

[For Immediate Release]



Announces Details of the Proposed Listing on the Main Board of Hong Kong Stock Exchange

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Global Offering of 110 million Shares At an Offer Price Range of HK\$5.85 to HK\$7.02 per Share

Investment Highlights

- Asiaray is a leading out-of-home media company with a strategic focus on airport and metro line advertising
 - Ranked **first** among privately-owned media companies in terms of number of airports with exclusive concession rights to mainstream media resources and revenue in Greater China in 2013
 - Ranked **third** among privately-owned media companies in terms of number of metro lines with exclusive concession rights to mainstream media resources and revenue in Greater China in 2013
 - **One of two** out-of-home media companies operating in the metro lines segment in Hong Kong
- With an **extensive nationwide network of media resources** in airports, metro lines and billboards covering **33 cities in Greater China** as at the Latest Practicable Date
- Leveraging its **well-developed space management approach** to **increase the sellable advertising space** and optimise the commercial and intrinsic value of media resources
- With a strong and diversified advertiser customer base, comprising of leading, well-known international and domestic advertiser customers from a variety of industries
- Strong financial performance during the Track Record Period - between FY2011 and FY2013, CAGR of revenue reached 29.9% and CAGR of gross profit was even higher at 91.8%; profit attributable to owners of the Company surged by 116.7% year-on-year to HK\$129.2 million in FY2013

(Hong Kong, 30 December 2014) – **Asiaray Media Group Limited** (“Asiaray” or the “Group”), a leading out-of-home media company with a strategic focus on airport and metro line advertising, today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”).

Offering Details

The Group intends to issue a total of 110 million shares globally (subject to adjustment and the over-allotment option), of which 90% are for the International Placing. The remaining 10% are for the Hong Kong Public Offer. The indicative Offer Price range is between HK\$5.85 to HK\$7.02. Net proceeds from the Global Offering are estimated to be approximately HK\$574.3 million to HK\$698.2 million.

The Hong Kong Public Offer will begin on 31 December 2014 (Wednesday) and end at noon on 7 January 2015 (Wednesday). The final Offer Price and allotment results are expected to be announced on 14 January 2015 (Wednesday). Trading of Asiaray’s shares is expected to commence on the Main Board of SEHK on 15 January 2015 (Thursday) under the stock code 1993. The shares will be traded in board lots of 500 shares.

Within the International Placing, Great World HK Media PTE. Ltd., a wholly-owned subsidiary of L Capital Asia (the Asia private funds business sponsored by LVMH), as well as Shandong Peninsula Ocean Blue Economic Investment Company Limited, have agreed to subscribe at the Offer Price for an aggregate amount of US\$20 million and US\$10 million respectively.

BOCI Asia Limited is the Sole Sponsor, Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager of the listing.

Corporate Highlights

As a **leading out-of-home media company**, Asiaray was **ranked first in Greater China's airport advertising market^{1,2,3}** and **ranked third in Greater China's metro line advertising market^{3,4}**. It is also **one of two** out-of-home media companies operating in the metro lines segment in Hong Kong. The Group has established a **nationwide network of media resources** in airports, metro lines and billboards in **33 cities in Greater China⁵**.

Asiaray secures **media resources on an exclusive, long-term basis**, and it has exclusive concession rights to mainstream media resources in **25 airports, 10 metro lines** and exclusive concession rights to all of its **360 billboards and building solutions** in Greater China⁵. The arrangements with the media resources owners can be **up to 15 years**, and many of these arrangements also grant it **first rights of refusal** to new or additional advertising spaces in the same venue. The long-term exclusive concession rights allow Asiaray to provide advertiser customers reliable media resources with choice and flexibility in locations for placing advertisements. Also, the Group could have more control over price determination, which does not subject to pricing pressures from peers.

The Group's **well-developed space management approach** distinguishes itself from the traditional "buy wholesale, sell retail" approach, creating value for both advertiser customers and media resources owners. Through making creative use of all available space with innovative use of technology and digital media, the Group **extends beyond visual to stimulate consumers' sense of smell, touch, hearing and taste**. This approach also enhances ambience and optimise commercial and intrinsic value of media resources, thus **increases the sellable advertising space and maximises the impact of advertising campaigns**.

With 20-year track record and reputation for providing innovative media solutions, Asiaray has established a **strong and diversified advertiser customer base**, comprising of leading, well-known international and domestic advertiser customers representing a variety of industries, including automotive, retail, fashion, food and beverage and real estate. These advertiser customers include **111 of Fortune magazine's Global Top 500 companies** in 2013 and **88 of Fortune magazine's China Top 500 companies** in 2013. Riding on the growing business scale, between FY2011 and FY2013, the Group **recorded strong growth in revenue and gross profit at a CAGR of 29.9% and 91.8% respectively**. Profit attributable to owners of the Company **also surged by 116.7%** from HK\$59.6 million in FY2012 to HK\$129.2 million in FY2013.

