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GILSTON GROUP LIMITED
進騰集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2011)

(1) MAJOR TRANSACTION AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL DISPOSAL OF A SUBSIDIARY AND (2) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO 14A.60(1) OF THE LISTING RULES

THE DISPOSAL

On 19 December 2025 (after trading hours), KEE Guangdong (an indirect 85%-owned subsidiary of the Company), as the Vendor, the Purchaser, and KEE Hubei (a direct wholly-owned subsidiary of KEE Guangdong) as the Target Company entered into the Equity Transfer Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the entire equity interests in the Target Company at the Consideration of RMB40,000,000 (equivalent to approximately HK$44,000,000).

CONTINUING CONNECTED TRANSACTIONS FOLLOWING THE COMPLETION OF THE DISPOSAL

On 19 December 2025 (after trading hours), KEE Guangdong as the buyer and KEE Hubei as the supplier entered into the Procurement Framework Agreement in relation to the supply of Zippers Products to the Group. The Procurement Framework Agreement will become effective subject to the Completion and will last for a term of three years.

LISTING RULES IMPLICATIONS

In respect of the Equity Transfer Agreement, the entire equity interest of the Purchaser is indirectly wholly-owned by Mr. Xu. Mr. Xu is a director of certain subsidiaries of the Company, and hence, the Purchaser is a connected person of the Company at the subsidiary level and the transactions contemplated under the Equity Transfer Agreement will constitute connected transactions pursuant to Chapter 14A of the Listing Rules.

As (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the transactions contemplated under the Equity Transfer Agreement and confirmed that the terms of the Equity Transfer Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the transactions contemplated under the Equity Transfer Agreement are only subject to the annual reporting, annual review and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In respect of the Procurement Framework Agreement, KEE Hubei will become an associate of Mr. Xu after Completion by virtue of his interest in the Purchaser, and hence a connected person of the Company at the subsidiary level and the transactions contemplated under the Procurement Framework Agreement will constitute continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

The applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed annual caps under the Procurement Framework Agreement are higher than 5%. Notwithstanding this, as (i) KEE Hubei is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Procurement Framework Agreement are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the transactions contemplated under the Procurement Framework Agreement and confirmed that the terms of the Procurement Framework Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the transactions contemplated under the Procurement Framework Agreement are only subject to the annual reporting, annual review and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the Valuation Report; (iii) other information as required under the Listing Rules; and (iv) a notice of the EGM, is expected to be despatched on or before 14 January 2026 in accordance with the Listing Rules.

THE DISPOSAL

The Equity Transfer Agreement

On 19 December 2025 (after trading hours), the Vendor, the Purchaser, and the Target Company entered into the Equity Transfer Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the entire equity interests in the Target Company at the Consideration of RMB40,000,000 (equivalent to approximately HK$44,000,000).

The principal terms of the Equity Transfer Agreement are as follows:

Date	19 December 2025
Parties	(i) the Vendor
	(ii) the Purchaser
	(iii) the Target Company

Assets to be disposed of

Pursuant to the Equity Transfer Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the entire equity interests in the Target Company.

As at the date of this announcement and immediately prior to Completion, the Vendor is and will be the sole legal and beneficial owner of the entire equity interests in the Target Company.

Consideration

The Consideration for the Disposal is RMB40,000,000 (equivalent to approximately HK$44,000,000), which shall be paid by the Purchaser in cash to the Vendor in the following manner:

(i) RMB4,000,000 (equivalent to approximately HK$4,400,000), shall be payable within 15 days from the date of the Equity Transfer Agreement; and

(ii) RMB36,000,000 (equivalent to approximately HK$39,600,000), shall be payable within 15 days upon satisfaction (or waiver, where applicable) of the conditions precedent under the Equity Transfer Agreement as set out in the paragraph headed “Conditions precedent” in the section headed “THE DISPOSAL” below.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account, among other things, (i) the appraised value of 100% equity interest in the Target Company as at 30 September 2025 based on the Valuation Report using the market approach; (ii) the Target Company's financial position, results of operation and prospects; (iii) the prevailing market conditions and economic landscape; and (iv) other factors as set out in the paragraph headed "Reasons for and Benefits of the Disposal and Intended Use of Proceeds" in the section headed "THE DISPOSAL" of this announcement.

