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 2024

The board of directors (the "Board") of Asiaray Media Group Limited (the "Company") announces the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 (the "Year"), together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**1,069,225**	1,608,784
Cost of revenue	*3*	**(762,515)**	(1,256,926)
Gross profit		**306,710**	351,858
Selling and marketing expenses		**(113,820)**	(132,759)
Administrative expenses		**(192,942)**	(182,841)
Net impairment losses on financial assets		**(34,888)**	(217)
Other income		**8,107**	30,457
Other gains, net	*4*	**190,055**	61,666
Operating profit		**163,222**	128,164

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Finance income	*5*	**3,071**	4,083
Finance costs	*5*	**(74,667)**	(131,514)
Finance costs, net	*5*	**(71,596)**	(127,431)
Share of net loss of investments accounted for using the equity method		**(4,372)**	(10,293)
Profit/(loss) before income tax		**87,254**	(9,560)
Income tax expense	*6*	**(76,834)**	(389)
Profit/(loss) for the Year		**10,420**	(9,949)
(Loss)/profit attributable to:			
Owners of the Company		**(51,822)**	(19,698)
Non-controlling interests		**62,242**	9,749
		10,420	(9,949)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss			
– Net (losses)/gains from changes in financial assets at fair value through other comprehensive income, net of tax		**(89)**	184
– Currency translation differences		**(2,266)**	2,047
Items that will not be reclassified to profit or loss			
– Surplus on revaluation of properties upon transfer to investment properties		**8,860**	–
– Currency translation difference		**6,438**	–
		12,943	2,231
Total comprehensive income/(loss) for the Year		**23,363**	(7,718)
Attributable to:			
Owners of the Company		**(39,165)**	(17,686)
Non-controlling interests		**65,528**	9,968
Total comprehensive income/(loss) for the Year		**23,363**	(7,718)
Loss per share attributable to owners of the Company for the Year *(expressed in RMB cents per share)*			
– Basic and diluted	*7*	**(13.3)**	(6.5)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**As at 31 December 2024** *RMB'000*	As at 31 December 2023 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**112,419**	133,767
Right-of-use assets		**724,965**	1,178,457
Investment properties		**125,427**	92,013
Intangible assets		**9,825**	11,441
Investments accounted for using the equity method		**55,935**	53,807
Financial assets at fair value through profit or loss		**12,042**	9,335
Financial assets at fair value through other comprehensive income		**6,170**	6,152
Deferred income tax assets		**127,091**	197,028
Deposits	*9*	**5,171**	5,241
		1,179,045	1,687,241
Current assets			
Inventories		**68,388**	43,196
Trade and other receivables	*9*	**573,886**	750,861
Current income tax recoverable		**162**	4,565
Financial assets at fair value through profit or loss		**–**	891
Restricted cash		**17,140**	23,541
Cash and cash equivalents		**215,334**	367,241
		874,910	1,190,295
Total assets		**2,053,955**	2,877,536

	Note	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**38,947**	38,947
Reserves		**38,442**	87,718
		77,389	126,665
Non-controlling interests		**183,245**	120,717
Total equity		**260,634**	247,382
Liabilities			
Non-current liabilities			
Borrowings	*11*	**103,660**	147,193
Lease liabilities		**508,179**	1,041,041
Deferred income tax liabilities		**1,366**	1,316
		613,205	1,189,550
Current liabilities			
Trade and other payables	*10*	**342,262**	253,818
Contract liabilities		**85,848**	78,663
Borrowings	*11*	**251,759**	269,752
Current income tax liabilities		**678**	2,135
Lease liabilities		**499,569**	836,236
		1,180,116	1,440,604
Total liabilities		**1,793,321**	2,630,154
Total equity and liabilities		**2,053,955**	2,877,536

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 20 May 2014 as an exempted company with limited liability under the laws of the Cayman Islands. The address of the Company's registered office is PO 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 (the "Stock Exchange") on 15 January 2015.

The Company is an investment holding company. The Group is 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" or "Mainland China"), Hong Kong, Macau and Southeast Asia.

2 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 and investment properties, which are carried at fair values.

