

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Circular prior to its issuance as it is an Exempt Circular that does not require Bursa Securities' perusal pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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## HEINEKEN MALAYSIA BERHAD

Company No. 196401000020 (5350-X)

### CIRCULAR TO SHAREHOLDERS

in relation to the

### Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The above proposal will be tabled as Special Business at the 58<sup>th</sup> Annual General Meeting ("58<sup>th</sup> AGM") of Heineken Malaysia Berhad ("the Company"). The 58<sup>th</sup> AGM of the Company will be held virtually through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIH Online website at <https://tiah.online>.

The date, time and venue of the 58<sup>th</sup> AGM are as follows:

Date and time : **Thursday, 12 May 2022 at 9.30 a.m.**  
Broadcast venue : Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama  
46000 Petaling Jaya, Selangor, Malaysia

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 58<sup>th</sup> AGM in person at the broadcast venue on the day of the meeting. Members are advised to read and follow the procedures provided in the Administrative Guide for the 58<sup>th</sup> AGM in order to participate remotely via RPV in the 58<sup>th</sup> AGM.

The Form of Proxy can be submitted through either one of the following avenues no later than **Wednesday, 11 May 2022 at 9.30 a.m.** or in the event of any adjournment, no later than 24 hours before the time appointed for the adjourned meeting:

- (a) Lodgement of Form of Proxy in hardcopy – To be deposited at Tricor's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
- (b) Electronic lodgement of Form of Proxy – The Form of Proxy can be lodged electronically via **TIH Online** website at <https://tiah.online>. Kindly refer to the Administrative Guide for the 58<sup>th</sup> AGM on the procedures for electronic lodgement of Form of Proxy via TIH Online website.

This Circular is dated 13 April 2022

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## DEFINITIONS

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The following definitions shall apply throughout this Circular unless the context requires otherwise:

the Act	:	Companies Act, 2016.
AGM	:	Annual General Meeting.
API	:	Asia Pacific Investments Pte Ltd, Person Connected to GAPL.
Board	:	Board of Directors of the Company.
Bursa Securities	:	Bursa Malaysia Securities Berhad.
Circular	:	This Circular dated 13 April 2022 to shareholders of Heineken Malaysia Berhad in relation to the Proposed Shareholders' Mandate.
Constitution	:	The constitution of the Company.
Director(s)	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purposes of the Proposed Shareholders' Mandate, shall include any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the Company or any of its subsidiaries or holding company or a chief executive of the Company, its subsidiary or holding company.
GAPL	:	GAPL Pte Ltd, a Major Shareholder of the Company holding 51% equity interest in the Company as of 10 March 2022.
the Group	:	HEINEKEN Malaysia and its subsidiaries.
HAPPL	:	Heineken Asia Pacific Pte. Ltd., Person Connected to GAPL.
Heineken	:	Heineken N.V., Person Connected to GAPL.
HEINEKEN Group	:	Heineken N.V. and its subsidiaries and associated companies, collectively.
Heineken International	:	Heineken International B.V., Person Connected to GAPL.
HEINEKEN Malaysia or the Company	:	Heineken Malaysia Berhad.
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities and practice notes issued thereunder including any amendments thereto that may be made from time to time.
Major Shareholder(s)	:	A person who, within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in HEINEKEN Malaysia and the number or aggregate number of those shares, is:  (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.

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## DEFINITIONS

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- Person(s) Connected : Shall have the same meaning given in Paragraph 1.01 of the Listing Requirements.
- Proposed Shareholders' Mandate : Proposed Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group as set out in Section 2.3 herein.
- Related Party(ies) : A Director, Major Shareholder or Person Connected with such Director or Major Shareholder including any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director or a Major Shareholder of the Company, its subsidiary and/or holding company. For the purpose of the Proposed Shareholders' Mandate, the Related Parties are GAPL and the HEINEKEN Group.
- Recurrent Related Party Transaction(s) : A recurrent related party transaction of a revenue or trading nature which is necessary for the day-to-day operations of the Group and has been made or will be made in the ordinary course of the Group's business.
- RPV : Remote Participation and Voting facilities which are available on Tricor's TIH Online website at <https://tiih.online>.

