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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board of directors (the "Board") of Asiaray Media Group Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2020, together with the unaudited comparative figures for the corresponding period of 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2020	2019
	Note	***HKD'000***	*HKD'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**643,663**	901,064
Cost of revenue		**(454,927)**	(685,769)
Gross profit		**188,736**	215,295
Selling and marketing expenses		**(65,499)**	(89,106)
Administrative expenses		**(77,627)**	(89,167)
Net impairment losses on financial assets		**(8,595)**	(380)
Other income	*6*	**11,831**	6,072
Other (losses)/gains – net	*7*	**(207)**	2,113
Operating profit	*5*	**48,639**	44,827

	Note	Six months ended 30 June 2020 HKD'000 (Unaudited)	2019 HKD'000 (Unaudited)
Finance income	*8*	**1,282**	695
Finance costs	*8*	**(105,977)**	(82,446)
Finance costs – net	*8*	**(104,695)**	(81,751)
Share of net profit of associates accounted for using equity method	*4*	**2,980**	3,984
Loss before income tax		**(53,076)**	(32,940)
Income tax credit	*9*	**5,240**	11,135
Loss for the period		**(47,836)**	(21,805)
Other comprehensive income			
Items that may be reclassified to profit or loss			
– Net (loss)/gain from changes in financial assets at fair value through other comprehensive income, net of tax		**(714)**	395
– Currency translation differences		**(9,711)**	(2,217)
		(10,425)	(1,822)
Total comprehensive loss for the period		**(58,261)**	(23,627)
(Loss)/profit attributable to:			
Owners of the Company		**(74,683)**	(42,004)
Non-controlling interests		**26,847**	20,199
Loss for the period		**(47,836)**	(21,805)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(83,544)**	(42,546)
Non-controlling interests		**25,283**	18,919
Total comprehensive loss for the period		**(58,261)**	(23,627)
Loss per share attributable to owners of the Company for the period (expressed in HK cents per share)			
– Basic & Diluted	*10*	**(17.4)**	(9.89)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2020 *HKD'000* (Unaudited)	As at 31 December 2019 *HKD'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**76,394**	87,437
Right-of-use assets	*14*	**3,107,199**	2,763,406
Investment properties		**9,973**	9,846
Intangible assets		**19,909**	21,007
Investments accounted for using equity method		**41,840**	39,841
Financial assets at fair value through profit or loss		**6,791**	6,530
Financial assets at fair value through other comprehensive income		**7,246**	8,074
Deferred income tax assets		**165,054**	153,555
Other receivables and deposits	*12*	**10,078**	12,902
		3,444,484	3,102,598
Current assets			
Inventories		**2,156**	1,833
Trade and other receivables	*12*	**746,879**	863,751
Restricted cash		**24,949**	29,584
Cash and cash equivalents		**291,424**	415,461
		1,065,408	1,310,629
Total assets		**4,509,892**	4,413,227
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**47,568**	47,568
Reserves		**271,358**	356,340
		318,926	403,908
Non-controlling interests		**80,631**	109,372
Total equity		**399,557**	513,280

	Note	As at 30 June 2020 HKD'000 (Unaudited)	As at 31 December 2019 HKD'000 (Audited)
Liabilities			
Non-current liabilities			
Borrowings		**150,981**	120,404
Lease liabilities	*14*	**2,661,227**	2,432,265
Deferred income tax liabilities		**2,435**	2,575
		2,814,643	2,555,244
Current liabilities			
Trade and other payables	*13*	**245,465**	275,900
Contract liabilities		**100,377**	122,056
Financial liabilities at fair value through profit or loss		**6,216**	6,216
Current income tax liabilities		**3,290**	9,161
Borrowings		**95,427**	152,206
Lease liabilities	*14*	**844,917**	779,164
		1,295,692	1,344,703
Total liabilities		**4,110,335**	3,899,947
Total equity and liabilities		**4,509,892**	4,413,227

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Asiaray Media Group Limited ("the Company") was incorporated in the Cayman Islands on 20 May 2014 as an exempted company with limited liability under the Companies Law (2013 Revision) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman lslands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on 15 January 2015.

The Company is an investment holding company. The Company and its subsidiaries ("the Group") are principally engaged in the development and operations of out-of-home advertising media, including advertising in airports, metro lines, billboards and building solutions mainly in the People's Republic of China (the "PRC"), Hong Kong, Macau and Southeast Asia.

The condensed consolidated interim financial information are presented in Hong Kong dollars ("HKD") and all figures are rounded to the nearest thousand (HKD'000), unless otherwise stated, and has been approved for issued by the Company's board of directors (the "Board") on 21 August 2020.

2 BASIS OF PREPARATION

This interim financial information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The Group's current liabilities exceeded its current assets by HKD230,284,000 as at 30 June 2020 (31 December 2019: HKD34,074,000), as a result of the recognition of current portion lease liabilities amounting to HKD844,917,000 as at 30 June 2020 (31 December 2019: HKD779,164,000) 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 30 June 2020. The directors 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 support from its banks by providing loans and banking facilities to the Group, is sufficient to fulfil financial obligations as and when they fall due in the coming twelve months from 30 June 2020. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2019, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group had to change its accounting policies as a result of the adoption of HKFRS 16 (Amendments). This is disclosed in note 2(c). Most of the other amendments listed below did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future year.

