



## Asiaray Announces 2019 Interim Results

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### Infrastructure Boom and Rapid Urbanisation Create Immense Opportunities for PRC OOH Industry

(Hong Kong, 23 August 2019) – **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, is pleased to announce its interim results for the six months ended 30 June 2019 (the “Period”).

In the first half of 2019, despite the face of challenging economic environment, Asiaray managed to achieve a slightly growth in total revenue, which increased by 1.4% to HKD901.1 million, driven by the project of High Speed Rail (Hong Kong Section) and the new billboard resources secured and commenced in late 2018. Consequently, gross profit rose by 11.0% to HKD215.3 million (2018: HKD193.9 million), while gross profit margin was up by 2.1 percentage points to 23.9%. However, due to the launch of several new projects still in ramp-up stage and the adverse effects of adoption of the Hong Kong Financial Reporting Standard 16 Leases which took effect on 1 January 2019, the Group recorded a net loss for the period of HKD21.8 million (2018: profit of HKD38.2 million). However, the Group continues to maintain the net cash position in the Period and is able to keep this net cash position for 5 years since its listing in Hong Kong Stock Exchange.

**Mr. Vincent Lam, Chairman and Executive Director of Asiaray**, said, “Despite that various macro-economic factors have brought challenges to media companies in the first half of 2019, Asiaray, as a pioneer in the industry with unique ‘Space Management’ approach and large media resources network, managed to maintain its leading position with persistent business expansion. During the Period, we were pleased to have secured various exclusive concession rights to operate new media resources of both airports and metro lines in the Greater China region. Along with the existing resources including two national projects, we have further strengthened our foothold with a media resources network covering nearly 40 cities in Mainland China.”

#### **Business Review**

During the Period, the Group continued to focus on increasing sales contributions from the existing 19 metro lines, driving the segmental revenue up by 12.6% to HKD450.3 million, while segmental gross profit surged by 56.0% to HKD77.5 million and gross profit margin improved to 17.2%. The Group secured the exclusive concession rights to operate media resources of two prominent metro lines during the Period, namely the Beijing Metro Line 14 and Wenzhou Metro Line S1. The former successfully expanded Asiaray’s business presence in the Beijing-Tianjin-Hebei region where the Group is currently operating media resources of seven metro lines, while the latter broadened its operations in the Yangtze River Delta with media resources of six metro lines covering Wuxi, Hangzhou and Wenzhou. As for billboard business, the Group has newly secured billboards resources at Tsim Sha Tsui, Central, Wan Chai, and Causeway Bay – all at prime locations of sightseeing and business area in Hong Kong, facilitating growth of the segment.

Revenue generated from the airports business segment amounted to HKD347.9 million, representing a decrease of 8.5% attributed to the expiration of the concessionary rights in Hangzhou Airport. Nonetheless, profitability of the airport segment remained stable with segmental gross profit margin at 32.8%, owing to the encouraging performance at Zhuhai International Airport. Apart from the recently secured media concession rights to the Beijing Capital International Airport, the new Beijing Daxing International Airport, and exclusive concession rights to the Haikou Meilan International Airport and the Qionghai Bo'ao Airport in Hainan, the Group has once again secured the exclusive concession rights to operating the advertising and media resources of Kunming Airport subsequent to the Period, which have further strengthened the Group's presence in various regions in the PRC.

Digital out-of-home ("DOOH") media advertising has demonstrated significant growth potential in the OOH market. The Group's programmatic DOOH media platform created in 2018 has secured digital media resources and network during the Period. Moreover, the Group has further echoed its online and offline ("O&O") strategies by exploring different kind of online medium for promotion, which allows advertisers to reach their target audience directly, thus, to further enhance Asiaray's leading position in the market.

### **Prospects**

With transportation infrastructure development booming on the mainland, and various national projects expected to commence in the coming years, the Group sees immense growth opportunities for the OOH industry, particularly in the Greater Bay Area, the Beijing-Tianjin-Hebei Region, and the Yangtze River Delta. Furthermore, rapid urbanisation has added over two billion people to urban populations, fuelling demand for OOH advertising and generating substantial business potential for media companies. To serve the burgeoning urban population, over 80 newly-built airports have started operation, and more are under construction. The Group will continue to focus on obtaining exclusive concession rights of media resources in airports and metro lines while expanding its penetration not only in the OOH market but also in overseas markets if appropriate opportunities arise.

Moreover, the Group will strive to broaden its revenue streams and generate synergies among its existing media resources. Leveraging Radius' market leadership and connection strong and wide, the Group will be able to reach various potential partners and together explore growth opportunities the emerging 5G technology promises to bring. Furthermore, the Group plans to add more interactive and customisable elements to its DOOH media platform, and upgrade its technology to attract and connect more diversified advertisers.

**Mr. Lam** concluded, "In response to the challenges in the business environment, we believe that leveraging a broad network and deep-rooted position in the market, Asiaray is well-equipped to stand out from market consolidation, unearth market potential, and strengthen its position as a leading player. With the second half of the year being the traditional peak season, we expect to see improvement in our overall performance. We will continue to push to realise the objective of providing the best OOH communication solutions to customers, solutions that can effectively generate for it the highest return on investment."

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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 provides media resources service in 35 airports (including exclusive concession rights at 31 airports and Sanya Phoenix International Airport Terminal 2, Hainan) and has exclusive concession rights to mainstream media resources for 19 metro lines, the High Speed Rail (Hong Kong Section) and the Hong Kong-Zhuhai-Macao Bridge (Zhuhai-Macao Port), covering 39 cities.

Asiaray is also committed to invest in corporate social responsibility and environmental protection initiatives. The Company has been awarded the “Outstanding Import and Export Enterprise Award – Innovation Excellence Award” in 2018; received “Hong Kong Awards for Environmental Excellence (HKAEE)” and named as a “Hong Kong Green Organisation” for three consecutive years from 2016 to 2018; and also has been named as a “Caring Company” for tenth consecutive year .

For more details about Asiaray, please visit its official website: [www.asiaray.com](http://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).



**Media Enquiries**

**Strategic Financial Relations Limited**

Heidi So	+852 2864 4826	<a href="mailto:heidi.so@sprg.com.hk">heidi.so@sprg.com.hk</a>
Angelus Lau	+852 2864 4805	<a href="mailto:angelus.lau@sprg.com.hk">angelus.lau@sprg.com.hk</a>
Adrianna Lau	+852 2114 4987	<a href="mailto:adrianna.lau@sprg.com.hk">adrianna.lau@sprg.com.hk</a>
Website	<a href="http://www.sprg.com.hk">www.sprg.com.hk</a>	



**Investor Enquiries**

**Asiaray Media Group Limited**

Jocelyn Yiu	+852 3153 1262	<a href="mailto:jocelyn.yiu@asiaray.hk">jocelyn.yiu@asiaray.hk</a>
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