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB305,206,000 (31 December 2023: RMB250,309,000). Included in the current liabilities were the lease liabilities of approximately RMB499,569,000 (31 December 2023: RMB836,236,000) and borrowings of approximately RMB251,759,000 (31 December 2023: RMB269,752,000). The Group had cash and cash equivalents balance of approximately RMB215,334,000 (31 December 2023: RMB367,241,000).

In view of such circumstances, the directors of the Company ("Directors") have given careful consideration of the future liquidity and operating performance of the Group and its available source of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Directors have reviewed a cash flow projection of the Group prepared by management covering a period of not less than twelve months from 31 December 2024 taking into account the following plans and measures into consideration:

(a) The Group maintains regular communications with its banks and given its good track records, the Directors are confident that the existing banking facilities, including the unutilised amount of approximately RMB226,400,000 in aggregate as at 31 December 2024, will continue to be available to the Group and the outstanding borrowings can be renewed when their current term expires. Therefore, the directors believe that the Group will be able to draw down from these facilities to finance its operations, if needed. Subsequent to the year end, the Group has refinanced a term loan of approximately RMB45,000,000 from a bank and the Group has also been able to obtain and draw down new banking facilities of approximately RMB40,000,000

(b) The Group expects that there will be steady cash inflow from operations that is sufficient enough to fulfil its obligations including lease liabilities. The Group will continue to closely monitor the performance of each contract and take proactive measures on cost control to mitigate the negative impact that might arise, including, but not limited to, negotiation with the landlord for concession of its lease obligation, if necessary.

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 and the continuous availability of the existing banking facilities, are sufficient to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2024. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

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 judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

These consolidated financial statements are presented in RMB and all figures are rounded to the nearest thousand (RMB'000) unless otherwise stated.

(a) Amended standards and interpretation adopted by the Group

The following amended standards and interpretation have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of these amended standards and interpretation does not have any significant impact on the results and the financial position of the Group.

(b) New and amended standards and interpretation not yet adopted by the Group

The following new and amended standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted by the Group:

		Effective for accounting year beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

According to the assessment made by the Board, these new and amended standards and interpretation are not expected to have a material impact to the Group in the current or future reporting periods and on foreseeable future transactions.

3 SEGMENT INFORMATION

The segment information for the operating segments is as follows:

	Airports business *RMB'000*	Metro and billboards business *RMB'000*	Bus and other business *RMB'000*	Total *RMB'000*
Year ended 31 December 2024				
Revenue	**358,258**	**399,604**	**311,363**	**1,069,225**
Cost of revenue	**(233,744)**	**(295,836)**	**(232,935)**	**(762,515)**
Gross profit	**124,514**	**103,768**	**78,428**	**306,710**
Share of net (loss)/profit of investments accounted for using the equity method	**(4,940)**	**568**	**–**	**(4,372)**
Segment results	**119,574**	**104,336**	**78,428**	**302,338**
Selling and marketing expenses				**(113,820)**
Administrative expenses				**(192,942)**
Net impairment losses on financial assets				**(34,888)**
Other income				**8,107**
Other gains, net				**190,055**
Finance income				**3,071**
Finance costs				**(74,667)**
Finance costs, net				**(71,596)**
Profit before income tax				**87,254**

	Airports business *RMB'000*	Metro and billboards business *RMB'000*	Bus and other business *RMB'000*	Total *RMB'000*
Year ended 31 December 2023				
Revenue	519,364	585,493	503,927	1,608,784
Cost of revenue	(381,440)	(426,614)	(448,872)	(1,256,926)
Gross profit	137,924	158,879	55,055	351,858
Share of net (loss)/profit of investments accounted for using the equity method	(11,184)	891	–	(10,293)
Segment results	126,740	159,770	55,055	341,565
Selling and marketing expenses				(132,759)
Administrative expenses				(182,841)
Net impairment losses on financial assets				(217)
Other income				30,457
Other gains, net				61,666
Finance income				4,083
Finance costs				(131,514)
Finance costs, net				(127,431)
Loss before income tax				(9,560)

Revenue consists of the following:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Advertising display revenue	**859,458**	1,341,610
Advertising production, installation and dismantling revenue	**209,767**	267,174
	1,069,225	1,608,784

