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Basic House New Life

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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025 AND RESUMPTION OF TRADING

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the "Directors") of Basic House New Life Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "Group"). 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

– Revenue for the year ended 31 December 2025 increased by approximately 20.9% to HK$79,412,000 (2024: approximately HK$65,667,000).

– Loss attributable to the owners of the Company for the year ended 31 December 2025 amounted to approximately HK$32,542,000 (2024: Loss of approximately HK$11,262,000).

– Total capital deficiency attributable to owners of the Company as at 31 December 2025 was approximately HK$41,939,000 (2024: approximately HK$10,865,000).

– Basic and diluted loss per share attributable to the owners of the Company for the year ended 31 December 2025 were approximately HK cents 9.03 (2024: Basic and diluted loss per share attributable to the owners of the Company of approximately HK cents 3.13).

– The Board of directors does not recommend the payment of a dividend for the year ended 31 December 2025 (2024: Nil).

The board (the "Board") of Directors announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 together with the comparative audited figures for the proceeding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	4	**79,412**	65,667
Other income	5	**3,557**	1,694
Other gains/(losses), net	6	**5,174**	8,528
Impairment loss on trade receivables, net		**(2,269)**	(1,039)
Impairment loss on deposits and other receivables		**(405)**	(500)
Impairment loss on loans and interest receivables		**(58)**	–
Reversal of impairment loss/(impairment loss) on contract assets, net		**91**	(1,155)
Subcontracting and materials costs		**(60,607)**	(46,583)
Employee benefit expenses		**(17,893)**	(17,345)
Rental expenses		**(464)**	(1,126)
Other expenses		**(10,384)**	(15,608)
Operating loss		**(3,846)**	(7,467)
Finance income		**1,238**	185
Finance costs	7	**(29,388)**	(3,136)
Share of (losses)/profits of associates		**(92)**	61
Loss before income tax		**(32,088)**	(10,357)
Income tax expense	8	**(638)**	(459)
Loss for the year		**(32,726)**	(10,816)
Loss for the year attributable to:			
Owners of the Company		**(32,542)**	(11,262)
Non-controlling interests		**(184)**	446
Loss for the year		**(32,726)**	(10,816)

	Notes	**2025** *HK$'000*	2024 *HK$'000*
Loss for the year		**(32,726)**	(10,816)
Other comprehensive income/(expense)			
Item that will not be reclassified to profit or loss:			
Gain on change in fair value of financial assets at fair value through other comprehensive income		**860**	337
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operation		**19**	(31)
Other comprehensive income for the year, net of tax		**879**	306
Total comprehensive expense for the year, net of tax		**(31,847)**	(10,510)
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		**(31,663)**	(10,956)
Non-controlling interests		**(184)**	446
		(31,847)	(10,510)

	Notes	**2025** *HK Cents*	2024 *HK Cents*
Loss per share	*10*		
Basic and diluted		**(9.03)**	(3.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
Non-current assets			
Property, plant and equipment		**344**	452
Investment properties		**5,180**	–
Right-of-Use assets		**574**	–
Goodwill		**7,887**	7,688
Interests in associate		**–**	231
Financial assets at fair value through other comprehensive income		**46**	1,999
Rental deposits		**100**	–
		14,131	10,370
Current assets			
Trade and other receivables	*11*	**29,475**	13,993
Loans and interest receivables		**19,953**	986
Financial assets at fair value through profit or loss		**12,622**	12,001
Contract assets		**8,214**	9,243
Derivative financial instruments		**328**	–
Amount due from non-controlling interest		**5**	5
Cash and cash equivalents		**61,065**	53,569
		131,662	89,797
Current liabilities			
Trade and other payables	*12*	**23,411**	19,933
Contract liabilities		**2,658**	1,777
Advance payments received from issue of convertible bonds		**–**	4,700
Advance payments received from issue of bonds payable		**200**	–
Amount due to a shareholder		**–**	2,078
Borrowings		**–**	3,575
Financial liabilities at fair value through profit or loss		**751**	–
Promissory note payable		**–**	518
Bonds payable	*13*	**50,498**	24,199
Contingent consideration payable		**491**	1,097
Lease liabilities		**587**	–
Income tax payable		**1,051**	453
Bank overdrafts		**497**	–
		80,144	58,330
Net current assets		**51,518**	31,467
Total assets less current liabilities		**65,649**	41,837

	Notes	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Bonds payable	*13*	**96,053**	42,918
Convertible bonds		**8,235**	3,259
Contingent consideration payable		**3,339**	6,380
		107,627	52,557
Net liabilities		**(41,978)**	(10,720)
Capital deficiency			
Share capital		**36,027**	36,027
Reserves		**(77,966)**	(46,892)
Capital deficiency attributable to owners of the Company		**(41,939)**	(10,865)
Non-controlling interests		**(39)**	145
Total capital deficiency		**(41,978)**	(10,720)

NOTES

1 GENERAL INFORMATION

Basic House New Life Group Limited (the "Company") was incorporated in the Cayman Islands on 1 February 2016 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company has established a place of business in Hong Kong located at Unit 204A, 2/F, Century Centre, 44-46 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The Company is an investment holding company. The Company together with its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of interior design and fit out solutions services as well as overall project management and securities investment in Hong Kong.