Having considered the above, the Board is of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions being fulfilled and satisfied (or waived, if applicable):

(i) the Equity Transfer Agreement and the transactions contemplated thereunder having been approved by the Shareholders pursuant to the Listing Rules and being in compliance with all relevant rules under the Listing Rules;

(ii) the Procurement Framework Agreement having been duly executed between KEE Guangdong and KEE Hubei and shall become effective upon Completion;

(iii) representations and warranties made by the Purchaser under the Equity Transfer Agreement remaining true, accurate, complete and not misleading in all respects;

(iv) the Purchaser having paid the Consideration in full in accordance with the Equity Transfer Agreement and the Vendor having provided written confirmation of receipt thereof;

(v) the Purchaser and the Target Company having completed all internal and external approval procedures and having obtained all necessary consents, approvals, authorisations, permits and/or exemption, including approvals and permits from any regulatory authorities (if applicable) for Completion, and having provided copies of all internal and external approval documents (if any); and

(vi) the Purchaser having provided all documents necessary for Completion and registration of the transfer of equity interests of the Target Company to the Vendor and the Target Company.

If any of the conditions precedent above are not fulfilled by 5:00 p.m. on the Long Stop Date, or any such later date as agreed in writing by the parties, unless the Vendor has waived in writing all or part of the conditions precedent above (save that condition (i) above cannot be waived), the Equity Transfer Agreement shall be terminated. Accordingly, the Vendor shall, within 14 days from the date of termination or within such other period as may be agreed by the parties, refund to the Purchaser the actual amount of the Consideration received from the Purchaser pursuant to the Equity Transfer Agreement (without any interest or interest accrued). After refund, no party shall have any claim against any other party in respect of the Equity Transfer Agreement save in respect of any antecedent breach of any obligation under the Equity Transfer Agreement and without prejudice to the accrued rights and liabilities of each party.

Completion

Completion shall take place within 15 days after the date of fulfilment of all conditions precedent and/or any waiver of any conditions precedent (if applicable) to the Equity Transfer Agreement or any other date agreed in writing between the Purchaser and the Vendor, and in any event no later than the Long Stop Date.

Non-Competition Undertaking

The Vendor, the Purchaser and the Target Company confirmed that, prior to and as at the date of the Equity Transfer Agreement, the Vendor has been providing a substantial portion of Zipper Products to clients of the Group in the Pearl River Delta Region and south of the Yangtze River while the Target Company has been providing substantial portion of its Zipper Products to clients of the Group in the Yangtze River Delta Region and north of the Yangtze River.

Pursuant to the Equity Transfer Agreement, the Vendor, the Purchaser and the Target Company agreed that after Completion, (i) the Target Company may continue to provide its Zipper Products and services to its existing clients within three years prior to the date of the Equity Transfer Agreement; and (ii) may only provide its Zipper Products and services to new clients located or operated in the Yangtze River Delta Region and north of the Yangtze River after Completion.

Pursuant to the Equity Transfer Agreement, upon Completion, the Target Company undertakes not to, and the Purchaser undertakes to procure that the Target Company shall not, directly or indirectly supply any products manufactured or sold by itself or its affiliates and/or provide any service to any new clients not located or operated in the Yangtze River Delta Region or north of the Yangtze River.

Valuation of the Target Company

Based on the Valuation Report prepared by the Valuer in accordance with the International Valuation Standard ("**IVS**"), the appraised value of 100% equity interest in the Target Company was approximately RMB39,000,000 (equivalent to approximately HK$42,900,000) as at 30 September 2025 ("**Valuation Benchmark Date**").

Qualification and independence of the Valuer

The person-in-charge of the Valuer possesses over 15 years of experience in valuation advisory services, having provided guidance to clients across a variety of sectors, including the manufacturing industry. He is a Chartered Financial Analyst (CFA) Charterholder, a chartered member of the Royal Institution of Chartered Surveyors (RICS), and a fellow member of the Association of Chartered Certified Accountants (ACCA).

