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Hua Xia Water Group Limited

華夏水務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8401)

(1) PROPOSED SHARE CONSOLIDATION; AND (2) PROPOSED CHANGE IN BOARD LOT SIZE

Financial adviser to the Company



PROPOSED SHARE CONSOLIDATION

The board (the "**Board**") of directors (the "**Directors**") of Hua Xia Water Group Limited (the "**Company**") proposes to implement the share consolidation (the "**Share Consolidation**") on the basis that every twenty (20) issued and unissued existing shares of HK$0.01 each in the share capital of the Company (the "**Existing Shares**") will be consolidated into one (1) consolidated share of HK$0.20 each (the "**Consolidated Share**").

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on GEM in the board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading in the shares of the Company on GEM from 2,000 Existing Shares to 10,000 Consolidated Shares per board lot (the "**Change in Board Lot Size**"), conditional upon the Share Consolidation becoming effective.

As at the date of this announcement, the authorised share capital of the Company is HK$100,000,000 divided into 10,000,000,000 Existing Shares of HK$0.01 each, of which 813,210,607 Existing Shares have been allotted and issued and are fully paid or credited as fully paid. Immediately upon the Share Consolidation becoming effective, and assuming no further Existing Shares are issued or repurchased prior to the effective date of the Share Consolidation, the authorised share capital of the Company will be HK$100,000,000 divided into 500,000,000 Consolidated Shares of HK$0.20 each, of which 40,660,530 Consolidated Shares will be in issue and fully paid or credited as fully paid.

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the EGM and the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares. The Share Consolidation is subject to the fulfilment of the conditions set out in the paragraph headed ''Conditions of the Share Consolidation'' in this announcement.

A circular containing, among other things, further details of the Share Consolidation and the Change in Board Lot Size, together with the notice convening the EGM, is expected to be despatched to the Shareholders on or before 30 October 2026.

Shareholders and potential investors should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in this announcement and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

I. THE SHARE CONSOLIDATION

(A) Proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK$100,000,000 divided into 10,000,000,000 Existing Shares of HK$0.01 each, of which 813,210,607 Existing Shares have been allotted and issued and are fully paid or credited as fully paid. The Board proposes to implement the Share Consolidation, pursuant to which every twenty (20) issued and unissued Existing Shares of HK$0.01 each will be consolidated into one (1) Consolidated Share of HK$0.20 each.

Effects of the Share Consolidation

Immediately upon the Share Consolidation becoming effective, and assuming there will be no change in the number of Existing Shares in issue between the date of this announcement and the effective date of the Share Consolidation, the authorised share capital of the Company will become HK$100,000,000 divided into 500,000,000 Consolidated Shares of HK$0.20 each, of which 40,660,530 Consolidated Shares will be in issue and fully paid or credited as fully paid.

The Consolidated Shares will rank pari passu in all respects with each other in accordance with the Articles of Association and will have the rights and privileges, and be subject to the restrictions, provided for in the Articles of Association. The Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation thereof will not alter the underlying assets, liabilities, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save for possible changes arising from the treatment of fractional entitlements as described in the paragraph headed "Fractional Entitlements" below. The Directors are of the view that the Share Consolidation will not have any material adverse effect on the financial position of the Group and is in the interests of the Company and the Shareholders as a whole.

Assuming that there is no change in the number of issued Existing Shares from the date of this announcement up to and including the date on which the Share Consolidation becomes effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	**Immediately upon the Share Consolidation becoming effective**
Par value	HK$0.01 per Existing Share	HK$0.20 per Consolidated Share
Number of authorised shares	10,000,000,000 Existing Shares	500,000,000 Consolidated Shares
Amount of authorised share capital	HK$100,000,000	HK$100,000,000
Number of issued shares	813,210,607 Existing Shares	40,660,530 Consolidated Shares
Amount of issued share capital	HK$8,132,106.07	HK$8,132,106.00
Board lot size	2,000 Existing Shares	10,000 Consolidated Shares

Shareholders should note that the above figures are for reference only. The actual number of issued Consolidated Shares upon the Share Consolidation becoming effective may differ if there is any change in the number of issued Existing Shares between the date of this announcement and the effective date of the Share Consolidation.