The shares of the Company (the "Share(s)") are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), unless otherwise stated.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

Going concern basis

Notwithstanding that the Group incurred net losses approximately HK$32,726,000 for the year ended 31 December 2025; and the total liabilities of the Group at 31 December 2025 exceed the Group's total assets at that date by approximately HK$41,978,000, the directors of the Company consider it appropriate for the preparation of the consolidated financial statements on a going concern basis for at least twelve months immediately after 31 December 2025 after taking into account the following circumstances and measures:

(a) The substantial shareholder of the Company, Mr. Lui Yu Kin, has agreed to provide loan to the extent of HK$42,000,000 to the Company, if required, to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future.

(b) The Group is implementing various measures, such as optimising its overall sales network and undergoing effective cost control to improve the profit margin and operating cash flows of its business.

(c) The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least twelve months after 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Material uncertainty regarding the Group's ability to operate as a going concern exists as to whether management of the Group will be able to achieve its plans and measures as described above. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the Group's assets to their net realisable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4 REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025	2024
	HK$'000	*HK$'000*
Design and fit out		
Design and fit out	**72,003**	60,098
Design	**3,296**	5
Maintenance and after sales services	**1,434**	1,246
	76,733	61,349
Others		
Consultancy fee income	**2,224**	4,318
Management fee income	**455**	–
	2,679	4,318
	79,412	65,667
Disaggregated by time of revenue recognition within the scope of HKFRS 15		
Over time	**77,978**	64,416
At point in time	**1,434**	1,251
	79,412	65,667

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specially, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

(i) Design and fit out services – provision of integrated interior design, fit out solutions and repair and maintenance services in Hong Kong.

(ii) Securities investment – investment in equity securities and futures listed in Hong Kong.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Design and fit out *HK$'000*	**Securities investment** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Segment revenue	**76,733**	**–**	**2,679**	**79,412**
Segment (loss)/profit	**(134)**	**2,063**	**952**	**2,881**
Finance income				**1,238**
Share of loss of associates				**(92)**
Unallocated other income				**148**
Unallocated other gains, net				**2,709**
Unallocated expenses				**(9,625)**
Finance costs				**(29,347)**
Loss before income tax				**(32,088)**
Income tax expense				**(638)**
Loss for the year				**(32,726)**

For the year ended 31 December 2024

	Design and fit out *HK$'000*	Securities investment *HK$'000*	Others *HK$'000*	Total *HK$'000*
Segment revenue	61,349	–	4,318	65,667
Segment (loss)/profit	(7,988)	3,047	1,171	(3,770)
Finance income				185
Share of profits of associates				61
Unallocated other income				1,042
Unallocated other gains, net				5,118
Unallocated expenses				(9,878)
Finance costs				(3,115)
Loss before income tax				(10,357)
Income tax expense				(459)
Loss for the year				(10,816)

Segment revenue represents revenue from external customers. There were no inter-segment sales for the year ended 31 December 2025 (2024: Nil).

Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, share of profits/(losses) of associates and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

Segment assets

	2025	2024
	HK$'000	*HK$'000*
Design and fit out	**28,155**	17,901
Securities investment	**12,668**	14,000
Others	**79**	1,173
Total reportable segment assets	**40,902**	33,074
Unallocated assets	**104,891**	67,093
Consolidated assets	**145,793**	100,167

Segment liabilities

	2025	2024
	HK$'000	*HK$'000*
Design and fit out	**25,375**	16,598
Securities investment	**497**	–
Others	**248**	243
Total reportable segment liabilities	**26,120**	16,841
Unallocated liabilities	**161,651**	94,046
Consolidated liabilities	**187,771**	110,887

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, goodwill, interests in associates, amount due from non-controlling interest and cash and cash equivalents; and

- all liabilities are allocated to operating segments other than advance payments received from issue of convertible bonds, amount due to a shareholder, borrowings, bonds payable, promissory note payable, convertible bond and contingent consideration payable.

Other segment information

For the year ended 31 December 2025

	Design and fit out *HK$'000*	Securities investment *HK$'000*	Others *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Addition to non-current assets *(Note)*	1,763	–	–	5,400	7,163
Depreciation	680	–	47	304	1,031
Impairment loss on trade receivables, net recognised in profit or loss	1,639	–	(78)	708	2,269
Impairment loss on deposits and other receivables recognised in profit or loss	405	–	–	–	405
Impairment loss on loans and interest receivables recognised in profit or loss	–	–	–	58	58
Reversal of impairment loss on contract assets recognised in profit or loss	(91)	–	–	–	(91)
Reversal of trade receivables previously written off	(170)	–	–	–	(170)
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:					
Subcontracting and materials costs	60,478	–	129	–	60,607
Employee benefit expenses	10,684	–	2,917	4,292	17,893
Share of losses of associates	–	–	–	92	92
Interest income	–	–	–	(1,238)	(1,238)
Interest expenses	40	–	–	29,348	29,388

Note: Non-current assets excluded goodwill.

