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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The board of directors (the "Board") of Asiaray Media Group Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019, together with the comparative figures for the year ended 31 December 2018 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
	Notes	**2019**	2018
		HKD'000	*HKD'000*
Revenue	*3*	**1,878,361**	1,928,866
Cost of revenue		**(1,480,557)**	(1,444,746)
Gross profit		**397,804**	484,120
Selling and marketing expenses		**(183,793)**	(163,982)
Administrative expenses		**(187,774)**	(180,406)
Net impairment losses on financial assets		**(8,661)**	(7,998)
Other income	*4*	**27,037**	11,751
Other gains, net	*5*	**1,363**	1,333
Operating profit		**45,976**	144,818

	Notes	Year ended 31 December **2019** *HKD'000*	2018 *HKD'000*
Finance income	*6*	**1,598**	3,437
Finance costs	*6*	**(185,210)**	(7,449)
Finance costs, net	*6*	**(183,612)**	(4,012)
Share of net profit of associates accounted for using the equity method		**12,873**	12,462
(Loss)/profit before income tax		**(124,763)**	153,268
Income tax credit/(expense)	*7*	**16,084**	(26,553)
(Loss)/profit for the year		**(108,679)**	126,715
Other comprehensive income			
Items that may be reclassified to profit or loss			
Net gains/(losses) from changes in financial assets at fair value through other comprehensive income, net of tax		**409**	(695)
Currency translation differences		**(18,162)**	(24,596)
		(17,753)	(25,291)
Total comprehensive (loss)/income for the year		**(126,432)**	101,424
(Loss)/profit attributable to:			
Owners of the Company		**(126,411)**	62,953
Non-controlling interests		**17,732**	63,762
(Loss)/profit for the year		**(108,679)**	126,715
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(126,002)**	41,851
Non-controlling interests		**(430)**	59,573
Total comprehensive (loss)/income for the year		**(126,432)**	101,424
(Loss)/earnings per share attributable to owners of the Company for the year *(expressed in HK cents per share)*			
– Basic and diluted	*8*	**(29.69)**	13.97

CONSOLIDATED BALANCE SHEET

	Notes	As at 31 December **2019** *HKD'000*	**2018** *HKD'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**87,437**	106,235
Right-of-use assets		**2,763,406**	–
Land use rights		**–**	23,724
Investment properties		**9,846**	8,785
Intangible assets		**21,007**	21,400
Investments accounted for using the equity method		**39,841**	38,136
Financial assets at fair value through profit or loss		**6,530**	5,943
Financial assets at fair value through other comprehensive income		**8,074**	7,619
Deferred income tax assets		**153,555**	92,937
Other receivables and deposits		**12,902**	15,826
		3,102,598	320,605
Current assets			
Inventories		**1,833**	2,444
Trade and other receivables	*10*	**863,751**	840,865
Short-term bank deposits		**–**	6,122
Restricted cash		**29,584**	49,489
Cash and cash equivalents		**415,461**	379,931
		1,310,629	1,278,851
Total assets		**4,413,227**	1,599,456
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**47,568**	44,000
Reserves		**356,340**	418,619
		403,908	462,619
Non-controlling interests		**109,372**	112,558
Total equity		**513,280**	575,177

	Notes	As at 31 December **2019** ***HKD'000***	2018 *HKD'000*
Liabilities			
Non-current liabilities			
Borrowings	*12*	**120,404**	77,726
Lease liabilities		**2,432,265**	–
Deferred income tax liabilities		**2,575**	2,854
		2,555,244	80,580
Current liabilities			
Trade and other payables	*11*	**275,900**	573,053
Contract liabilities		**122,056**	145,051
Financial liabilities at fair value through profit or loss		**6,216**	6,611
Borrowings	*12*	**152,206**	191,280
Current income tax liabilities		**9,161**	27,704
Lease liabilities		**779,164**	–
		1,344,703	943,699
Total liabilities		**3,899,947**	1,024,279
Total equity and liabilities		**4,413,227**	1,599,456

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, financial liabilities at fair value through profit or loss and investment properties, which are carried at fair values.

The Group's current liabilities exceeded its current assets by HK$34.1 million as at 31 December 2019 (31 December 2018: net current assets of HK$335.2 million). The increase in net current liabilities is mainly due to the recognition of current portion of lease liabilities amounting to HK$779.2 million as at 31 December 2019 in accordance with HKFRS 16 "Leases". The directors of the Company have reviewed the Group's cash flow projections, which cover a period of twelve months from 31 December 2019. The directors of the Company are of the opinion that the Group's available sources of funds, including the Group's expected net cash inflows from its operating activities in the next twelve months and the continuous availability of the existing banking facilities of the Group, is sufficient to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2019.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the consolidated financial statements.

(a) New standards, amendment to standards and interpretation adopted by the Group

The Group has applied the following new standards, amendments to existing standards and interpretation for the first time for their financial year beginning on 1 January 2019:

Annual Improvement Project	Annual Improvements 2015-2017 Cycle
HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term interests to Associates and Joint Ventures
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in note 2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and amendments to existing standards that have been issued but are not effective and have not been early adopted by the Group

		Effective for annual periods beginning on or after
Amendments to HKFRS 3	Definition of a business	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 17	Insurance contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The above new standards, amendments to existing standards and interpretations have been published that are not mandatory for the annual reporting periods commencing 1 January 2019 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 "Leases" on the Group's consolidated financial statements.

The Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.71%.

(i) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following recognition exemptions and practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- reliance on previous assessment on whether leases are onerous,
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,

- exempting operating leases for which the underlying assets are of low value,
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC)-4 “Determining whether an Arrangement contains a Lease”.

(ii) Measurement of lease liabilities

	HKD'000
Operating lease commitments disclosed as at 31 December 2018	3,008,434
Discounted using the lessee's incremental borrowing rate of at the date of initial application	2,586,292
Less: short-term and low-value leases recognised on a straight-line basis as expense	(93,947)
Lease liabilities recognised as at 1 January 2019	2,492,345
Of which are:	
– Current	665,441
– Non-current	1,826,904
	2,492,345

(iii) Measurement of right-of-use assets

The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018.

Land use rights previously presented as a separate item on the consolidated balance sheet is grouped as part of right-of-use assets with effect from 1 January 2019.

The recognised right-of-use assets relate to the following types of assets as at 1 January 2019:

	HKD'000
Advertising fixtures	2,119,289
Office	23,377
Land use rights	23,724
	2,166,390

(iv) Adjustments recognised in the consolidated balance sheet on 1 January 2019

The changes in accounting policies affected the following items in the consolidated balance sheet on 1 January 2019:

Consolidated balance sheet (extract)	**31 December 2018 as originally presented** *HKD'000*	**Effects of the adoption of HKFRS 16** *HKD'000*	**1 January 2019 Restated** *HKD'000*
Non-current assets			
Land use rights	23,724	(23,724)	–
Right-of-use assets	–	2,166,390	2,166,390
Deferred income tax assets	92,937	27,789	120,726
Current assets			
Trade and other receivables	840,865	(32,945)	807,920
Current liabilities			
Lease liabilities	–	(665,441)	(665,441)
Trade and other payables	(573,053)	261,400	(311,653)
Non-current liabilities			
Lease liabilities	–	(1,826,904)	(1,826,904)
Equity			
Retained earnings	(184,450)	66,634	(117,816)
Non-controlling interests	(112,558)	26,801	(85,757)

3 REVENUE AND SEGMENT INFORMATION

	Airports business *HKD'000*	Metro and billboards business *HKD'000*	Others *HKD'000*	Total *HKD'000*
Year ended 31 December 2019				
Revenue	**739,282**	**919,309**	**219,770**	**1,878,361**
Cost of revenue	**(522,027)**	**(782,646)**	**(175,884)**	**(1,480,557)**
Gross profit	**217,255**	**136,663**	**43,886**	**397,804**
Share of net profit of associates accounted for using the equity method	**11,625**	**1,248**	**–**	**12,873**
Segment results	**228,880**	**137,911**	**43,886**	**410,677**
Selling and marketing expenses				**(183,793)**
Administrative expenses				**(187,774)**
Net impairment losses on financial assets				**(8,661)**
Other income				**27,037**
Other gains, net				**1,363**
Finance income				**1,598**
Finance costs				**(185,210)**
Loss before income tax				**(124,763)**

	Airports business *HKD'000*	Metro and billboards business *HKD'000*	Others *HKD'000*	Total *HKD'000*
Year ended 31 December 2018				
Revenue	727,684	974,917	226,265	1,928,866
Cost of revenue	(458,404)	(790,618)	(195,724)	(1,444,746)
Gross profit	269,280	184,299	30,541	484,120
Share of net profit of associates accounted for using the equity method	12,462	–	–	12,462
Segment results	281,742	184,299	30,541	496,582
Selling and marketing expenses				(163,982)
Administrative expenses				(180,406)
Net impairment losses on financial assets				(7,998)
Other income				11,751
Other gains, net				1,333
Finance income				3,437
Finance costs				(7,449)
Profit before income tax				153,268

Others represents revenue from other media space.

Revenue consisted of the following:

	Year ended 31 December	
	2019 ***HKD'000***	2018 *HKD'000*
Advertising display revenue	**1,681,013**	1,711,649
Advertising production, installation and dismantling revenue	**197,348**	217,217
	1,878,361	1,928,866

The timing of revenue recognition of the Group's revenue was as follows:

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Revenue over time	**1,681,013**	1,711,649
Revenue at a point in time	**197,348**	217,217
	1,878,361	1,928,866

The geographical distribution of the Group's revenue was as follows:

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Mainland China	**1,428,955**	1,506,010
Hong Kong	**449,406**	422,856
	1,878,361	1,928,866

The Group has a large number of customers, none of which contributed 10% or more of the Group's total revenue.