		Effective for annual periods beginning on or after
HKAS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
HKFRS 3 (Amendments)	Definition of a Business	1 January 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform	1 January 2020
HKFRS 16 (Amendments)	COVID-19 Related Rent Concession	1 June 2020

(b) Impact of standards issued but not yet applied by the Group

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2020 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to Annual Improvement Project	Annual Improvements to HKFRS Standards 2018-2020	1 January 2022
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

(c) Change in accounting policy

HKFRS 16 (Amendment), "COVID-19 – related Rent Concessions" (effective for annual periods beginning on or after 1 June 2020, early application of the amendments is permitted). The Group has early adopted Amendment to HKFRS 16 from 1 January 2020. The amendment provides lessees with exemption from assessing whether COVID-19 – related rent concession is a lease modification and requires lessees that apply the exemption to account for COVID-19 – related rent concession as if they were not lease modifications. In applying HKFRS 16 (Amendment) for the first time, the Group has applied the practical expedient and elected not to assess whether COVID-19 – related rent concession is a lease modification. All of the COVID-19 – related rent concessions amounted to HKD169,459,000 has been credited to the income statement within "cost of revenue".

3 SIGNIFICANT ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

4 SEGMENT INFORMATION

The executive directors has been identified as the chief operating decision-maker of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors considered the business from product perspective, and determined that the Group has the following operating segments:

– Airport business – operation of advertising services in airports;

– Metro and Billboards business – operation of advertising services in metro lines and billboards and building solutions.

The chief operating decision-maker assesses the performance of the operating segments mainly based on revenue and gross profit of each operating segment. Majority of the businesses of the Group were carried out in the Mainland China and Hong Kong during the periods. Selling and marketing expenses and administrative expenses are common costs incurred for the operating segments as a whole and therefore they are not included in the measure of the segments' performance which is used by the chief operating decision-maker as a basis for the purpose of resource allocation and assessment of segment performance. Net impairment losses on financial assets, other incomes, other (losses)/gains – net, finance costs – net and income tax credit are also not allocated to individual operating segment.

There were no segment assets and liabilities information provided to the chief operating decision maker.

The segment information for the operating segments is as follows:

	Airport business *HKD'000*	Metro and Billboards business *HKD'000*	Others *HKD'000*	Total *HKD'000*
(Unaudited)				
Six months ended 30 June 2020				
Revenue	**346,901**	**222,595**	**74,167**	**643,663**
Cost of revenue	**(177,406)**	**(220,431)**	**(57,090)**	**(454,927)**
Gross profit	**169,495**	**2,164**	**17,077**	**188,736**
Share of net profit of associates accounted for using equity method	**2,613**	**367**	**–**	**2,980**
Segment results	**172,108**	**2,531**	**17,077**	**191,716**
Selling and marketing expenses				**(65,499)**
Administrative expenses				**(77,627)**
Net impairment losses on financial assets				**(8,595)**
Other income				**11,831**
Other losses – net				**(207)**
Finance income				**1,282**
Finance costs				**(105,977)**
Loss before income tax				**(53,076)**

	Airport business *HKD'000*	Metro and Billboards business *HKD'000*	Others *HKD'000*	Total *HKD'000*
(Unaudited)				
Six months ended 30 June 2019				
Revenue	347,924	450,318	102,822	901,064
Cost of revenue	(233,778)	(372,780)	(79,211)	(685,769)
Gross profit	114,146	77,538	23,611	215,295
Share of net profit of associates accounted for using equity method	3,984	–	–	3,984
Segment results	118,130	77,538	23,611	219,279
Selling and marketing expenses				(89,106)
Administrative expenses				(89,167)
Net impairment losses on financial assets				(380)
Other income				6,072
Other gains – net				2,113
Finance income				695
Finance costs				(82,446)
Loss before income tax				(32,940)

Others represents revenue from other media space.

Revenue consisted of the following:

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Advertising display revenue	**595,872**	792,933
Advertising production, installation and dismantling revenue	**47,791**	108,131
	643,663	901,064

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

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Revenue over time	**595,872**	792,933
Revenue at a point in time	**47,791**	108,131
	643,663	901,064

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

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Mainland China	**550,507**	664,976
Hong Kong and others	**93,156**	236,088
	643,663	901,064

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue during six months ended 30 June 2020 and 2019.