For the year ended 31 December 2024

	Design and fit out *HK$'000*	Securities investment *HK$'000*	Others *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Addition to non-current assets *(Note)*	171	–	137	20	328
Depreciation	795	–	29	77	901
Impairment loss on trade receivables, net recognised in profit or loss	961	–	78	–	1,039
Impairment loss on other receivables recognised in profit or loss	–	–	–	500	500
Impairment loss on contract assets recognised in profit or loss	1,155	–	–	–	1,155
Reversal of trade receivables previously written off	(201)	–	–	–	(201)
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:					
Impairment of goodwill	–	–	–	306	306
Subcontracting and materials costs	46,583	–	–	–	46,583
Employee benefit expenses	10,621	378	1,790	4,556	17,345
Share of profits of associates	–	–	–	(61)	(61)
Interest income	(47)	(138)	–	–	(185)
Interest expenses	–	–	–	3,136	3,136

Note: Non-current assets excluded goodwill.

Geographical information

The Group's geographical segments are classified according to the location of its customers. Segment revenue from external customers by location of customers during the year is as follows:

Revenue from external customers

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**79,412**	65,667

Information about major customers

Revenue from individual customer contributing over 10% of the revenue of the Group is as follows:

	2025	2024
	HK$'000	*HK$'000*
Customer A from Design and fit out segment	**20,388**	12,436

Information about the Group's non-current assets by geographical location are detailed as below:

Non-current assets

	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**14,007**	8,264
The PRC, excluding Hong Kong	**78**	107
	14,085	8,371

Note: Non-current assets excluded financial assets at fair value through other comprehensive income.

5 OTHER INCOME

	2025 *HK$'000*	2024 *HK$'000*
Dividend income from equity investments		
– at fair value through other comprehensive income	**115**	169
– at fair value through profit or loss	**3,294**	323
	3,409	492
Sundry income	**148**	1,202
	3,557	1,694

6 OTHER GAINS/(LOSSES), NET

	2025 *HK$'000*	2024 *HK$'000*
(Loss)/gain on change in fair value of financial assets at fair value through profit or loss	**(264)**	3,015
Gain on disposal of subsidiaries	**546**	4,676
Gain on change in fair value of contingent consideration payable	**3,647**	942
Gain on change in fair value of derivative financial instruments	**128**	–
Gain on remeasurement of a previously held interest in an associate	**260**	–
Gain on bargain purchases	**675**	–
Reversal of trade receivables previously written off	**170**	201
Impairment of goodwill	**–**	(306)
Exchange gain	**12**	–
Other gains, net	**5,174**	8,528

7 FINANCE COSTS

	2025 *HK$'000*	2024 *HK$'000*
Interests on:		
– amount due to a shareholder	**3**	131
– borrowings	**88**	319
– bonds payable	**28,337**	2,256
– promissory note payable	**12**	55
– convertible bonds	**895**	354
– lease liabilities	**51**	21
– bank overdraft	**2**	–
	29,388	3,136

8 INCOME TAX EXPENSE

	2025	2024
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**638**	377
PRC enterprise income tax	**–**	82
Income tax expense	**638**	459

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years.

At the end of the reporting period, the Group has unused tax losses of approximately HK$28,090,000 (2024: HK$16,571,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK$4,915,000 (2024: HK$2,274,000) related to impairment losses on trade receivables, contract assets, deposits and other receivables and loans and interest receivables. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

9 DIVIDENDS

The Board of Directors does not recommend the payment of a dividend in respect of the year (2024: Nil).

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2025	2024
Loss for the year attributable to owners of the Company *(in HK$'000)*	**(32,542)**	(11,262)
Weighted average number of ordinary shares *('000)*	**360,274**	360,274
Basic loss per share *(in HK cents)*	**(9.03)**	(3.13)

(b) Diluted loss per share

As the Group incurred a loss for the years ended 31 December 2025 and 31 December 2024, the potential ordinary shares arising from the conversion of the convertible bonds and the exercise of the Company's share options were anti-dilutive. This is because their inclusion would have resulted in a decrease in the loss per share from continuing operations.Accordingly, the diluted loss per share is the same as the basic loss per share for both years.

11 TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**18,314**	8,213
Less: Provision for impairment of trade receivables	**(3,487)**	(1,218)
Trade receivables, net *(Note a)*	**14,827**	6,995
Prepayments, deposits and other receivables *(Note b)*	**14,648**	6,998
	29,475	13,993
Rental deposits	**100**	–

Notes:

(a) Trade receivables

The carrying amounts of trade receivables are denominated in HK$.