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## Heineken Malaysia Berhad

Company No. 196401000020 (5350-X)

Registered Office

Sungei Way Brewery

Lot 1135, Batu 9 Jalan Klang Lama

46000 Petaling Jaya, Selangor

13 April 2022

### Board of Directors

Dato' Sri Idris Jala	: Chairman, Independent Non-Executive Director
Roland Bala	: Managing Director, Non-Independent Executive Director
Lau Nai Pek	: Senior Independent Non-Executive Director
Datin Ngiam Pick Ngoh, Linda	: Independent Non-Executive Director
Choo Tay Sian, Kenneth	: Non-Independent Non-Executive Director
Seng Yi-Ying	: Non-Independent Non-Executive Director
Raquel Batallones Esquerra	: Non-Independent Non-Executive Director

To the shareholders of HEINEKEN Malaysia,

Dear Sir/Madam,

### PROPOSED SHAREHOLDERS' MANDATE

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#### 1. INTRODUCTION

The Company had at its AGM held on 21 May 2021, obtained a mandate from its shareholders for the Group to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations in the ordinary course of business of the Group. The said mandate for recurrent related party transactions shall continue to be in force until:

- (i) the conclusion of the forthcoming AGM of the Company at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders at a general meeting,

whichever is earlier;

On 16 March 2022, the Company announced its intention to seek shareholders' approval for the Proposed Shareholders' Mandate at the 58<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide you with information on the Proposed Shareholders' Mandate and to seek your approval for the resolution relating to the Proposed Shareholders' Mandate to be tabled at the 58<sup>th</sup> AGM or any adjournment thereof. The Notice of AGM detailing the relevant resolution for the Proposed Shareholders' Mandate is available on the Company's website at <https://www.heinekenmalaysia.com/annual-reports.html>.

**SHAREHOLDERS OF HEINEKEN MALAYSIA ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.**

## 2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

### 2.1 Background

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders to enter into recurrent related party transactions which are necessary for the day-to-day operations of the listed issuer and its subsidiaries, subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (iii) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him/her abstain from voting on the resolution approving the transactions; and
- (iv) immediately announce to Bursa Securities when the actual value of a recurrent related party transaction entered into by the Company, exceeds the estimated value of the recurrent related party transactions disclosed in the circular to shareholders by 10% or more.

It is anticipated that companies within the Group would, in the ordinary course of business, enter into Recurrent Related Party Transactions which are detailed in Section 2.3 of this Circular and that such transactions will continue to occur with some degree of frequency and may arise at any point in time.

In compliance with Paragraph 10.09(2) of the Listing Requirements, the Company now proposes to seek the approval of its shareholders for the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate will allow the Group to enter into the Recurrent Related Party Transactions referred to in Section 2.3 with the Related Parties, provided that such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company. Such Recurrent Related Party Transactions will be subject to the review procedures as set out in Section 2.4 below.

The Proposed Shareholders' Mandate will take effect from the passing of the ordinary resolution proposed at the 58<sup>th</sup> AGM and shall continue to be in force (unless revoked or varied by the Company in general meeting) until the conclusion of the next AGM of the Company. Thereafter, approval from the shareholders for subsequent renewals will be sought at each subsequent AGM of the Company.

The Company has disclosed the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year ended 31 December 2021 in its Annual Report. Similar disclosure will be made in the Company's Annual Report for the financial year 2022 for the Recurrent Related Party Transactions conducted pursuant to the Proposed Shareholders' Mandate.

## 2.2 Related Parties

The Proposed Shareholders' Mandate will apply to Recurrent Related Party Transactions with the following Related Parties (with their principal activities and relationship with the Company detailed below):

Related Parties	Principal Activities	Relationship
GAPL	Investment holding and distribution of stout in Singapore	Major Shareholder of the Company
HEINEKEN Group	Production and distribution of beer and stout worldwide	Heineken is deemed a Major Shareholder of the Company by virtue of its indirect shareholding in GAPL

The direct and indirect interests of interested Directors and/or Major Shareholders in the Company as at 10 March 2022 are shown in Section 6 below.

## 2.3 Nature of Recurrent Related Party Transactions

The Group and the Company are principally engaged in the production, packaging, marketing and distribution of beverages, primarily alcoholic.

It is envisaged that in the ordinary course of business of the Group, transactions of a revenue or trading nature between the Group and the Related Parties are likely to occur with some degree of frequency which are necessary for our day-to-day operations.

