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Basic House New Life Group Limited
簡樸新生活集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8360)

VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE

This announcement is made by Basic House New Life Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

BUSINESS UPDATE

The board (the "**Board**") of directors (the "**Director(s)**") of the Company is pleased to announce that the Group plans to direct greater resources towards capturing opportunities in the property market. In line with its strategy to broaden the scope of its business offerings, the Group has been extending its business reach by leveraging its core expertise and capabilities in interior design, fit-out, and repair and maintenance services to expand into the real estate and "Basic Housing Units" rental and related management services sectors (collectively, the "**Basic Housing Units Business**").

Strategic Development under the New Regulatory Regime

The Basic Housing Units Ordinance (Chapter 658 of the Laws of Hong Kong) was gazetted on 3 October 2025 and has come into operation on 1 March 2026 (except Part 2 thereof). Under the Basic Housing Units regulatory regime, a subdivided unit in a domestic building must meet the relevant minimum living environment standards and be recognized as a Basic Housing Unit before it can be lawfully let (including tenancies and licences to occupy under any agreement), so as to ensure that the subdivided unit provides a safe, hygienic and reasonable living environment.

In view of this new regulatory landscape, the Company intends to bolster its Basic Housing Units Business in strict adherence to the standards and requirements under the new ordinance. Leveraging its existing integrated capabilities, the Group aims to position itself as a premier provider of high-quality, compliant Basic Housing Units. The Basic Housing Units Business will operate under a flexible model wherein the Group may act as the landlord or principal tenant in the provision of Basic Housing Units to generate rental income, or provide consultancy and management services to third-party landlords for the conversion of their properties into Basic Housing Units and the subsequent operation thereof.

Strategic Objectives and Outlook

Additional resources will be directed towards the strategic development of the Basic Housing Units Business with a view to strengthening the Group's portfolio of owned, leased and managed properties. Looking forward, the Group will continue to identify market opportunities across the full property spectrum, including acquiring or master-leasing residential properties with strong rental demand or capital appreciation potential, and partnering with landlords to provide end-to-end solutions from the conversion of their properties into Basic Housing Units to ongoing tenancy management.

The Group has set a preliminary strategic objective to develop a portfolio of approximately 1,000 Basic Housing Units (mainly comprising leased and managed properties) in the first year of implementation of the development plan. For illustrative purposes, on the assumption of full occupancy at an assumed average monthly rental fee of approximately HK$5,000 per unit, such portfolio may generate a recurring income stream of approximately HK$60 million per annum. Over a three-year horizon, the Group envisages expanding such portfolio to approximately 3,000 Basic Housing Units as it scales its operations progressively, subject to prevailing market conditions and identification of suitable market opportunities. The Board believes that this strategic business development will support the sustainable growth of the Group's businesses, strengthen its recurring income base and enhance long-term shareholder value.

The Board wishes to emphasise that the development of the Basic Housing Units Business and the strategic objectives set out in this announcement are based on the Group's current business plans and outlook. As the development of the Basic Housing Units Business is subject to market conditions, the strategic objectives may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Basic House New Life Group Limited
Chung Kar Ho Carol
Executive Director

Hong Kong, 23 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Chan Hung Kai (Chairman) and Mr. Chung Kar Ho Carol; and three independent non-executive Directors, namely, Mr. Tam Chak Chi, Ms. Lau Ho Kwan and Mr. Tang Chi Chiu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 seven days from the date of its publication and on the website of the Company at www.basicnewlife.com.