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue over time	**859,458**	1,341,610
Revenue at a point in time	**209,767**	267,174
	1,069,225	1,608,784

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Mainland China	**635,214**	967,692
Hong Kong and others	**434,011**	641,092
	1,069,225	1,608,784

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 assets at fair values and deferred income tax assets located in Mainland China, Hong Kong and others are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Mainland China	**732,856**	1,163,852
Hong Kong	**281,739**	290,016
Others	**19,147**	20,858
	1,033,742	1,474,726

4 OTHER GAINS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Gains on disposals of property, plant and equipment	**3,007**	11
Fair value losses on investment properties	**(10,292)**	(4,930)
Fair value (losses)/gains on financial assets at fair value through profit or loss	**(179)**	1,284
Net gains from early termination of leases	**198,383**	66,264
Net exchange (losses)/gains	**(27)**	666
Others	**(837)**	(1,629)
	190,055	61,666

5 FINANCE COSTS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finance income		
Interest income on bank deposits	**(3,071)**	(4,083)
Finance costs		
Interest expense on bank borrowings	**22,827**	19,899
Interest expense on lease liabilities *(Note)*	**51,840**	111,615
	74,667	131,514
Finance costs, net	**71,596**	127,431

Note: Interest expense on lease liabilities is arising from recognition of right-of-use assets, which is measured at net present value of the fixed payment.

6 INCOME TAX EXPENSE

The income tax expense of the Group for the years ended 31 December 2024 and 2023 is analysed as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax		
– PRC corporate income tax	**6,468**	4,311
– Hong Kong profits tax	**762**	–
	7,230	4,311
Deferred income tax	**69,604**	(3,922)
	76,834	389

7 LOSS PER SHARE

(a) Basics loss per share

Basic loss per share is calculated by dividing the loss 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 excluding treasury shares.

	Year ended 31 December	
	2024	2023
Loss attributable to owners of the Company *(RMB'000)*	**(51,822)**	(19,698)
Less: distribution to PSCS *(RMB'000)*	**(11,583)**	(11,318)
	(63,405)	(31,016)
Weighted average number of ordinary shares in issue *(thousand shares)*	**476,212**	473,825
Loss per share *(RMB cents per share)*	**(13.3)**	(6.5)

(b) Diluted loss per share

Diluted loss 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 and PSCS.

For the years ended 31 December 2024 and 2023, the Group's PSCS could potentially dilute basic loss per share in the future, but were not included in the calculation of diluted loss per share because they are anti-dilutive for the years.

8 DIVIDENDS

At the meeting held on 24 March 2025, the Board does not recommend the payment of a final dividend for the Year (2023: Nil).

9 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current assets		
Trade receivables (a)	**437,538**	559,116
Less: loss allowance of trade receivables (b)	**(126,823)**	(93,117)
Trade receivables, net	**310,715**	465,999
Other receivables (c)	**154,185**	131,018
Less: loss allowance of other receivables (c)	**(4,336)**	(3,963)
Other receivables, net	**149,849**	127,055
Interest receivables	**20**	60
Value-added-tax recoverable	**42,239**	59,464
Prepayments	**71,063**	98,283
	573,886	750,861
Non-current assets		
Deposits (c)	**5,171**	5,241
Total	**579,057**	756,102

(a) The Group has various credit terms for its customers. As at 31 December, ageing analysis of the trade receivables by invoice date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 6 months	**186,653**	338,190
6 months to 12 months	**47,662**	62,638
1 year to 2 years	**70,989**	53,060
2 years to 3 years	**35,797**	33,533
Over 3 years	**96,437**	71,695
	437,538	559,116

(b) Loss allowance of trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables. The Group also continuously monitors the credit risks by assessing the credit quality of respective counterparties, taking into account its financial position, past experience and other factors.

The loss allowance of trade receivables increased by RMB33,706,000 during the Year (2023: RMB3,206,000).

(c) Other receivables mainly represent concession deposits paid to various media resources owners and amounts due from certain related parties. The amounts due from related parties are RMB42,332,000 and RMB43,744,000 as at 31 December 2024 and 2023, respectively. The carrying amounts of other receivables approximate their fair values.