The Group's non-current assets other than financial instruments and deferred income tax assets were located in Mainland China, Hong Kong and others as follows:

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Mainland China	**2,754,986**	173,852
Hong Kong	**178,737**	40,254
Others	**716**	–
	2,934,439	214,106

4 OTHER INCOME

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Advertising consulting service income	**11,335**	4,276
Government subsidy income	**4,374**	682
Interest income on loans to an associate	**1,032**	1,007
Compensation from counter parties for breach of contracts	**561**	1,123
Reimbursement of installation and maintenance costs	**851**	1,169
Advertising design service income	**5,829**	2,402
Dividend income on financial assets at fair value through other comprehensive income	**488**	485
Rental income on investment properties	**206**	230
Others	**2,361**	377
	27,037	11,751

5 OTHER GAINS, NET

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Net exchange losses	**(33)**	(291)
Fair value gains on investment properties	**1,276**	680
Fair value losses on financial assets at fair value through profit or loss	**–**	(336)
Gains/(losses) on disposal of property, plant and equipment and intangible assets	**120**	(386)
Others	**–**	1,666
	1,363	1,333

6 FINANCE COSTS, NET

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Finance income		
Interest income on bank deposits	**(1,598)**	(3,437)
Finance costs		
Interest expense on bank borrowings	**14,173**	7,449
Interests expenses on lease liabilities	**171,037**	–
	183,612	4,012

7 INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Current income tax		
– PRC corporate income tax	**19,660**	38,040
– Hong Kong profits tax	**538**	734
	20,198	38,774
Deferred income tax	**(36,282)**	(12,221)
	(16,084)	26,553

8 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company less the distribution of Perpetual Subordinated Convertible Securities ("PSCS") by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2019	2018
(Loss)/profit attributable to owners of the Company (HKD'000)	**(126,411)**	62,953
Less: Distribution to PSCS (HKD'000)	**(2,300)**	(1,725)
	(128,711)	61,228
Weighted average number of ordinary shares in issue (thousand shares)	**433,521**	438,403
(Loss)/earnings per share (HK cents per share)	**(29.69)**	13.97

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options granted by the Company, warrants and PSCS (forming the denominator for computing diluted earnings per share).

For the year ended 31 December 2019 and 2018, the Group's share options, PSCS, and warrants could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the year.

9 DIVIDENDS

	Year ended 31 December	
	2019	2018
	HKD'000	*HKD'000*
Proposed dividend for 2019/final dividend for 2018 *(Note(a))*	**–**	11,000
Interim dividend for 2018 of HKD0.014 (2019: Nil) per share	**–**	6,160
Special dividend for 2018 of HKD0.10 per share	**–**	44,000
	–	61,160

(a) At the meeting held on 27 March 2020, the Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: HKD0.025 per share amounting to a total of HKD11,000,000).

10 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2019	2018
	HKD'000	*HKD'000*
Current assets		
Trade receivables	**477,989**	522,054
Less: loss allowance of trade receivables	**(36,585)**	(28,615)
Trade receivables, net	**441,404**	493,439
Other receivables	**245,561**	271,720
Less: loss allowance of other receivables	**(4,467)**	(4,818)
Other receivables, net	**241,094**	266,902
Interest receivables	**363**	1,172
Prepaid taxes	**37,683**	26,929
Other prepayments	**143,207**	52,423
	863,751	840,865

Ageing analysis of the trade receivables by invoice date is as follows:

	As at 31 December	
	2019	2018
	HKD'000	*HKD'000*
Up to 6 months	**351,371**	397,028
6 months to 12 months	**47,538**	69,027
1 year to 2 years	**43,340**	22,716
2 years to 3 years	**8,058**	16,321
Over 3 years	**27,682**	16,962
	477,989	522,054

11 TRADE AND OTHER PAYABLES

	As at 31 December	
	2019	2018
	HKD'000	*HKD'000*
Trade payables	**92,558**	187,369
Accrued concession fee charges for advertising spaces	**89,856**	283,789
Other taxes payables	**9,173**	5,880
Interest payables	**–**	530
Salary and staff welfare payables	**23,328**	28,581
Other payables	**60,985**	66,904
	275,900	573,053

As at 31 December 2019 and 2018, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 December	
	2019	2018
	HKD'000	*HKD'000*
Up to 6 months	**89,130**	145,597
6 months to 12 months	**578**	36,855
1 year to 2 years	**875**	1,281
2 years to 3 years	**176**	3,116
Over 3 years	**1,799**	520
	92,558	187,369

12 BORROWINGS

	As at 31 December	
	2019	2018
	HKD'000	*HKD'000*
Non-current portion		
– Bank borrowings, secured	**1,954**	3,139
– Bank borrowings, unsecured	**118,450**	74,587
	120,404	77,726
Current portion		
– Bank borrowings, secured	**1,116**	32,151
– Bank borrowings, unsecured	**151,090**	159,129
	152,206	191,280
Total bank borrowings	**272,610**	269,006

The borrowings are secured by the pledge of certain properties and land use rights (included in right-of-use-assets) of HKD 3,070,000 as at 31 December 2019 (2018: HKD: 4,280,000)

	As at 31 December	
	2019	2018
	HKD'000	*HKD'000*
Within 1 year	**152,206**	191,280
Between 1 and 2 years	**90,817**	35,241
Between 2 and 5 years	**29,587**	42,485
	272,610	269,006

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2019, the macroeconomic environment has remained challenging, owing to the Sino-US trade war and economic slowdown in Hong Kong and Mainland China. Nonetheless, with the Group's solid business foundation and well developed network, it was able to achieve stable revenue inflows, which amounted to HKD1,878.4 million (2018: 1,929.0 million) even in the face of challenging conditions. Excluding RMB depreciation, the Group's revenue managed to record modest growth. Due to the fluctuating business environment in the second half of 2019, the Group recorded a gross profit of HKD397.8 million, with gross profit margin at 21.2%. Furthermore, EBITDA (Earnings before interest, taxes, depreciation and amortization) amounted to HKD808.7 million, representing an increase of 312.6%. The combined revenue, which provides a more concise representation of total business scale by including consolidated revenue and revenue of all associated companies, amounted to HKD2.630 billion (2018: HKD2.799 billion). However, as several newly secured project were still at a ramp-up phase during the review year, including Haikou Meilan Airport, Beijing Metro Line 14, Hangzhou Metro Line 5 and Wenzhou Metro Line, and the Hong Kong Financial Reporting Standard 16 Leases became effective as of 1 January 2019, the combination of factors led to an initial heavy impact on the Group's performance as reflected by a loss of the Company of HKD108.7 million in 2019.