Valuation method

In arriving at the valuation of the Target Company, the Valuer considered the market approach, the cost approach and the income approach, and solely adopted guideline public company method under the market approach for the following reasons:

(i) the cost approach was not applied as it is conducted on a going concern basis. This approach does not consider the future economic benefits of the business in its entirety, making the assessment of costs related to reproducing and replacing assets inappropriate for this context;

(ii) the income approach was not applied due to its reliance on a range of long-term assumptions. The implementation of this approach could potentially result in a valuation sensitive to any inaccuracies inherent in those assumptions; and

(iii) the market approach usually involves two major methods: the guideline public company method and the guideline transaction method. Due to the absence of recent market transactions that align closely with the nature of the Target Company, the guideline transaction method was not deemed applicable. Consequently, the Valuer opted to adopt the guideline public company method for its analysis.

In order to reflect the latest financial performance and capital structure of the Target Company, the Valuer has adopted the enterprise value-to-EBIT ratio ("**EV/EBIT Ratio**") in the valuation.

Valuation calculation and analysis

Selection of comparable companies

The Valuer adopted the following selection criteria: (i) the companies must be publicly listed and offer sufficient information; (ii) principal place of business is located in Asia Pacific; and (iii) a minimum of 50% of its revenue in the latest financial year was generated from zipper products.

As sourced from Bloomberg and company websites, on best effort basis, the Valuer obtained the following exhaustive list of comparable companies based on the above selection criteria:

Bloomberg ticker	Company name	Country/ Territory of risk	Revenue from zipper products[1]	Market capitalization[2] *(US$ million)*	Company description
8932 TT Equity	Wiselink Co., Ltd.	Taiwan	100%	1,201	Wiselink Co., Ltd. manufactures and markets zippers and related components. The company produces nylon zippers, plastic steel zippers, metal zippers, invisible zippers, other special zippers, sliders, and zipper accessories for clothing, bags, furniture, car seats, military and outdoor products.
002003 CH Equity	Zhejiang Weixing Industrial Development Co., Ltd.	PRC	53%	1,671	Zhejiang Weixing Industrial Development Co., Ltd. manufactures buttons, zips, and other apparel accessories. The company also provides electroplating services.
002098 CH Equity	Fujian SBS Zipper Science & Technology Co., Ltd.	PRC	79%	438	Fujian SBS Zipper Science & Technology Co., Ltd. manufactures and markets plastic and metal zippers, as well as the accessories.
2011 HK Equity	Gilston Group Limited	PRC	71%	103	Gilston Group Limited produces finished zippers. The Group manufactures metal, nylon, and plastic zippers for apparels.

Note:

1. These figures were taken from the latest financial year.

2. These figures were as at the Valuation Benchmark Date.

Market multiples

The Valuer observed that there were differences between the Target Company and the selected comparable companies in terms of company size and country/territory of risk. To address such differences, the trailing EV/EBIT Ratios of the comparable companies were adjusted based on the following formula individually:

$$\text{Adjusted Ratio} = \frac{1}{\left(\frac{1}{\text{Ratio}}\right) + \alpha \times (\theta + \gamma)}$$

Where:

Ratio = Trailing EV/EBIT Ratio of the comparable company

α = Quotient of market capitalization over enterprise value of the comparable company

θ = Difference in size premium between the Target Company and the comparable company

γ = Difference in country risk premium between the Target Company and the comparable company with reference to their country/territory of risk

The trailing EV/EBIT Ratios were adjusted for differences in company size and country/territory of risk in the table below:

Company name	**EV/EBIT Ratio**	**α [3]**	**θ [4]**	**γ [5]**	**Adjusted ratio**
Wiselink Co., Ltd.	35.26	1.02	9.69%	0.16%	7.76
Zhejiang Weixing Industrial Development Co., Ltd.	14.25	0.99	9.38%	0%	6.12
Fujian SBS Zipper Science & Technology Co., Ltd.	13.04	1.03	8.84%	0%	5.97
Gilston Group Limited	12.27	0.89	4.59%	0%	8.18
Median					**6.94**

Note:

3. These figures were estimated with market and financial data sourced from Bloomberg.

4. These figures were estimated based on the 2024 size premia study sourced from Kroll, LLC.

5. These figures were estimated based on the publication "Country Default Spreads and Risk Premiums", published by Professor Aswath Damodaran.