Other receivables and deposits are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime expected credit losses. The loss allowance of other receivables increased by RMB373,000 during the Year (2023: RMB4,022,000).

(d) The carrying amounts of the Group's trade and other receivables excluded prepayment are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
RMB	**388,974**	445,415
HKD	**113,363**	202,718
Singapore dollars ("SGD")	**3,926**	4,431
United States dollars ("USD")	**1,731**	5,255
	507,994	657,819

10 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables (a)	**200,229**	113,994
Accrued concession fee charges for advertising spaces	**38,650**	50,804
Other taxes payables	**2,518**	18,692
Interests payables	**559**	1,035
Salary and staff welfare payables	**25,142**	20,596
Other payables	**75,164**	48,697
	342,262	253,818

The carrying amounts of the Group's total trade and other payable are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
RMB	**256,110**	132,166
HKD	**74,026**	107,965
SGD	**7,860**	6,547
USD	**4,266**	7,140
	342,262	253,818

(a) As at 31 December, ageing analysis of the trade payables by invoice date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Up to 6 months	**83,183**	93,143
6 months to 12 months	**66,582**	5,399
1 year to 2 years	**43,448**	5,048
2 years to 3 years	**2,114**	9,493
Over 3 years	**4,902**	911
	200,229	113,994

11 BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-current portion		
Bank borrowings, unsecured	**103,660**	147,193
Current portion		
Bank borrowings, unsecured	**251,759**	269,752
Total bank borrowings	**355,419**	416,945

(a) As at 31 December, the Group's borrowings are repayable as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**251,759**	269,752
Between 1 and 2 years	**53,620**	130,788
Between 2 and 5 years	**50,040**	16,405
	355,419	416,945

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
HKD	**205,595**	260,997
RMB	**139,613**	139,959
SGD	**10,211**	15,989
	355,419	416,945

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, geopolitical conflicts, financial market volatility, and inflationary pressures continued to suppress consumer sentiment and hinder a robust economic recovery. As a result, various industries, including advertising industry, were inevitably impacted. However, we believe every challenge carries an opportunity. In the face of these challenges, the Group executed a comprehensive strategy to stabilize operations, optimize media resources, and lay the groundwork for business resilience. These efforts resulted in a significant turnaround. Although the ongoing streamlining of the internal structure and media network was not fully reflected, the Group recorded a net profit of RMB10.4 million for the Year, compared with a loss of RMB9.9 million in 2023. The Group sharpened its focus on operational efficiency and profitability by selectively divesting underperforming media resources, while boosting the productivity of retained resources. It also strategically reacquired the operating rights of high-potential media resources on more favorable terms and competitive costs, and streamlined operational frameworks to enforce tighter internal controls and cost discipline.

At the same time, the Group was committed to broadening its client portfolio by strengthening partnerships with brands in the daily consumer goods sector, such as food & beverage, healthcare, insurance, and wealth management, as well as collaborating with regional market leaders. This positioned the Group to seize first-mover opportunities fueled by trends such as cross-border consumption and experiential tourism with significant results of bringing in dental and food & beverage companies to advertise in Hong Kong. In addition, to meet advertisers' growing demand for cost-effective, high-impact campaigns, the Group harnessed its unique expertise in space management and immersive scenarios to craft innovative, value-driven solutions. These offerings blended creative vision with operational efficiency, ensuring that clients achieved both quality and measurable results.

For the Year, despite a decline in revenue to RMB1,069.2 million (2023: RMB1,608.8 million) due to a decrease in media resource inventory from optimization initiatives, gross profit was RMB306.7 million (2023: RMB351.9 million), with the gross margin improving significantly by 6.8 percentage points from 21.9% in 2023 to 28.7%. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to RMB593.2 million for the Year (2023: RMB838.3 million).

As at 31 December 2024, the Group was in a healthy financial position with cash and cash equivalents, including restricted cash amounting to RMB232.5 million (2023: RMB390.8 million), laying a solid foundation for its business recovery.