Future Strategies

According to the Frost & Sullivan Report, between 2013 and 2018 in Greater China, the **number of airports is expected to increase from 195 to 278**, while the **number of metro lines from 81 to 176**. To capture the tremendous opportunities, Asiaray will **increase and enhance media resources, especially in airports and metro lines**, through entering into concession rights contracts with new airports or metro lines, establishing additional joint ventures, acquisitions or exercising the first rights to new or additional media resources under its existing arrangements. The Group will also selectively focus on billboards in strategic locations in city centres with dense populations, connected to major transit hubs.

With the proven space management approach, Asiaray will **maximise the profitability of its existing media resources** through **increasing the utilisation of the media resources**, while also integrating newer technologies, applications and techniques to **enhance and increase the available advertising space**. It will also continue to **offer tailor-made advertising solutions** to retain more customers and attract new ones.

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 As at 22 December 2014

To facilitate the expansion plan, the Group will continue to **build and develop the local marketing and sales teams** in additional cities in China and further strengthen the relationships with advertisers. It will also enhance the efficiency of the internal management by **improving the information technology systems** as well as **improving upon the application of new technologies**.

Mr. Vincent Lam, Founder, Chairman, Chief Executive Officer and Executive Director of Asiaray, said, “We are pleased to announce the proposed listing of Asiaray on the Main Board of Hong Kong Stock Exchange, marking an important milestone in our Group’s development. With a strengthened capital base, we can accelerate expansion of our media resources network, while the listing status further enhances our leading position in the out-of-home media advertising market for grasping exciting business opportunities ahead. Leveraging our distinctive competitive edges and led by a visionary and knowledgeable management team, Asiaray is ready to capture the potentials in the burgeoning advertising industry, aiming to generate promising returns to our shareholders.”

Use of Proceeds

Assuming the Offer Price is fixed at HK\$6.435 per share (being the mid-point of the indicative range of the Offer Price of HK\$5.85 to HK\$7.02 per share), net proceeds are estimated to be HK\$636.3 million and will be used as follows:

Items	Approximate %
• Expand media resources at airports	42.3%
• Expand media resources for metro lines	38.2%
• Expand media resources for billboards and building solutions	9.5%
• Working capital and general corporate purposes	10.0%

Financial Performance

	For the year ended 31 December			For the six months ended 30 June
(HK\$'000)	2011	2012	2013	2014
Revenue	717,536	953,095	1,211,309	612,093
Gross Profit	99,075	223,926	364,545	221,163
(Loss)/ profit attributable to owners of the Company	(18,051)	59,625	129,261	61,423
Gross Profit Margin (%)	13.8	23.5	30.1	36.1
Net Profit Margin (%)	N/A	6.3	10.7	10.0

Photo Captions:

Photo 1



Great World HK Media PTE. Ltd., a wholly-owned subsidiary of L Capital Asia (the Asia private funds business sponsored by LVMH), as well as Shandong Peninsula Ocean Blue Economic Investment Company Limited, are the cornerstone investors of Asiaray.

(From left to right)

- **Mr. Dennis Yung**, Chief Operations Officer and Executive Director, Asiaray
- **Mr. Freeman So**, Chief Financial Officer and Executive Director, Asiaray
- **Mr. Hanji Huang**, Managing Director, Greater China, L Capital Asia
- **Mr. Vincent Lam**, Founder, Chairman, Chief Executive Officer and Executive Director, Asiaray
- **Mr. Jianwen Zhang**, Director and General Manager, Ocean Blue Economic Asset Management Company Limited
- **Mr. Zachary Zhang**, Senior Investment Manager, Ocean Blue Economic Asset Management Company Limited
- **Mr. Ivan Lam**, Chief Marketing Officer and Executive Director, Asiaray

Photo 2



(From left to right)

- **Mr. Ivan Lam**, Chief Marketing Officer and Executive Director, Asiaray
- **Mr. Freeman So**, Chief Financial Officer and Executive Director, Asiaray
- **Mr. Vincent Lam**, Founder, Chairman, Chief Executive Officer and Executive Director, Asiaray
- **Mr. Dennis Yung**, Chief Operations Officer and Executive Director, Asiaray

About Asiaray Media Group Limited (stock code: 1993)

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. 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 2013⁶. With an extensive nationwide network of media resources covering 33 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

⁶ According to Frost and Sullivan report