The Group does not grant credit term to customers. At 31 December 2025 and 2024, the ageing analysis of the trade receivables (after impairment loss recognised) based on invoice date were as follows:

	2025	2024
	HK$'000	*HK$'000*
1–30 days	**4,818**	3,515
31–60 days	**427**	783
61–90 days	**3,735**	741
More than 90 days	**5,847**	1,956
	14,827	6,995

(b) Prepayments, deposits and other receivables

	2025	2024
	HK$'000	*HK$'000*
Current portion		
Prepayments	**2,803**	2,828
Deposits and other receivables	**11,845**	4,170
	14,648	6,998
Non-current portion		
Rental deposits	**100**	–

12 TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**20,690**	14,103
Accrued employee benefit expenses	**845**	706
Accrued interest on amount due to a shareholder	**–**	187
Accrued interest on borrowings	**–**	602
Other accruals and payables	**1,876**	4,335
	23,411	19,933

The ageing analysis of the trade payables based on invoice date was as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 1 month	**15,195**	10,591
1 to 2 months	**2,570**	848
2 to 3 months	**148**	886
Over 3 months	**2,777**	1,778
	20,690	14,103

The trade payables are non-interest-bearing and are normally settled on terms of within 90 days.

13 BONDS PAYABLE

	2025	2024
	HK$'000	*HK$'000*
Unsecured bonds payable		
– Within one year	**50,498**	24,199
– More than one year, but not exceeding two years	**96,053**	42,918
	146,551	67,117
Less: Amount shown under current liabilities	**(50,498)**	(24,199)
Amount shown under non-current liabilities	**96,053**	42,918

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

McMillan Woods (Hong Kong) CPA Limited, the independent auditor of the Company, expressed an opinion on the Group's consolidated financial statements for the year ended 31 December 2025. The followings are the extracts from the independent auditor's report:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 to the consolidated financial statements, that the Group incurred net losses amounted to approximately HK$32,726,000 for the year ended 31 December 2025 and the total liabilities of the Group at 31 December 2025 exceed the Group's total assets at that date by approximately HK$41,978,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in note 2 to the consolidated financial statements, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements for at least twelve months immediately after 31 December 2025. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Basic House New Life Group Limited (the "Company", formerly known as AL Group Limited) together with its subsidiaries (collectively referred to as the "Group"), principally derives its revenue from the following business arms: (i) Design and Fit Out Business, which provides integration of interior design, fit out solutions and repair and maintenance services in Hong Kong; and (ii) Treasury Investment Business, which invests in equity securities listed in Hong Kong and derivatives listed in Hong Kong and Overseas.

Design and Fit Out Business

The business was established in 1999 under the name of AL Design & Associates Limited ("AL Design"), which is a well-established interior design and fit out solutions provider in Hong Kong. The Group believes that its success is firmly rooted in its extensive experience and portfolio in interior design and fit out works as well as project management. The Group's services can be broadly categorised as (i) design and fit out and (ii) design only. In addition, the Group also provides maintenance and aftersales services which could cater for its customers' different requirements.

Treasury Investment Business

The Group established the Treasury Investment Business during the year ended 31 December 2023. The Group will keep seeking for opportunities of equity appreciation and cash flow return in the equity securities market listed in Hong Kong and derivatives market listed in Hong Kong and Overseas.

PROSPECTS

For the Design and Fit Out Business, the management of the Group (the "Management") is committed to strengthen the customer base. The Group will continue to find new orders and customers. Because of the unstable economic condition, there was an adverse impact to the Group and accordingly, the Management will actively keep monitoring the performance of the Group, and will implement appropriate strategy in a timely manner. Despite the uncertainties, the Management still remains positive towards the Design and Fit Out Business in the long run.

The Group commenced the business of securities investment during the year ended 31 December 2023. The Board is optimistic on the prospects of the equity securities market listed in Hong Kong and considered that the new business will further enhance the Company's financial performance as well as the value of the shareholders.

In addition, the Group will dedicate further resources to capturing emerging opportunities in the property market, with a particular focus on the Basic Housing Units sector. Consistent with its strategy to broaden and diversify its business portfolio, the Group will draw upon its proven expertise in interior design, fit-out, and repair and maintenance services to develop and manage high-quality, compliant Basic Housing Units.

The Basic Housing Units Ordinance (Chapter 658 of the Laws of Hong Kong), promulgated on 3 October 2025 and effective from 1 March 2026 (except Part 2 thereof), requires subdivided units to satisfy prescribed minimum living standards before they may be lawfully rented. This regulatory framework aims to enhance safety, hygiene, and overall living conditions for tenants.