PERFORMANCE OF BUSINESS SEGMENTS

Metro lines and billboards

This segment recorded revenue of RMB399.6 million (2023: RMB585.5 million) for the Year, with gross profit of RMB103.8 million and a gross profit margin of 26.0% (2023: RMB158.9 million and 27.1%). For metro operations, the Group leveraged its expertise and market insights to secure more favorable terms when renewing key metro media resources such as Shenzhen Metro, which delivered solid results. Meanwhile, established assets such as Hangzhou Metro performed consistently as anticipated. Additionally, the growing prominence of high-speed rail as a preferred mode of travel enhanced the advertising value at hubs such as Hong Kong's West Kowloon Station and Kunming Railway Station, supported by steady passenger flows and the Group's business synergies derived from the resources in the Greater China region. The billboard business continued to improve through diversification of media formats, including the gradual improvement of billboard effectiveness through tailored adjustments.

Airports

For the Year, this segment recorded revenue of RMB358.3 million (2023: RMB519.4 million), gross profit of RMB124.5 million and gross profit margin of 34.8% (2023: RMB137.9 million and 26.6%), representing a year-on-year increase of 8.2 percentage points. The improvement in profitability was driven by the optimization of the Group's airport media portfolio through continuous resource rationalization, including the regained advertising and media contracts for Haikou Meilan International Airport, which were at a more favorable overall cost. While the full operational restructuring is still ongoing, encouraging progress was made during the Year, confirming the effectiveness of the current strategy in enhancing returns.

Bus and others

This segment recorded revenue of RMB311.4 million (2023: RMB503.9 million) for the Year, with gross profit of RMB78.4 million and a gross profit margin of 25.2% (2023: RMB55.1 million and 10.9%), a year-on-year increase of 14.3 percentage points. By formally terminating underperforming contracts in the second half of the year, this segment streamlined operations and enhanced efficiency, leading to a return to stable performance.

O&O New Media Strategy Development

During the Year, the Group continued to leverage its industry-leading Outdoor and Online ("O&O") New Media Strategy and Digital Out-of-Home Plus ("DOOH+") platform, earning 45 accolades from influential industry platforms for innovative campaigns. The Group has fully leveraged its deep market insights, decades of expertise, and economies of scale, combining creativity to connect brands with audiences while prioritizing efficiency, rapid execution, and cost-effectiveness. Notable projects included a collaboration with a globally renowned beverage brand, which was awarded the OOH Contextual Marketing Award[1]. The Group redesigned a subway station using the brand's signature colors, transforming the space into a vibrant brand showcase. Coinciding with the buzz around the Paris Olympics, the campaign incorporated athletic track motifs and Olympic ring installations to amplify the theme of "cheering for athletes". In Hong Kong, the Group won the prestigious IAI Awards[2] by reimagining bus stops for an international beer brand, integrating atmospheric lighting elements to create an immersive nighttime experience that offered pedestrians a fresh perspective.

On the supply side, the Group strengthened its partnership with programmatic advertising leaders such as The Trade Desk, Hivestack by Perion and Vistar Media, seamlessly connecting premium OOH media resources with those seeking precise, data-driven advertising solutions. For example, a telecom brand targeting tech-savvy, data-heavy mobile users leveraged the Group's media resources across Singapore's Thomson-East Coast Line via programmatic platforms. Coupled with the Group's Weather Triggering technology, creatives dynamically switched between "sunny" and "rainy" versions based on real-time weather to complete the offline-to-online cycle, enabling the brand to chase away the rain-day blues by offering customers free data whenever it rained in Singapore. This real-time adaptation boosted engagement by aligning incentives with immediate scenarios, adding interactivity and playful relevance. These efforts not only enriched urban visual landscapes but also demonstrated the strategic balance between innovative impact and operational agility.

1 The OOH Contextual Marketing Award serves as an industry benchmark and has been held for nine consecutive years. It aims to identify outstanding cases that best represent the innovative spirit and communication value of OOH contextual marketing from numerous entries, thereby driving industrial development. Recognized as one of the most authoritative awards in China's advertising sector, it maintains rigorous evaluation standards and systematic selection mechanisms.

