
Chairman's Statement

Dear Shareholders,

I present to you my final Chairman's Statement, as I step down from the Board of Astro Malaysia Holdings Berhad after nine years and 10 months at the close of the Tenth AGM. There is never a right time to say goodbye, but I am pleased to hand over the helm as the nation begins its recovery phase after more than two years in various lockdowns, which can only be a sign of better things to come for the nation and for Astro.

As our nation transitions to the endemic phase of COVID-19, a key learning emerging from this crisis for the world and Malaysia is the importance of sustainability in day-to-day business conduct. Alongside generating returns for shareholders, it is equally important for businesses to fulfil its corporate responsibility, particularly in protecting the interest of key stakeholders including customers, employees, and the wider community.

COVID-19 movement restrictions, in force since the beginning of 2020, have adversely impacted the livelihood of Malaysians and resulted in many businesses shuttering. For Astro, supporting our local community and customers during these trying times took centre stage in FY22. I am pleased to inform that Astro's ESG roadmap has been formally integrated as part of our strategic priorities, demonstrating our commitment to sustainability practices as a crucial Board agenda. ESG considerations have always played an integral part in the evaluation of our business strategies and decisions.

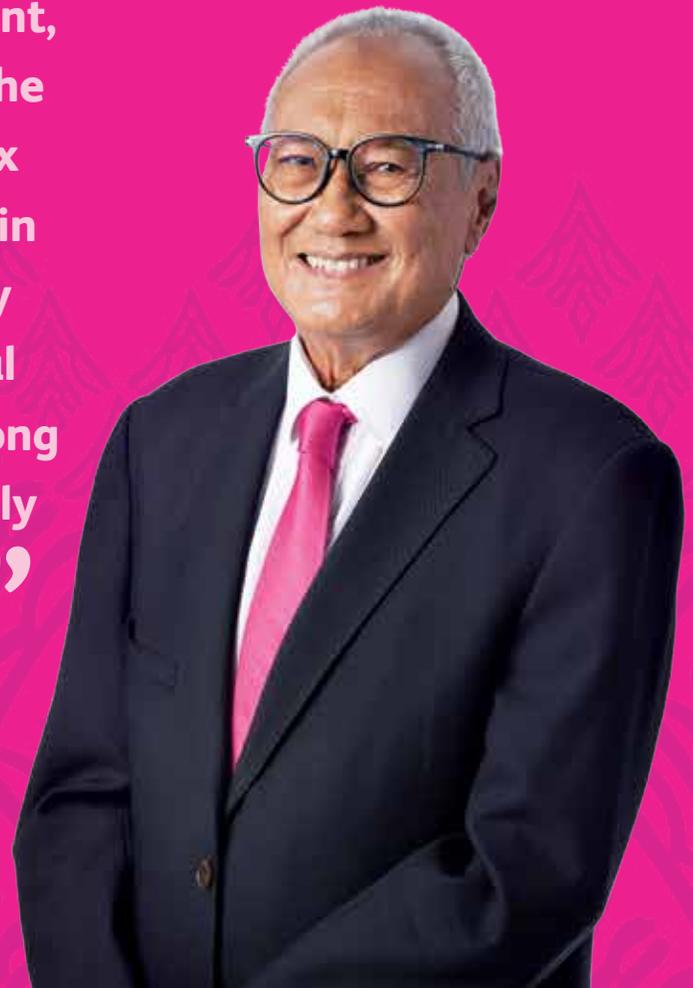
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As a testament to our commitment, Astro has been a constituent of the FTSE4Good Bursa Malaysia Index Series for ESG since its inception in 2013, and has been recognised by Sustainalytics as an ESG Regional Top Rated company, ranking among the Top 10% of companies globally

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Tun Dato' Seri Zaki bin Tun Azmi

Independent Non-Executive Chairman



Chairman's Statement



Supporting children in remote interiors with Astro Hostels

Dividend per share

7.5 sen	8.0 sen	6.75 sen
FY20	FY21	FY22

Dividend payout ratio

60%	77%	76%
FY20	FY21	FY22

Direct contribution to GDP

RM2.0b	RM1.8b	RM1.7b
FY20	FY21	FY22

Growing our ESG footprint

In fulfilling our duties as a good corporate citizen, Astro balances shareholders' needs with our responsibility towards sustainability that encompasses environmental, social and governance aspects. Our value creation includes our substantial social impact, in addition to our Group's direct contribution of an estimated RM1.7 billion in terms of employment, taxes, and induced spending in FY22. Without a doubt, Astro's biggest contribution is in the social sphere, by virtue of our ability to effectively reach and capture the hearts and minds of Malaysians through the stories we tell and the content we air.