The Group's non-current assets other than financial instruments and deferred income tax assets are located in the Mainland China and Hong Kong at 30 June 2020 and 31 December 2019 as follows:

	As at 30 June 2020	As at 31 December 2019
	HKD'000	*HKD'000*
	(Unaudited)	(Audited)
Mainland China	**3,078,614**	2,754,986
Hong Kong	**185,871**	178,737
Others	**908**	716
	3,265,393	2,934,439

5 OPERATING PROFIT

The following items have been charged/(credited) to the operating profit during the interim period:

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Concession fee charges for advertising fixtures	**29,113**	128,835
Rent concession	**(169,459)**	–
Project installation and dismantling costs	**33,032**	40,258
Depreciation of property, plant and equipment	**19,615**	21,223
Depreciation of right-of-use assets	**425,622**	312,857
Employee benefit expenses	**101,033**	126,109
Travelling and entertainment expenses	**5,634**	13,308
Expenses related to short-term lease payment	**123,105**	171,744
Amortisation of intangible assets	**1,071**	1,084

6 OTHER INCOME

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Government subsidy income	**7,479**	317
Advertising consulting service income	**2,247**	2,453
Rental income	**734**	139
Advertising design service income	**543**	1,052
Interest income on loan to an associate	**525**	518
Dividend income on unlisted bond investment	**242**	244
Compensation from counter parties for breach of contracts	**1**	453
Others	**60**	896
	11,831	6,072

7 OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Fair value gain on investment properties	**319**	874
(Losses)/gains on disposal of property, plant and equipment	**(31)**	148
Net exchange (losses)/gains	**(495)**	135
Others	**–**	956
	(207)	2,113

8 FINANCE COSTS – NET

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits	**(1,282)**	(695)
Finance costs		
– Interest expense on bank borrowings	**5,724**	5,241
– Interest on lease liabilities	**100,253**	77,205
	105,977	82,446
Finance costs – net	**104,695**	81,751

9 INCOME TAX CREDIT

The income tax credit of the Group for the six months ended 30 June 2020 and 2019 is analysed as follows:

	Six months ended 30 June	
	2020	2019
	HKD'000	*HKD'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC corporate income tax	**9,071**	13,248
– Hong Kong profits tax	**283**	1,108
	9,354	14,356
Deferred tax	**(14,594)**	(25,491)
	(5,240)	(11,135)

10 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (HKD'000)	**(74,683)**	(42,004)
Less: Distribution to PSCS (HKD'000)	**(1,438)**	(863)
	(76,121)	(42,867)
Weighted average number of ordinary shares in issue (thousands shares)	**436,815**	433,248
Loss per share (expressed in HK cents per share)	**(17.4)**	(9.89)

(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 Perpetual Subordinated Convertible Securities ("PSCS") (forming the denominator for computing diluted earnings per share).

For the period ended 30 June 2020 and 2019, 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 periods presented.

11 DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2020, nor has any dividend been proposed since the end of the interim reporting period (six months ended 30 June 2019: Nil).

12 TRADE AND OTHER RECEIVABLES

	As at 30 June 2020 *HKD'000* (Unaudited)	As at 31 December 2019 *HKD'000* (Audited)
Current assets		
Trade receivables (a)	**490,807**	477,989
Less: loss allowance of trade receivables	**(44,415)**	(36,585)
Trade receivables, net	**446,392**	441,404
Other receivables	**221,590**	245,561
Less: loss allowance of other receivables	**(4,381)**	(4,467)
Other receivables, net	**217,209**	241,094
Interest receivables	**161**	363
Prepaid taxes	**47,223**	37,683
Other prepayments	**35,894**	143,207
	746,879	863,751
Non-current assets		
Other receivables and deposits	**10,078**	12,902
	756,957	876,653

(a) The Group has no specific credit terms for its customers. Ageing analysis of trade receivables by invoice date is as follows:

	As at 30 June 2020 *HKD'000* (Unaudited)	As at 31 December 2019 *HKD'000* (Audited)
Up to 6 months	**313,978**	351,371
6 months to 12 months	**95,638**	47,538
1 year to 2 years	**34,986**	43,340
2 years to 3 years	**16,656**	8,058
Over 3 years	**29,549**	27,682
	490,807	477,989

13 TRADE AND OTHER PAYABLES

(a) Analysis of trade payables, accruals and other payables as at 30 June 2020 and 31 December 2019 is as follow:

	As at 30 June 2020 *HKD'000* **(Unaudited)**	As at 31 December 2019 *HKD'000* (Audited)
Trade payables	**45,273**	92,558
Accrued concession fee charges for advertising fixtures	**128,063**	89,856
Other taxes payable	**9,526**	9,173
Salary and staff welfare payables	**17,318**	23,328
Other payables	**45,285**	60,985
	245,465	275,900

(b) The ageing analysis of the trade payables based on invoice date at 30 June 2020 and 31 December 2019 is as follows:

	As at 30 June 2020 *HKD'000* **(Unaudited)**	As at 31 December 2019 *HKD'000* (Audited)
Up to 6 months	**27,904**	89,130
6 months to 12 months	**14,671**	578
1 year to 2 years	**495**	875
2 years to 3 years	**406**	176
Over 3 years	**1,797**	1,799
	45,273	92,558

14 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Balance recognised in the condensed consolidated interim balance sheet

