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BALK 1798

Balk 1798 Group Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

ANNOUNCEMENT PURSUANT TO THE INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES ORDINANCE AND RESUMPTION OF TRADING

This announcement is made by Balk 1798 Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to 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 ALLEGED VOLUNTARY CONDITIONAL CASH OFFER

On 23 November 2023, the board (the “**Board**”) of directors (the “**Directors**”) of the Company received a letter (the “**Letter**”) from an individual potential investor (“**Alleged Investor**”) stating that he is considering to make a voluntary conditional cash offer (the “**Alleged Offer**”) to acquire all the issued shares of the Company. It was mentioned in the Letter that the Alleged Offer will be made conditional upon the Alleged Investor having received valid acceptances of the Alleged Offer which will result in the Alleged Investor’s shareholding in the Company no less than 50%.

The Directors have no knowledge as to whether the Alleged Investor has previous dealings with the Company. Upon reviewing the latest register of members and the disclosure of interest forms on the website of The Stock Exchange of Hong Kong Limited, the Directors are not aware of the Alleged Investor holding any shares in the Company. None of the Directors were acquainted with the Alleged Investor.

The Company commenced the process of engaging a financial adviser and a legal adviser on the same day. Both the financial adviser (the “**Financial Adviser**”) and the legal adviser (the “**Legal Adviser**”) in respect of the Alleged Offer were formally engaged on 28 November 2023.

Since the Letter lacks details of the Alleged Offer, such as the offer price, for the Board to assess the Alleged Offer, on 28 November 2023, the Financial Adviser sent an email to the Alleged Investor, attempting to organise a call among the Company, the Alleged Investor, the Legal Adviser and the Financial Adviser to enquire further details of the Alleged Offer. On 29 November 2023, the Financial Adviser sent a follow up email to the Alleged Investor setting out the information required to proceed with the Alleged Offer and requested the Alleged Investor to reply by 11:59 p.m. Eastern Time on 29 November 2023. During the period, the Financial Adviser has also tried to reach the Alleged Investor by telephone calls. Despite attempts by the Financial Adviser to reach out to the Alleged Investor, the Company and the Financial Adviser did not receive any response to the Financial Adviser’s email dated 28 and 29 November 2023 from the Alleged Investor up till the date of this announcement and were not able to contact the Alleged Investor by telephone. Since the receipt of the Letter by the Board, the Board has not received any further information from the Alleged Investor and was not able to have any contact with the Alleged Investor. Given that the Alleged Investor did not provide any information or assurances regarding his action, the Directors are unable to verify whether the Alleged Investor has a firm intention to make an offer.

In light of this uncertainty and the lack of communication from the Alleged Investor, after careful consideration, the Directors are of the view that such offer is not a genuine offer, and therefore no offer period would commence for the Company pursuant to the requirements under the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong.

RESUMPTION OF TRADING

Trading in the Shares has been halted with effect from 9:48 a.m. on 23 November 2023. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 December 2023 following the publication of this announcement.

By Order of the Board
Balk 1798 Group Limited
Li Weina
Executive Director

Hong Kong, 8 December 2023

As at the date of this announcement, the Board of the Company comprises six Directors. The executive Directors are Ms. Li Weina, Mr. Zhang Fumin and Dr. Zhang Yu; and the independent non-executive Directors are Ms. Ching Ching, Dr. Song Donglin and Dr. Zhang Shengdong.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.