Our Group, including its foundation Yayasan Astro Kasih, supports the local community to create sustainable social impact across the nation with long-term programmes based on the four key ESG pillars of education for all, voice for good, community development and caring for our environment.

Championing education for all

For over a decade, Astro has been proactively championing education for Malaysian children. This proved pivotal in 2021, as Malaysian schools were closed for a total of 35 weeks – the longest closure in the world according to the UNESCO Institute for Statistics' "Global Monitoring of School Closures Caused by the COVID-19 Pandemic" data. With equal access to education as our key ESG focus area,

We are focused on conducting and growing our business in a sustainable and responsible manner, guided by our ESG pillars of championing equal access to education for all, being a voice for good, as well as caring for our community and environment

Astro Tutor TV provides 24/7 exam-based learning channels for free to all our Pay-TV and NJOI customers, enabling learning to continue as limited internet access and lack of devices plagued the implementation of formal home-based teaching and learning.

Our Kampus Astro programme further expands our social footprint by providing ongoing access to 14 learning channels to over 10,500 government schools as well as 76 paediatric and oncology wards, Schools-in-Hospitals and Military Hospitals throughout Malaysia, supporting children regardless of their life circumstances. In a normal school year, this programme reaches over 5 million Malaysian students and 400,000 schoolteachers annually who leverage our educational content to supplement classroom learning. Meanwhile, Kampus Astro supports three student hostels for SK Magandai, SK Malinsau and SK Sg Paku, as well as five other hostels and a youth centre in partnership with Starfish Malaysia Foundation. These facilities are all located in the deep interiors of Sabah and Sarawak, collectively saving 200 students over 190,000 hours of daily average commute in a typical school year.

Contributing to the sustainability of the local media industry

The intermittent lockdowns and restrictions on content production since early 2020 have greatly affected the local creative industry, in terms of both revenue and job losses. To ensure the long-term sustainability and viability of this sector, Astro deepened investments into local content production and partnered 9,400 vendors to produce advertising content and solutions for over 1,400 corporations in FY22.

In FY22, we produced and commissioned over 11,000 hours of local content worth over RM275 million, providing a boost to the production industry and opportunities for promising young creatives to shine. Astro premiered local movies on Astro First, our home cinema proposition, to support local talents including producers and actors and to showcase Malaysia's unique and diverse culture with films such as the *Kampung Pisang* franchise and *Penunggang Agama*.

Combating piracy as a social agenda

Even before the pandemic, the local creative and media industry was already reeling from the impact of piracy. The industry continues



Contributing laptops to make online learning accessible for students

to wage an open battle against piracy, as such acts deprive local content creators the fruits of their labour and deter new investments from being made, causing significant economic leakages in terms of lost tax revenue and employment opportunities.

Astro applauds the three historic landmark rulings made against digital piracy in FY22, effectively declaring the sale and distribution of illicit streaming devices as illegal, as well as the recent amendment to the copyright law that bolsters the provisions for anti-piracy enforcement in the digital realm.

With these developments, the industry is moving in the right direction to combat piracy in Malaysia and we will continue to give our full support to authorities, and work with content partners, industry players and e-commerce platforms in battling piracy.

We prioritise environmental advocacy across all platforms to amplify environmental awareness, and collaborated with Greenpeace Malaysia, Climate Governance Malaysia and WWF Malaysia on environmental initiatives



Supporting Earth Day by encouraging staff to reduce single-use plastics and bring their own reusables

Investing in youths

Our flagship Astro Kem Badminton has been a passionate advocate for local sports, unearthing new talent and providing training in collaboration with Badminton Academy Malaysia to mould them into world-class athletes. Since its inception in 2012, more than 16,000 children have benefitted from this programme and as a testament to the success of the programme, the alumni of Astro Kem Badminton make up 74% of the current Malaysian junior national team, with five recently promoted to the Malaysian senior squad. Regrettably, Astro Kem Badminton activities have been suspended since March 2020 in view of COVID-19 restrictions on team sports and social gatherings. We look forward to resuming activities for aspiring shuttlers as soon as we are safely able to do so.