Right-of-use assets

	Land use rights *HKD'000*	Advertising fixtures *HKD'000*	Office *HKD'000*	Total *HKD'000*
(Unaudited)				
Balance as at 1 January 2020	**22,570**	**2,717,417**	**23,419**	**2,763,406**
Additions	**–**	**818,238**	**4,576**	**822,814**
Depreciation and amortisation	**(313)**	**(415,957)**	**(9,352)**	**(425,622)**
Currency translation differences	**(433)**	**(52,770)**	**(196)**	**(53,399)**
Balance as at 30 June 2020	**21,824**	**3,066,928**	**18,447**	**3,107,199**
Balance as at 1 January 2019	–	–	–	–
Change in accounting policy	23,724	2,119,289	23,377	2,166,390
Restated balance as at 1 January 2019	23,724	2,119,289	23,377	2,166,390
Additions	–	1,260,750	1,571	1,262,321
Depreciation and amortisation	(329)	(305,562)	(6,966)	(312,857)
Currency translation differences	(88)	(25,816)	9	(25,895)
Balance as at 30 June 2019	23,307	3,048,661	17,991	3,089,959

Lease liabilities

	As at 30 June 2020 ***HKD'000*** **(Unaudited)**	As at 31 December 2019 *HKD'000* (Audited)
Current portion	**844,917**	779,164
Non-current portion	**2,661,227**	2,432,265
Total lease liabilities	**3,506,144**	3,211,429

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Over the past six months, the macro-environment has continued to be challenging owing to the ongoing US-China trade war and the unexpected COVID-19 coronavirus outbreak. In Hong Kong, the market has been particularly impacted owing to a combination of the outbreak and social unrest since the second half of 2019. According to the CTR China Advertising Market Data for the first half of 2020, the PRC advertising market contracted significantly from January to February due to COVID-19 coronavirus outbreak, but was followed by a recovery starting from March this year. Overall advertising expenditure in the first half of 2020 still recorded a drop when compared with the same period in 2019[1]. Amid tremendous uncertainty, the Groups' revenue decreased by 28.6% to HKD643.7 million as at the six months ended 30 June 2020 (the "Period"). Gross profit amounted to HKD188.7 million, with gross profit margin at 29.3%. EBITDA (Earnings before interest, taxes, depreciation and amortization) totaled HKD499.2 million, while the combined revenue, which provides a more concise representation of total business scale by including consolidated revenue and revenue from all associated companies, amounted to HKD953.9 million (1H2019: HKD1,239.0 million). As several of the Group's new projects are still at a ramp-up stage, and owing to the COVID-19 coronavirus pandemic, especially the hit on Hong Kong market, the Group's performance has been severely affected, as reflected by a loss amounting to HKD47.8 million. However, the Group remains in a net cash position as at the Period – the sixth consecutive year, with total cash and bank balances amounting to HKD316.4 million.

Strategic Transformation: O&O Initiatives to Integrate Branding and Sales Strategies

Despite the challenging business environment, the Group has adhered to its mission of maintaining market leadership, with an extensive network reaching around 40 cities in Asia, including 34 airports and 21 metro lines, covering the full range of city tiers. Armed with its leading position and extensive business presence in the region, and the advantage of possessing "pan transport, multi-media and full coverage" capabilities, as well as its diverse advertising solutions, the Group has set its priority on better utilizing its media inventory. On top of its unique space management model, Asiaray has undergone a strategic transformation and has further developed its pioneering Offline and Online ("O&O") initiatives. The Group's latest online linkup will enable it to enhance the value of advertising projects through creative and optimal use of available spaces – integrating advanced technologies and digital media with the Group's out-of-home ("OOH") media to capitalize on new market trends. What is more, the Group's cooperation with top KOL Viya in an O&O promotion in Kunming during the reviewed period has demonstrated yet a further means of reaching audiences and delivered magnificent

[1] http://www.ctrchina.cn/insightView.asp?id=3816

sales record. Through this innovation, the Group hopes to bring in another revenue stream and more importantly a different category of advertisers who are active in online platforms. The aim is to further strengthen the Group's integrated branding and sales strategy for its O&O new media, while maximizing benefits for its customers at the same time. This innovative advertising solution has already been well received by the market and has set the Group apart from its peers. The Group has also in discussion with its strategic partner, Ant Group Co., Ltd.螞蟻科技集團股份有限公司("Ant Group") (formerly named 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), in continuing exploration into the creation of O&O new media for tapping the new digital realm and creating new possibilities for advertisers.

Upheld the Group's Social Mission

Social responsibility is always a core focus of Asiaray, the Group has been committed to the betterment of the industry and society. Since the COVID-19 coronavirus outbreak after Chinese New Year, the Group has kept a close eye on the situation and continued its commitment to give back the social. A team was formed specifically to scheme the charity arrangement. They have put tremendous effort to source protective materials globally. Those materials were sent to Asiaray's business partners as well as donated to the Hubei province as a move to support the community and show the Group's appreciation to the contribution of every frontline worker during this difficult time. On top of the materials donation, the Group believes that it is also necessary to promote the importance of personal hygiene and precautionary measures relating to COVID-19. Media resources throughout its extensive network including airports, metro lines as well as billboards in different cities were used to place advertisements related to this topic, aiming to share informative and positive messages to the public. The Group's contributions have been recognized by the community and attracted the attention of various enterprises which sought to co-operate with the Group in using its OOH inventory to disseminating public welfare information to support the society.