2 The renowned IAI AWARDS was founded in 2000, co-organized by the China Advertising Association of Commerce and the School of Advertising of Communication University of China. Its jury panel of around 200 members includes influential figures from the academic, advertising, corporate, and media sectors, demonstrating its high recognition in the industry.

PROSPECTS

Looking ahead to 2025, the macroeconomic landscape remains uncertain, shaped by geopolitical tensions and recessionary risks that continue to weigh on market confidence. Nevertheless, the growing cross-border consumption activities between mainland China and Hong Kong are expected to create opportunities for the entire advertising industry. Thus, the Group remains optimistic about its prospects, drawing on its market expertise, expansive Greater China media network, and proven track record of advertising solutions that balance efficiency and innovation.

Supported by the Chinese government's initiatives to boost domestic consumption, the Group aims to strengthen its partnership with sectors aligned with current consumption patterns. By harnessing its strategically located media resources across airports, metro systems, and high-speed rail networks, the Group will continue to deliver campaigns that link brand objectives with consumer trends, enabling the creation of targeted and innovative advertising solutions designed to broaden revenue streams and strengthen market position.

For the longer-term prospect, the Group remains committed to refining its internal control and adopting prudent financial practices to mitigate risk and allow it to navigate the evolving business landscape. Meanwhile, the Group will continue to optimize its media portfolio through long-standing partnerships with major media resource owners, enhancing profitability while maintaining operational efficiency. These initiatives will be supported by organizational restructuring to better align with ever-changing market demands and opportunities.

Renowned for its agility and adaptability, the Group is able to capitalize on its extensive knowledge of large-scale transport advertising and keen market insights. By maintaining this strategic agility, the Group is poised to turn market shifts into opportunities, securing long-term value for its shareholders and benefits for its stakeholders.

Amid the challenging business environment during and after COVID, the Group has implemented a very supportive sales strategy for our advertisers in the Yunnan subsidiary. As a result, our tea leaves inventory has increased substantially over these years. The Group will continue to deploy resources, including but not limited to establishing a dedicated team to open up online and offline wholesale channels and collaborate with different retail partners. The Group believes such measures will not only manage our tea leaves inventory but also innovate other business models as a natural extension of our traditional Out-Of-Home media business which is consistent with our innovative "Space Management" operation model being listed in the Harvard Business Publishing Education Case Study Collection under Harvard University in 2022.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the Year decreased from RMB1,608.8 million to RMB1,069.2 million, representing a year-on-year decreased by 33.5%. The decrease in revenue was due to termination of projects during the Year.

The airports segment revenue decreased by 31.0% from RMB519.4 million in 2023 to RMB358.3 million in 2024. The decrease was mainly due to the economy recovery in post epidemic era is not as fast as expected in the Mainland China.

The metro and billboards segment revenue decreased by 31.7% from RMB585.5 million in 2023 to RMB399.6 million in 2024. The decrease was mainly due to the termination and expiry of projects.

The bus and others segment revenue decreased by 38.2% from RMB503.9 million in 2023 to RMB311.4 million in 2024. The decrease is mainly due to the termination and expiry of projects.

Cost of Revenue

The cost of revenue decreased by RMB494.4 million, or 39.3%, from RMB1,256.9 million in 2023 to RMB762.5 million in 2024. Such decrease was in line with the decline in revenue.

Gross Profit and Gross Profit Margin

The gross profit in 2024 decreased by RMB45.1 million, or 12.8%, from RMB351.9 million in 2023 to RMB306.7 million. However, the gross profit margin increased from 21.9% in 2023 to 28.7% in 2024. The increase was due to the termination and expiry of underperforming projects.

Selling and Marketing Expenses

The selling and marketing expenses decreased by RMB18.9 million, or 14.3%, from RMB132.8 million in 2023 to RMB113.8 million in 2024. The decrease was in line with the decline in revenue.

Administrative Expenses

The administrative expenses increased by RMB10.1 million, or 5.5%, from RMB182.8 million in 2023 to RMB192.9 million in 2024.

Finance Costs, net

Net finance cost decreased by RMB55.8 million, or 43.8%, from RMB127.4 million in 2023 to RMB71.6 million in 2024. The decrease was primarily attributable to the decrease in interest expense recognized in accordance with HKFRS16. The decrease was due to the termination and expiry of projects during the Year.

