



Asiaray Announces 2015 Interim Results

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Maintains Business Growth and Leading Position in Greater China OOH Advertising Market

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Captures Enormous Opportunities by Enhancing Outdoor Advertising Value through O2O Business Model

(Hong Kong, 31 August 2015) **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 today announced its unaudited interim results for the six months ended 30 June 2015 (the “Review Period” or “1H 2015”). The Group has managed to achieve sustained business growth during the Review Period.

Forming joint ventures with media resources owners is one of the Group’s key business models in securing long-term and exclusive operations rights. As the Group does not hold controlling shareholding in certain joint ventures (accounted for as associate companies of the Group), it is not consolidating those revenues according to the accounting standards. Therefore, **combined revenues**, which includes the consolidated revenue of the Group and the total revenue of all its associate companies engaged in media advertising business, is considered as presenting the Group’s total business scale more clearly. During the Review Period, the Group’s combined revenues managed to achieve a growth of 4.2%, from HK\$897.3 million in 1H 2014 to HK\$934.7 million in 1H 2015, despite the adverse effects of decelerating economic growth of China that became apparent since early of this year.

The Group’s **consolidated revenue**, which does not include revenue of its associate companies, increased from HK\$612.1 million in 1H 2014 to HK\$637.3 million in 1H 2015. The increase was mainly attributable to higher revenue from metro line media resources, in particular revenue from new projects as well as the improved performance in Shenzhen and Hong Kong offset to some extent by the decrease in revenue contributed from the airport media segment. The Group’s unaudited profit attributable to owners of the Company was HK\$0.8 million (1H 2014: HK\$61.4 million). The decrease was mainly due to (1) the new media projects for five metro lines being still at the ramp-up stage; and (2) one airport media resources for which the concession contract was renewed in 1H 2015, as a result of the expansion of media resources in the airport whilst the corresponding revenue had not been accelerated to a similar extent due to market factors.

The Group has maintained a healthy financial position with cash and cash equivalents, short-term deposits and restricted cash of approximately HK\$615.8 million as at 30 June 2015 (as at 31 December 2014: HK\$410.7 million).

Mr. Vincent Lam, Founder, Chairman, Chief Executive Officer and Executive Director of Asiaray, said, “As a leader in the out-of-home (OOH) advertising market in Greater China ranked first in the airport advertising market segment^{1,2,3,5} and second in the metro line advertising market segment^{4,5,6}, we are currently holding the exclusive concession rights to mainstream media resources at 25 airports and 12 metro lines. During the Review Period, we have successfully renewed two airports’ concession rights contracts in Hangzhou and Zhengzhou, and obtained two new metro lines concession rights to mainstream media resources in Beijing. Riding on the listing status which provides us with a broader capital platform and also enhances our corporate image and reputation, we believe Asiaray is in a good position to capture the enormous business opportunities and further grow our business in the long run.”

Business Review

Consolidated revenue from airport media resources decreased by 6.1% to HK\$317.6 million (1H 2014: HK\$338.3 million), mainly due to the worsened economic slowdown particularly in retail and properties markets in mainland China and contracted advertising spending from top-tier brands and state-owned enterprises sectors in mainland China. Revenue from **metro line media resources** increased 15.0% to HK\$162.7 million (1H 2014: HK\$141.5 million), which was primarily attributable to an increase in revenue from the new metro line businesses in Ningbo and Wuxi. Meanwhile, the existing metro line media businesses in Hong Kong and Shenzhen also showed steady growth in the Review Period. Due to the decreased advertising income from high-end building solutions completed in Hong Kong, revenue from **billboards and building solutions** decreased slightly by 1.5% to HK\$77.6 million (1H 2014: HK\$78.8 million).

Prospects

In response to the challenges in the current business environment, the Group has been conducting an in-depth review of existing as well as potential media projects against more stringent performance benchmarks and intends to take appropriate adjustments to strike the best balance between market share, portfolio quality and long-term profitability. Besides, it has also been expanding its business into non-exclusive billboard media in Hong Kong characterized by smaller individual advertising budget but higher profit margin, while it continues to improve operations management and increase investment in information technology to enhance project ramp-up capabilities and cost-efficiency.

In addition, Asiaray has been devoted to enhancing “Online-Offline” (“O2O”) business capabilities on the quality side, as the O2O business model offers the advantages of “online connectivity” and “offline touch.” It is expected that the first O2O advertising project will be launched by the first quarter of 2016.

Mr. Lam added, “As we have observed the trend of business mergers between online giants and outdoor advertising companies in the US, we believe the O2O business model can greatly enhance the advertising value of outdoor media in the long run. As Asiaray continues to grow, we remain committed to sustain growth momentum for the Group’s future development and deliver greater value for our shareholders.”

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¹ Includes only privately-owned media companies

² In terms of revenue and number of airports with exclusive concession rights to mainstream media resources

³ As at 31 December 2013 or for the year ended 31 December 2013

⁴ In terms of revenue and number of metro lines with exclusive concession rights to mainstream media resources

⁵ According to Frost and Sullivan report and the latest market information

⁶ As at 30 June 2015 or for the six months ended 30 June 2015

About Asiaray Media Group Limited (stock code: 1993)

Established in 1993 and listed on the Main Board of The Hong Kong Stock Exchange in 2015, Asiaray is a leading out-of-home media company in Greater China with a strategic focus on airport and metro line advertising. It is ranked first among privately-owned media companies in terms of number of airports and third in terms of number of metro lines with exclusive concession rights to mainstream media resources and revenue in Greater China in 2013. With the Group's unremitted efforts in expanding media resources with strategic value, the Group has exclusive concession rights to mainstream media resources at 25 airports and 12 metro lines as at 30 June 2015 which shall carry the Group to advance her market position further from that of 2013. With an extensive nationwide network of media resources covering 34 cities in Greater China, the Group leverages its well-developed space management approach to deliver integrated, creative out-of-home media solutions to renowned and diverse advertiser customers. For more details about Asiaray, please kindly visit its official website: www.asiaray.com.