



## Asiaray's 2017 Interim Results Reflect Further Growth

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**Despite Challenging Conditions Continues to Outperform Peers  
Sets up Central Innovation and Technology Unit to  
Seize Opportunities from DOOH Advertising**

### Financial Highlights

(HKD'000)	For the six months ended 30 June		
	2017	2016	Change
Revenue	743,679	666,015	+11.7%
Gross profit	129,152	92,874	+39.1%
Profit for the period	12,985	3,869	+235.6%
Profit attributable to Owner of the Company	5,037	(7,705)	N/A
Gross profit margin (%)	17.4	13.9	+3.5ppt
Interim dividend for the period	16.0 cents	13.0 cents	+23.1%

(Hong Kong, 22 August 2017) **Asiaray Media Group Limited** ("Asiaray" or the "Group;" stock code: 1993), a leading out-of-home media company with a strategic focus on airport and metro line advertising, has announced its unaudited interim results for the six months ended 30 June 2017 (the "Review Period" or "1H 2017"). The Group has sustained business growth and enhanced profitability even though the out-of-home ("OOH") advertising market has remained challenging in Mainland China and Hong Kong.

Leveraging the Group's leading position in Mainland China and Hong Kong, total revenue increased 11.7% to approximately HK\$743.7 million. Total revenue would have achieved year-on-year growth of 16.0% during the Review Period if the adverse impact of currency depreciation of RMB against the Hong Kong Dollar was excluded. The Group's combined revenue, which provides a more comprehensive picture of its business scale, also rose 12.8% year-on-year to approximately HK\$1,099.5 million. This includes the total revenue of the Group and the total revenue of all associated companies engaged in the media advertising business, in which Asiaray is involved in their management without controlling interests.

Gross profit increased 39.1% to approximately HK\$129.2 million while gross profit margin rose from 13.9% to 17.4%, mainly due to the increase in gross profit from airport businesses. Despite that the encouraging performance of the airport business segment partially offset by absence of the written back of compensation provision(s) during the period, profit attributable to owners of the Company achieved a turnaround, rising to approximately HK\$5.0 million.

In view of the Group's strong financial position with cash and cash equivalents, short-term deposits and restricted cash of approximately HK\$358.3 million as at 30 June 2017 (1H 2016: HK\$327.6 million), the Board of Directors has recommended an interim dividend of HK16.0 cents per share.

**Mr. Vincent Lam, Chairman and Executive Director of Asiaray**, said, "We're delighted that Asiaray has maintained its leading position as well as outperformed the OOH advertising market despite the lacklustre global, Mainland China and Hong Kong economies. Besides directing our energies towards delivering exceptional OOH media solutions and leveraging our well-developed 'Space Management' model, we've also sought to diversify our advertising mix beyond traditional industries."

Revenue from airport media increased 24.6% to approximately HK\$380.3 million, due in part to Terminal 4 of Xiamen Gaoqi International Airport and Sanya Phoenix International Airport Terminal 2 commencing operation in January and May 2016 respectively. Since Terminal 2 of Zhengzhou Airport became fully operational in April 2016, which has approximately four times greater floor area than Terminal 1, the Group has benefited from notably high advertising performance. The Hangzhou Xiaoshan International Airport has also performed encouragingly; enjoying healthy advertising demand since the eleventh G20 Summit was held in Hangzhou back in September 2016.

Revenue from the metro media segment increased to approximately HK\$206.7 million, due primarily to contributions from existing metro lines and newly secured metro lines. In particular, the performance of Wuxi metro line has further improved and the ramp up period of Beijing metro lines is coming to an end. And with the existing operations in Beijing, the newly secured Tianjin Metro Lines 2 and 3 will be able to generate synergies. At the end of the Period, the Group secured Hangzhou Metro Lines 2 and 4 that will provide media services encompassing the media resources at the Hangzhou Xiaoshan International Airport, as well as the exclusive concession rights of Shenzhen Metro Line No. 4 for three more years. This will stand the Group in good stead as the local OOH media market further advances.

To acquire advertisers from emerging industries, which include 3C products (Computer, Communication and Consumer Electronics), telecommunication, and Internet and apps, the Group has strengthened its sales force. Worth noting that in Mainland China, adspend from the Internet and mobile apps market has risen by over 50% due to the development of various online application platforms. And the Group's revenue from the telecommunication segment alone has achieved high double-digit growth in 1H 2017 due to the exceptional performance of certain local mobile phone brands.

Mainland China is on track to overtake the United States as the largest OOH advertising market in the coming decade. Digital out-of-home ("DOOH") advertising, projected to achieve a CAGR of approximately 15.8% from 2015 to 2020, will become its growth driver. The Group has therefore advanced DOOH advertising by launching such solutions at selected venues in Hong Kong, and established a Central Innovation and Technology Unit ("CTU") to achieve progress in relevant areas. Also, more mobile and digital elements are being integrated into its advertising solutions, such as virtual reality and iBeacon technologies.

Besides technology, infrastructure will also spur industry growth. According to the 13th Five-Year Plan, the number of airports under continued and new construction will reach 74 by 2020, while metro mileage will double that of 2015. The Group will seek to capitalize on such developments by establishing new cooperative ties and optimizing media resources among other efforts. It will also seize opportunities to exploit and showcase its OOH advertising expertise, going beyond traditional venues. This is exemplified by its appointment as exclusive advertising agency of the 2017 FIA Formula E HKT Hong Kong ePrix, its second consecutive appointment, during which the Group will manage twice as many types of media as last year.

**Mr. Lam** concluded, "Although the second half of 2017 is expected to remain challenging, we believe that there are many favourable developments that will drive the OOH media industry's growth. The ongoing transportation infrastructure boom will provide significant advertising space, while greater disposable income will spur development of high-value advertising environments such as shopping malls, metro stations and airports. We are confident in our ability to benefit from such developments and through our dedicated efforts, we will bolster our leading industry position, sustain growth and create value for shareholders."

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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 27 airports (as well as Sanya Phoenix International Airport Terminal 2, Hainan) and 16 metro lines over 38 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 248 million as at the end of 2016, equivalent to approximately one quarter 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](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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