Share of net loss of investments accounted for using the equity method

The share of net loss of investments in associates decreased from RMB10.3 million in 2023 to RMB4.4 million in 2024 due to the termination of underperforming projects.

Income Tax Expense

Income tax expense increased from RMB0.4 million in 2023 to RMB76.8 million in 2024.

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

The EBITDA of the Group decreased by RMB245.1 million, or 29.2%, from RMB838.3 million in 2023 to RMB593.2 million in 2024.

Loss attributable to owners of the Company

Loss attributable to owners of the Company increased by RMB32.1 million, or 163.1%, from RMB19.7 million in 2023 to RMB51.8 million in 2024. The loss was the net effect of the performance of the Group as fully explained in the above.

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 its 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 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 and restricted cash was RMB232.4 million as at 31 December 2024, representing a decrease of RMB158.3 million compared with that as at 31 December 2023. As at 31 December 2024, the financial ratios of the Group were as follows:

	As at 31 December 2024	As at 31 December 2023
Current ratio (1)	**0.75**	0.83
Gearing ratio (2)	**0.4**	0.2

Notes:

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

(2) Gearing ratio is calculated as net debt/(cash) divided by total equity. Net debt/(cash) is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total equity represents the equity attributable to owners of the Company and non-controlling interests.

Borrowings

The Group had bank borrowings as at 31 December 2024 in the sum of RMB355.4 million. Out of the total borrowings, RMB251.8 million was repayable within one year, while RMB103.7 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.

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 2024 and 31 December 2023, the Group did not pledge any assets to secure borrowings of the Group.

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. Its capital expenditures for the years ended 31 December 2024 and 2023 were RMB45.4 million and RMB17.4 million, respectively.

Contingent Liabilities

The Group had no material contingent liabilities outstanding as at 31 December 2024 and 31 December 2023.

Important Event after the Reporting Period

There is no important event affecting the Group which have occurred since 31 December 2024 and up to the date of this announcement.

HUMAN RESOURCES

The Group offers competitive remuneration packages, including trainings, medical, insurance coverage and retirement benefits, to all employees in Hong Kong and the Mainland China. As at 31 December 2024, the Group had 579 employees (2023: 796 employees). The total salaries and related costs for the years ended 31 December 2024 and 2023 amounted to RMB194.6 million and RMB223.7 million, respectively.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

Annual General Meeting

The register of members of the Company will be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025, 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 Tuesday, 3 June 2025, the shareholders of the Company should ensure that all transfers documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, 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 Wednesday, 28 May 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company adopted a share award scheme (the "Share Award Scheme"). Pursuant to the instructions of the Board, the delegated administrator for the administration of the Share Award Scheme purchased on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") a total of 967,000 shares of the Company at a total consideration of approximately RMB0.8 million during the Year.

Save as disclosed above, neither the Company, nor 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 had complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except the deviations from code provisions C.2.1 and C.1.6 of the CG Code.

Under code provision C.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 *JP* currently assumes the roles of both the chairman of the Board and the chief executive officer (the "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.

Besides, under code provision C.1.6 of the CG Code, independent non-executive directors and non-executive directors should attend general meetings of the Company and develop a balanced understanding of shareholders' view. However, due to other business engagement, the then non-executive Director and the current non-executive Director were unable to attend the annual general meeting of the Company held on 3 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") as the code of conduct for Directors' securities transactions. The Company has made specific enquiries to all Directors and that all the Directors have confirmed their compliance with the required standards set out in the Model Code throughout the Year.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has together with the Board reviewed and approved the audited annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this 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 this 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 (https://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 *JP*
Chairman

Hong Kong, 24 March 2025

As at the date of this announcement, the executive Directors are Mr. Lam Tak Hing, Vincent JP and Mr. Kwan Tat Cheong; the non-executive Director is Ms. Wu Xiaopin; and the independent non-executive Directors are Mr. Ma Andrew Chiu Cheung, Mr. Ma Ho Fai GBS JP and Ms. Mak Ka Ling.