As such, the median of the adjusted market multiples was adopted for the Target Company.

Control premium

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest a business enterprise that reflects the power of a control. Both factors recognize that control owners have rights that minority owners do not and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a control ownership block versus a minority ownership block. The control premium of 31.40% was adopted in the valuation, with reference to the 2025 third quarter control premium study from Business Valuation Resources, LLC.

*Discount for lack of marketability ("**DLOM**")*

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The DLOM reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

The Valuer adopted the DLOM of 15.60% was adopted in this valuation, based on the 2024 edition of the Stout Restricted Stock Study Companion Guide issued by Stout Risius Ross, LLC.

Calculation details of the valuation

Based on the above parameters and inputs, the following sets out the calculation details of the valuation:

	Parameter	Unit	Formula	Input
a.	Adjusted EV/EBIT Ratio			6.94
b.	Trailing 12-month EBIT	RMB		13,918,711
c.	100% enterprise value	RMB	(a) × (b)	96,615,315
d.	Add: Cash	RMB		5,741,871
e.	Less: Debts	RMB		66,953,147
f.	100% equity value before control premium and DLOM	RMB	(c) + (d) – (e)	35,404,039
g.	Adjusted for control premium			(1 + 31.40%)
h.	Adjusted for DLOM			(1 – 15.60%)
i.	100% equity value after control premium and DLOM	RMB	(f) × (g) × (h)	39,263,646
j.	Rounded value	RMB		39,000,000

Valuation assumptions

The following key assumptions have been made in arriving at the valuation of the Target Company:

(i) the valuation was primarily based on the historical financial information of the Target Company as at 31 December 2024 and 30 September 2025 provided to the Valuer;

(ii) non-operating incomes and expenses were excluded from the trailing 12-month EBIT of the Target Company as at the Valuation Benchmark Date;

(iii) to continue as a going concern, the Target Company has, or will have, the resources (financial, human and physical) needed to successfully carry out current and future business operations;

(iv) the information made available to the Valuer by the management of the Target Company is truthful, accurate and without any hidden or unexpected conditions associated with the Target Company that might adversely affect the reported values;

(v) interest rates and exchange rates in the localities for the operations of the Target Company will not differ materially from those presently prevailing;

(vi) the contractual parties of the relevant agreements will act in accordance with the terms and conditions of the agreements and understandings between the parties and will be renewable upon expiry, if applicable;

(vii) all relevant consents, business certificates, licenses or other legislative or administrative approvals from any local, provincial or national government, or private entity or organization required to operate in the localities where the Target Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

(viii) there will be no major changes in the political, legal, technological, economic or financial conditions and taxation laws in the localities in which the Target Company operates or intends to operate, which would adversely affect the business of the Target Company.

In light of the above basis, methodologies and assumptions, the Board considers that the valuation performed by the Valuer is fair, reasonable and appropriate.

Reasons for and Benefits of the Disposal and Intended Use of Proceeds

The principal activities of the Group are design, manufacture and sale of finished zippers and other garment accessories etc. and property investment and provision of property management services in the PRC. Although the domestic apparel market in the PRC has rebounded as a result of the market dynamics triggered by the national policies to stimulate consumption and new consumption models, the operating environment remains tough due to the lack of end-user consumption momentum brought about by factors such as sluggish consumer sentiment and intensified competition in the market. At the same time, rising costs and interest rates have further increased the challenges, causing the Group to adopt a more conservative attitude towards its zipper business. Since 2023, the Group has entered into the property management services segment, putting less reliance on the asset-heavy business model to enhance flexibility in its operation, achieve diversified development and establish a secure and robust operational framework.