Update of business segments

Airport

During the Period, with certain newly secured projects still at a ramp-up stage, as well as slowdowns in passenger traffic experienced at several international airports caused by the COVID-19 pandemic, segment revenue declined by 0.3% to HKD346.9 million, with profit margin at 48.9%. Nevertheless, some airports outperformed the market, with encouraging performance achieved at Kunming Airport, where departure air traffic had already rose to near pre-pandemic levels, or by more than 80%[2] when compared with the same period last year.

[2] http://www.caacnews.com.cn/1/5/202008/t20200811_1308410.html

Furthermore, with the Group's diversified and strong business network in the PRC, including strategic airport footprint covering tier 1 to tier 4 cities, along with international and domestic airports, it is able to cater for the needs of advertisers targeting diverse audiences. In addition, subsequent to the Period, the Group has been granted the concession rights to operate media resources at Terminal 1 and Terminal 2 of the new Chengdu Tianfu International Airport, which is currently under construction and is expected to commence operation in 2021. The existing Shuangliu International Airport in Chengdu is climbing up the ranks as the top airport in the country – a position held by Beijing, and was the world's busiest airport in May 2020. Upon completion of the Chengdu Tianfu International Airport, Chengdu will be the third city in the country with two international airports, thus further opening its door to the world. Winning the Chengdu Tianfu International airport contract aligns with the Group's strategic PRC airport expansion plan, and will enable it to capture the enormous growth in passenger throughput, especially from the expected transportation boom following the COVID-19 pandemic.

Metro lines and billboards

During the Period, the weak state of the macro-economy presented headwinds to the business environment, which in turn affected the overall performance of this segment. In particular, the social unrest in Hong Kong led to a decline in revenue of the Group's business partner MTR Corporation Limited, and as a consequence, the Group recorded a drop in segment revenue of 50.6% to HKD222.6 million. Nevertheless, the Group secured a number of new media resources during the Period, including the Kunming Railway Station, which is a key station that serves as a vital transport interchange for municipal areas, namely Shanghai-Kunming Railway, Chengdu-Kunming Railway and Nanning-Kunming Railway. In addition, the Group has also renewed media resources at Shenzhen Metro Line 4, of which Fu Tian Kou An (Futian Port) station is connected to Lok Ma Chau station of the Hong Kong MTR East Rail Line via Futian Port. In Hong Kong, the advertising of the East Rail is also handled by Asiaray. Asiaray has commenced operation at MTR Tuen Ma Line Phase 1, with the exclusive right to operate media resources at the stations, including the expanded part of the Diamond Hill Station. The newly won media resources have again strengthened an already robust business network in the Greater Bay Area, and have placed the Group in a very favorable position to capitalize on the tremendous potential that the area holds.

With regard to the billboard operation, Asiaray has a number of media resources in Hong Kong, including at the Star Ferry Carparks, Worldwide House, Wheelock House, Pedder Building and atop a pedestrian subway in Central, Admiralty Center in Admiralty, the innovative T-shape billboard in Hunghom Cross Harbour Tunnel, 1 Leighton Road, Lin Fook House in Causeway Bay, One Peking in TST and Sim City in Mongkok. During the Period, 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, they are 8 Russell Steet, 5 Canal Road and Emperor Group Centre in Hong Kong and Inn Hotel and Nam Van Centre in Macau.

Vanguard of offline and online new media development

Asiaray is an industry pioneer, always ready to launch O&O strategies to maximize the impact of its Digital Out-of-Home ("DOOH") business, as well as providing integrated strategies for a seamless audience experience; achieving an amalgam of branding and sales strategies. During the Period, the Group has actively explored opportunities to employ O&O strategies that result in maximum advertising impact. In June 2020, the Group cooperated with Yunnan Provincial Committee of the Communist Youth League of China and Viya, the popular live streaming global seller of goods and products, in promoting an O&O marketing solution in Yunnan. This campaign has elicited overwhelmingly favorable response from the market. Separately, in Hong Kong, the Group subsequent to the Period cooperated with Jetso in launching the "Happy Fun" event in August. Different creative zones were set up in MTR Stations, including the use of digital billboards to provide an interactive experience to users. On top of underground media, the Group's new bus media, which commenced operation on 1 July 2020, has also adopted O&O strategies, with the aim of providing more interactive solutions to customers. It is worth noting that a Facebook game called "Bus Razzi" has already been launched, where participants have to obtain answers from bus advertisements by downloading relevant mobile applications. O&O strategies of this nature allow the Group to offer a greater variety of advertising solutions to its clients, and which are highly effective and can deliver optimum outcomes in terms of integrating branding and sales strategies.

