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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)**

**MAJOR TRANSACTION**  
**IN RELATION TO ADVERTISING SALES AGENCY SERVICE**  
**FOR MTR MALLS AND COMMERCIAL PREMISES**

**ADVERTISING SALES AGENCY SERVICE FOR MTR MALLS AND COMMERCIAL PREMISES**

The Board is pleased to announce that on 24 October 2022, Asiaray Outdoor, an indirect wholly-owned subsidiary of the Company, and the Corporation entered into the Contract, pursuant to which Asiaray Outdoor shall undertake the operation, sales and marketing and management of the advertising media including advertising panels, outdoor billboard and LED display for MTR Malls and Commercial Premises for a period of 5 years commencing on 1 January 2023 and ending on 31 December 2027.

**LISTING RULES IMPLICATIONS**

Upon the implementation of HKFRS 16, the entering into of the Contract will require the Group to recognise the exclusive rights as right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. As such, the entering into of the Contract will be regarded as an acquisition of asset by the Group under Chapter 14 of the Listing Rules.

As the highest applicable Percentage Ratio of the transactions contemplated under the Contract is higher than 25% but lower than 100%, the entering into of the Contract constitutes a major transaction of the Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for such approval. Media Cornerstone Limited, being a controlling Shareholder holding 254,921,500 Shares, representing approximately 53.59% of the issued Shares as at the date of this announcement, has given its written approval for the Contract and the transactions contemplated thereunder and such written approval can be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting of the Company will be convened for the purpose of approving the Contract pursuant to Rule 14.44 of the Listing Rules.

A circular containing, amongst others, details of the Contract and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 14 November 2022. If additional time is required for preparing the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and thereafter publish an announcement in accordance with the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 24 October 2022, Asiaray Outdoor, an indirect wholly-owned subsidiary of the Company, and the Corporation entered into the Contract, pursuant to which Asiaray Outdoor shall undertake the operation, sales and marketing and management of the advertising media including advertising panels, outdoor billboard and LED display for MTR Malls and Commercial Premises for a period of 5 years commencing on 1 January 2023 and ending on 31 December 2027.

## THE CONTRACT

Principal terms of the Contract are set out below:-

- Date : 24 October 2022
- Parties : (i) Asiaray Outdoor  
(ii) the Corporation
- Subject matter : Asiaray Outdoor shall undertake the operation, sales and marketing and management of the advertising media including advertising panels, outdoor billboard and LED display for MTR Malls and Commercial Premises.
- Term : 5 years commencing on 1 January 2023 and ending on 31 December 2027.
- Concession Fees : The Concession Fees for the Term payable to the Corporation will not be more than HK\$185,430,000 which is determined based on the Expected Annual Revenue, subject to additional revenue Concession Fees calculated based on the Annual Revenue above the Expected Annual Revenue. The Concession Fees will be satisfied by internal resources of the Group on a monthly basis.
- The consideration under the Contract was determined by way of tender which was submitted to the Corporation on 11 May 2022 and had been prepared by the Group by reference to the indicators such as the expected revenue to be received by the Group from its existing and target customers.
- Bond and guarantee : Asiaray Outdoor shall submit to the Corporation a bond in the sum of HK\$18,850,000 and a guarantee issued by the Company in favour of the Corporation for the due and faithful performance of the Contract.

## **INFORMATION OF THE CORPORATION**

The Corporation is principally engaged in the following core businesses: railway design, construction, operation, maintenance and investment in Hong Kong, Macau, Mainland China and a number of overseas cities; project management in relation to railway and property development businesses in Hong Kong and Mainland China; station commercial business including leasing of station retail space, leasing of advertising space inside trains and stations, and enabling of telecommunication services on the railway system in Hong Kong; property business including property development and investment, management and leasing management of investment properties (including shopping malls and offices) in Hong Kong and Mainland China.

The Corporation was incorporated in Hong Kong whose shares are listed and traded on the Main Board of the Stock Exchange with stock code 66. To the best knowledge of the Directors, the largest shareholder of the Corporation is The Financial Secretary Incorporated holding 4,634,173,932 shares (representing approximately 74.75% of the entire issued share capital of the Corporation), which holds in trust on behalf of The Government of Hong Kong.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Corporation and its beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

## **INFORMATION OF THE GROUP**

### **The Company**

The Company was incorporated in the Cayman Islands with limited liability. The Company is an investment holding company and its subsidiaries are principally engaged in the development and operations of out-of-home advertising media, including advertising in airports, metro lines, billboards and building solutions in the PRC and Hong Kong, Macau and Southeast Asia.