Caring for our community

As the nation's leading content producer, Astro also contributed towards the social well-being of our community in the way we know best – by keeping Malaysians informed and entertained while staying safe at home. During the year, we made available new channels as well as complimentary viewing of selected content including dramas, new signatures and premium original series to keep our valued customers entertained during lockdowns.

Astro united Malaysians to support our national athletes through our extensive coverage of the Olympic Games Tokyo 2020 and Paralympics across 13 dedicated channels with an on-ground team dedicated to covering our local athletes. We also provided coverage of our national shuttlers competing on the BWF World Tour circuit.

Astro provided complimentary NJOI decoders and TV sets in COVID-19 Quarantine and Low-Risk Treatment Centres nationwide to keep patients informed and entertained on their journey to recovery. Team Astro also supported the National Blood Bank's blood donation drive, volunteered at vaccination centres during the national immunisation drive, and contributed oxygen tanks for hospitals and laptops to students in the B40 group.

During the severe year-end floods in various states, we rallied public support for flood relief efforts through our public service announcements and donated over RM200,000 to those affected. Astro Radio also collaborated with fellow corporates, government bodies and non-governmental organisations including Malaysian Red Crescent Society and Malaysia Civil Defence Department (APM) to donate and distribute food items and supplies. Team Astro also joined in flood relief works in Pahang and Selangor in partnership with MERCY Malaysia, Yayasan Ikhlas and Global Peace Mission Malaysia.

Advocating for a greener planet

In addition to our ongoing group-wide environmental efforts as detailed on pages 94 to 100, we continue to prioritise environmental advocacy, riding on our multiplatform reach to amplify environmental awareness among Malaysians. We collaborated with Greenpeace Malaysia in efforts to reduce plastic use and worked with National Geographic to educate and empower consumers on sustainable living. We also partnered Climate Governance Malaysia to raise awareness on climate change, as well as WWF Malaysia on Earth Hour initiatives.

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Resilience amid challenging backdrop

Underpinned by a strong set of core operational strategies, Astro delivered resilient performance in FY22 against a backdrop of prolonged lockdowns hampering economic recovery, ongoing structural change within the media industry, and content piracy. For a deeper dive into the key trends impacting our business, please refer to the Market Landscape section on pages 43 to 45.

Despite the challenging business environment, Astro continued to declare quarterly interim dividends of 1.5 sen per share in FY22. A final dividend of 0.75 sen per share has been proposed, subject to shareholders' approval at the upcoming AGM. In total, Astro is rewarding shareholders with a full-year dividend of 6.75 sen per share, representing 76% of FY22 PATAMI, consistent with our dividend promise of paying out at least 75% of PATAMI. This is supported by our cash generative business and disciplined cost management. Free cash flow ("FCF") amounting to RM692 million provides ample headroom for Astro to invest into our business transformation initiatives and to weather any uncertainties arising in the post-pandemic future.

Astro has distributed over RM4.8 billion in dividends since our IPO in 2012 and we are focused on delivering a simple, all-new Astro experience to customers and concurrently growing adjacencies while prudently managing costs. This will enable us to keep rewarding loyal shareholders and further reinvest in our business to capture new opportunities.

Commitment to sound corporate governance

Our Board, in setting the tone from the top, remains resolute that sound corporate governance ("CG") is crucial to protect our Group's long-term sustainability. Our Board remains committed to a high standard of CG shared wisdom in leading our Group forward through its transformation agenda.

Our Board discharges its fiduciary duties and responsibilities in accordance with the Companies Act 2016 and the Malaysian Code on Corporate Governance 2021 guided by the four main principles of fairness, transparency, accountability and responsibility. In FY22, Astro won the Industry Excellence Award (Telecommunications & Media) at the MSWG-ASEAN Corporate Governance Award 2020 and secured a 4-star ESG rating by FTSE4Good, placing us among the Top 25% of public listed companies in the FTSE Bursa Malaysia EMAS Index.