2019: Another milestone year

Despite the industry slowdown, the Group was still able to outperform the peers through various breakthroughs, including the Group's expansion overseas, specifically to Singapore through ties with Land Transport Authority ("LTA") involving the new Thomson East Coast Line ("TEL"), as well as the recording of increased revenue from certain existing projects, including Kunming Airport, Zhuhai Airport, Urumqi Airport, Wuxi metro, Hangzhou metro, Hong Kong billboards and High Speed Rail (Hong Kong Station). Asiaray's entry into the Singapore market, in particular, is a significant milestone, and will enable the Group to benefit from a first mover advantage that it will seek to capitalize on, including the country's strategic position along the One Belt One Road route.

Another breakthrough in 2019 involves the securing of agreements between the Group and The Kowloon Motor Bus Co. ("KMB") and Long Win Bus Company Limited ("LWB"), which will enable it to expand its footprint in Hong Kong while tapping a new medium – bus advertising.

Aside from bolstering its depth and breadth of media coverage, the Group entered into a subscription agreement with a wholly owned subsidiary of Ant Small and Micro Financial Services Group Co., Ltd. (浙江螞蟻小微金融服務集團股份有限公司), ("Ant Financial") – owner and operator of the world's leading payments and lifestyle platform Alipay. Under this agreement, Ant Financial became a strategic shareholder of Asiaray. Ant Financial has a solid online presence while Asiaray has extensive offline resources. This strategic move is expected to add value to both parties as the future of Asiaray will depend on implementing and maintaining an effective online and offline ("O&O") strategy. This will also enable the Group to explore cooperative opportunities in fields that can generate synergies with the Group's existing businesses.

With the Group's years of experience in adopting O&O strategy to its advertising solution, it has built a wide-ranging project portfolio. Riding on the cooperation, the Group officially launched its pioneer "O&O new media" strategy, which aims to further enrich its offline Out Of Home (OOH) media base and provide comprehensive advertising solutions. Already, several projects are currently underway. With market consolidation opportunities ahead, these new projects are expected to benefit subsequent to their ramp-up period. At the same time, Asiaray will utilize proceeds from the share subscription of Ant Financial to fund projects in Mainland China and Singapore, as well as for general working capital.

UPDATE OF BUSINESS SEGMENTS

Metro lines and billboards

Over the past year, the Group has continued to direct focus on increasing sales contributions from its existing metro lines. However, affected by the weakened operation environment, and a decline in revenue experienced by its business partner, MTR Corporation Limited, which was greatly affected by social unrest in Hong Kong in the second half of 2019, as well as a shortfall faced by the Shenzhen Metro Lines due to the negative impacted brought by Sino-US trade war, revenue of this segment decreased to HKD919.3 million (2018: HKD974.9 million), with segment gross profit recorded at HKD136.7 million (2018: HKD184.3 million) and gross profit margin at 14.9%. Nevertheless, the Group secured a number of new media resources during the first half of 2019, including Beijing Metro Line 14, thus expanding its business presence in the key transportation hubs of Mainland China, particularly the Beijing-Tianjin-Hebei region. This was followed by the addition of the Wenzhou Metro Line S1 and Hangzhou Metro Line 5, which will allow the Group to broaden the business presence in the Yangtze River Delta. In the second half year, Asiaray secured an advertising concession right with LTA of Singapore for the Thomson-East Coast Line, which will commence operation in January 2020. It has become the Group's first business foothold outside of Greater China. Asiaray has thus again strengthened an already robust business network in the Greater Bay Area, with media resource found at Shenzhen Metro lines (No.3 and No.4), Hong Kong-Zhuhai-Macau Bridge (Zhuhai-Macau port), High Speed Rail (Hong Kong Section) and several metro lines in Hong Kong.

With regard to the billboard operation, Asiaray has numbers of media resources in Hong Kong, including at the Star Ferry Carpark in Central, 1 Leighton Road, Laforet and Lin Fook House in Causeway Bay, and Sim City in Mongkok. During the review year, the Group has added several new billboards, including some LED resources and building wraps that are new mediums for the Group, and represent more value-added media solutions for advertisers. Some of the significant projects include 5 Canal Road, Firfort North Point and 8 Russell Road. It is worth noting that the Group also secured media resource of two billboards in Macau, including the Emperor Nam Van Centre and Hotel Inn, marking the first operation in Macau.