In alignment with these developments, the Group plans to strengthen its Basic Housing Units Business by acting as landlord, principal tenant, or service provider, offering comprehensive conversion, consultancy, and management solutions to property owners. The Group targets the development of approximately 1,000 units in the first year, with potential annual rental income of around HK$60 million at full occupancy. Over the next three years, it intends to expand to approximately 3,000 units, fostering sustainable growth and delivering long-term value to shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK$65.7 million for the year ended 31 December 2024 to approximately HK$79.4 million for the year ended 31 December 2025, representing an increase of approximately 20.9%.

Such growth was primarily driven by an increase in the number of projects commenced during the year.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the year ended 31 December 2024 and 31 December 2025.

	Year ended 31 December			
	2025		2024	
	HK$'000	*%*	*HK$'000*	*%*
Design and Fit Out Business	**76,733**	**96.6**	61,349	93.4
Securities Investment Business	**–**	**–**	–	–
Others	**2,679**	**3.4**	4,318	6.6
	79,412	**100.0**	65,667	100.0

Cost of sales and services

The majority of the Group's cost of sales and services was raw material costs, labor and operating cost of design and fit out business. The Group's cost of sales and services increased by approximately 30.1% to approximately HK$60.6 million for the year ended 31 December 2025 as compared to the year ended 31 December 2024.

Direct costs increased more rapidly than revenue, reflecting intensified market competition and rising cost pressures. Going forward, the Group will implement enhanced cost control measures and strengthen operational discipline to improve overall efficiency and margin resilience. Concurrently, the Group will continue to actively identify and secure quality projects to broaden its revenue base, with the objective of maintaining an appropriate balance between sustainable growth and financial stability.

Expense

Selling and administrative expenses for the year ended 31 December 2025 was approximately HK$28.7 million (2024: HK$34.1 million).

Finance costs increased to HK$29.4 million, in line with the rise in bond payables during the year. To strengthen the Group's financial position and progressively reduce its gearing ratio, management will prudently explore alternative financing channels and seek funding solutions with more favourable terms and lower financing costs, with a view to optimising the Group's capital structure over the longer term.

Loss for the year

The loss for the year ended 31 December 2025 was approximately HK$32.7 million. The loss for the year ended 31 December 2024 was approximately HK$10.8 million.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Capital structure

As at 31 December 2025, the share capital and capital deficiency attributable to owners of the Company amounted to approximately HK$36,027,000 and HK$41,939,000 respectively (2024: HK$36,027,000 and HK$10,865,000 respectively).

Cash position

As at 31 December 2025, the carrying amount of the Group's unpledged bank balances and cash was approximately HK$61.1 million (2024: HK$53.6 million), representing an increase of approximately 14.0% as compared to that of at 31 December 2024.

Gearing ratio

As at 31 December 2025, the gearing ratio, expressed as a percentage of interest-bearing debt, bonds payable, contingent consideration payable and convertible bond over total assets was approximately 108.8% (31 December 2024: 83.9%). The increase in gearing ratio was mainly resulted by the issuance of bonds during the year. The management will timely monitor the financial position of the Group and deleverage the gearing when appropriate.

Exchange Rate Exposure

The Group's business operations are denominated mainly in Hong Kong dollars ("HK$"). The Group's assets and liabilities are mainly denominated in HK$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2025, the Group held approximately HK$46,000 and HK$12,622,000 of equity investments which were classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss respectively. Details of the significant listed equity investments are as follows:

	Notes	Place of incorporation	Gain on change in fair value *HK$'000*	Market value *HK$'000*	Approximate percentage of equity investment *%*	Approximate percentage to the total asset *%*	Approximate percentage to the interest in the respective investment as at 31 December 2025 *%*
HSBC Holdings plc (0005.hk)	*1*	England	**860**	**46**	**0.4**	**0.1**	**<0.01**
CK Hutchison Holdings Limited (00001.hk)	*2*	Cayman Islands	**1,693**	**26**	**0.2**	**0.0**	**<0.01**
Midland Holdings Limited (01200.hk)		Bermuda	**(24)**	**N/A**	**N/A**	**N/A**	**0.0**
BYD Company Limited (01211.hk)	*3*	PRC	**(436)**	**10**	**0.1**	**0.0**	**<0.01**
Chinese Estates Holdings Limited (00127.hk)	*4*	Bermuda	**85**	**2,047**	**16.2**	**1.4**	**<0.01**
Kuaishou Technology (01024.hk)		Cayman Islands	**1,106**	**N/A**	**N/A**	**N/A**	**0.0**
Dickson Concepts International Ltd (00113.hk)		Bermuda	**(27)**	**N/A**	**N/A**	**N/A**	**0.0**
Brilliance China Automotive Holdings Limited (01114.hk)		Bermuda	**(35)**	**N/A**	**N/A**	**N/A**	**0.0**
Spring Real Estate Investment Trust (01426.hk)		Hong Kong	**(103)**	**N/A**	**N/A**	**N/A**	**0.0**
Global International Credit Group Limited (01669.hk)		Cayman Islands	**159**	**N/A**	**N/A**	**N/A**	**0.0**
Wanda Hotel Development Company Limited (00169.hk)		Bermuda	**(1,781)**	**N/A**	**N/A**	**N/A**	**0.0**
New World Development Company Limited (00017.hk)	*5*	Hong Kong	**2**	**7**	**0.1**	**0.0**	**<0.01**
Geely Automobile Holdings Limited (00175.hk)		Cayman Islands	**682**	**N/A**	**0.0**	**N/A**	**0.0**
Most Kwai Chung Limited (01716.hk)	*6*	Cayman Islands	**57**	**249**	**2.0**	**0.2**	**<0.01**
FWD Group Holdings Limited (01828.hk)		Cayman Islands	**(63)**	**N/A**	**N/A**	**N/A**	**0.0**
Sun Hing Printing Holdings Limited (01975.hk)		Cayman Islands	**10**	**N/A**	**0.0**	**N/A**	**0.0**
ZTO Express (Cayman) Inc (02057.hk)	*7*	Cayman Islands	**130**	**16**	**0.1**	**0.0**	**<0.01**
Jiangsu Innovative Ecological New Materials Limited (02116.hk)		Cayman Islands	**28**	**N/A**	**N/A**	**N/A**	**0.0**
Legion Consortium Limited (02129.hk)		Cayman Islands	**(27)**	**N/A**	**N/A**	**N/A**	**0.0**
SF Real Estate Investment Trust (02191.hk)		Hong Kong	**(191)**	**N/A**	**N/A**	**N/A**	**0.0**
Ping An Insurance (Group) Company of China, Ltd. (02318.hk)		PRC	**691**	**N/A**	**N/A**	**N/A**	**0.0**
China Life Insurance Company Limited (02628.hk)	*8*	PRC	**1,012**	**27**	**0.2**	**0.0**	**<0.01**
Champion Real Estate Investment Trust (02778.hk)		Hong Kong	**208**	**N/A**	**N/A**	**N/A**	**0.0**
Peiport Holdings Ltd. (02885.hk)		Cayman Islands	**219**	**N/A**	**N/A**	**N/A**	**0.0**
Midea Group Co., Ltd. (00300.hk)	*9*	PRC	**163**	**8**	**0.1**	**0.0**	**<0.01**

	Notes	Place of incorporation	Gain on change in fair value *HK$'000*	Market value *HK$'000*	Approximate percentage of equity investment *%*	Approximate percentage to the total asset *%*	Approximate percentage to the interest in the respective investment as at 31 December 2025 *%*
Soho Holly Futures Co Limited (03678.hk)		PRC	**(27)**	**N/A**	**N/A**	**N/A**	**0.0**
Meituan (03690.hk)	*10*	Cayman Islands	**219**	**10**	**0.1**	**0.0**	**<0.01**
Far East Hotels and Entertainment Limited (00037.hk)	*11*	Hong Kong	**(552)**	**3,095**	**24.4**	**2.1**	**<0.01**
Hong Kong Exchanges and Clearing Limited (00388.hk)		Hong Kong	**768**	**N/A**	**N/A**	**N/A**	**0.0**
Dah Sing Financial Holdings Limited (00440.hk)	*12*	Hong Kong	**443**	**4,922**	**38.9**	**3.4**	**<0.01**
Lens Technology Co., Ltd. H Shares (06613.hk)		PRC	**1,096**	**N/A**	**N/A**	**N/A**	**0.0**
Haier Smart Home Co Ltd (06690.hk)	*13*	PRC	**196**	**5**	**0.0**	**0.0**	**<0.01**
Tencent Holdings Limited (00700.hk)		Cayman Islands	**117**	**N/A**	**N/A**	**N/A**	**0.0**
hmvod Limited (08103.hk)	*14*	Cayman Islands	**(988)**	**180**	**1.3**	**0.1**	**0.01**
Legendary Education Group Limited (08195.hk)	*15*	Cayman Islands	**(40)**	**259**	**2.0**	**0.2**	**<0.01**
Link Real Estate Investment Trust (00823.hk)		Hong Kong	**482**	**N/A**	**N/A**	**N/A**	**0.0**
Super Strong Holdings Limited (08262.hk)	*16*	Cayman Islands	**(589)**	**558**	**4.4**	**0.4**	**0.01**
EDICO Holdings Limited (08450.hk)	*17*	Cayman Islands	**(355)**	**1,192**	**9.4**	**0.8**	**0.01**
Tai Cheung Holdings Limited (00088.hk)		Bermuda	**24**	**N/A**	**N/A**	**N/A**	**0.0**
JD.Com Inc. (09618.hk)	*18*	Cayman Islands	**(93)**	**11**	**0.1**	**0.0**	**<0.01**
ANE (Cayman) Inc. (09956.hk)		Cayman Islands	**50**	**N/A**	**N/A**	**N/A**	**0.0**
Chery Automobile Co., Ltd. H Shares (09973.hk)		PRC	**(105)**	**N/A**	**N/A**	**N/A**	**0.0**
Alibaba Group Holding Limited (09988.hk)		Cayman Islands	**356**	**N/A**	**N/A**	**N/A**	**0.0**
UnitedHealth Group Incorporated (UNH)		USA	**291**	**N/A**	**N/A**	**N/A**	**0.0**
			5,711	**12,668**	**100.0**	**8.7**	

Notes:

1. HSBC Holdings plc (HSBC) is the banking and financial services company. According to the latest published annual report of HSBC Holdings plc (HSBC), it had net asset value of approximately HK$198,225 million.