(B) Adjustments in Relation to the Share Option Scheme

The share option scheme of the Company (the "**Share Option Scheme**") was approved and adopted by the Company pursuant to a resolution of the Shareholders passed on 7 March 2018 and, unless terminated earlier, will remain valid and effective until 6 March 2028. As at the date of this announcement, there is no

outstanding option granted under the Share Option Scheme. Accordingly, the Share Consolidation will not give rise to any adjustment to the exercise price of, or the number of Shares falling to be issued upon the exercise of, any outstanding option.

As at the date of this announcement, the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme (the "**Scheme Mandate Limit**") is 20,000,000 Existing Shares, representing approximately 2.46% of the 813,210,607 Existing Shares in issue as at the date of this announcement. Pursuant to Note 2 to Rule 23.03B of the GEM Listing Rules, if a listed issuer conducts a share consolidation after the scheme mandate limit has been approved in general meeting, the maximum number of shares that may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate limit, as a percentage of the total number of issued shares at the date immediately before and after such consolidation, shall be the same, rounded to the nearest whole share.

Accordingly, subject to and upon the Share Consolidation becoming effective, and assuming that there is no change in the number of issued Existing Shares from the date of this announcement up to and including the effective date of the Share Consolidation, the Scheme Mandate Limit will be adjusted from 20,000,000 Existing Shares to 1,000,000 Consolidated Shares, representing approximately 2.46% of the 40,660,530 Consolidated Shares in issue immediately upon the Share Consolidation becoming effective.

Save for the above adjustment to the Scheme Mandate Limit, all other terms and conditions of the Share Option Scheme will remain unchanged. In the event that any option is granted under the Share Option Scheme after the date of this announcement and remains outstanding when the Share Consolidation becomes effective, the Company will make the corresponding adjustments (if any) to the exercise price and/or the number of Shares subject to such option in accordance with the rules of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules and the note thereto, and the relevant guidance issued by the Stock Exchange, and will engage its auditors or an independent financial adviser to confirm in writing to the Directors that such adjustments satisfy the relevant requirements. The Company will make further announcement(s) in this regard as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no outstanding options, derivatives, warrants or other securities in issue which are convertible into, or which give rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

(C) Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective; and

(iii) the compliance with all other relevant procedures and requirements under the applicable laws of the Cayman Islands, the Articles of Association and the GEM Listing Rules to effect the Share Consolidation.

The Share Consolidation will become effective on the Business Day immediately following the fulfilment of the conditions set out above, or on such other date as the Board may determine in accordance with the GEM Listing Rules and the Trading Arrangements Guide. None of the above conditions can be waived.

As at the date of this announcement, none of the above conditions has been fulfilled.

As the Share Consolidation is conditional upon the fulfilment of the above conditions, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

(D) Fractional Entitlements

Fractional entitlements arising from the Share Consolidation will be disregarded and will not be allocated to the Shareholders, but will, so far as practicable, be aggregated and, if the aggregated fractions represent one or more whole Consolidated Share(s), such Consolidated Share(s) will be sold in the market and retain for the benefit of the Company. Fractional entitlements will only arise in respect of the entire shareholding of a Shareholder as at the relevant record time, regardless of the number of share certificates held by such Shareholder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers about the possibility of buying or selling the Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

(E) Status of the Consolidated Shares and Application for Listing

The Consolidated Shares will rank pari passu in all respects with each other, including the right to receive all dividends and distributions declared, made or paid after the effective date of the Share Consolidation. An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the securities of the Company (whether equity or debt) is listed or dealt in on any stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

(F) Exchange of Share Certificates

Subject to the Share Consolidation becoming effective, Shareholders may submit their existing share certificates for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, during business hours from Wednesday, 25 November 2026 to 4:30 p.m. on Monday, 4 January 2027 (both days inclusive), being the Free Exchange Period, in exchange for new share certificates for the Consolidated Shares free of charge. The Free Exchange Period will commence on the effective date of the Share Consolidation and will end on the second Business Day after the last day of parallel trading, being a period of not less than five weeks in accordance with the Trading Arrangements Guide. Thereafter, share certificates for the Existing Shares submitted for cancellation, or new share certificates issued for the Consolidated Shares, will be subject to a fee of HK$2.50 (or such other amount as may be prescribed by the Stock Exchange from time to time) payable by the relevant Shareholder for each share certificate cancelled or each new share certificate issued, whichever is the higher of the number of certificates cancelled or issued.