OUTLOOK

Although the global economy is expected to experience significant headwinds owing to the Sino-US trade war and COVID-19 pandemic, the PRC market is nevertheless expected to achieve a prompter recovery, supported by strong precautionary measures and favorable support from the government. In view of the consumption boom and expected travel increases post-pandemic, the Group remains positive about its business development. Leveraging the Group's comprehensive network in the PRC, with coverage spanning tier 1 to tier 4 cities, Asiaray is in a favorable position to capture growth from different areas of the country. And with newly won the rights to operate media resources at the new Chengdu Tianfu International Airport, Asiaray can capitalize on an even stronger business presence in Western China in addition to its heavy presence in Yunnan, which is part of the Group's strategic plan. What is more, Asiaray's diversified customer base covers different kinds of businesses aiming to reach out to different target audiences via multiple medium platforms. With deeper market penetration and diversified client portfolio, the Group will be able to capture enormous growth opportunities as the PRC further recovers from the pandemic, as well as more new domestic companies enter the market. Backed by the Group's unique "Space Management" and pioneering O&O initiatives, Asiaray will provide unique advertising solutions that best fit the needs of customers; hence, grasp greater opportunities ahead. The Group will also continue to take a long-term approach, and will spare no effort in further expanding its business footprint and increasing its share of the PRC market.

With regard to Hong Kong, the market is still full of uncertainties due to the volatile social atmosphere and COVID-19 epidemic. Nonetheless, with the Group's solid foundation, longstanding market presence and strong network, it remains confident in its ability to cope with whatever challenges that may arise. What is more, armed with a diverse media portfolio, including newly operating KMB and LWB media, as well as media resources at the MTR Tuen Ma Line Phase 1 this year, Asiaray has the extensive media coverage both underground and above that will result in greater synergies among media outlets. Moreover, with its O&O initiatives, the Group is well positioned to strengthen its client portfolio by providing all-round advertising solutions. The Group therefore remains sanguine about its long-term development prospects and will continue to explore business opportunities for facilitating its market penetration in Hong Kong.

In January, the Group commenced the Singapore Thomson-East Coast MRT Line advertising business, which is the Group's first project outside of Greater China and marked another significant milestone since the Group's listing. Capitalizing on this success, the Group will still place greater resources on enhancing its exposure in Singapore, while at the same time explore different opportunities to further expand overseas, particularly in Southeast Asia.

The recent COVID-19 pandemic has dramatically changed the habits of the public, and in particular, has increased dependence on different online mediums. As a market pioneer, the Group will continue to invest in O&O initiative so that it is well prepared to leverage emerging trends. Having already completed a programmatic transformation project with Rubicon Project in January 2020, one of the world's largest advertising exchanges, Asiaray will be able to programmatically trade its DOOH display and video inventory across different regions. Its O&O strategies provide dynamic and responsive advertisements that have been well received by customers and the market. Looking ahead, the Group will seek to identify new market trends and further invest in O&O strategies, with the aim of introducing even better advertising solution to the market. Moreover, by including traditional OOH advertising to the mix, the Group will deliver truly impactful and dynamic O&O strategies that offer exceptional reach and data-enriched buying options to advertisers looking at DOOH for achieving their campaign goals, hence further strengthening their integrated branding and sales strategies. In addition, the Group will capitalize on its operational advantage to enter the "live-stream shopping" e-commerce market by integrating supply chains to achieve higher brand awareness, leading to more effective sales and promotions. In the long term, Asiaray will look for more possible cooperation opportunities and will strive to expand its client portfolio by leveraging its effective O&O strategies.

Even though the macro-environment is expected to remain challenging, the Group is optimistic about its prospects due to its solid foundation, strong client portfolio and outstanding business network. At the same time, Asiaray will continue to value our community, thus to achieve sustainable growth.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 30 June 2020 decreased from approximately HKD901.1 million to approximately HKD643.7 million, representing a decrease of 28.6%. The decrease was mainly attributable to the decrease in the metro and billboards 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 HKD953.9 million.

Revenue on the airports decreased by 0.3% from approximately HKD347.9 million in the corresponding period of 2019 to approximately HKD346.9 million in this Period, the decrease was due to the depreciation of Renminbi. Other than the exchange impact, the revenue increased by 4.7% mainly due to new projects such as Beijing T2, Beijing Daxing and Haikou airports.

The metro and billboards segment decreased by 50.6% from approximately HKD450.3 million in the corresponding period of 2019 to approximately HKD222.6 million in this Period. This was mainly attributable to the sharp decrease in revenue from High Speed Rail (Hong Kong section), metro lines in Hong Kong, Beijing and Shenzhen due to the COVID-19 pandemics in the world and the social unrest in Hong Kong.

Revenue on the others segment decreased by approximately 27.8% from approximately HKD102.8 million in the corresponding period of 2019 to approximately HKD74.2 million in this Period, which was primarily attributable to the decrease in our agency business in respect of sales of advertising fixtures in media resources operated by certain associated companies and other companies.

Cost of Revenue

The cost of revenue decreased by approximately HKD230.9 million, or 33.7%, from approximately HKD685.8 million in the corresponding period of 2019 to approximately HKD454.9 million in this Period. The decrease was mainly due to the reduction of concession fee payable under the concession rights contract due to COVID-19 pandemics and the temporary closures of airports and metro stations.