Against this backdrop, the Group believes that the Disposal will allow the Group to (i) streamline its operations and improve its resource allocation and utilization, (ii) generate immediate cash inflow to strengthen the general working capital of the Group and explore further business and investment opportunities in the existing businesses of the Group, and (iii) further optimize its business model to deliver stable return to the Group and for its Shareholders.

Upon completion of the Disposal, the Group will continue to operate its zippers business through KEE Guangdong in the Pearl River Delta Region and south of the Yangtze River. The Group considers that the remaining zippers business and the property management services business will continue to provide stable and solid income to the Group.

As of 30 September 2025, the unaudited net asset value of the Target Company ("**NAV**") was approximately RMB19,478,000 (equivalent to approximately HK$21,425,800), and the Consideration represents an approximately 105% premium over the unaudited NAV of the Target Company.

The net proceeds from the Disposal, after deducting taxes and expenses relating to the Disposal, are expected to be approximately HK$42,280,000. It is intended that the net proceeds from the Disposal will be used for further expansion and development of the Group's businesses and the general working capital of the Group.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the Disposal, the terms and conditions of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Financial effect of the Disposal

The Target Company will cease to be a subsidiary of the Company after Completion and the financial results, assets and liabilities of the Target Company will cease to be consolidated into the consolidated financial statements of the Group.

Set out below is the financial information of the Target Company for each of the two years ended 31 December 2023 and 2024, and nine months ended 30 September 2025:

	For the nine months ended 30 September 2025	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
	RMB'000	*RMB'000*	*RMB'000*
	(unaudited)	(unaudited)	(unaudited)
Profit before taxation	9,044	5,224	2,956
Profit after taxation	8,888	7,557	2,956

The unaudited NAV of the Target Company as at 30 September 2025 was approximately RMB19,478,000 (equivalent to approximately HK$21,425,800). After taking into account the unaudited NAV of the Target Company as at 30 September 2025 and the Consideration, it is expected that upon Completion, the gain on the Disposal calculated in accordance with HKFRS (before taxes and expenses) would be approximately HK$22,574,200 comprising the Consideration less the unaudited NAV of the Target Company as at 30 September 2025.

The above estimation of the gain of the Disposal has not been reviewed or audited. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to any changes to the aforementioned unaudited financial information on the date of Completion and the review by the auditors of the Company upon finalisation of the consolidated financial statements of the Group.

CONTINUING CONNECTED TRANSACTION FOLLOWING COMPLETION OF THE DISPOSAL

The Procurement Framework Agreement

On 19 December 2025 (after trading hours), KEE Guangdong as the buyer and KEE Hubei as the supplier entered into the Procurement Framework Agreement in relation to the supply of Zippers Products to the Group. The Procurement Framework Agreement will become effective subject to the Completion and will last for a term of three years.

The principal terms of the Procurement Framework Agreement are as follows:

Date:	19 December 2025
Parties:	(i) KEE Guangdong, as the buyer (ii) KEE Hubei, as the supplier
Term:	Three years from the date of Completion
Subject Matter:	The buyer agreed to purchase, and the supplier agreed to sell the Zippers Products pursuant to the terms of the Procurement Framework Agreement. For the avoidance of doubt, KEE Hubei is not the exclusive supplier for the provision of Zipper Products to KEE Guangdong.
Major terms:	KEE Hubei undertakes to: (i) supply Zippers Products to KEE Guangdong as required by KEE Guangdong; (ii) supply Zippers Products in compliance with all applicable quality standards of zipper products under PRC and other relevant local laws and regulations and the requirements of KEE Guangdong; and (iii) supply Zippers Products in a timely manner in accordance with purchase order(s) (“**Order(s)**”) of KEE Guangdong pursuant to the Procurement Framework Agreement. KEE Guangdong undertakes to make due and punctual payment to KEE Hubei in accordance with the Orders and pursuant to the terms of the Procurement Framework Agreement.

