

Chairman's Statement

Dear Shareholders,

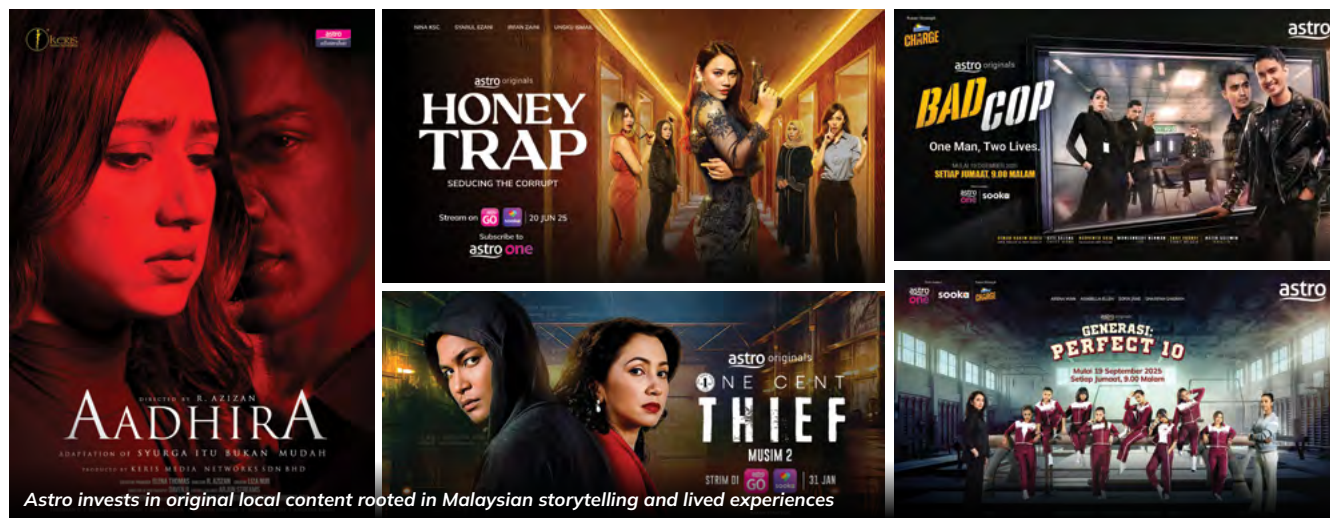
On behalf of the Board of Directors, I am pleased to present the Integrated Annual Report of Astro Malaysia Holdings Berhad for the financial year under review. Within Malaysia, economic realities — including rising living costs and the ongoing rationalisation of subsidies — have reshaped household spending patterns and reinforced the importance of value-driven offerings. These developments underscore the broader responsibility of corporations to remain attuned to societal needs while delivering sustainable growth. Against this backdrop, we remained focused on providing strong stewardship to ensure that Astro continues to operate responsibly, strengthen its relevance amongst Malaysian households, and contribute meaningfully to the national media ecosystem.

YAM Tunku Ali Redhaudin Ibni Tuanku Muhriz
Chairman



Astro has leveraged AI and CGI enhanced images such as this across our IAR2026 and we are committed to doing so responsibly

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Astro invests in original local content rooted in Malaysian storytelling and lived experiences

Contributing to the media ecosystem amid global considerations

We believe a balanced media environment — one that combines global access with strong local storytelling — is essential to preserving the nation’s cultural identity and nurturing the media industry. Astro has long championed local content, and we support continued investments that elevate Malaysian stories, develop homegrown talent, and enhance local production capabilities. In FY26, Astro produced and commissioned 11,600 hours of local content by investing RM370 million. A vibrant domestic industry not only strengthens national competitiveness, but also positions Malaysia to participate more meaningfully in the broader regional content economy.

Astro also continues to play a meaningful role in supporting Malaysia’s economic development. Our direct contribution to the nation’s GDP — including employment, taxes, interest expense and corporate profit — is estimated at RM1.0 billion in FY26, consistent with previous years. Beyond these headline figures, our broader economic impact extends across the media ecosystem through multiplier effects from investments in content, media, technology, and partnerships with local creators and businesses. By nurturing homegrown storytelling, enabling advertising access for enterprises, and supporting a value chain that spans production to distribution, we help stimulate high-value employment while strengthening Malaysia’s position within the rapidly growing content industry — an economic catalyst that continues to generate impactful output and opportunities for the nation both directly and indirectly, in line with the Orange Economy aspirations of the 13th Malaysia Plan.

Structural shifts in the media landscape have intensified competition between domestic broadcasters and global digital and over-the-top (OTT) platforms. While our government has introduced a digital service tax to capture value generated by foreign providers operating in the local market, differences remain between consumption-based digital taxes and

the corporate income tax framework applicable to locally incorporated media companies. As a result, we continue to operate within a rapidly evolving and lopsided competitive environment, where international streaming and social media platforms compete for local audience attention and advertising expenditure.

