



## Asiaray Announces 2022 Interim Results

(Hong Kong, 29 August 2022) – **Asiaray Media Group Limited** (“Asiaray” or the “Group”; stock code: 1993), an outstanding out-of-home (“OOH”) media company with a strategic focus on mega transport advertising media management, including airport, metro line and high-speed rail line, has announced its interim results for the six months ended 30 June 2022 (the “Period”).

Despite the headwinds principally caused by global inflationary pressure and the pandemic, the Group continues to be in a net cash position – now the ninth consecutive year, with total cash and bank balances rising to HKD442.3 million, laying a solid foundation for its sustainable development. Moreover, owing to a strong customer base which has been built over the years through the provision of innovative advertising solutions and diversified media resources, the Group’s revenue stood at HKD971.9 million during the Period. While gross profit increased to HKD168.4 million and gross profit margin further improved to 17.3%. Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled HKD708.0 million, up by 24.6%. Thanks to its unwavering efforts in optimizing the media network, the Group managed to appreciably narrow the net loss by 30.4% to HKD79.1 million.

**Mr. Vincent Lam, Chairman and Executive Director of Asiaray**, said, “As the public’s desire to travel, among other activities, was affected resulting in aftereffects felt by various sectors, we conducted a timely review of its media network and strategically consolidated its resources so as to better defend ourselves against the challenging business environment. Meanwhile, with an eye on the future, we continue to invest in DOOH Plus (“DOOH+”), which combines our Outdoor and Online (“O&O”) New Media Strategy and Digital Out-of-Home (“DOOH”) media resources. Proven by winning hundreds awards over the years, these cutting-edge solutions are able to deliver audiences with fully immersive experiences, as well as to provide advertisers with greater flexibility and value.”

### **Business Review**

Leveraging the Group’s data-driven solutions and strong market presence, the **airport business** recorded a segmental revenue of HKD363.7 million, with gross profit of HKD159.4 million and gross profit margin of 43.8%. During the Period, the Group sought to capitalize on the national regional development strategy. In particular, the Group has captured the business opportunities brought by the booming domestic consumption in Hainan Free Trade Zone. Regarding the Western Development Region, Asiaray’s operations at Chengdu Tianfu International Airport in Sichuan Province have begun contributing revenue to the Group. The media resources at the sight includes DOOH+ advertising solutions that cater for audiences based on the scenario.

As for the performance of the **metro lines and billboards** business, it recorded a segmental revenue of HKD338.2 million. During the Period, the operation at Beijing Metro Line 17, which is fully covered by Asiaray's digitalized network, started contributing revenue to the Group. With respect to the Singapore Thomson-East Coast Line (TEL), the Group has been offering programmatic DOOH ("pDOOH") solutions to advertisers and brands, which included screens fitted at the various stations of TEL that have newly opened during the Period. In addition, the performance of the Hong Kong billboards operation was boosted by recovering consumer sentiment. By integrating the DOOH+ advertising solution with its digital billboards, the Group continued to seize the market opportunities brought by the Consumption Voucher Scheme with the advertisers and brands.

Regarding the **bus and others** business segment, even though the performance of the bus media business was invariably affected by the pandemic, this was offset by income derived from other associated businesses, with revenue rising to HKD270.0 million for the Period. Furthermore, a gross profit of HKD12.9 million and gross profit margin of 4.8% were recorded. Outside Mainland China, Asiaray's subsidiary Radius Displays entered into an agreement with QMS, one of Australia's leading OOH companies, involving a public infrastructure project. Radius Displays has been contracted to provide design and engineering support, prototypes and all manufacturing work for a major street furniture project in Australia, located in the city of Sydney. The project features over 340 digital bus shelters and 18 kiosks. The digital shelters are equipped with advertising screens that can display real-time information, including community updates and public safety messages. Production and components have been sourced from countries such as Mainland China, Australia, Italy, New Zealand and the United Kingdom. The project will render assistance to production activities along the pandemic-stricken global supply chain, contributing to the output of more than 300,000 parts and accessories, and more than 54,000 total man-hours of work, making it a record-breaking endeavor. The final products will be prominently on display for the next 15 plus years.