2. CK Hutchison Holdings Limited is an investment holding company principally engaged in the retail business of health and beauty products.According to its latest published annual report, it had net asset value of approximately HK$688,392 million.

3. BYD Company Limited is a China-based company mainly engaged in the manufacture and sales of transportation equipment.According to its latest published interim report, it had net asset value of approximately RMB244,750 million.

4. Chinese Estates Holdings Limited is engaged in property development and trading, property leasing and securities investments. According to its latest published annual report, it had net asset value of approximately HK$11,935 million.

5. New World Development Company Limited is an investment holding company mainly engaged in the property development.According to its latest published interim report, it had net asset value of approximately HK$205,674 million.

6. Most Kwai Chung Limited is an investment holding company mainly engaged in the provision of integrated advertising and media services. According to its latest published interim report, it had net asset value of approximately HK$55 million.

7. ZTO Express Cayman Inc is a holding company that provides express delivery services and other value-added logistics services through a nationwide network. According to its latest published interim report, it had net asset value of approximately RMB64,856 million.

8. China Life Insurance Co Limited is a China-based company principally engaged in underwriting of life, health, accident and other types of personal insurance business. According to its latest published interim report, it had net asset value of approximately RMB535,599 million.

9. Midea Group Co., Ltd. is a China-based company principally engaged in the manufacture and distribution of household electronics. According to its latest published interim report, it had net asset value of approximately RMB229,424 million.

10. Meituan is an investment holding company mainly engaged in technology retail, providing daily necessities and services through technology and retail fields, including food delivery, in-store, hotel and travel reservations, other services and sales. According to its latest published interim report, it had net asset value of approximately RMB184,298 million.

11. Far East Hotels and Entertainment Limited is an investment holding company principally engaged in hotel operation. According to its latest published interim report, it had net asset value of approximately HK$293 million.

12. Dah Sing Financial Holdings Limited is an investment holding company mainly engaged in the banking business. According to its latest published interim report, it had net asset value of approximately HK$45,184 million.

13. Haier Smart Home Co Ltd, formerly Qingdao Haier Co Ltd, is a China-based company principally engaged in research and development, manufacturing and sales of home appliances. According to its latest published interim report, it had net asset value of approximately RMB122,579 million.

14. hmvod Limited is an investment holding company mainly engaged in the production and distribution of films, television programs and music production on over the top (OTT) platforms. According to its latest published interim report, it had net loss value of approximately HK$73 million.

15. Legendary Education Group Limited, formerly Legendary Group Ltd, is an investment holding company mainly engaged in the financial quotient and investment education business. According to its latest published interim report, it had net asset value of approximately HK$462 million.

16. Super Strong Holdings Limited operates as a contractor in the Hong Kong construction industry. The Company is principally engaged in general building works and specialist building works in Hong Kong.According to its latest published annual report, it had net asset value of approximately HK$76 million.

17. EDICO Holdings Limited is an investment holding company mainly engaged in the provision of financial printing services.According to its latest published annual report, it had net asset value of approximately HK$38 million.

18. JD.Com Inc is a company principally engaged in the e-commerce business, including online retail and online marketplace mainly through its retail mobile apps and www.jd.com website (collectively, JD Platform). According to its latest published interim report, it had net asset value of approximately RMB297,289 million.

The management would also continue to monitor the performance and share price of the above securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed herein, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

PLEDGE OF ASSETS

As at 31 December 2025, the Group did not have any pledged assets (31 December 2024: Nil).

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Certain customers of design and fit out contracts undertaken by the Group require a group entity to issue guarantees for performance of contract works in the form of surety bonds.

As at 31 December 2025, the Group had paid a refundable deposit of HK$1,300,000 (31 December 2024: HK$945,000) and, together with certain directors of a subsidiary, had also given counter indemnities to an insurance company for a surety bond issued in favour of a customer by the insurance company amounted to HK$2,650,000 (31 December 2024: HK$1,350,000) which remained outstanding at the end of the reporting period. Where the Group fails to provide satisfactory performance to the customer, the customer may demand the insurance company to pay the sum stipulated in the surety bond and the Group may then become liable to compensate the insurance company accordingly.

Save as disclosed herein, the Group has no other material contingent liabilities (31 December 2024: Nil) and any material capital commitments as at 31 December 2025. (31 December 2024: Nil).