### **Asiaray Outdoor**

Asiaray Outdoor was incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. Asiaray Outdoor is principally engaged in out-of-home advertising media service in Hong Kong.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONTRACT**

Placing an advertisement is one of the effective ways to raise the awareness of one's product and promote one's business. The Board considers that advertisements placed in the MTR Malls and Commercial Premises would attract a wide variety of viewers, from visitors and occupants to road users and pedestrians. As a result, the transactions contemplated under the Contract could bring stable income to the Company.

In compliance with HKFRS 16, the valuation of the right-of-use assets under the Contract prepared by an independent valuer in the sum of HK\$130,282,000 (the “**Valuation**”) would be recognised as assets being the fixed portions of the Company's future payments, while the additional revenue Concession Fees (if any) would be booked as operating expenses, leaving the value of the right-of-use asset unaffected. Therefore, the Company believes that the Valuation is an appropriate value for recognising the right-of-use asset.

In view of the above, the Directors consider that the terms of the Contract and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Upon the implementation of HKFRS 16, the entering into of the Contract will require the Group to recognise the exclusive rights as right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. As such, the entering into of the Contract will be regarded as an acquisition of asset by the Group under Chapter 14 of the Listing Rules.

As the highest applicable Percentage Ratio of the transactions contemplated under the Contract is higher than 25% but lower than 100%, the entering into of the Contract constitutes a major transaction of the Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for such approval. Media Cornerstone Limited, being a controlling Shareholder holding 254,921,500 Shares, representing approximately 53.59% of the issued Shares as at the date of this announcement, has given its written approval for the Contract and the transactions contemplated thereunder and such written approval can be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting of the Company will be convened for the purpose of approving the Contract pursuant to Rule 14.44 of the Listing Rules.

A circular containing, amongst others, details of the Contract and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 14 November 2022. If additional time is required for preparing the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and thereafter publish an announcement in accordance with the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Annual Revenue”	the annual revenue generated by Asiaray Outdoor from operation, sales and marketing and management of the advertising media including advertising panels, outdoor billboard and LED display for MTR Malls and Commercial Premises under the Contract
“Asiaray Outdoor”	Asiaray Outdoor Media Limited, a company incorporated in Hong Kong with limited liability on 8 October 2007 and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Commercial Premises”	Hung Hom Carpark, Admiralty Centre and World Wide House
“Company”	Asiaray Media Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1993)
“Concession Fees”	concession fees payable by Asiaray Outdoor to the Corporation pursuant to the Contract
“Contract”	the tender submission of Asiaray Outdoor dated 11 May 2022 and the letter of acceptance of the Corporation dated 12 August 2022 (together with its appendixes) which has been acknowledged by Asiaray Outdoor on the date of this announcement

“Corporation”	MTR Corporation Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed and traded on the Main Board of the Stock Exchange (stock code: 66)
“Directors”	the directors of the Company
“Expected Annual Revenue”	the Annual Revenue for each year expected to be achieved by the Group
“HK\$”	Hong Kong Dollars, the lawful currency in Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “ <i>Leases</i> ”
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“MTR Malls”	the shopping malls managed by the Corporation, including but not limited to Telford Plaza, Maritime Square, Popcorn, Luk Yeung Galleria, Paradise Mall, The Lane, Citylink Plaza, Ocean Walk and The LOHAS
“Percentage Ratio(s)”	the percentage ratio(s) as defined under Rule 14.07 of the Listing Rules applied for determining the classification of notifiable transactions under the Listing Rules
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of nominal value of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Term”	5 years commencing on 1 January 2023 and ending on 31 December 2027
“%”	per cent

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

Hong Kong, 24 October 2022

*As at the date of this announcement, the executive Directors are Mr. Lam Tak Hing, Vincent and Mr. Kwan Tat Cheong; the non-executive Directors are Mr. Wong Chi Kin, Mr. Lam Ka Po 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.*