The existing share certificates will only be valid for delivery, trading, settlement and registration purposes up to Wednesday, 30 December 2026, being the last day of parallel trading, after which they will not be accepted for delivery, trading, settlement and registration purposes, and trading will only be in the Consolidated Shares. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of every twenty (20) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in green colour in order to distinguish them from the existing share certificates, which are in blue colour. It is expected that the new share certificates for the Consolidated Shares will be available for collection on or before the first day of parallel trading.

II. PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on GEM in the board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading in the shares of the Company on GEM from 2,000 Existing Shares to 10,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective. The Change in Board Lot Size is not subject to the approval of the Shareholders.

Based on the closing price of HK$0.031 per Existing Share as quoted on the Stock Exchange on 28 October 2026 (equivalent to a theoretical closing price of HK$0.62 per Consolidated Share), (i) the value of each existing board lot of 2,000 Existing Shares is HK$62; (ii) the value of each board lot of 2,000 Consolidated Shares would be HK$1,240 on the assumption that the Share Consolidation has become effective; and (iii) the value of each board lot of 10,000 Consolidated Shares would be HK$6,200 on the assumption that the Change in Board Lot Size has also become effective.

The proposed board lot size of 10,000 Consolidated Shares is one of the eight standardised board lot units contemplated under the Trading Arrangements Guide, and the expected value of each board lot of 10,000 Consolidated Shares falls within the range of not less than HK$1,000 and not more than HK$50,000 set out thereunder. During the period of parallel trading, the board lot size in the temporary counter will be 100 Consolidated Shares, being the existing board lot size of 2,000 Existing Shares divided by the basis of the Share Consolidation, so that one board lot in the temporary counter is equivalent to one board lot prior to the Share Consolidation becoming effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. Shareholders and potential investors should note that the above figures are for illustration purposes only and do not represent the actual trading price of the Consolidated Shares upon the Share Consolidation and the Change in Board Lot Size becoming effective.

III. REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The Stock Exchange considers any trading price of less than HK$0.10 to be approaching the extremity of HK$0.01.

Further, pursuant to the announcement of Hong Kong Exchanges and Clearing Limited dated 30 June 2026 in relation to the streamlined board lot framework, the Trading Arrangements Guide has been updated such that, with effect from 2 July 2026, (i) the expected value per board lot should be not less than HK$1,000, taking into account the minimum transaction costs for a securities trade; (ii) the expected value per board lot should not exceed HK$50,000 for issuers adopting a board lot unit of more than 100 shares; and (iii) issuers undertaking a change of board lot unit, a share consolidation or a share sub-division are expected to adopt one of the standardised board lot units of 1, 50, 100, 500, 1,000, 2,000, 5,000 or 10,000 shares.

Based on the closing price of HK$0.031 per Existing Share as quoted on the Stock Exchange on 28 October 2026 and the existing board lot size of 2,000 Existing Shares, the value per existing board lot is HK$62, which is substantially below the minimum board lot value of HK$1,000 set out in the Trading Arrangements Guide. The Directors consider that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per share of the Company on the Stock Exchange. Based on the aforesaid closing price (equivalent to a theoretical closing price of HK$0.62 per Consolidated Share), the expected market value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size have become effective, would be approximately HK$6,200, which is above the minimum board lot value of HK$1,000 and below the maximum board lot value of HK$50,000 set out in the Trading Arrangements Guide, and the proposed board lot size of 10,000 Consolidated Shares is one of the standardised board lot units thereunder. The Directors therefore consider that the Share Consolidation and the Change in Board Lot Size would enable the Company to comply with the aforesaid requirements, although Shareholders should note that the actual trading price of the Consolidated Shares will be determined by market forces and no assurance can be given in this regard.