Airport

Revenue from the airport media advertising business has increased 1.6% to HKD739.3 million during the year. Excluding the impact of RMB depreciation, segment growth of 5.7% was recorded, which was attributed to the improved performance of existing projects, including Yunnan airports, Zhuhai Airport and Urumqi Airport together with new projects such as Haikou Airport and Beijing DaXing Airport, which helped offset the discontinuation of the Hangzhou airport. Gross profit margin of 29.4% was recorded, with gross profit amounting to HKD217.3 million for the review year. Following the strategic planning and subsequent awarding of media resource at the first SKYTRAX five-star airport in China, i.e. Haikou Meilan Airport, and the securing of media resources at the BoAo airport and Sanya Phoenix International Airport Terminal 2, it now possesses media resources covering the entire Hainan Island. With the benefit of the offshore duty-free policy in Hainan Island, Haikou Meilan Airport is one of the very few locations in the Island operated under a provincial state-owned enterprise with permit for duty free goods operation. In view of this strategic location and its ability to enrich the comprehensive network of the Group, as well as enable premium brands tap advertising opportunities, the Group has placed considerable effort on the advertising operation in the Haikou area. Furthermore, the Group once again secured the exclusive concession rights to continue operating media resources in the Kunming Airport since its first operation in 2006, which is one of the 50 busiest airports in the world in terms of passenger traffic. Although the new airport wins are in their ramp-up period while the renewal of Kunming Airport led to a short-term impact, these latest concession rights will further strengthen the Group's business presence in South and Western China, and reinforce its leading industry position in Greater China.

Innovative advertising solutions

During the past year, Asiaray has continued to deploy both the online and offline strategies to maximize the impact of its DOOH business, hence to provide integrating strategies for a seamless audience experience. The O&O strategy along with the programmatic DOOH platform are apparent given its high level of flexibility and the capacity to deliver measurable results. The programmatic aspect is also appealing in that advertisers have complete access to all the digital media resources and can readily book placements to launch their advertising campaigns. It can provide a more interactive advertising experience for the audience while generating useful data to advertisers for analysis.

In 2019, the advantages of our integrated O&O strategy and existing programmatic DOOH platform were among the factors that attracted Ant Financial to the Group. Ant Financial has a solid foundation built in the online realm, which, along with Asiaray's unique "Space Management" approach, can create an effective bridge linking advertising solution from the physical world to the virtual domain. Over the years the Group has been exploring different O&O strategy with great success and won numerous awards. The Group along with this tradition commenced collaborations with key opinion leaders ("KOLs"), complemented by mobile applications including TikTok that echo the offline campaigns. Leveraging the strengths of the Group, including its rich experience in O&O strategy, combined with the attributes of the Ant Financial, it is expected to bolster its existing businesses while exploring new avenues, supported by the synergies between the two parties.

New mediums

In 2018, Asiaray was awarded the exclusive media resources of High Speed Rail (Hong Kong Section) and the Hong Kong-Zhuhai-Macao Bridge (Zhuhai-Macao Port), which marked new business frontiers for its comprehensive media resources portfolio to tap. Subsequent to the two national projects, the Group has secured another new advertising medium via exclusive concession rights with KMB and LWB in November 2019. The exposure and impact of bus advertising can be highly significant and effectual given its easy reach to a huge swathe of the population, comprising young and old and of all income levels. By leveraging its unique 'Space Management' approach, and ample experience in public transport advertising, it is believed that the cooperative ties with KMB and LWB will maximize all parties' strengths and enable opportunities to be seized in the public transport advertising industry. Moreover, these new frontiers will provide a solid foundation for reinforcing the Group's market leading position.

Awards

The Group has proven time and again of its ability to create advertising campaigns and powerful, innovative solutions that set industry standards. In 2019, Asiaray has garnered total 91 awards. The Group state-of-the-art advertising campaigns earned strong recognition from various circles, including the Annual Grand Prix Awards at The 19th IAI International Advertising Awards, marking the Group's strongest showing of the year – capturing nine awards in total. Another distinction of note was the garnering of a Certificate of Merit at the 2018 Hong Kong Awards for Environmental Excellence from Business Environment Council, which is a testament to its commitment to green management, including Asiaray's outstanding performance in environmental innovation. The Group will continue to effectively utilize its unique "Space Management" approach to create an all-encompassing immersive experience, at the same time, implement strategies that advance environmental sustainability and promote green initiatives.

OUTLOOK

Looking ahead, the global economy is expected to experience significant headwinds led by the Sino-US trade war and the outbreak of the COVID-19 novel coronavirus, yet, despite such glum projections for the global economy, with infections gradually stabilizing and pent consumption demand continuously building, the Group remains optimistic on the long-term outlook. With a new era of consolidation likely to commence in the wake of COVID-19, it is expected to see an economic rebound which lead to enormous opportunities. Asiaray will leverage its robust network that covers all range of city tiers, as well as its strong cash position and sophisticated management to facilitate and capture opportunities that arise. Further, armed with the strong collaboration among the new strategic investor, it enables the Group to expand its business outreach. Especially in Mainland China, the Group will continue to take a long-term approach, spare no effort to further enhance its extensive business footprint, and provide a comprehensive network to maximize advertising value, thus to capture the favorable opportunities.

In Hong Kong, the Group remains optimistic about the OOH media industry, despite ongoing political and economic uncertainties. Its dynamic mix of media solutions, comprising metro lines, billboards, High Speed Train stations and now, bus advertising, will stand the Group in good stead in coping with whatever challenges that may come. Moreover, with the Group's outstanding O&O experience, it is able to provide more value-added advertising solution to the customers. What is more, it will continue to bolster these business facets, as demonstrated by the securing of exclusive concession rights at MTR Tuen Ma Line Phase 1 subsequent to the review year. The rights will enable the Group to operate media resources at the new MTR Tuen Ma Line Phase 1, which connects Wu Kai Sha and Kai Tak. Asiaray will look to further strengthen the foundation to better penetrate the public transport advertising market, as well as seize new opportunities that reinforces its leadership in the OOH advertising industry in Hong Kong.