Gross Profit and Gross Profit Margin

The gross profit for this Period decreased from approximately HKD215.3 million to approximately HKD188.7 million, while the gross profit margin increased from 23.9% in the corresponding period of 2019 to 29.3% in this Period.

Selling and Marketing Expenses

Selling and marketing expenses decreased by approximately HKD23.6 million, or 26.5%, from approximately HKD89.1 million in the corresponding period of 2019 to approximately HKD65.5 million this Period. This decrease was primarily attributable to the decrease in employee benefit expenses which is in line with the decrease in sales during this Period.

Administrative Expenses

Administrative expenses decreased by approximately HKD11.6 million, or 13.0%, from approximately HKD89.2 million in the corresponding period of 2019 to approximately HKD77.6 million in this Period. This decrease was primarily attributable to the decrease in rent concessions and cost control of the overall general administrative expense due to the impact of COVID-19.

Finance Costs – net

Net finance cost was approximately HKD104.7 million for this Period, compared with approximately HKD81.8 million in corresponding period of 2019. This was mainly attributable to the increase in interest expense incurred from lease liabilities of HKFRS 16.

Share of Net Profits of Associates

The share of net profits of associates for the Period decreased 25.0%, from approximately HKD4.0 million in the corresponding period of 2019 to approximately HKD3.0 million in this Period. The was primarily attributable to the decrease in revenue in the agency business in Shenzhen affected by COVID-19.

Income Tax Credit

Income tax credit decreased by approximately HKD5.9 million for this Period, from approximately HKD 11.1 million in the corresponding period of 2019 to approximately HKD5.2 million in this Period.

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

The EBITDA of the Group was approximately HKD499.2 million in this Period, increased by HKD114.5 million compared to the corresponding period of 2019.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company was approximately HKD74.7 million during the Period, compared with approximately HKD42.0 million in corresponding period of 2019. The increase in loss was fully explained in the above and the unexpected COVID-19 impact and social unrest in Hong Kong.

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 PRC 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 no significant exposure on the foreign exchange risk. The Group will closely monitor foreign exchange exposure and consider hedging significant exposure should the need arise.

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 and restricted cash was approximately HKD316.4 million as at 30 June 2020, a decrease of approximately HKD128.7 million compared with that as at 31 December 2019. As at 30 June 2020, the financial ratios of the Group were as follows:

	As at 30 June 2020	As at 31 December 2019
Current ratio[(1)]	**0.82**	0.97
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's total borrowings as at 30 June 2020 were approximately HKD246.4 million. Out of total borrowings, approximately HKD95.4 million was repayable within one year, while approximately HKD151.0 million was repayable after one year.

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.

Exposure to Interest Rate Risk

The Group is exposed to interest rate risks arising from its bank borrowings for working capital and capital expenditures that are associated with the expansion of the Group and for other uses. 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 30 June 2020, the Group pledged its buildings and land use rights with carrying amount of HKD21.7 million (31 December 2019: HKD22.6 million), respectively to secure borrowings of the Group. The total secured borrowings as at 30 June 2020 amounted to HKD2.5 million (31 December 2019: HKD3.1 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 "2017 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 was disclosed in the circular issued by the Company dated 30 November 2017. The issuance of 2017 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 30 June 2020, PSCS in the principal amount of HKD50,000,000 has not been converted into conversion shares.

On 4 June 2020, the Company entered into a subscription agreement pursuant to which the Company has conditionally agreed to issue perpetual subordinated convertible securities (the "2020 PSCS") in the principal amount of HKD20,000,000 convertible into conversion shares at the initial conversion price of HKD5.1 per conversion share (subject to adjustments). A specific mandate for the allotment and issue of the 2020 PSCS will be sought by the Company from the Independent Shareholders by way of Shareholders' resolution(s) to be put forward at a coming extraordinary general meeting. For details, please refer to the announcement dated 4 June 2020.

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 (Issue of first tranche of PSCS)	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 (Issue of second tranche of PSCS)	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 30 June 2020

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
19,700 (Issue of second tranche of PSCS)	General working capital (Payment of concession fee)	19,700	19,700	Nil	N/A	Yes
142,800 (Issued of subscription shares)	General working capital (Working capital and funding projects in the PRC and Singapore)	142,800	77,000	65,800	Next 6 months	Yes

Capital Expenditures

The Group's capital expenditures primarily comprise cash expenditures for property, plant and equipment, such as advertising facilities and furniture and office equipment. The capital expenditures of the Group for the six months ended 30 June 2020 and 2019 were approximately HKD10.1 million and approximately HKD11.1 million, respectively.

Commitments

As at 30 June 2020, the Group did not have any material capital commitments.

Contingent liabilities

As at 30 June 2020, the Group had no material contingent liabilities.

SUBSEQUENT EVENTS

On 4 June 2020, the Company entered into a subscription agreement pursuant to which the Company has conditionally agreed to issue 2020 PSCS in the principal amount of HKD20,000,000 convertible into conversion shares at the initial conversion price of HKD5.1 per conversion share (subject to adjustments). A specific mandate for the allotment and issue of the 2020 PSCS will be sought by the Company from the Independent Shareholders by way of Shareholders' resolution(s) to be put forward at a coming extraordinary general meeting. As at the date of this announcement, the conditions of the subscription agreement yet to be fulfilled. For details, please refer to the announcement dated 4 June 2020.