The Group's commitment to innovation is epitomized by DOOH+, which is the amalgam of O&O New Media Strategy and the DOOH advertising solution. DOOH+ not only represents tremendous value for advertisers, resource owners, brands and audiences, but also enables Asiaray to set new benchmarks for the industry. Additionally, as the first media company to cooperate with Google in developing this innovative and industry leading solution in Hong Kong, pDOOH allows clients to activate Asiaray's outdoor advertising assets programmatically via various platforms, such as The Trade Desk (NASDAQ: TTD) and Hivestack pDOOH platform, both of which the Group has been fostering ties. Also recognizing the importance of leveraging the virtual world for the mutual benefit of company and client, Asiaray has deployed relevant technologies to support business partners in conveying their corporate story and brand strengths to online audiences across the vast metaverse. During the Period, the Group made its own mark in the virtual realm by creating Asia's first outdoor city digital gallery as part of its All for Hong Kong City Digital Exhibition Campaign.

## **Prospects**

Heading into the second half year, while the world is expected to further acclimatize to the new normal in the late-pandemic era, Asiaray will continue to optimize the allocation of resources prudently. In terms of geographical market, the easing of static management measures in Hong Kong resulted in a gradual recovery in consumer sentiment starting in late May. And the appeal of the city to advertisers will further increase now that the East Rail Line Cross-Harbour Extension, which includes stations at the central business district and entertainment areas of Hong Kong Island, commenced services since the middle of May. Overseas, 11 new stations along the Singapore TEL are scheduled to open by the end of 2022. With Asiaray's digital media resources found in both locations, it will be able to provide passengers of the two rail lines, which are predominantly supported by digital media, with exceptional travel experiences through its partnerships with advertisers and brands. As for Mainland China, with the pandemic largely contained, hence the subsequent lifting of various static management measures, the local administration has started focusing on rebuilding public confidence and stimulating consumption by rolling out policies that support the real economy.

On the media network front, it will double the efforts on achieving further optimization, increase synergies and maximize utilization of resources. To promote innovation and digitization, the Group will further intensify efforts in advancing its O&O New Media Strategy so as to reinforce its status as DOOH+ leader. Through the adoption of digitization technologies and methodologies, Asiaray will facilitate sustainable development. What is more, digitization will enable Asiaray to gather insights into emerging business trends, which in turn will allow the Group to remain in the vanguard of industry development.

**Mr. Lam** concluded, "Despite the conditions confronted during the Period, we strive to establish network with media resources in prime locations, and strong ties with advertisers, all of which will also safeguard the Group against consolidation and industry-related challenges. Through vigilance and prudent management, we remain optimistic about our ability to create long-term value for shareholders."

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

Established in 1993, Asiaray is an out-of-home media company in Greater China with a strategic focus on mega transport advertising media management, including airport, metro line and high speed rail line. Currently, the Group's business network covers nearly 40 cities in Greater China with media resources at 30 airports (including exclusive concession rights at 25 airports), a total of 25 metro lines in Mainland China also including the Singapore Thomson-East Coast Line (TEL), and a total of 14 high speed rail line stations including Guangzhou Shenzhen Hong Kong High Speed Railway (Hong Kong Section) and China-Laos Railway (Yumo Line). Further, the Group was granted the exclusive advertising media resources in Hong Kong-Zhuhai-Macao Bridge (Zhuhai Port), and KMB, LWB (bus exterior and bus shelter). The Group is proactively engaged in programmatic advertising transactions with various ad-tech partners such as Google, Magnite and Hivestack in recent years.

Asiaray is also committed to investing in corporate social responsibility and environmental protection initiatives. The Company has been awarded the "Hong Kong Awards for Environmental Excellence (HKAEE)" and the "Hong Kong Green Organisation" for five consecutive years; and also named as a "Caring Company" for ten consecutive years.

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).



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### **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>
Doris Ho	+852 2114 4916	<a href="mailto:doris.ho@sprg.com.hk">doris.ho@sprg.com.hk</a>
Michelle Shiu	+852 2864 4861	<a href="mailto:michelle.shiu@sprg.com.hk">michelle.shiu@sprg.com.hk</a>
Website	<a href="http://www.sprg.com.hk">www.sprg.com.hk</a>	



### **Investor Enquiries**

#### **Asiaray Media Group Limited**

+852 3153 1225      [ir@asiaray.hk](mailto:ir@asiaray.hk)