Having established a beachhead in Singapore during the review year, the next objective will be to leverage this geographical position as springboard for expanding the Group's footprint in Southeast Asia. Consistent with this objective, the Group will direct more resources to reinforce its presence in the Lion City, as it also strives to enhance ties with other mass transit operators.

According to market research, e-commerce is forecasted to account for 42.4% of all digital advertising spending by 2020.[1] This trend aligns with its own long held view that the online world possesses enormous opportunities. Such a view is reflected in the completion of a programmatic transformation project with Rubicon Project in January 2020, which is one of the largest advertising exchanges in the world. Consequently, Asiaray will be able to programmatically trade its DOOH display and video inventory across Hong Kong and Singapore, and enhance its O&O capabilities and strategy. In respect of advertisers, they will be able to place dynamic and responsive advertisements that can adapt quickly to the fast-changing preferences of commuters on the Thomson-East Coast Line, Phase I, which is set to commence operation by the end of January 2020. The programmatic transformation project creates a win-win situation with great synergies for both Asiaray and advertisers; achieving exceptional reach and facilitating data-enriched buying options that are essential for realizing DOOH campaign goals. Going forward, Asiaray will seek more opportunities for cooperation and strive to develop even more effective O&O solutions that cater for advertisers' needs.

Although the business environment is expected to be highly challenging, with Asiaray's solid foundation, strong client portfolio, outstanding business network and unparalleled leadership, the Group remains optimistic about the Group's prospects and will spare no effort in turning challenges into successes.

1. https://www.dentsuaegisnetwork.com/cn/zh//china-ad-spend-gowth-3.9

FINANCIAL REVIEW

Revenue

The revenue of the Group for the year ended 31 December 2019 decreased from approximately HKD1,928.9 million to approximately HKD1,878.4 million, representing a year-on-year decreased of 2.6%. The decrease was mainly attributable to the depreciation of Renminbi. Other than the exchange impact, the decrease in revenue in the metro and billboards segments partially offset by the increase in revenue in airport segment. The combined revenue of the Group, which includes the consolidated revenue of the Group and the total revenue of the Group's associated companies engaged in the media business as an operating information, reached approximately HKD2,630.4 million, representing a year-on-year decrease of 6.0%.

The metro and billboards segment decreased by 5.7% from approximately HKD974.9 million for the year ended 31 December 2018 to approximately HKD919.3 million in 2019. This was primarily attributable to the sharp decrease from Shenzhen metro lines but partially offset by the increase of billboards in Hong Kong. Hangzhou metro lines 2 and 4 recorded a steady growth after the ramp-up period. Besides, Wenzhou metro lines S1, High Speed Rail (Hong Kong section) and billboards of Hong Kong are contributed significant revenue during 2019.

The airports segment increased by 1.6% from approximately HKD727.7 million for the year ended 31 December 2018 to approximately HKD739.3 million in 2019 mainly due to Yunnan group airport and Haikou airport contributed a significant result. In addition, new projects such as Beijing T2 airport contributed a satisfied revenue during 2019.

The others revenue decreased by approximately HKD6.5 million or 2.9%, from approximately HKD226.3 million for the year ended 31 December 2018 to approximately HKD219.8 million in 2019, which was primarily attributable to the decrease in our agency business in respect of sales of advertising spaces in media resources operated by certain associated companies and other companies.

Cost of Revenue

The cost of revenue increased by approximately HKD35.9 million, or 2.5%, from approximately HKD1,444.7 million for the year ended 31 December 2018 to approximately HKD1,480.6 million in 2019. The increase was primarily due to (a) the initial cost at Haikou airport and Wenzhou metro lines; and (b) the increase of concession fee payable under the concession rights contract of Kunming group airports, Xinjiang airport which were renewed during 2019.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the year ended 31 December 2019 decreased from approximately HKD484.1 million to approximately HKD397.8 million and the Group's gross profit margin decreased from 25.1% in 2018 to 21.2% in 2019. The decrease in gross profit margin was due to: (1) the initial cost of new projects such as Haikou airport ; (2) the revenue decrease in metro lines of Shenzhen and Beijing.

Selling and Marketing Expenses

The selling and marketing expenses increased by approximately HKD19.8 million, or 12.1% from approximately HKD164.0 million for the year ended 31 December 2018 to approximately HKD183.8 million in 2019. This increase was primarily attributable to the increase in employee benefit expenses and set up expenses as a result of the growth and expansion of our business operations.

Administrative Expenses

The administrative expenses increased by approximately HKD7.4 million, or 4.1%, from approximately HKD180.4 million for the year ended 31 December 2018 to approximately HKD187.8 million in 2019. The increase was primarily attributable to the increase in employee benefit expenses, office rental expenses and legal and professional fee due to expansion of our business operation.

Finance Costs, net

Net finance cost was approximately HKD183.6 million for the year ended 31 December 2019, compared with approximately HKD4.0 million in 2018. This was primarily attributable to Hong Kong Financial Reporting Standard 16 and the additional bank borrowings.