Providing Astro services at vaccination and quarantine centres

Our commitment to good governance is reflected in the diversity of age, background, ethnicity, gender and experience of our Board members. We view diversity as a crucial competitive differentiator in promoting strategic guidance, a balanced view for strategic decision making, fresh thinking, and effective monitoring of management to steer our Group forward. More details on our governance framework including ESG, risk management and compliance policies are detailed in the CG Overview section on pages 116 to 139.

Future outlook

Astro is now into the second year of its transformation journey. We will continue to invest our capitals, as outlined on page 54, in our customers, content, technology and businesses that create the most value for shareholders. The Board is particularly excited with the rollout of the all-new Astro experience with sophisticated features such as Ultra HD or 4K delivery, and the integration of popular streaming apps such as Netflix onto our Ultra and Ulti Boxes. More exciting features will be introduced to further differentiate Astro as a truly premium service. Simultaneously, we will continue to grow sooka, our own standalone streaming service, to cater to individuals who prefer a simpler mode of engagement.

In short, our priority is to entertain, inform and educate – underpinned by our ability to create winning and compelling content in line with our vision, while enhancing ESG practices to generate greater sustainable impact benefitting our community and environment.

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Contributing food items and supplies to communities affected by the floods

Acknowledgement

It has been a most engaging and fulfilling journey in my corporate career after my retirement from the judiciary. Not coming from a media background, I have learnt a lot from this organisation that is made up of people who are highly intelligent, creative and passionate about their art. In particular, I would like to thank my fellow comrades on the Astro Board, who have supported me all these years. To Datuk Yvonne Chia and Mr. Renzo Christopher Viegas who are my fellow Independent Directors, I am very fortunate to have your support and counsel. To Mr. Lim Ghee Keong, Mr. Simon Cathcart, Puan Mazita Mokty, Mr. Kenneth Shen and Puan Rossana Annizah, I am pleased to be given the opportunity to work with you and to exchange insights. Our diversity is our strength.

I would like to offer my sincere thanks to Mr. Henry Tan Poh Hock (Group Chief Executive Officer), En. Shafiq Abdul Jabbar (Group Chief Financial Officer) and Mr. Euan Daryl Smith (Group Chief Operating Officer). I have no doubt that under your leadership, Astro is poised to grow and establish a stronger foothold in the new world of media & entertainment. I have known Henry since the beginning when I joined Astro. He was then the Chief Content Officer and later he became the Group Chief Executive Officer. Henry provides visionary leadership in Astro's transformation journey and is highly admired by his peers and subordinates.

To one person whom I rely upon to update me and our Board, on the latest company law, Bursa Malaysia and Security Commission's requirements is the Company Secretary, Ms. Sharon Liew. She and her team are always reminding me what to do next, also not forgetting the backroom IT staff.

Thanks also to our previous Directors and senior executives who had served Astro under my watch for their support.

I would never have been able to perform my duties as Director and Chairman without the help and guidance of all of you and others in Astro.

On behalf of the Board and Team Astro, I applaud our frontliners and the government for their tireless efforts in ensuring the safety and well-being of all Malaysians. My gratitude also goes out to the Ministry of Communications and Multimedia Malaysia (K-KOMM), Ministry of Domestic Trade and Consumer Affairs (KPDNHEP), Malaysian Communications and Multimedia Commission (MCMC), other governmental authorities and industry peers for their support and commitment in sustaining and strengthening the local media industry.

Having worked closely with all stakeholders throughout the years, including our esteemed customers, business partners, vendors and shareholders, I would like to take this opportunity to thank you once again for your unwavering support, confidence, patronage and friendship.

Finally, I would like to express my gratitude to Astro's very own frontliners for their commitment and resilience during these unprecedented times. To Team Astro, my sincere appreciation for your dedication and tenacity in bringing our vision of the all-new Astro experience to life, to cement our position as the 'Entertainment Destination for Malaysians' in this streaming era.

There are many people whom I wish to thank, but I will run out of ink if I do that. I hope it suffices to say that I am grateful and proud to have met and worked with you under the Team Astro banner. Finally, I wish the Board and Team Astro, continued success in the future.

Tun Dato' Seri Zaki bin Tun Azmi

On behalf of the Board of Directors