Globally, policymakers are increasingly reviewing regulatory and tax frameworks to promote sustainable media ecosystems. Jurisdictions including Australia, France, India and Indonesia have introduced or enhanced measures such as digital services taxes, value-added taxes on cross-border digital services, or platform accountability requirements to better align market practices with domestic policy objectives. In this context, we believe continued engagement locally between Malaysia’s industry stakeholders and regulators remains important to support balanced competition, encourage ongoing investment in local content and safeguard the long-term vibrancy of the national media sector.

Moreover, the global media and entertainment industry has seen significant consolidation, with major transactions including the Paramount Global and Skydance Media merger, and subsequent proposed acquisition of Warner Bros. Discovery. This reflects a strategic shift toward scale, content ownership, and direct-to-consumer capabilities. OTT platforms are also increasingly investing in sports-related content as a key driver of subscriber growth and engagement. Players such as Apple (via Apple TV+) have secured premium live sports rights including Major League Soccer, highlighting the strategic importance of sports as one of the few remaining categories of exclusive, real-time content. Meanwhile, Netflix is expanding into sports through documentaries and selective live programming, signalling a broader shift toward sports as a key engagement lever. This trend underscores intensifying competition for sports audiences and the importance of multi-platform distribution strategies.

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We continue to observe a consolidation of global penetration, as supported by widespread internet and smartphone adoption, with digital platforms now accounting for the majority of audience growth. While traditional media continues to maintain broad reach, particularly in emerging markets, consumption is increasingly shifting toward streaming and digital, affecting the media ecosystem and its suppliers. In mature markets, penetration has largely plateaued, with industry focus transitioning toward deeper engagement and monetisation per user, while emerging markets continue to drive incremental audience expansion. To this end we observe trends in Scandinavia (Viaplay), Thailand (TrueVisions) and Indonesia (Emtek) to deepen local resonance and engagement, as a counterbalance to the proliferation of international content. This offers some lessons for us in a Malaysian context.



Sustainability and climate roadmap

Sustainability is firmly embedded within Astro's long-term strategy, with our Board providing active oversight of our Group's ESG agenda through five ESG pillars, namely Responsible Business, Caring for the Environment, Voice for Good, Education for All and Community Development. We believe that strong ESG practices are not only fundamental to responsible corporate stewardship, but also critical in sustaining stakeholder trust, strengthening competitiveness, and supporting the broader communities we serve.

Astro is proud to be a founding constituent of the FTSE4Good Bursa Malaysia Index over a decade ago, with our latest ESG score placing us among the Top 1% of media companies globally, demonstrating Astro's strong ESG standards. Established by FTSE Russell, the FTSE4Good Index Series serves as a global benchmark measuring companies that demonstrate strong ESG standards and is widely referenced by responsible investors in assessing sustainable investment products. Based on this internationally recognised methodology, Astro was awarded the Gold Award in the Telecommunications & Media category at The Edge ESG Awards 2025.

Building on this momentum, Astro is honoured to be named a 2-Star Lister in the ESG Select List 2025 by the UN Global Compact Network Malaysia & Brunei (UNGCMYB), recognised in the categories of ESG Breakthrough Innovation and Purposeful Partnership. The ESG Select List recognises organisations demonstrating measurable progress aligned with the UN Global Compact's Ten Principles and the UN Sustainable Development Goals. Astro was also placed among the Top 50 public listed companies (out of 847) in the NACGSA Awards 2025, combining 3 assessment pillars namely the Asean CG Scorecard, the Malaysian Code on Corporate Governance 2021 (MCCG) and the Sustainability Scorecard.

Astro's recognition in the ESG Breakthrough Innovation category is driven by its pioneering adoption of Extended Reality (XR) technology to decarbonise content production. By reducing reliance on physical set construction, location shoots, energy-intensive lighting and material waste, XR has allowed Astro to significantly lower the environmental footprint of its productions while enhancing creative capabilities. Meanwhile, the Purposeful Partnership accolade reflects the launch of the Forward Faster Louder Programme with UNGCMYB, which leverages Astro's media platforms to amplify ESG stories from corporates, micro, small and medium enterprises (MSMEs) and individuals, strengthening national awareness and inspiring collective action through high-impact storytelling.

We have also set clear long-term climate ambitions, targeting carbon neutrality by 2040 and net zero emissions by 2050, reflecting our commitment to responsible environmental stewardship and alignment with evolving global expectations. Astro's Climate Roadmap outlines a phased decarbonisation strategy currently focused on Scope 1 and Scope 2 emissions, supported by clear reduction targets, while ongoing groundwork is being undertaken to assess Scope 3 emissions. For more in-depth information on Sustainability, kindly refer to pages 56 to 101.

Elevating Malaysian sports and national pride

Sport has a unique ability to unite communities, inspire the next generation, and cultivate national pride. Astro has played a longstanding role in supporting the development of local sports, and we fully endorse continued efforts to strengthen Malaysia's sporting ecosystem. Our commitment is reflected in our support for competitions such as Liga Malaysia, sepak takraw, and the Netball Super League — platforms that not only showcase local athletic excellence but also create pathways for grassroots development and professional growth. By increasing visibility for these sports and expanding audience reach, Astro contributes to building more sustainable sporting structures while fostering a deeper sense of shared identity among Malaysians.

