



**Asiaray Announces 2018 Interim Results
Profit for the Period Surges 194%**

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**Consolidation of OOH Market, Development of Greater Bay Area and
Booming DOOH Sector Set to Accelerate Growth Momentum**

Financial Highlights

	For the six months ended 30 June		
(HKD Million)	2018	2017	Change
Revenue	888.3	743.7	+19.4%
Gross Profit	193.9	129.2	+50.2%
Profit for the Period	38.2	13.0	+193.8%
Profit Attributable to Owners of the Company	6.6	5.0	+32.0%
Gross Profit Margin (%)	21.8	17.4	+4.4 ppt

(Hong Kong, 28 August 2018) – **Asiaray Media Group Limited** (“Asiaray” or the “Group”; stock code: 1993), a leading out-of-home (“OOH”) media company with a strategic focus on airport and metro line advertising, has announced its interim results for the six months ended 30 June 2018 with profit for the period surging by 194%.

In the first half of 2018, Asiaray continued to achieve an organic growth with total revenue up by 19.4% to HKD888.3 million, which was driven by the sustained growth of the airport, metro and billboard businesses, particularly contributions from the well-developed media resources in Yunnan and Zhengzhou airports, and the metro business in Hong Kong. Consequently, gross profit surged 50.1% to HKD193.9 million, with gross profit margin up by 4.4 percentage points to 21.8%. Combined revenue, which includes consolidated revenue and revenue from all associated companies of the Group engaged in the media advertising business, also rose by 21.0% year-on-year to HKD1,330.1 million (2017: HKD1,099.5 million). Profit attributable to owners of the Company surged 32.0% to HKD6.6 million.

The Group maintained a healthy financial position with cash and cash equivalents, short-term deposits and restricted cash of approximately HKD378.0 million as at 30 June 2018. For the six months ended 30 June 2018, the Board of Directors has proposed an interim dividend of HK1.4 cents per share.

Mr. Vincent Lam, Chairman and Executive Director of Asiaray, said, “Since our listing in 2015, the Group has been accelerating the investment in obtaining more media resources, as well as improving internal management, to facilitate sustained growth. And now we are delighted to see that these efforts have started to bear fruit and have laid a strong foundation for our rapid development under the consolidation of the evolving OOH market in Mainland China.”

Business Review

The Group’s **airport** media advertising business continued to deliver stable revenue to the Group at HKD380.4 million (2017: HKD380.3 million), despite the expiration of advertising concession rights to the Hangzhou and Haikou airports during the Period. In addition to the commencement of our exclusive advertising operation at the Zhuhai Airport in the first half year, the Yunnan and Zhengzhou airports performed particularly well, achieving double-digit revenue growth. The favorable performance can be attributed to Asiaray’s national marketing efforts to promote its media resources network as a whole. Not only did the Group introduce top-level luxury brands beyond airports in the first-tier cities, it was also able to bring in some creative showcases that utilized its space management model.

During the period, the Group continued to focus on increasing sales contributions from existing **metro**

lines and billboards, which resulted in revenue growth of 45.0% for the segment to HKD399.9 million (2017: HKD275.7 million). Revenue from the existing Beijing and Shenzhen **metro** lines, as well as the Tianjin and Hangzhou metro lines secured last year, all recorded double-digit revenue growth which has offset the set-up costs associated with the newly secured Tianjin and Hangzhou metro lines. The Group also obtained three-year exclusive operation rights to the train media at the Beijing Capital Airport Line - one of the key transportation routes to the Beijing Capital International Airport widely used by over 12 million travelers annually. Performance of metro lines in Hong Kong also improved when compared with the same period last year, mirroring the recovery of the retail market.

Billboards represent an integral part of our OOH advertising solutions. Among the new billboards located in prime locations that contributed to revenue growth during the period include the Star Ferry Carpark in Central; 1 Leighton Road; Laforet and Lin Fook House in Causeway Bay; and Sim City in Mong Kok.

While **digital out-of-home (“DOOH”)** media advertising is a segment that has demonstrated the greatest growth potential within OOH media advertising, programmatic DOOH advertising is particularly more advantages as it can clearly reach target audiences with measurable results. The Group has created the first media buying platform for programmatic DOOH media in Hong Kong – the product of efforts with a multinational Internet conglomerate. This new one-stop platform provides a comprehensive range of services, from booking to the launch of an advertising campaign, and now includes all of Asiaray’s outdoor digital media resources available for trading. The platform not only helps to increase the turnover rate of the Group’s media resources by providing a more timely and convenient DOOH platform to advertisers, but also enables advertisers to reach out to target audiences more precisely by selecting specific content to be shown depending on audience demographics, weather, time and other parameters. And through this platform, the Group is able to obtain access to the online budget of advertisers for its OOH media.

Prospects

Looking forward, apart from the opportunities emerged from the consolidation of the OOH market in Mainland China and the development of the Greater Bay Area, rapid urbanization and a fast growing population have led to over 80 new airports built in the country, and more are under construction. The Group will continue to focus on obtaining exclusive concession rights to media resources in airports and metro lines in Mainland China as well as in Hong Kong.

In addition, the Group will continue to seek for business diversification. Further to its successful cooperation with Lagardère since 2015 at the Kunming Changshui International Airport, the Group will be introducing the same business model to the Zhengzhou Xinzheng International Airport. This new endeavor will consequently enable it to broaden the profit stream, as well as facilitate greater synergy between advertising and retail businesses.

Mr. Lam concluded, “As 2018 marks the 25th anniversary of Asiaray, we are both proud with our accomplishments, having established an extensive network that encompasses over 30 major cities in the Greater China Region and Hong Kong, and motivated to achieve even more in the next 25 years. As we seek to strengthen our market presence, we will at the same time strive to fulfill our mission of providing optimal OOH communication solutions with the highest return-on-investment (ROI) in an effective manner. We trust that this mission can be achieved by leveraging our spirit of innovation and adaptability, complemented by the founding principles that have underpinned Asiaray’s success.”

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About Asiaray Media Group Limited (stock code: 1993.HK)

Established in 1993, Asiaray is a leading out-of-home media company in Greater China with a strategic focus on airport and metro line advertising. The Group has exclusive concession rights to mainstream media resources for 28 airports (as well as Sanya Phoenix International Airport Terminal 2, Hainan) and 16 metro lines over 39 cities. It is the largest privately-owned media company in Greater China based on the number of exclusive concession rights and associated revenue derived in respect of airports, and the second-largest with regard to metro lines based on the same criteria. Annual aggregate airport passenger traffic covered by the Group's exclusively operated airports reached 228 million as at the end of 2017, equivalent to approximately one fifth of the total airports traffic across Mainland China. Asiaray is also committed to invest in its corporate social responsibility and environmental protection initiatives. The Company has officially been awarded "2016 Hong Kong Awards for Environmental Excellence (HKAEE)" and has been named as a "Hong Kong Green Organisation".

For more details about Asiaray, please visit its official website: www.asiaray.com or follow the Group's Wechat via the QR code below (ID: asiaray_airport or 雅仕維傳媒集團).

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