The Board has also considered alternative consolidation ratios and board lot sizes. The Board is of the view that a consolidation ratio lower than twenty (20) to one (1) may not provide sufficient headroom for the Company to satisfy the trading requirements under the GEM Listing Rules and the Trading Arrangements Guide, in particular if the Shares were to trade at a price below the theoretical closing price referred to above, whereas a higher ratio would result in a board lot value materially in excess of what the Board considers necessary for that purpose. Accordingly, the Board considers the basis of the Share Consolidation and the proposed board lot size to be appropriate.

In addition, the Existing Shares have been trading at a relatively low price level. The Board considers that the low trading price of the Existing Shares may adversely affect the reputation and image of the Company and increase the administrative burden and transaction costs, such as brokerage fees, transfer duty and other transaction costs, for

investors dealing in the Shares, as many trading systems, brokerage platforms and financial media set a minimum trading price or minimum board lot value for reporting or trading purposes. The Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, and is intended to make investing in the Shares more attractive to a broader range of investors, in particular institutional investors whose internal rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

The Change in Board Lot Size would help to maintain the value of each board lot at a reasonable level upon the Share Consolidation becoming effective, minimise the creation of odd lots and attract more investors so as to broaden the shareholder base of the Company. In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size are justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to the Shareholders, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no plan to carry out any corporate action in the coming twelve months from the date of this announcement which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size, and the Company has no other present intention to raise funds through an equity fund raising exercise or to alter the capital structure of the Company during such period. The Board cannot, however, rule out the possibility that the Company may conduct debt and/or equity fund raising exercises should suitable opportunities arise in order to support the future development of the Group, in which case further announcement(s) will be made by the Company in accordance with the GEM Listing Rules as and when appropriate. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

IV. ODD LOT ARRANGEMENTS

Pursuant to Rule 17.77 of the GEM Listing Rules, in the event of any amendment to the capital structure of an issuer or to its board lot size, the Stock Exchange reserves the right to request that adequate arrangements are made to enable resulting odd lot holders either to dispose of their odd lots or to round them up to a board lot. In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the Change in Board Lot Size, the Company has appointed Grand China Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and an independent third party of the Company, as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Consolidated Shares, during the period from 9:00 a.m. on Wednesday, 9 December 2026 to 4:00 p.m. on Wednesday, 30 December 2026 (both days inclusive), being the same period as the period of parallel trading and a period of not less than three weeks. Shareholders who wish to take advantage of this arrangement may, directly or through their brokers,

contact Mr. Leung Hon Wing of Grand China Securities Limited at telephone number +852 3979 6718 during office hours (i.e. from 9:00 a.m. to 4:00 p.m.) within such period. Holders of odd lots of the Consolidated Shares who wish to use the matching service are recommended to make an appointment in advance.

Holders of odd lots of the Consolidated Shares should note that (i) odd lots will be created upon the Share Consolidation and the Change in Board Lot Size becoming effective; (ii) the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed and they may experience difficulty in selling odd lots that are not sufficient to constitute a full board lot on the market; and (iii) odd lots may be sold at a price below the prevailing market price. Shareholders who are in any doubt about the odd lot matching arrangement are recommended to consult their own professional advisers. Details of the odd lot arrangements will be set out in the Circular.

V. EGM

The EGM will be convened and held at Units 5906–5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Monday, 23 November 2026 at 11:30 a.m. for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation and the transactions contemplated thereunder. A notice convening the EGM will be despatched to the Shareholders together with the Circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Share Consolidation or the Change in Board Lot Size which is different from that of the other Shareholders, and accordingly no Shareholder is required to abstain from voting on the ordinary resolution to approve the Share Consolidation at the EGM.

VI. DESPATCH OF CIRCULAR

The Circular containing, among other things, further details of the Share Consolidation and the Change in Board Lot Size, together with the notice convening the EGM and the form of proxy for use at the EGM, is expected to be despatched to the Shareholders on or before 30 October 2026.

