Ruicheng (China) Media Group Limited
瑞誠(中國)傳媒集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1640)

PROFIT WARNING

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

The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information current available to the Board for the six months ended 30 June 2020 (the "**Period**"), the Group expects to record (i) a decrease in revenue of approximately 42% from approximately RMB376 million for the six months ended 30 June 2019 to approximately RMB217 million for the Period; and (ii) a decrease in net profit of approximately 38% from approximately RMB13 million for the six months ended 30 June 2019 to approximately RMB8 million for the Period.

The decrease in revenue and net profit is mainly due to the outbreak and escalation of the novel coronavirus (COVID-19) globally and in the People's Republic of China during the Period, leading to reduced advertising budgets and thus reduced advertisement placing of the Group's customers. In particular, (i) some of the Group's customers suspended their advertising placements for mobile games, as the development progress of such games was drastically hindered by the outbreak and escalation of COVID-19; and (ii) the Group postponed its co-operation with certain customers of the Group's online advertising services to ensure the Group's operating cash flow, as such customers required longer credit periods, which would extend the time discrepancy between payment made to the Group's suppliers and payment received by the Group.

The information contained in this announcement is only based on the preliminary assessment of the consolidated management accounts of the Group and the information currently available to the Board for the Period, which have neither been reviewed nor audited by the Company's auditor nor have they been reviewed by the audit committee of the Company. The Group is still in the process of finalising the interim results of the Group and therefore the actual results may differ from the information set out in this announcement. Details of the Group's interim results for the Period are expected to be published by late August 2020.

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

By Order of the Board
Ruicheng (China) Media Group Limited
Li Na
Chairlady and Executive Director

Hong Kong, 7 August 2020

As at the date of this announcement, the executive Directors are Ms. Li Na, Mr. Feng Xing, Ms. Wang Xin and Mr. Leng Xuejun, and the independent non-executive Directors are Mr. Zhao Gang, Mr. Li Xue and Mr. How Sze Ming.