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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 currently available to the Board for the year ended 31 December 2022 (the “**Year**”), the Group expects to record a net loss for the Year of more than RMB10.0 million, as compared to a net profit of approximately RMB0.5 million for the year ended 31 December 2021.

The net loss for the Year is mainly attributable to:

- (i) The continuous outbreak of the novel coronavirus (“**COVID-19**”) in the People’s Republic of China hindered, the demand for advertising services in several major economic cities in Northern China, Guangzhou and Shenzhen during 2022, clients reduced or postponed their placements. This resulted in media projects with higher profit margins in the abovementioned areas being severely affected and the effects of media were not as expected;
- (ii) The popularity of digital advertising causing a slower recovery of the Group’s television advertising services than expected; and
- (iii) The increase in the Group’s trade receivables as at the end of the Year as a result of increased business volume during the second half of 2022.

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 Year, 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 annual results of the Group and therefore the actual results may differ from the information set out in this announcement. Details of the Group's annual results for the Year are expected to be published by late March 2023.

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
Wang Xin
Chairlady and Executive Director

Hong Kong, 23 March 2023

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