The Group had entered into the following recurrent transactions with the HEINEKEN Group for the period from 21 May 2021, the date of the 57<sup>th</sup> AGM until 10 March 2022, as detailed below and is now seeking a mandate from its shareholders to allow the Group to enter into recurrent related party transactions with the HEINEKEN Group which shall include, but not be limited to the following:

Nature of Transactions with the HEINEKEN Group	Estimated aggregate value as disclosed in the Circular to Shareholders dated 22 April 2021 RM'000	Actual value transacted since 21 May 2021 till 10 March 2022 RM'000	Estimated aggregate value from 58 <sup>th</sup> AGM to the next AGM RM'000
1. Purchase of beverage products, manufacturing materials and marketing materials from the HEINEKEN Group	40,000	15,472	150,000
2. Fees paid / payable to the HEINEKEN Group for professional services which include engineering and technical, marketing and advertising, procurement, advisory support services and other support services	34,000	27,096	45,000
3. Royalties paid / payable to the HEINEKEN Group for licence to brew HEINEKEN Group trademark-owned beer	44,000	30,616	50,000



Nature of Transactions with the HEINEKEN Group	Estimated aggregate value as disclosed in the Circular to Shareholders dated 22 April 2021 RM'000	Actual value transacted since 21 May 2021 till 10 March 2022 RM'000	Estimated aggregate value from 58 <sup>th</sup> AGM to the next AGM RM'000
4. Fees received / receivable from the HEINEKEN Group for professional services which include market research and analysis, trade and marketing advisory, innovation development and other support services	1,000	-	1,000
5. Sale of beverage products to the HEINEKEN Group	2,000	-	2,000
Total	121,000	73,184	248,000

None of the actual value of other recurrent related party transactions as disclosed above has exceeded the estimated value by 10% or more.

All estimated values of the respective Recurrent Related Party Transactions from the date of the 58<sup>th</sup> AGM to the next AGM are estimated based on the past transactions entered into by the Group and the Related Parties as well as estimates made based on management's projected sales / businesses, orders and agreements. The actual value of these transactions may vary from the estimated value disclosed above.

As of the financial year ended 31 December 2021, there was no amount due and owing to the Group by its related parties arising from the Recurrent Related Party Transactions that exceeded the credit term.

#### 2.4 Guidelines and Review Procedures for Recurrent Related Party Transactions

To ensure that such Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the Company's shareholders, the following principles will apply:

- (i) transactions with the Related Parties will only be entered into after taking into account the pricing, level of service, quality of product, market forces and other related factors on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company;
- (ii) transactions with Related Parties will only be entered into under similar commercial terms for transactions with unrelated third parties, which depend on the demand and supply of the products and subject to the availability of the products in the domestic market;
- (iii) should a cost plus basis of pricing be used, the appropriate mark-up to cost shall be determined on an arm's length price based on a percentage earned by the Company on unrelated party transactions which are the same or very similar to the related party transactions;
- (iv) at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. For certain products/services of which quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be determined by the Group based on those offered by/to other related parties for the same or substantially similar type of transaction to ensure that the price and terms of the Recurrent Related Party Transaction are fair and reasonable to the Group; and

- (v) there is no specific threshold for approval of Recurrent Related Party Transactions within the Group. However, all recurrent related party transactions are subject to the approval by the Audit & Risk Management Committee (“ARMC”) from time to time.

The Group has established the following procedures to ensure that the transactions with Related Parties are undertaken on arm’s length basis and on normal commercial terms, and on transaction prices and terms not more favourable to the Related Parties than those generally available to the public:

- (i) a list of Related Parties will be circulated within the organisation to notify that all transactions with Related Parties are required to be undertaken on an arm’s length basis and independent of undue influence from Related Parties and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) all transactions with Related Parties, regardless of the transaction value, will be reviewed by the sub-committee which is appointed and authorised by the ARMC of the Company;
- (iii) a register will be maintained by the Group to record all transactions with Related Parties which are entered into pursuant to the Proposed Shareholders’ Mandate;
- (iv) the Corporate Assurance Department (“CAD”) will conduct quarterly reviews of all identified and reported transactions with Related Parties to determine whether internal guidelines and procedures have been complied with. The CAD will also conduct an annual review of the system of controls to ensure that all Recurrent Related Party Transactions are identified and reported; and
- (v) the Board and the ARMC will review the CAD reports and/or any other reports required from time to time to determine whether established guidelines and procedures have been adhered to and if there is a need for further review or to improve the procedures.