Share of Results of Investments in Associates

The share of results of investments in associates for the year ended 31 December 2019 slightly increased 3.2% from approximately HKD12.5 million for the year ended 31 December 2018 to approximately HKD12.9 million in 2019 due to increased revenue from media under the exclusive concession rights to the advertising spaces located at Hong Kong-Zhuhai-Macao Bridge (Macau-Zhuhai Port).

Income Tax Credit/Expenses

Income tax credit was approximately HKD16.1 million in 2019 while there is income tax expenses was approximately HKD26.6 million for the year ended 31 December 2018. The changes was represented the recognition of tax losses which was recorded during 2019. Higher effective tax rate in 2019 was primarily due to tax losses from loss-making subsidiaries.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

The EBITDA of the Group increased by approximately HKD612.7 million, or 312.6%, from approximately HKD196.0 million for the year ended 31 December 2018 to approximately HKD808.7 million in 2019.

Loss/profit attributable to owners of the Company

Loss attributable to owners of the Company was approximately HKD126.4 million for the year ended 31 December 2019, compared to profit attributable to owners of the Company approximately HKD63.0 million in 2018. The loss in profit was the net effect of the increase in gross profit of the Group and as fully explained in the above.

Financial Impact of HKFRS 16

Condensed Consolidated Balance Sheet

	With HKFRS 16 As at 31 December 2019	**Without HKFRS16 As at 31 December 2019**	Without HKFRS16 As at 31 December 2018
	HKD'000	***HKD'000***	*HKD'000*
Non-current assets	**3,102,598**	**328,246**	320,605
Current assets	**1,310,629**	**1,310,629**	1,278,851
Total assets	**4,413,227**	**1,638,875**	1,599,456
Non-current liabilities	**2,555,244**	**122,979**	80,580
Current liabilities	**1,344,703**	**887,451**	943,699
Total liabilities	**3,899,947**	**1,010,430**	1,024,279
Net Current (liabilities)/assets	**(34,074)**	**423,178**	335,152
Total equity attributable to owners of the Company	**403,908**	**480,582**	462,619
Total equity	**513,280**	**628,445**	575,177

FINANCIAL MANAGEMENT AND TREASURY POLICY

The Group adopts a conservative approach for cash management and investment on funds.

As the Group carries out business in the Mainland China and Hong Kong, most of our receipts and payments were denominated in Renminbi and Hong Kong dollars. As the conversion of Renminbi into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government, the directors of the Company consider that there is no significant exposure on the foreign exchange risk. The Group will closely monitor foreign exchange exposure and consider hedging significant exposure should the need arises.

Dividend Policy

The Company endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company adopts a dividend policy, which is based on the profit attributable to owners of the Company, and the distribution amount is up to 100% of the profit attributable to owners of the Company.

Liquidity and Financial Resources

The Group's cash and cash equivalents, short-term bank deposits and restricted cash was approximately HKD445.0 million as at 31 December 2019, representing an increase of approximately HKD9.5 million compared with that as at 31 December 2018. As at 31 December 2019, the financial ratios of the Group were as follows:

	As at 31 December 2019	As at 31 December 2018
Current ratio (1)	**0.97**	1.36
Gearing ratio (2)	**Net cash**	Net cash

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities.

(2) Gearing ratio is calculated by dividing net debt by total equity.

Borrowings

The Group had bank borrowings as at 31 December 2019 in the sum of approximately HKD272.6 million. Out of the total borrowings, approximately HKD152.2 million was repayable within one year, while approximately HKD120.4 million was repayable after one year. The carrying amounts of bank borrowings are denominated in Hong Kong dollars and Renminbi.

No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments. The weighted average interest rate (per annum) was 4.2% for non-current borrowings and 4.5% for current borrowings as at 31 December 2019.

Exposure to Interest Rate Risk

The Group's interest rate risk arises from interest-bearing short-term bank deposits and bank borrowings. Short-term bank deposits and bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bank borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate risks arise primarily from variable rates bank borrowings. The management manages interest rate risks and controls such risks within a reasonable level by closely tracking changes in the macroeconomic environment and monitoring changes in current and projected interest rates on a regular basis, taking into account conditions in the domestic and international markets.

Pledge of Assets

As at 31 December 2019, the Group pledged its buildings and land use rights with carrying amount of approximately HKD22.6 million (31 December 2018: approximately HKD24.1 million), respectively to secure borrowings of the Group. The total secured borrowings as at 31 December 2019 amounted to approximately HKD3.1 million (31 December 2018: approximately HKD4.3 million).

Fund Raising Activities/Use of Proceeds

Subscription of perpetual subordinated convertible securities under general mandate

On 7 September 2017, the Company entered into the subscription agreement which the Company has conditionally agreed to issue the perpetual subordinated convertible securities (the "PSCS") in the principal amount of HKD50,000,000 convertible into conversion shares at the initial conversion price of HKD3.54 per conversion share under general mandate. The intended use of proceeds were disclosed in the circular issued by the Company dated 30 November 2017 and 10 June 2019. The issuance of the PSCS in the principal amount of HKD30,000,000 and HKD20,000,000 was completed on 28 December 2017 and 28 June 2019 respectively. The net proceeds of approximately HKD49,400,000 was received. As at 31 December 2019, the PSCS in the principal amount of HKD50,000,000 has not been converted into conversion shares. For details please refer to the announcement and the circular issued by the Company dated 7 May 2019 and 10 June 2019 respectively.