Order:	KEE Guangdong shall issue Orders according to its procurement requirements to KEE Hubei listing out the model and quantity of the Zipper Products and payment details.
Terms and pricing principles:	The terms of the transactions contemplated under the Procurement Framework Agreement shall be no less favourable than those provided by Independent Third Parties to the Group. The unit price of Zippers Products shall be determined by the parties on an arm's length basis, on normal commercial terms, and in the ordinary course of business, taking into account the prevailing market price (with reference to quotations obtained from at least three independent suppliers) at such time for such products. The payment terms including the credit period will also be set out in each Order. In any event, the unit price of the Zippers Products and the payment terms shall be no less favourable than those provided by Independent Third Parties to the Group.
Delivery:	After confirmation of the Orders by both parties, KEE Hubei shall deliver the Zippers Products to the address designated by KEE Guangdong within the time specified in the Orders.
Maximum purchase amount:	The annual maximum purchase amount of Zipper Products by KEE Guangdong from KEE Hubei shall not exceed: First year: RMB60,825,000 Second year: RMB63,866,000 Third year: RMB67,060,000

Historical transaction amount

KEE Hubei's principal activities include manufacturing and sales of zippers products in Jingmen, Hubei Province, the PRC and has been providing Zipper Products to clients of the Group mainly in the Yangtze River Delta Region and north of the Yangtze River. KEE Hubei has been the internal supplier of the Zippers Products of the Group since March of 2022.

Set out below are the historical amounts under continuing transactions regarding Zippers Products between KEE Guangdong and KEE Hubei prior to the date of this announcement and the entering into of the Procurement Framework Agreement:

	Ten months ended 31 December 2022 (unaudited)	**Year ended 31 December 2023** (unaudited)	**Year ended 31 December 2024** (unaudited)	**Eleven months ended 30 November 2025** (unaudited)
Amount ***(RMB'000)***	22,824	49,366	71,455	53,747

Proposed Annual caps and Basis for Determination

Set out below are the proposed annual caps under the Procurement Framework Agreement for each of the three years ending 31 December 2028:

	Year ending 31 December 2026	**Year ending 31 December 2027**	**Year ending 31 December 2028**
Amount ***(RMB'000)***	60,825	63,866	67,060

The annual caps under the Procurement Framework Agreement for each of the three years ending 31 December 2028 were determined after taking into account:

(i) the historical transaction amount of Zipper Products as set out above;

(ii) the expected demand of Zipper Products from KEE Hubei for the three years ending 31 December 2028; and

(iii) the expected increase in unit price of Zipper Products (with reference to historical inflation trend), as well as allowance for flexibility considering possible fluctuations in costs of or demand for the Zipper Products.

Internal control measures

In order to ensure that the terms for the procurement of Zippers Products under the Procurement Framework Agreement are fair and reasonable and no less favourable than those provided by Independent Third Parties to the Group, the Company has adopted the following measures:

(i) the relevant personnel of the Company will keep track of the procurement records of Zippers Products by the Group from Independent Third Parties for the purpose of ensuring that the unit price of Zippers Products procured by the Group from KEE Hubei will be comparable to, or no less favourable than, the fair market prices for Zippers Products or under similar sales arrangement provided by Independent Third Parties to the Group;

(ii) the Group will regularly (not less than once per month) compare the terms and prices provided by KEE Hubei to KEE Guangdong with the terms and prices provided by at least two other Independent Third Parties suppliers to KEE Guangdong of similar nature;

(iii) the relevant personnel of the Company will keep track of the aggregate transaction amount for procurement of Zippers Products under the Procurement Framework Agreement for the purpose of ensuring that the annual caps will not be exceeded; and

(iv) the Company has adopted relevant reporting and record-keeping procedures to allow independent non-executive Directors and auditors of the Company to perform annual review of the procurement of Zippers Products under the Procurement Framework Agreement and ensure that the transactions conducted under the Procurement Framework Agreement comply with (a) the Company's internal control procedures; (b) the terms of the Procurement Framework Agreement; and (c) relevant laws, regulations, the Company's policies and the Listing Rules.