Where any Director of the Company or any Person Connected with him/her has an interest (direct or indirect) in any Recurrent Related Party Transaction, such Director shall abstain from deliberation and voting on any decision to be taken by the Board in respect of such Recurrent Related Party Transaction, if any.

Pursuant to Paragraph 10.09 of the Listing Requirements, in a meeting to obtain the Proposed Shareholders’ Mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution approving the transactions.

An interested Director or interested Major Shareholder must also ensure that Persons Connected with him/her abstain from voting on the resolution approving the transactions. Interested Directors shall also abstain from deliberating at Board meetings in respect of the Recurrent Related Party Transactions in which they are interested.

Disclosure will be made in the Company’s Annual Report detailing the aggregate value of transactions conducted pursuant to the Proposed Shareholders’ Mandate during the financial year. Disclosure will also be made in the Annual Reports for subsequent financial years during which the shareholders’ mandate remains in force.

The Proposed Shareholders’ Mandate, if approved at the 58<sup>th</sup> AGM, will continue to be in force until the next AGM of the Company. Thereafter, shareholders’ approval will be sought for the renewal of such mandate at each subsequent AGM subject to a satisfactory review by the ARMC of its continued application to Recurrent Related Party Transactions.

## **2.5 Statement by ARMC**

The ARMC has the overall responsibility of determining whether the procedures and processes for monitoring, tracking and reviewing Recurrent Related Party Transactions are adequate and appropriate. The ARMC shall review and ascertain whether the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with.

The ARMC has the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The ARMC of the Company has reviewed the terms of the Proposed Shareholders' Mandate and is satisfied that the review procedures mentioned under Section 2.4 are sufficient to ensure that Recurrent Related Party Transactions will be made at arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company, and hence, will not be prejudicial to the shareholders or disadvantageous to the Group.

The ARMC is also satisfied that the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and such procedures and processes are reviewed by the ARMC and/or the Management staff whenever the need arises.

## **2.6 Validity period**

The authority to be conferred pursuant to the Proposed Shareholders' Mandate, if approved at the 58<sup>th</sup> AGM, will continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the forthcoming 58<sup>th</sup> AGM at which the Proposed Shareholders' Mandate is approved, at which time it will lapse unless the authority is renewed by a resolution passed at a general meeting of the Company; or
- (ii) the expiration of the period within which the next AGM of the Company after the forthcoming 58<sup>th</sup> AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.

Thereafter, approval from the shareholders for subsequent renewals of the mandate will be sought at each subsequent AGM of the Company subject to a satisfactory review by the ARMC of its continued application to Recurrent Related Party Transactions.

## **3. RATIONALE AND BENEFITS**

The Recurrent Related Party Transactions entered or to be entered into by the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and may arise at any point in time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such Recurrent Related Party Transactions. As such, the Board is seeking a shareholders' mandate pursuant to Chapter 10, Paragraph 10.09 of the Listing Requirements to allow the Group to enter into Recurrent Related Party Transactions described in Section 2.3 above.

The Recurrent Related Party Transaction, as outlined in Section 2.3 above, are made on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and which are not prejudicial to the interest of the shareholders.

By obtaining the Proposed Shareholders' Mandate, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such Recurrent Related Party Transactions occur would be eliminated. This would substantially reduce administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

The Recurrent Related Party Transactions are intended to meet the business requirements of the Group at the best possible terms as well as to explore beneficial business opportunities. These transactions allow the Group to be more competitive in the beer industry through synergies derived from the concentration by each party on its respective strengths, specialties and competencies.

#### 4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any impact on the share capital and Major Shareholders' shareholdings of the Company and will not have any significant impact on the net assets and earnings of the Group.

#### 5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the Company's shareholders to be obtained at the 58<sup>th</sup> AGM to be convened.

