Proceeds from disposal of property, plant and equipment	39	14
<b>Net cash used in investing activities</b>	<b>(16,340)</b>	<b>(21,169)</b>
<b>Cash flows from financing activity</b>		
Lease commitment paid	(1,075)	(958)
Increase/(Repayment) of borrowings	205,000	(170,000)
<b>Net cash used in financing activity</b>	<b>203,925</b>	<b>(170,958)</b>
<b>Net change in cash and cash equivalents</b>	<b>93,450</b>	<b>(11,681)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>43,318</b>	<b>52,554</b>
<b>Cash and cash equivalents at end of period</b>	<b>136,768</b>	<b>40,873</b>

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 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the Company			
	<i>Non-Distributable</i> Share Capital RM'000	<i>Capital</i> Reserve RM'000	<i>Distributable</i> Retained Earnings RM'000	Total RM'000
<b>3 months ended</b>				
<b><u>31 March 2024</u></b>				
Balance at 1 January 2024	151,049	961	306,662	458,672
Total comprehensive income for the period	-	-	122,483	122,483
Dividends paid/ payable	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>151,049</b>	<b>961</b>	<b>429,145</b>	<b>581,155</b>
<b>3 months ended</b>				
<b><u>31 March 2023</u></b>				
Balance at 1 January 2023	151,049	647	336,757	488,453
Total comprehensive income for the period	-	-	109,929	109,929
Dividends paid / payable	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>151,049</b>	<b>647</b>	<b>446,686</b>	<b>598,382</b>

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 2023.

## HEINEKEN MALAYSIA BERHAD

Company No. 196401000020 (5350-X)

### 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 2023.

#### 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 2023 save for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”) and Interpretations, and amendments to certain MFRSs and Interpretations:

	<b>Effective Date</b>
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback, MFRS 101 Classification of Liabilities as Current or Non-current, MFRS 101 Non-current Liabilities with Covenants, MFRS 7 and MFRS 107 Supplier Finance Arrangement	1 January 2024

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 2023 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.

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### 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 31 March 2024.

### 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 31 March 2024 are as follows:

	<b>RM'000</b>
Property, plant and equipment Authorised and contracted for	<u>27,543</u>

### 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:

	<b>Heineken N.V. and its related corporations RM'000</b>
Sales of beverage products	<u>21</u>
Purchase of beverage products, manufacturing and marketing materials	10,979
Royalties paid/payable	16,236
Fees paid/payable for professional services relating to technical, marketing and other advisory support	<u>10,895</u>

All Related Party Transactions had been entered into in the ordinary course of business on normal commercial terms. These transactions are within the ambit of the general mandate approved by the shareholders of the Company on 12 May 2023.

## 16. Review of Performance

### Quarter ended 31 March 2024 ("Q1FY2024") versus quarter ended 31 March 2023 ("Q1FY2023")

	3 months ended 31 March 2024 RM'000	3 months ended 31 March 2023 RM'000	% Change + / (-)
Revenue	789,165	740,218	7%
Profit before tax	161,285	144,597	12%

Group revenue grew by 7% versus the same quarter in 2023, driven by effective execution of Chinese New Year campaign and strategic commercial initiatives during the quarter.

Group profit before tax ("PBT") increased by 12% compared to the same quarter last year. This growth was primarily driven by revenue growth as highlighted above, alongside effective revenue and cost management.

### Quarter ended 31 March 2024 versus 31 December 2023

	3 months ended 31 March 2024 RM'000	3 months ended 31 December 2023 RM'000	% Change + / (-)
Revenue	789,165	728,623	8%
Profit before tax	161,285	132,034	22%

Gross revenue and PBT increased by 8% and 22% respectively, principally due to effective Chinese New Year campaign activation which took place in the quarter ended 31 March 2024. In addition, the continuous focus on cost management initiatives by the Group also contributed to the profit growth in Q1FY2024.

## 17. Prospects

Coming out of a challenging year 2023, the Group is pleased with the encouraging start to 2024. Whilst Q1FY2024 performance was positive, the Group remains cautious, in view of the volatile trading environment and macroeconomic concerns.

The Group will continue to execute its EverGreen strategy (<https://www.heinekenmalaysia.com/our-strategy/>), by focusing on driving premiumisation, consumer-centricity, cost efficiency, sustainability, digitalisation and reinforcing a high performance culture. Looking ahead, the Group will continue to stay agile in navigating the external challenges to deliver a commendable performance for year 2024.

The Group welcomes the stance taken by the Government not to increase excise duties on beers in its Budget 2024, as any hike in excise rates will drive greater demand for illicit alcohol. The Group will remain committed to support the Government to stamp out illicit trade through comprehensive efforts including strengthening enforcement and raising greater awareness in the market.

## 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:

	<b>3 months ended 31 March 2024 RM'000</b>
Taxation	
Malaysian – Current	34,711
Deferred taxation	
Malaysian – Current	(43)
	<u>34,668</u>

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

Total group borrowing as at 31 March 2024 are as follow:

	<b>As at 31 March 2024 RM'000</b>
<u>Current – Unsecured</u>	
Trade Financing	270,000
Revolving Credit	70,000
	<u>340,000</u>

The tenure for the above borrowings is between 4 to 8 weeks.

## 22. Financial Instruments

There is no outstanding derivatives for the current financial quarter under review.

## 23. Notes to the Statement of Comprehensive Income

	<b>3 months ended 31 March 2024 RM'000</b>
Depreciation and amortization	21,179
Provision for and write off of inventories	204
Loss on derivatives	3

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 31 March 2024.



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**24. Material Litigation**

There is no material development relating to the material litigation as reported in the Group's Annual Audited Financial Statements for the financial year 2023 dated 27 February 2024.

**25. Dividend**

The Board of Directors does not recommend any dividend in respect of the quarter ended 31 March 2024.

**26. Earnings Per Share**

**(a) Basic Earnings Per Share**

Basic earnings per share for the year ended 31 March 2024 is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary stock units outstanding as at 31 March 2024 of 302,098,000.

**(b) Diluted Earnings Per Share**

Not Applicable.

For and on Behalf of the Board

**Roland Bala**

Managing Director

14 May 2024