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We believe that investing in local sports generates far-reaching social benefits, from youth engagement and healthier lifestyles to stronger community bonds, while reinforcing the importance of homegrown achievements on the national stage. Our sports development initiatives continue to create meaningful impact at the grassroots level. Astro Kem Badminton 2025 reached approximately 1,900 children across five locations through camps led by professional coaches. Meanwhile, the Klinik Sepak Takraw League trained more than 1,500 children nationwide, and the Klinik Netball Super League engaged over 600 students through a series of structured clinics. We also launched the #IniPadangKita initiative at Kampung Jawa, Hulu Langat, restoring a community field and organising a football clinic to encourage youth participation in sports and strengthen community bonds.



Astro volunteers restore a local community field and support football clinics to support grassroots development

Safeguarding the industry through anti-piracy efforts

As digital consumption accelerates, piracy remains one of the most critical challenges confronting the media industry both regionally and domestically. Illicit streaming and unauthorised distribution erode industry revenues, discourage content investment, and threaten the sustainability of the media economy. Astro maintains a firm stance against piracy and provides close oversight of Management's initiatives to combat this threat. Astro adopts a comprehensive approach that integrates advanced content protection technologies, legal enforcement, strategic partnerships, and consumer education.

We actively collaborate with regulators and enforcement authorities to strengthen intellectual property protection and advocate for more robust regulatory frameworks. Protecting creative rights is not merely a commercial imperative — it is essential to preserving the livelihoods of creators and ensuring the continued production of high-quality content. A secure content environment ultimately supports the long-term development of both the local and regional media industries. Our GCEO, Euan Smith, elaborates further on this in his statement on pages 9 to 13.

Strengthening governance and board effectiveness

Amid a more complex operating environment, the importance of strong governance has never been more pronounced. Our Board upholds high standards of integrity, transparency, and accountability in line with the MCCG. These principles guide our oversight as we safeguard shareholder interests and reinforce stakeholder trust.

During the year, we dedicated significant attention to reviewing Astro's strategic priorities, monitoring execution, and ensuring that risk considerations remain central to decision-making. Through regular engagement with Management, our Directors foster constructive challenge and rigorous deliberation, enabling the organisation to respond proactively to industry shifts while maintaining operational resilience.

Our Board continues to prioritise effectiveness and renewal. Our composition reflects an appropriate balance of skills, experience, independence, and diversity, while ongoing professional development equips our Directors with fresh insights into emerging regulatory requirements and market developments. Succession planning remains integral to sustaining leadership continuity and organisational strength.



Representatives at the Premier League-Astro "Boot Out Piracy" initiative including YAM Tengku Panglima Perang Tengku Ahmad Ismail Mu'adzam Shah, YB Datuk Fahmi Fadzil, Minister of Communications, H.E. Ajay Sharma CMG, British High Commissioner to Malaysia, Kevin Plumb, Premier League Legal Counsel and Astro GCEO Euan Smith

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People-centric leadership enables Astro's long-term resilience and societal contribution

Focus on capital management

Our Board recognises the importance of creating value to our shareholders and remains committed to a disciplined capital management approach that balances shareholder returns with our Group's long-term strategic requirements. While Astro continues to generate healthy cash flows, the operating environment has become increasingly demanding. Intensifying competition, escalating content costs primarily from global content providers, ongoing investments in technology, and the need to future-proof the business require careful prioritisation of capital. Additionally, industry pressures such as piracy and evolving consumer spending patterns have reinforced the importance of maintaining financial flexibility.

As such, our Board believes that our Group's underlying strengths including intangible assets such as intellectual property, brand reputation and recognition, customer relationships and management capability will drive the long-term prospects of Astro. We believe that the most effective and sustainable means of enhancing shareholder value is through disciplined execution — strengthening operational performance, delivering consistent financial results, and advancing our strategic priorities with clarity and focus.

In line with our commitment to long-term, sustainable growth, we will continue prioritising liquidity towards funding our strategic growth initiatives and reinforcing our balance sheet, particularly amid continued global economic uncertainties. This measured approach ensures that we preserve financial flexibility by retaining cash within our Group while positioning our Group to capture future opportunities.

Outlook

Despite the uncertainties, we are confident that Astro's strong governance, experienced leadership, and clear strategic direction provide a solid foundation for the future. We will continue to prioritise oversight of transformation initiatives, sustainability commitments, and risk management capabilities to ensure our Group remains resilient. While Astro is positioned as the nation's No.1 Entertainment and Streaming Destination, our aspiration extends beyond maintaining market leadership. We seek to play a meaningful role in advancing Malaysia's media economy while remaining responsive to the needs of society. By aligning strategy with responsibility and innovation with governance, we are committed to delivering enduring value for our shareholders and stakeholders.

Acknowledgements

On behalf of our Board, I extend our sincere appreciation to our shareholders, customers, partners, and regulators for their continued trust and support. I also thank Management and employees for their dedication and professionalism. Together, we will move forward with confidence and purpose as we shape a resilient Astro — one that not only adapts to change, but contributes positively to the industry, the nation, and the communities we serve.

Tunku Ali Redhaudin Ibni Tuanku Muhriz

Chairman