#### 6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

##### Interested Directors

Mr Roland Bala, Mr Choo Tay Sian, Kenneth, Ms Seng Yi-Ying and Ms Raquel Batallones Esguerra are deemed interested in the Proposed Shareholders' Mandate as they are the Board representatives of GAPL, a Major Shareholder of the Company as of 10 March 2022. None of these Directors hold any share directly in the Company as of 10 March 2022. They have abstained and will continue to abstain from all deliberations on the Proposed Shareholders' Mandate at all Board meetings. They will also abstain from voting in respect of their direct and indirect interests in relation to the Proposed Shareholders' Mandate at the 58<sup>th</sup> AGM in the event they are also shareholders of the Company subsequent to 10 March 2022.

##### Interested Major Shareholders

The direct and indirect shareholdings of the interested Major Shareholder and its persons connected in the Company as of 10 March 2022 are as follows:

Major Shareholders	No of stock units held			
	Direct	%	Indirect	%
GAPL	154,069,900	51	-	-
HAPPL	-	-	154,069,900 <sup>(1)</sup>	51
API	-	-	154,069,900 <sup>(2)</sup>	51
Heineken International	-	-	154,069,900 <sup>(3)</sup>	51
Heineken	-	-	154,069,900 <sup>(4)</sup>	51

Notes:

- (1) Deemed interested through in GAPL
- (2) Deemed interested through HAPPL
- (3) Deemed interested through API
- (4) Deemed interested through Heineken International

The abovementioned Major Shareholders are deemed interested in the Proposed Shareholders' Mandate by virtue of their shareholdings, direct and indirect, in the Company. They shall accordingly abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Shareholders' Mandate to be tabled as Special Business at the 58<sup>th</sup> AGM.

The abovementioned interested Directors and Major Shareholders have undertaken that they shall ensure that Persons Connected to them will abstain from voting on the resolution approving the Proposed Shareholders' Mandate at the 58<sup>th</sup> AGM of the Company.

Save as disclosed above, none of the other Directors or Major Shareholders of the Company or Persons Connected to them has any interest, direct or indirect, in the Proposed Shareholders' Mandate.

## 7. DIRECTORS' RECOMMENDATION

The Directors (save for Mr Roland Bala, Mr Choo Tay Sian, Kenneth, Ms Seng Yi-Ying and Ms Raquel Batallones Esguerra) who have abstained from making a recommendation and giving an opinion on the Proposed Shareholders' Mandate as they are deemed interested in the Proposed Shareholders' Mandate, after due consideration of all aspects, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company. Accordingly, the Directors (save for Mr Roland Bala, Mr Choo Tay Sian, Kenneth, Ms Seng Yi-Ying and Ms Raquel Batallones Esguerra) recommend that shareholders vote in favour of the ordinary resolution in respect of the Proposed Shareholders' Mandate to be tabled at the 58<sup>th</sup> AGM of the Company.

## 8. AGM

The resolution pertaining to the Proposed Shareholders' Mandate is set out in the Notice of 58<sup>th</sup> AGM which will be held virtually through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <https://tiih.online> from the broadcast venue at Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, 46000 Petaling Jaya, Selangor, Malaysia on Thursday, 12 May 2022 at 9.30 a.m.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairperson of the meeting to be present at the main venue of the meeting. Members / proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 58<sup>th</sup> AGM in person at the broadcast venue on the day of the meeting. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 58<sup>th</sup> AGM via RPV provided by Tricor through its TIIH Online website at <https://tiih.online>. The Notice of the 58<sup>th</sup> AGM and the Administrative Guide as well as the Form of Proxy are available on the Company's website at <https://www.heinekenmalaysia.com/annual-general-meetings.html>.

Members who wish to participate in the 58<sup>th</sup> AGM remotely are required to register with the Company's Share Registrar, Tricor via its TIIH Online website at <https://tiih.online> no later than **Wednesday, 11 May 2022 at 9.30 a.m.** Please read and follow the procedures provided in the Administrative Guide for the 58<sup>th</sup> AGM in order to participate remotely via RPV.

Members who wish to appoint a proxy / proxies to participate in the 58<sup>th</sup> AGM via RPV are required to complete, execute and submit the Forms of Proxy through either one of the following avenues no later than **Wednesday, 11 May 2022 at 9.30 a.m.** or in the event of any adjournment, no later than 24 hours before the time appointed for the adjourned meeting:

- (a) Lodgement of Form of Proxy in hardcopy – To be deposited at Tricor's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively at Tricor's Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or
- (b) Electronic lodgement of Form of Proxy – The Form of Proxy can be lodged electronically via TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide for the 58<sup>th</sup> AGM on the procedures for electronic lodgement of Form of Proxy via TIIH Online website.