EMPLOYEES AND EMOLUMENT POLICIES

The Group had approximately 40 employees (including Directors) as at 31 December 2025 (2024: 39). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

LEGAL PROCEEDINGS

On 8 November 2023, ACE Architectural and Interior Design Limited ("ACE"), a former subsidiary of the Company, was ordered to be wound up by the High Court of Hong Kong in HCCW347/2023 and the provisional liquidator of ACE was appointed.

ACE filed a notice of appeal against the Order (the "Appeal") to the Court of Appeal of the High Court on 6 December 2023. At the time of filing of the notice of Appeal on 6 December 2023, the Board had undertaken a parallel effort to seek legal advice in evaluating the substantive legal merits. Failure to file the notice of Appeal within the 28-day time limit from the date of the Order would have resulted in ACE forfeiting its right to pursue such Appeal.

After due deliberation on the legal assessment, the Board has resolved not to proceed with the Appeal. Given (i) the insolvency of ACE with net liabilities of approximately HK$65 million as at the Deconsolidation Date; (ii) the substantial requisite funding from the Group to remedy the insolvent condition of ACE; and (iii) the ongoing litigation time and costs associated with continued pursuit of the Appeal, the Board considers that the withdrawal of the Appeal represents the most prudent and beneficial course of action for the Company, and is in the interests of the Company and the shareholders of the Company.

To the best knowledge, information and belief of the Board, the Group had not provided any form of corporate guarantee or collateral to secure the external debts incurred by ACE. With no contingent liabilities incumbent upon the Group for ACE's failure to repay those external debts, the Company considers that there will be no adverse impact on the financial position of the Group. Details were set out in the Company's announcements dated 8 November 2023 and 9 July 2024.

As at the date of this announcement, ACE is undergoing the liquidation process, with the provisional liquidator taking steps to administer its assets and liabilities.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The following event took place subsequent to the end of the reporting period:

Acquisition of Property

On 14 March 2026, Golden Decoration and Design Limited (an indirect wholly-owned subsidiary of the Company) (as purchaser), Mr. Chung To Chau and Ms. Chung Shou Kuen (as vendors) and Wah On Estate Agent Company Limited (as agent) entered into a provisional sale and purchase agreement, pursuant to which the purchaser agreed to purchase, and the vendors agreed to sell, the residential property situated at Flat 7, 6th Floor, Man Fai Building, No. 41 Man Yuen Street, Kowloon, Hong Kong at the consideration of HK$5,000,000 in cash. The formal agreement for the sale and purchase of the property has been signed. Completion of the acquisition of the property has not taken place as at the date of this announcement.

Details of the acquisition are set out in the Company's announcement dated 17 March 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Board and the management of the Company are committed to the maintenance of good corporate governance, practices and procedures. The Company believes that good corporate governance provides a solid foundation for the Group to manage business risks and is also one of the key factors leading to the success of the Company so as to balance the interests of shareholders, customers and employees. The Board is devoted to ongoing enhancements and review of the efficiency and effectiveness of such principles and practices to ensure that all of them are in line with corporate governance best practices.

During the year, the Board considers that the Company has complied with all the corporate governance codes (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules with the exception of Code Provisions A.2.1.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Chan Hung Kai was appointed as the Chairman of the Board on 29 July 2022. The Board is in the process of finding an appropriate person to fill the vacancy of the chief executive as soon as practicable. In addition, the Board is also supervised by three independent non-executive Directors. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the year.

AUDIT COMMITTEE

The Company established an audit committee on 15 June 2016 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code as set out in Appendix 15 to the GEM Listing Rules. The terms of reference of the audit committee was amended on 31 December 2018 and are available on the websites of the Company and the Stock Exchange.

The responsibility of the audit committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting, risk management and internal control principles and procedures, and to provide advice and comments to the Board. The members meet regularly with the external auditor and/or the Company's senior management for the review, supervision and discussion of the Company's financial reporting, risk management and internal control procedures and ensure that the board and the management have discharged their duties to have an effective risk management and internal control systems.

As at the date of this announcement, the audit committee consists of three independent non-executive Directors, namely Mr. Tam Chak Chi, Ms. Lau Ho Kwan and Mr. Tang Chi Chiu. Mr. Tam Chak Chi is the chairman of the audit committee. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 including the accounting principles and practices adopted by the Group.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.basicnewlife.com. The annual report of the Company for the year ended 31 December 2025 will be despatched to the shareholders of the Company and will be made available on the aforesaid websites on or before 30 April 2026.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2025. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on this announcement.

RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 31 March 2026. At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on Wednesday, 1 April 2026, pending the publication of this announcement in respect of the annual results of the Group for the year ended 31 December 2025. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on Monday, 20 April 2026.

By order of the Board
Basic House New Life Group Limited
Chan Hung Kai
Chairman and Executive Director

Hong Kong, 17 April 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 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 seven days from the date of its publication and on the website of the Company at www.basicnewlife.com.