By implementing the above internal control measures and procedures, the Directors (including the independent non-executive Directors) consider that the Company has sufficient internal control measures and procedures to ensure that the terms of the Procurement Framework Agreement are no less favourable to KEE Guangdong than those provided by Independent Third Parties to the Group and the transactions contemplated thereunder will be on normal commercial terms.

Reasons for and Benefits of the Procurement Framework Agreement

KEE Hubei's principal activities include manufacturing and sales of zippers products in Jingmen, Hubei Province, the PRC and has been providing Zipper Products to clients of the Group in the Yangtze River Delta Region and north of the Yangtze River. KEE Hubei has been the internal supplier of the Zippers Products of the Group since March of 2022.

In order to maintain stable supply of Zippers Products after the Disposal, it is agreed between the Group and KEE Hubei that, KEE Hubei shall continue to supply Zippers Products to KEE Guangdong at the prevailing market prices no less favourable than those provided by Independent Third Parties to the Group. The Directors consider that the Procurement Framework Agreement helps to maintain the continuous business development of the Group's manufacturing and sales of zipper business by procuring Zippers Products from KEE Hubei. The Group is not bounded to procure Zipper Products from KEE Hubei under the Procurement Framework Agreement.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Procurement Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Purchaser

The Purchaser is a limited liability company established under the laws of the PRC and is indirectly wholly-owned by Mr. Xu. Mr. Xu is a director of certain subsidiaries of the Company. The Purchaser is principally engaged in investment holdings.

KEE Guangdong

KEE Guangdong is a limited liability company established under the laws of the PRC and an 85%-owned subsidiary of the Company. KEE Guangdong is principally engaged in the manufacturing and sales of zippers products.

KEE Hubei

KEE Hubei is a limited liability company established in the PRC and the entire equity interests of KEE Hubei is held by KEE Guangdong as at the date of this announcement. KEE Hubei is principally engaged in manufacturing and sales of zippers products.

The Group and the Company

The Group is principally engaged in manufacturing and sales of zippers business, property investment and provision of property management service. In September 2023, the Group commenced the provision of property management services to Jiajinlong Car City and from December 2024, the Company commenced its leasing and subleasing of Jiajinlong Car City business.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on the Stock Exchange. The Company is an investment holding company.

APPROVAL OF THE BOARD

The Board has approved the transactions contemplated under each of the Equity Transfer Agreement and the Procurement Framework Agreement. None of the Directors had material interests in the transactions contemplated under the Equity Transfer Agreement and the Procurement Framework Agreement. Therefore, no Director is required to abstain from voting on the resolutions of the Board approving the said agreements.

LISTING RULES IMPLICATIONS

In respect of the Equity Transfer Agreement, the entire equity interest of the Purchaser is indirectly wholly-owned by Mr. Xu. Mr. Xu is a director of certain subsidiaries of the Company, and hence, the Purchaser is a connected person of the Company at the subsidiary level and the transactions contemplated under the Equity Transfer Agreement will constitute connected transactions pursuant to Chapter 14A of the Listing Rules.

As (i) the Purchaser is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Equity Transfer Agreement are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the transactions contemplated under the Equity Transfer Agreement and confirmed that the terms of the Equity Transfer Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the transactions contemplated under the Equity Transfer Agreement are only subject to the annual reporting, annual review and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one of the relevant percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In respect of the Procurement Framework Agreement, KEE Hubei will become an associate of Mr. Xu after Completion by virtue of his interest in the Purchaser, and hence a connected person of the Company at the subsidiary level and the transactions contemplated under the Procurement Framework Agreement will constitute continuing connected transactions pursuant to Chapter 14A of the Listing Rules.

The applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed annual caps under the Procurement Framework Agreement are higher than 5%. Notwithstanding this, as (i) KEE Hubei is a connected person of the Company at the subsidiary level; (ii) the transactions contemplated under the Procurement Framework Agreement are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the transactions contemplated under the Procurement Framework Agreement and confirmed that the terms of the Procurement Framework Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the transactions contemplated under the Procurement Framework Agreement are only subject to the annual reporting, annual review and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and transactions contemplated thereunder.