The lodging of the Form of Proxy will not preclude you from attending and voting remotely at the 58<sup>th</sup> AGM should you subsequently decide to do so.

A member who has appointed a proxy or attorney or authorised representative to participate at the 58<sup>th</sup> AGM via RPV must request his/her proxy to register himself/herself for the RPV at **TIIH Online** website at <https://tiih.online>. Please follow the procedures for RPV in the Administrative Guide for the 58<sup>th</sup> AGM.

## 9. GENERAL INFORMATION

### 9.1 Directors' Responsibility Statement

This Circular has been seen and approved by the Directors of the Company who individually and collectively accept full responsibility for the accuracy of the information given therein, and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

### 9.2 Material Contracts

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or its subsidiaries during the two years immediately preceding the date of this Circular.

### 9.3 Material Litigation

Save as disclosed below, neither the Company nor any of its subsidiary companies is engaged in any other material litigation, claims or arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings, pending or threatened, against the Company or any of its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company or its subsidiary companies:

**Kuala Lumpur High Court Civil Suit No. WA-22NCVC-221-04/2021 and WA-22NCVC-781-12/2021 filed by Thirteen Wings Sdn Bhd, Ashwin Kumar Kandiah (trading under Sivam Kandiah Enterprise, Ashwin Kandiah Enterprise and Skan Ventures), Astrike Sdn Bhd, Axcend Sdn Bhd, Turbo Booze Sdn Bhd and Hops Sdn Bhd ("Plaintiffs") against Heineken Malaysia Berhad and Heineken Marketing Malaysia Sdn Bhd**

On 13 April 2021, the Company and its wholly-owned subsidiary, Heineken Marketing Malaysia Sdn. Bhd ("Companies"), received a Writ of Summons dated 2 April 2021 and Statement of Claim dated 29 March 2021 filed by the Plaintiffs under Kuala Lumpur High Court Civil Suit No. WA-22NCVC-221-04/2021 ("Suit") in respect of a dispute regarding the purchase and supply of the Company's products. The Plaintiffs are claiming among others that the Companies had failed to honour an alleged contract and are seeking for, among others, specific performance of an alleged contract, in the alternative, damages for breach of contract in the liquidated sum of RM26,520,000; and various consequential orders and declarations relating to various contract terms. The Companies had disputed the claims and filed their defence accordingly on 20 May 2021. The matter has been fixed for trial on 27 March 2023 to 31 March 2023.

On 6 December 2021, the Companies received another Writ of Summons and Statement of Claim filed by the Plaintiffs under Kuala Lumpur High Court Civil Suit No. WA-22NCVC-781-12/2021 ("Claim"). The Claim is related to the Suit filed in April 2021 as they arose from the same series of transactions, dealings and disputes between the Plaintiffs and the Companies. The Plaintiffs claimed that the Companies have breached the contract between the Plaintiffs and Heineken Marketing Malaysia Sdn Bhd relating to the Company's products ("Contract") and they are claiming, among others, the liquidated sum of RM58,225,545. As the Claim and the Suit are inter-related, the Plaintiffs have pleaded that they will be applying to have the Claim and the Suit consolidated and/or heard together.

The Companies had on 10 January 2022 filed their defence and counterclaim against the Plaintiffs in respect of Plaintiffs' breaches of the Contract and are claiming, among others, a sum of RM36,984,914. The Claim has been fixed for case management on 25 April 2022.

#### 9.4 Documents for Inspection

The following documents are available for inspection at the Company's office at Sungei Way Brewery, Lot 1135, Batu 9, Jalan Klang Lama, 46000 Petaling Jaya, Selangor during office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the 58<sup>th</sup> AGM:

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of the Group for the years ended 31 December 2020 and 2021 as contained in the Annual Report 2020 and 2021 respectively; and
- (iii) The relevant cause papers in respect of the material litigation referred to under Section 9.3.

Yours faithfully  
For and on behalf of the Board of Directors  
HEINEKEN MALAYSIA BERHAD

DATO' SRI IDRIS JALA  
Chairman / Independent Director