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Asiaray Media Group Limited
雅仕維傳媒集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1993)

PROFIT WARNING

This announcement is made by Asiaray Media Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company wishes to inform its shareholders and potential investors that based on the preliminary assessment of the currently available unaudited consolidated management accounts of the Group for the six months ended 30 June 2016 (the "**Unaudited Management Accounts**"), the Company's management expects to record approximate 4% increase in revenue and approximately 80%-90% decrease in net profit after tax for the six months ended 30 June 2016 (the "**2016 Interim Period**') as compared with the reported revenue of HK$637.3 million and net profit after tax of HK$23.6 million for the corresponding period in 2015, and, accordingly, it is expected that there would be a loss attributable to owners of the Company for the 2016 Interim Period. The aforesaid changes in revenue and net profit after tax have taken into account of the negative impact of the exchange variations of Renminbi against Hong Kong dollars during the 2016 Interim Period. Excluding the exchange variations, the Company's management expects to record approximately 10% increase in revenue and approximately 70%-80% decrease in net profit after tax for the 2016 Interim period.

The above increase in the Group's revenue was primarily due to:

(i) the increase in same project revenue (defined as revenue generated from the same projects which both contributed revenue for the 2016 Interim Period and the corresponding period in 2015 respectively; and excluding the currency impact) from the metro media segment by approximately 9% due to the satisfactory performance of the metro media segment in Hong Kong and Shenzhen. The aforesaid increase was partially offset by the decrease in revenue from Ningbo Metro Line No. 1 whose concession rights contract was early terminated since the fourth quarter of 2015;

(ii) together with the additional revenue from two metro lines in Beijing which have commenced operation since June 2015 contributed to an approximately 28% increase in the overall revenue (excluding the currency impact) of the Group's metro media segment as compared to that of the corresponding period in 2015;

(iii) partially offset by the approximately 1% decrease in same project revenue from the airport media segment due to decrease in advertising spending in airports primarily from Haikou airport and a temporary drop in the revenue from Zhengzhou airport as a result of the transition of airport operations from Terminal 1 to Terminal 2 in April 2016; and

(iv) the negative impact of the exchange variations of Renminbi against Hong Kong dollars during the 2016 Interim Period.

The above decrease in the Group's net profit after tax was primarily a composite effect of:

(i) the decrease in revenue from the airport media segment mentioned above;

(ii) an increase of approximately 16%-17% in the cost of revenue (excluding the currency impact) of the Group. Such increase was mainly due to (a) the Xiamen airport which was newly incepted in January 2016 and the Beijing metro lines whose concession rights contract just started in June 2015, both of which are still in ramp-up stage; and (b) the stepped-up concession fee payable under the concession rights contract of Zhengzhou airport renewed during the 2016 Interim Period;

(iii) offset by the partial write-back of the one-off provision due to the early termination of the concession rights contract of Ningbo Metro Line No.1; and

(iv) the negative impact of the exchange variations of Renminbi against Hong Kong dollars during the 2016 Interim Period.

Despite the challenging economic environment, the Company managed to record increase in the revenue and profit generated from the operation of the media resources located at the metro lines in Hong Kong and Shenzhen and the media resources located at the Shenzhen Bao'an Airport during the 2016 Interim Period, as compared with that of the six months ended 30 June 2015.

Under the Group's continuous effort in business development, the Group attained concession rights contracts in respect of the media resources located at Terminal 4 of Xiamen Gaoqi International Airport and Terminal 2 of Sanya Phoenix International Airport, respectively, during the 2016 Interim Period. The Company believes that such concession rights contracts will bring long-term benefits to the Group.

As the Company is still in the process of finalizing its unaudited results for the 2016 Interim Period, the information contained in this announcement is only a preliminary assessment by the management of the Company based on the Unaudited Management Accounts and the latest available information and are subject to possible adjustments following further internal review and is not based on any figure or information which has been reviewed by the Company's auditors and audit committee. The interim results of the Group for the 2016 Interim Period is expected to be published by the end of August 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Asiaray Media Group Limited
Lam Tak Hing, Vincent
Chairman

Hong Kong, 5 August 2016

As at the date of this announcement, the executive directors of the Company are Mr. Lam Tak Hing, Vincent, Mr. So Chi Man and Mr. Lam Ka Po; the non-executive director of the Company is Mr. Yung Chung Man; and the independent non-executive directors of the Company are Mr. Ma Andrew Chiu Cheung, Mr. Ma Ho Fai SBS JP and Dr. Chan Chi Fai Andrew SBS JP.