Subscription of new shares under general mandate

On 20 November 2019, the Company entered into a subscription agreement with Antfin (Hong Kong) Holding Limited ("Antfin"), an indirect wholly-owned subsidiary of 浙江螞蟻小微金融服務集團股份有限公司(Ant Small and Micro Financial Services Group Co., Ltd.*) (the "Ant Financial"), pursuant to which Antfin has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 35,675,676 subscription shares at the subscription price of HK$4.10 per subscriptions share. The net proceeds are estimated to be approximately HKD142.8 million and which is intended to be used by the Company as general working capital and for funding its projects in the PRC and Singapore. For details please refer to the announcement issued by the Company dated 20 November 2019.

The use of proceeds was as follows:

As at 31 December 2019

Net proceeds raised *(approximately) HKD'000*		**Intended use of the net proceeds** *(approximately) HKD'000*	**Actual used amount** *(approximately) HKD'000*	**Unutilized amount** *(approximately) HKD'000*	**Expected timeframe for application of the unutilized proceeds**	**Whether the proceeds are to be used according to the intention previously disclosed**
29,700 (First tranche)	General working capital (Improvement of advertising fixtures and office renovation)	15,000	15,000 (used as intended)	Nil	N/A	Yes
	General working capital (New recruitment and salary costs)	10,000	10,000 (used as intended)	Nil	N/A	Yes
	General working capital (Bank charges and interest expenses)	4,700	4,700 (used as intended)	Nil	N/A	Yes
19,700 (Second tranche)	General working capital (Payment of concession fee)	19,700	19,700 (used as intended)	Nil	N/A	Yes
142,800 (Issue of subscription shares)	General working capital (Working capital and funding projects in the PRC and Singapore)	142,800	Nil	142,800	Next 12 months	Yes

As at 31 December 2018

Net proceeds raised *(approximately)* *HKD'000*		Intended use of the net proceeds *(approximately)* *HKD'000*	Actual used amount *(approximately)* *HKD'000*	Unutilized amount *(approximately)* *HKD'000*	Expected timeframe for application of the unutilized proceeds	Whether the proceeds are to be used according to the intention previously disclosed
29,700	General working capital (Improvement of advertising fixtures and office renovation)	15,000	15,000 (used as intended)	Nil	N/A	Yes
	General working capital (New recruitment and salary costs)	10,000	10,000 (used as intended)	Nil	N/A	Yes
	General working capital (Bank charges and interest expenses)	4,700	4,700 (used as intended)	Nil	N/A	Yes

Capital Expenditures

The capital expenditures primarily comprise cash expenditures for property, plant and equipment, such as advertising facilities and furniture and office equipment. Our capital expenditures for the year ended 31 December 2019 and 2018 were approximately HKD25.9 million and HKD60.6 million, respectively.

Contingent liabilities

The Group had no material contingent liabilities outstanding as at 31 December 2019 and 31 December 2018.

Subsequent events

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the China. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak.

HUMAN RESOURCES

The Group offers competitive remuneration packages, including trainings, medical, insurance coverage and retirement benefits, to all employees in Hong Kong and in Mainland China. As at 31 December 2019, the Group has 1,109 employees (2018: 1,001 employees). The total salaries and related costs for the years ended 31 December 2019 and 2018 amounted to approximately HKD264.4 million and HKD213.6 million, respectively.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: HKD0.025 per share).

CLOSURE OF REGISTER OF MEMBERS

Annual General Meeting

The register of members of the Company will be closed from Monday, 22 June 2020 to Friday, 26 June 2020, both days inclusive, during which period no transfer of shares will be effected.

In order to determine who are eligible to attend and vote at the annual general meeting of the Company to be held on Friday, 26 June 2020, the shareholders of the Company should ensure that all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 19 June 2020.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

During the year, the Company has complied with all the applicable code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except the deviations from code provisions A.2.1 of the CG Code and A.6.7 of the CG Code.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lam Tak Hing, Vincent currently assumes the roles of both the chairman of the Board and the chief executive officer ("CEO") of the Company. The Board considers that this structure could enhance the efficiency in formulation and implementation of the Company's strategies. The Board will review the need of appointing a suitable candidate to assume the role of the CEO when necessary.

Under code provision A.6.7 of the CG Code, independent non-executive directors should attend general meetings of the Company and develop a balanced understanding of shareholders' view. Due to other business engagement, an independent non-executive director was unable to attend the general meetings of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by director of the Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the code for directors' securities transactions. All the directors have confirmed their compliance with the required standards set out in the Model Code throughout the year ended 31 December 2019.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has together with the Board reviewed and approved the annual results for the year ended 31 December 2019.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

All the financial and other related information of the Company required by the Listing Rules will be published on the website of each of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.asiaray.com/en/home/) in due course.

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

Hong Kong, 27 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Lam Tak Hing, Vincent and Mr. Lam Ka Po; the non-executive directors of the Company are Mr. Wong Chi Kin and Mr. Yang Peng; and the independent non-executive directors of the Company are Mr. Ma Andrew Chiu Cheung, Mr. Ma Ho Fai GBS JP and Ms. Mak Ka Ling.