On 2 July 2020, subsidiaries of the Company entered into five tenancy agreements with Lam Tak Hing, alias Vincent Lam ("Mr. Lam") or companies wholly owned by Mr. Lam, being an executive Director and the controlling shareholders of the Company. For detail, please refer to the announcement dated 2 July 2020.

On 7 August 2020 and 10 August 2020, 上海雅仕維廣告有限公司 (Shanghai Asiaray Advertising Company Limited*) ("Shanghai Asiaray"), an indirect wholly-owned subsidiary of the Company, entered into two concession rights agreements with 成都國際機場廣告傳媒有限公司 (Chengdu International Airport Advertising and Media limited*) ("Chengdu Airport Media Company") (the "Terminal 2 Agreement" and "Terminal 1 Agreement" respectively, and together, the "Chengdu Airport Concession Agreements"). Pursuant to the Chengdu Airport Concession Agreements, Shanghai Asiaray was granted the rights to use and operate the advertising and media resources in part of Terminal 1 and Terminal 2 of the Chengdu Tianfu International Airport operated by Chengdu Airport Media Company with concession fees payable to Chengdu Airport Media Company. For details, please refer to the announcements on 7 August 2020 and 10 August 2020.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group offers competitive remuneration packages, including trainings, medical, insurance coverage and retirement benefits, to all employees in Hong Kong and the PRC. As at 30 June 2020, the Group has 1,062 permanent and temporary employees. The total salaries and related costs for the six months ended 30 June 2020 and 2019 amounted to approximately HKD101.0 million and HKD126.1 million, respectively.

INTERIM DIVIDEND

At the Board of Directors' meeting held on 21 August 2020, the Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: Nil).

CORPORATE GOVERNANCE

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 Listing Rules, except for code provision A.2.1 as explained below. 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. The division of responsibilities between the chairman and chief executive should be clearly established. Mr. Lam Tak Hing, Vincent currently assumes the roles of both Chairman and 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of all Directors and that all the Directors confirmed their compliance with the required standard set out in the Model Code during the six months ended 30 June 2020.

DEED OF NON-COMPETITION

Mr. Lam Tak Hing, Vincent ("Mr. Lam"), Media Cornerstone, Space Management and Shalom Family (collectively, the "Controlling Shareholders") entered into a deed of non-competition dated 22 December 2014 with the Company (the "Deed of Non-competition"). Pursuant to the Deed of Non-competition, each of the Controlling Shareholders has undertaken that, among other things, he/it shall not and shall procure his/its associates not to, either alone or jointly with any other person or entity, or for any other person, firm or company, or as principal, partner, director, employee, consultant or agent through any body corporate, partnership, joint venture or other contractual arrangement, be engaged, invested, or otherwise involved, whether as a shareholder, director, employee, partner, agent or otherwise, directly or indirectly, in the carrying on of any business in any form or manner in Hong Kong or the PRC in competition or likely to be in competition, directly or indirectly, with the business operated by the Group in Hong Kong or the PRC. Mr. Lam has further undertaken that he shall procure Main Element Profits Limited to exercise all its voting power in Taiwan Asiaray Advertising Holdings Company Limited* (台灣雅仕維廣告股份有限公司) ("Taiwan Asiaray") to ensure that the business of Taiwan Asiaray will not expand outside Taiwan. Details of the Deed of Non-competition are set out in the section headed "Relationship with Controlling Shareholders — Non-Competition Undertakings" of the prospectus of the Company dated 31 December

2014. The Company has received confirmations from the Controlling Shareholders of their compliance with the Deed of Non-competition for the year ended 31 December 2019 (the "Confirmations"). The independent non-executive directors of the Company have been provided with all necessary information and have reviewed the Confirmations and are satisfied that the Deed of Non-competition was complied with and was effectively enforced during the year ended 31 December 2019.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2020.

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51B (1) of the Listing Rules, the change in information of Director is as follows:

Mr. Wong Chi Kin was appointed as an independent non-executive director of Forgame Holdings Limited, a company listed on the Stock Exchange of Hong Kong with stock code of 484, with effect from 27 April 2020.

AUDIT COMMITTEE

The Company's interim results for the Period have not been audited but the Company's audit committee has reviewed the unaudited consolidated financial results and the interim report of the Company for the Period and agreed to the accounting principles and practices adopted by the Company. The audit committee of the Company comprises three independent non-executive directors, namely Mr. Ma Andrew Chiu Cheung (Chairman), Mr. Ma Ho Fai *GBS JP*, and Ms. Mak Ka Ling.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the Company's website (www.asiaray.com) and the designated website of the Stock Exchange (www.hkexnews.hk). The interim report will be available on the websites of the Company and the Stock Exchange in due course.

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

Hong Kong, 21 August 2020

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

* *For identification purpose only*