



Asiaray Turns Profitable Makes 2023 Interim Profit of RMB2.9 Million

(Hong Kong, 28 August 2023) – **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 2023 (the “Period”). Thanks to its efforts to enhance operational efficiency and its unique Outdoor and Online (“O&O”) New Media Strategy, the Group made profit of RMB2.9 million for the Period, turning around from loss of RMB65.7 million for the corresponding period of last year.

For the Period, the Group recorded revenue of RMB718.4 million. Although it took some time for the market recovery to be reflected in the overall industry performance, the Group’s strategic efforts in media network optimisation paid off, with gross profit increased 9.1% to RMB152.8 million, and the gross profit margin widened to 21.3%. Earnings before interest, tax, depreciation and amortisation (EBITDA) totalled RMB476.0 million. As at 30 June 2023, the Group’s financial position remained sound, with cash and cash equivalents and restricted cash amounting to RMB330.6 million, demonstrating financial stability and prudent liquidity management.

Mr. Vincent Lam, Chairman and Executive Director of Asiaray, said, “During the first half of 2023, the global economy faced a mix of favourable and challenging factors. Nonetheless, boasting resilience stemming from its years of industry-leading experience, Asiaray made it through the economic cycle like it had the many before. We owe this to our innovative business concepts such as ‘O&O’ New Media Strategy and technology-driven Digital OOH (‘DOOH’) Plus (‘DOOH+’) solutions, as well as our strategically positioned outdoor media networks in key transport sectors such as airports, metros, and high-speed rails.

“The credit also goes to our pioneering ‘space management’ business philosophy, letting us stand out in the competitive market and amid economic and technological changes, and for that it has been a recognised case study by Harvard Business Publishing Education¹. Armed with such unique strengths, we are able to effectively collaborate with advertisers, brands, and customers to deliver exceptional experiences and create value for different audiences.”

Business Review

The recovery of the airport media resource network to reflect the removal of travel restrictions in Mainland China and Hong Kong is still underway, as the advertisers and brands adopted a wait-and-see attitude before activating large-scale campaigns. The **airport** business maintained at RMB248.3 million, with gross profit of RMB64.6 million and a gross profit margin of 26.0%. In addition to strengthening established partnerships with high-profile advertisers and brands, the Group has made concerted efforts to leverage the synergies of its media resource network and enhance the overall airport experience, so as to capitalise on the favourable national policy aimed at expanding domestic demand and boosting market confidence.

As for the performance of the **metro lines and billboards** business, it recorded a segmental revenue of RMB264.8 million, with gross profit of RMB78.0 million, turning around from gross loss of RMB3.1 million for the corresponding period of last year, and a higher gross profit margin of 29.5%. During the Period,

¹ <https://hbsp.harvard.edu/product/ST110-PDF-ENG>

with the official connection of the Singapore Thomson-East Coast Line (“TEL”) to the city centre in the second half of 2022 through 11 newly opened stations, the Group’s exclusive media resources have garnered more diverse and extensive coverage brought by the influx of travellers. This has provided them with the opportunity to experience the possibilities offered by the Group’s unique DOOH+ solution. Meanwhile, the Group continued to integrate the DOOH+ solution into digital billboards in prime locations across Hong Kong, striving to create value for advertisers and provide an immersive experience for the target audience.

Regarding the **bus and others** business segment, the Group worked diligently with advertisers, brands, and customers to seize the opportunities arising from the resumption of business activities. The segment recorded revenue of RMB205.4 million for the Period, while maintaining gross profit at RMB10.1 million, with a gross profit margin increased to 4.9%. Despite the continued volatility in consumer sentiment, the Group sought to generate demand and enhance market appeal through its innovative DOOH+ solutions. As for the other businesses operated by associated companies, although the volume of projects declined, there was a notable shift in customer preferences towards edge-cutting solutions.

As a pioneer, the Group has spearheaded a transformative movement, empowering advertisers, brands, customers and audiences alike through its **O&O New Media Strategy Development**. It has been recognised by Harvard Business Publishing Education as a case study that introduces the concept of OOH advertising in context and provides a basis for further discussion on specific aspects such as value creation in the advertising industry, sustainable advantage in a competitive market, and business strategy arising from economic and technological change. During the Period, the Group continued to integrate cutting-edge solutions to connect visionary industry players with their target audiences. For instance, it collaborated with China’s largest online payment platform to create an interactive exhibition in Hangzhou Metro, engaging young locals and tourists through AR technology, social media integration, and green travel incentives. The Group effectively raised brand awareness and promoted responsible travel practices through seamless offline and online interactions.

On the supply side, by embracing a customer-centric approach and leveraging close relationships with leading technology companies such as Hivestack, The Trade Desk and Vistar Media, the Group actively promotes its own OOH media resources programmatically through various platforms. During the Period, it secured several major customers, among them some of the customers are Fortune 500 companies. In this interconnected era, the Group’s unwavering dedication to promoting more flexible and effective solutions sets it apart as it continues to reimagine the possibilities and redefine the benchmarks of innovation and connection.

Prospects

Looking ahead to the second half of 2023, while macroeconomic uncertainties remain, there have been positive developments due to the relaxation of pandemic-related control measures and the reopening of borders. As a result, since the second quarter of the year, the Group’s business performance has started to breathe a sigh of relief and usher in a more stable environment. .

The Group’s internal control framework serves as a strong foundation amidst the ever-changing operational environment. It will continue to withdraw from marginally profitable avenues and forge ahead to capture key demographics with development potential, through the utilization of data analytics and a dynamic, competitive partnership model.

Mr. Lam concluded, “Asiaray is also renowned for our commitment to meeting the unique requirements of the market. Leveraging its in-depth understanding of large-scale transport advertising media and astute market insights, we aim to diversify its offerings. In addition, we will continue to introduce more modernised, digitalised, and revolutionised advertising solutions to the market, creating a win-win situation with the

advertiser, fostering further development within the industry and creating greater value for shareholders and stakeholders in the long term.”

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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 large-scale 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 over 28 airports (including exclusive concession rights at 25 airports), a total of 19 metro lines in Mainland China also including the Singapore Thomson-East Coast Line (TEL), and 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, Hivestack and The Trade Desk 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 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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