A circular containing, among other things, (i) details of the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the Valuation Report; (iii) other information as required under the Listing Rules; and (iv) a notice of the EGM, is expected to be despatched on or before 14 January 2026 in accordance with the Listing Rules.

WARNING

Completion of the Disposal is subject to the satisfaction and/or waiver of the conditions precedent under the Equity Transfer Agreement as set out in the paragraph headed "Conditions precedent" in the section headed "THE DISPOSAL" of this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and, if in any doubt, are recommended to consult their professional adviser(s).

DEFINITIONS

"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the Board of Directors
"Company"	Gilston Group Limited (進騰集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2011)
"Completion"	completion of the Disposal in accordance with the terms and conditions of Equity Transfer Agreement, i.e. the completion of equity change registration at the Administration for Market Regulation in respect of the Disposal
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration of the Disposal in accordance with the terms and conditions of Equity Transfer Agreement, i.e. RMB40,000,000 (equivalent to approximately HK$44,000,000)
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the entire equity interests in KEE Hubei by KEE Guangdong to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement
"EBIT"	earnings before interest and taxes
"EGM"	the extraordinary general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving, the Disposal
"Equity Transfer Agreement"	the equity transfer agreement dated 19 December 2025 entered into between KEE Guangdong, the Purchaser and KEE Hubei in relation to the Disposal
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party(ies)"	any person(s) or company(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons
"KEE Guangdong" or the "Vendor"	開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited*), a limited liability company established in the PRC and an indirect 85%-owned subsidiary of the Company
"KEE Hubei" or the "Target Company"	開易(湖北)拉鏈製造有限公司 (KEE (Hubei) Zippers Manufacturing Company Limited*), a limited liability company established in the PRC and a wholly-owned subsidiary of KEE Guangdong as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June 2026 (or any later date agreed in writing by the Purchaser and the Vendor)
"Mr. Xu"	Mr. Xu Xipeng, a director of each of certain subsidiaries of the Group, and a connected person of the Company at subsidiary level
"Pearl River Delta Region"	the economic zone in Guangdong Province comprising Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing of the PRC
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Procurement Framework Agreement"	the procurement framework agreement dated 19 December 2025 entered into between KEE Guangdong and KEE Hubei in relation to the procurement of Zippers Products
"Purchaser"	益創(湖北)拉鍊有限公司 (Yichuang (Hubei) Zippers Manufacturing Company Limited*) is a limited liability company established under the laws of the PRC and indirectly wholly-owned by Mr. Xu, and is principally engaged in investment holdings
"RMB"	Renminbi, the lawful currency of the PRC

"PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of issued Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars
"Valuation Report"	the valuation report prepared by the Valuer in relation to the valuation of 100% equity interest in KEE Hubei as at the Valuation Benchmark Date
"Valuer"	Graval Consulting Limited, an independent firm providing valuation and consulting services
"Yangtze River Delta Region"	the economic zone in the PRC comprising Shanghai, Anhui Province, Jiangsu Province and Zhejiang Province
"Zippers Products"	zipper products, including but not limited to sliders and other zipper accessories, manufactured by the Target Company
"%"	per cent.

For ease of reference and unless otherwise specified in this announcement, sums in HK$ and RMB in this announcement have been translated at the indicative exchange rate RMB1.0 = HK$1.10. This does not mean that HK$ could be converted into RMB, or vice versa, based on such exchange rate.

* *The English translation or transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By Order of the Board
Gilston Group Limited
Yip Siu Lun Dave
Chairman and executive Director

Hong Kong, 19 December 2025

As at the date of this announcement, the executive Directors are Mr. Yip Siu Lun Dave, Mr. Mak Yung Pan Andrew, Mr. Wu Cody Zhuo-xuan and Ms. Cheung Ka Yuen; the non-executive Director is Ms. Lin Ping; and the independent non-executive Directors are Mr. Leung Ka Tin, Mr. Cheng Hong Kei and Mr. Ko Kwok Shu.