VII. EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size, which has been prepared with reference to the Trading Arrangements Guide, is set out below. The expected timetable is subject to the results of the EGM and the satisfaction of the conditions of the Share Consolidation, and is therefore indicative only and may be subject to change. Further announcement(s) will be made by the Company in the event that there is any change to the expected timetable. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	**Time and date**
Despatch of the Circular, the notice of the EGM and the form of proxy for the EGM	Friday, 30 October 2026
Latest time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Tuesday, 17 November 2026
Closure of register of members for determining the identity of the Shareholders entitled to attend and vote at the EGM (both days inclusive)	Wednesday, 18 November 2026 to Monday, 23 November 2026
Latest time for lodging forms of proxy for the EGM	11:30 a.m. on Saturday, 21 November 2026
Record date for determining the entitlement to attend and vote at the EGM	Monday, 23 November 2026
Date and time of the EGM	11:30 a.m. on Monday, 23 November 2026
Publication of the announcement of the poll results of the EGM	Monday, 23 November 2026
Effective date of the Share Consolidation	Wednesday, 25 November 2026

Event	Time and date
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares (commencement of the Free Exchange Period)	Wednesday, 25 November 2026
Dealings in the Consolidated Shares commence	9:00 a.m. on Wednesday, 25 November 2026
Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 25 November 2026
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 25 November 2026
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Wednesday, 9 December 2026
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Wednesday, 9 December 2026
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Wednesday, 9 December 2026
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 30 December 2026

Event	Time and date
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 30 December 2026
Last day of parallel trading in the Consolidated Shares	4:10 p.m. on Wednesday, 30 December 2026
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares (end of the Free Exchange Period)	4:30 p.m. on Monday, 4 January 2027

The effective date of the Share Consolidation, being one clear Business Day after the date of the EGM, and the commencement of dealings in the Consolidated Shares will remain unchanged even if that day is a severe weather trading day.

Shareholders and potential investors should note that the implementation of the Share Consolidation and the Change in Board Lot Size and the dates set out above are subject to the conditions referred to in the paragraph headed ''Conditions of the Share Consolidation'' above being fulfilled.

WARNING

Shareholders and potential investors should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the paragraph headed "Conditions of the Share Consolidation" in this announcement, and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their stockbroker, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the meanings set out below:

Term	Meaning
"Articles of Association"	the memorandum and articles of association of the Company, as amended from time to time
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Change in Board Lot Size"	the proposed change in the board lot size of the shares of the Company for trading on GEM from 2,000 Existing Shares to 10,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective
"Circular"	the circular to be despatched to the Shareholders containing, among other things, further details of the Share Consolidation and the Change in Board Lot Size, together with the notice convening the EGM
"Companies Act"	the Companies Act (As Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Company"	Hua Xia Water Group Limited 華夏水務集團有限公司 (formerly known as Stream Ideas Group Limited 源想集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (Stock Code: 8401)
"Consolidated Share(s)"	the issued and unissued ordinary share(s) of HK$0.20 each in the share capital of the Company upon the Share Consolidation becoming effective
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened and held at Units 5906–5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Monday, 23 November 2026 at 11:30 a.m., or any adjournment thereof, for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the transactions contemplated thereunder
"Existing Share(s)"	the issued and unissued ordinary share(s) of HK$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
"Free Exchange Period"	the period during which the Shareholders may submit their existing share certificate(s) for the Existing Shares in exchange for new share certificate(s) for the Consolidated Shares free of charge, as more particularly described in the paragraph headed "Exchange of Share Certificates" in this announcement
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Scheme Mandate Limit"	has the meaning ascribed to it in the paragraph headed "Adjustments in Relation to the Share Option Scheme" in this announcement
"Share Consolidation"	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of HK$0.01 each into one (1) Consolidated Share of HK$0.20 each
"Share Option Scheme"	the share option scheme of the Company approved and adopted pursuant to a resolution of the Shareholders passed on 7 March 2018

"Share(s)"	the Existing Share(s) and/or the Consolidated Share(s), as the context may require
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trading Arrangements Guide"	the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Stock Exchange on 28 November 2008 (as updated in September 2024), as amended, supplemented or otherwise updated from time to time
"%"	per cent

By order of the Board
Hua Xia Water Group Limited
Yam Yuet Hang
Chairman

Hong Kong, 29 October 2026

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Yam Yuet Hang (Chairman), Ms. Cai Ying (Chief Executive Officer), Mr. Lee Wing Leung Garlos, Ms. Li Qianwen and Mr. Wong Tsz Tuk Alexis; and three independent non-executive Directors, namely Mr. Kwan Chi Hong, Ms. Wang Ting and Mr. Yiu Chun Wing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at http://www.hwaxiawater.com.